



ANNUAL AND
SUSTAINABILITY
REPORT

2022

CONTENTS

INTRODUCTION

Bulten in Brief	4
The Year in Brief	5
CEO's Statement	6
Five Reasons to Invest in Bulten	8
Shareholder Information	9

STRATEGY

Market	12
Trends	13
Value Model	14
Strategy	15
Financial Goals and CFO's Comments	17

OPERATIONS

Products and Manufacturing	19
Customers and Offering	24
Innovation and Quality	28
Risk Factors	32

SUSTAINABILITY INFORMATION

Five Focus Areas for Sustainable Development	37
Governance and Business Ethics	37
Sustainable Customer Offer	38
Sustainable Own Production	38
Sustainable Supply Chain	39
Diversity and Inclusion	40
The United Nation's Sustainable Development Goals	41
Ratings and Awards	41
Management of Sustainability Issues	42
The Group's Environmental Work	44
The Group's Work on Social Issues	46
Notes on Sustainability	48
GRI Content Index	54

CORPORATE GOVERNANCE

Corporate Governance Report	58
Overview of Corporate Governance	63
The Board	64
Executive Management and Auditors	65
Signatures	66

FINANCIAL INFORMATION

Financial Information	67
Board of Directors' Report	68
Consolidated Income Statement	72
Consolidated statement of Comprehensive Income	72
Consolidated Balance Sheet	73
Consolidated Statement of Changes in Equity	74
Consolidated Cash Flow Statement	75
Consolidated Net Debt Composition	75
Notes for the Group	76
Parent Company Balance Sheet	100
Parent Company's Statement of Comprehensive Income	100
Parent Company's Cash Flow Statement	100
Parent Company's Balance Sheet	101
Parent Company's Statement of Changes in Equity	102
Notes for the Parent Company	103
Declaration and Signatures	105
Auditor's Report	106
Key figures for the Group	110
Quarterly Data for the Group	111
Quarterly Data for the Group, Balance Sheet	112
Group, 12-Month Rolling	113

OTHER INFORMATION

Definitions	114
Proportion of Taxonomy-Aligned Economic Activities	115
CAPEX	116
OPEX	117



The legal Annual Report containing the Board of Directors' Report and financial statements can be found on pages 68-105.

The relevant page numbers for the Sustainability Report, which is also a part of Bulten's statutory Sustainability Report in accordance with the Swedish Annual Accounts Act, can be found on page 48.

INVESTOR RELATIONS CONTACT

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High rate of growth and change despite unsettled times. Bulten's CEO sums up the past year.

6



Bulten's main activities in 2022 to achieve its strategy.

16



Bulten's CFO comments on the 2022 financial results.

17



FSPs – Bulten's evolution of the Full Service Provider concept, with added sustainability.

25



Strong internal engagement lays foundation to grow with customers.

26

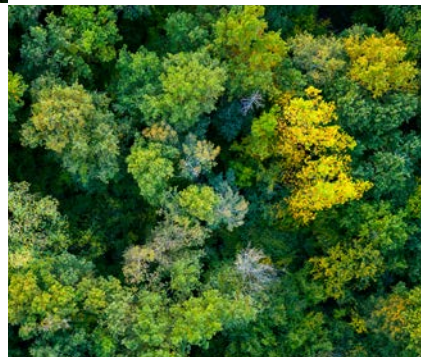


Bulten is part of Polestar 0, an innovation project to develop a climate-neutral electric car by 2030.

29

Read about Bulten's sustainable development.

36



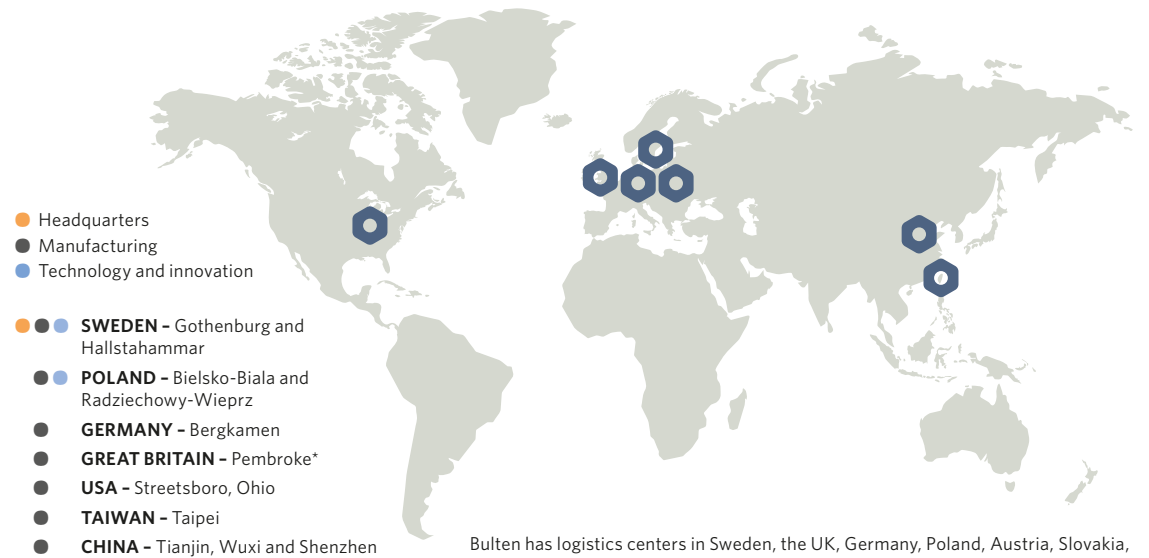
Read Bulten's Board of Directors' Report

68



BULTEN IN BRIEF

Bulten was founded in 1873, and has since developed into a global expert in fastener solutions. Bulten offers its customers in-house manufactured and purchased products, from standard products to specially manufactured fasteners, along with related services. With our Full Service Provider concept (FSP), customers can entrust all their fastener needs to us, which means we provide development, sourcing, logistics and service. Bulten's customers include global players in industries such as automotive and consumer electronics. The share (BULTEN) is listed on Nasdaq Stockholm Mid Cap.



*Pembroke is under closure.

Bulten has logistics centers in Sweden, the UK, Germany, Poland, Austria, Slovakia, Romania, the US, China, Taiwan and Singapore. Bulten has a global sales organization with customers in several countries in Europe and Asia, as well as the US.

10

production plants in 7 countries
(9 wholly owned, 1 co-owned)

4

co-owned distribution companies
in 4 countries (Sweden, Italy,
USA, and Japan)

1,575

employees around the world

* Average number of employees (FTE).
See definitions page 114.



THE YEAR IN BRIEF

FINANCIAL SUMMARY, SEK M	2022	2021	2020	2019	2018
Net sales	4,474	3,730	3,195	3,093	3,132
Gross profit	826	710	567	543	600
Earnings before depreciation (EBITDA)	355	400	277	239	300
Operating earnings (EBIT)	180	232	116	98	210
Operating margin, %	4.0	6.2	3.6	3.2	6.7
Adjusted operating earnings (EBIT)*	284	232	113	147	211
Adjusted operating margin, %*	6.3	6.2	3.5	4.8	6.7
Earnings after tax	74	154	50	55	143
Adjusted earnings after tax*	176	154	48	97	144
Net debt/equity ratio, times	-0.5	-0.4	-0.3	-0.4	-0.1
Equity/assets ratio, %	41.9	49.3	49.4	55.2	64.8
Return on capital employed, %	6.3	9.7	5.4	5.5	12.8
Adjusted return on capital employed, %*	9.9	9.7	5.2	8.1	12.9

*Earnings adjusted for non-recurring items.

4,474 SEK M
NET SALES

19.9 PERCENT
GROWTH

180 SEK M
OPERATING EARNINGS

4.0 PERCENT
OPERATING MARGIN

284 SEK M
ADJUSTED OPERATING EARNINGS

6.3 PERCENT
ADJUSTED OPERATING MARGIN

SIGNIFICANT EVENTS IN 2022

- In January, Bulten signed a full service contract for delivery of fasteners for a new European vehicle program, with an estimated annual value of approximately SEK 100 million at full production.
- In February, Bulten held a Capital Markets Day, establishing the financial goals up to 2024 and communicating a number of new goals. The new goals relate primarily to a stronger focus on growth in industries outside of automotive, and further acquisitions for growth. The Capital Markets Day also saw the launch of Bulten's new FSPs concept, an evolution of the Full Service Provider concept with more of a focus on sustainability. Read more about FSPs on page 25.
- In March, Bulten signed an FSP contract for delivery of fasteners for a new European electric vehicle. The contract is worth in the region of SEK 75 million a year at full production.
- Also in March, Bulten announced its plans to close its Russian operation due to Russia's invasion of Ukraine.
- In April, Bulten's climate goals were approved by the Science Based Targets initiative (SBTi), the next step in the company's efforts to reduce greenhouse gas emissions. Read more on page 44.
- In April, Bulten also signed an agreement to divest its Russian operation to the Russian company CAR SEATS LLC, and to redeem all of Russian automotive manufacturer GAZ's shares in the previously co-owned joint venture.
- In September, Bulten was nominated as a supplier of fasteners for a new global electric vehicle (EV) platform, to be produced in China. The order value is estimated at approximately SEK 155 million a year at full production.
- In September, Bulten began a collaboration with Polestar on the development project Polestar 0, which aims to build a climate-neutral electric car by 2030. Read more on page 29.
- In October Bulten was awarded a Platinum Medal for its sustainability work by EcoVadis, an international provider of sustainability ratings.
- In December, Bulten decided to close its manufacturing plant in Pembroke, UK, in order to streamline the operation. Restructuring costs burdened the 2022 figures by SEK -10 million.

CEO'S STATEMENT

HIGH RATE OF GROWTH AND CHANGE DESPITE UNSETTLED TIMES

How would you sum up 2022?

I began my statement last year by remarking that it had been a turbulent year. Summing up 2022, I would again say it has been turbulent. We have faced a lot of challenges, but there is also a lot to be happy about.

Our customers were still experiencing component shortages in 2022, which meant uneven production in their factories. This made it hard for us to forecast our sales volumes, and to plan production and incoming material deliveries. The result was higher costs and unnecessarily high stock levels.

The unsettled global situation, worsened by the aftermath of the pandemic and Russia's invasion of Ukraine, had an adverse effect on our business as for many other companies. Severe cost increases for raw materials, energy and transport hindered profitability during much of the year, and forced us to raise our prices for customers. In the last quarter, this began to balance out and the margins stabilized somewhat.

The uneasy geopolitical situation has also led to a raft of structural measures in our value chain to reduce the company's risks moving forward.

Despite an uncertain global situation, 2022 was another year where we made significant strategic decisions and won important new business. We are well on the way to achieving our financial goals and our vision, which is *We create and deliver the most innovative and sustainable fastener solutions.*

Net sales were as much as SEK 4,474 million, which is a new record. This is an increase of 20% on the previous year. Our profitability also improved, despite a negative discrepancy between spiraling costs and prices for much of the year.



I am especially pleased to see that we have gone against the negative tide in the market with pandemic, component shortages and war. It is positive that we could dramatically improve our sales and in the last quarter balance customer prices against inflation, and thereby improve our margins. I'm also satisfied with our sustainability performance, firm evidence that we have carried on working strategically in an uncertain world.

What were the most important events?

At the beginning of the year, Bulten held a Capital Markets Day. On the day, we emphasized that we were sticking to our financial goals and that we will grow to sales of SEK 5 billion in 2024, through both organic and acquired growth. We clarified our plans to increase growth outside of the automotive sector, and to invest in a stronger production presence in the United States. We also talked about steering our product mix towards more specialized, complex products.

Seeing how things have developed since Capital Markets Day, we are on target with our ambitions. Bulten's growth in new customer sectors has been good, particularly in consumer electronics and in leisure equipment. In the automotive sector, we can also see that the new electric vehicle platforms contain far more complex fasteners. We have won new business in this area, and can therefore note that here too our plans are coming into fruition. Many people have speculated as to whether electric vehicles with simpler drivetrains than traditional combustion-engined vehicles might pose a threat to producers of fasteners. Current trends would in fact suggest the opposite, with the battery packs in particular containing a lot of relatively complex screw joints.

During the first quarter Russia invaded Ukraine, which led to a swift decision to close down our Russian operation – which we did in record speed. I am pleased that we could so quickly remove the risk presented by our Russian operation under the prevailing circumstances. I would also like to acknowledge the co-workers who helped to adapt our production and goods flows.

Another important milestone was that we started up our brand new surface treatment plant in Poland. This is Bulten's largest investment of all time, and is based on the very best technology in terms of efficiency, quality and sustainability. This extremely comprehensive project was delivered on time and on budget, and it is testament to the power and expertise that exists within the organization. The factory makes it possible to integrate the vast majority of all the standard surface treatment types into our own process, and will entail progressively shorter lead times, lower costs and capital tied up, as well as lower climate impact from both the process and transport.

During the year, we have also been working to streamline our distribution network to rationalize logistics, and reduce costs and stock levels. A new logistics center adjacent to the

new surface treatment plant in Poland and a new warehouse building adjoining the factory in Germany enable us to close our warehouse in Gothenburg in the year ahead, and to ship goods directly from the point of production.

At the end of 2022, we also communicated our plans to close production in Pembroke, UK as it is hard for us to achieve profitability with the mix of products manufactured there, and volumes are also relatively low. By moving the parts of production that have long-term potential to our other plants, we can achieve better efficiency and thereby higher profitability.

And finally, I would like to mention some of our successes in technology and innovation. Following several successful pilot projects, we are now at a point in our involvement with TensionCam where we are ready to begin industrialization and commercialization of TensionCam's technology. The technology involves measuring and monitoring clamping forces in screw joints. In connection with this, Bulten also decided to increase its holding in TensionCam and become the majority owner. Another example is that Bulten has developed a thread forming screw for stainless applications. This is a new development on the market and a patent is pending.

Is there anything you're particularly proud of?

I am especially pleased to see that we have gone against the negative tide in the market with pandemic, component shortages and war. It is positive that we could dramatically improve our sales and in the last quarter, balance customer prices against inflation, and thereby improve our margins.

Our employees are incredibly dedicated and are constantly striving to achieve our common goals. Despite the challenges in our external environment, we have struck a good balance between tactics and strategy. This has produced dividends and laid an even stronger foundation for the future.

I'm also satisfied with our sustainability performance, firm evidence that we have carried on working strategically in an uncertain world. We received an excellent sustainability rating (ESG) from Morningstar Sustainalytics. We were awarded a Platinum Medal for our sustainability work by EcoVadis, a leading international provider of sustainability ratings. The Allbright foundation praised us for our gender equal management team. We also took the next step in our efforts to reduce greenhouse gas emissions by having our climate goals approved by the Science Based Targets initiative (SBTi).

Can you comment on what you communicated on your Capital Markets Day in early 2022?

Apart from what I mentioned previously about growth through acquisitions, I think perhaps we were not clear enough in saying that we're looking at different types of acquisitions, partly in the US but also in other countries. If we are to grow to the extent we want to in the US, we need to acquire a complementary operation. There are also several other aspects of our strategy that would benefit from acquisitions, such as bringing in new customer groups and new technology. We will always look for the right target companies to achieve this.

What are your challenges looking ahead?

The wider world and the macroeconomy are our main challenges in the short term. We will always be dependent on global developments. We are continuously working to make Bulten less vulnerable and prevent risks, for instance by regionalizing purchasing and production, broadening our customer base, offering sustainable solutions, and being cost conscious. In the slightly longer term I can see challenges with competence supply and digitalization. To remain agile, we need to have the right skills and an operation that's at the forefront digitally. This is harder than you might think.

The number of necessary changes we have to manage calls both for speed and careful reflection. Setting priorities is hugely important. Making one choice also means saying no to something else.

What opportunities do you feel Bulten has over the next 12-24 months?

I think our opportunities lie mainly in having a strategy with the right change focus from an already strong position. Bulten is 150 years old in 2023. The company possesses all the knowledge and experience amassed over those years, while having constantly changed to meet new demands and expectation and to grow as much as possible. Bulten is a long-standing company that is still at the forefront in many respects. A good example is that we have been entrusted to develop the fasteners for a fully climate-neutral concept car, Polestar 0. Once we have done that, we will probably be the world's first company in our industry to offer climate-neutral products and value chains. Our FSPs concept, which is unique to Bulten, is also winning us business. I'm convinced that customers'

interest in working with Bulten to achieve their sustainability goals will increase with time. Meanwhile there is also a transition to electric vehicles, as I mentioned. This entails products that are of interest to us, and we have an opportunity to create a lot more value per vehicle than we have done traditionally. That know-how is also something we're taking into new markets and new customer sectors.

Anders Nyström, President and CEO

FOCUS 2023

- Win new business and assess potential strategic acquisitions.
- Continued commercialization of won contracts.
- Develop our offering, e.g. by evolving FSPs and converting ongoing development projects to firm sales propositions.
- Begin industrialization and commercialization of TensionCam's technology.
- Continue to improve margins and reduce stock levels.
- Complete closure of the facilities in Pembroke, UK, and Gothenburg, Sweden.
- Continue the commissioning of our new surface treatment plant in Poland and increase production volumes.

READ MORE

- Bulten's strategy and goals, pages 15-16
- Bulten's sustainability work, pages 36-57
- Bulten's manufacturing and logistics operations, pages 19-23
- FSPs, page 25
- Project Polestar 0, page 29

FIVE REASONS TO INVEST IN BULTEN

QUALITY SUPPLIER OF FASTENERS

With 150 years in business, Bulten has a market position as a quality supplier of fastener solutions with a long, strong list of customers.

As a Full Service Provider (FSP/FSPs), Bulten establishes strategic collaborations with its customers.

Bulten's strong position creates potential in both existing and new customer segments.

Bulten continuously develops its products and offerings.

Read more on pages 12-13 and 24-30.

FINANCIAL STRATEGY FOCUSING ON A STRONG BALANCE SHEET

Bulten has a strong financial position, with secured financing and good profit capacity. This creates scope for investing in growth and in efficiency measures, as well as return opportunities for shareholders.

Read more on pages 16-17.

GROWTH POTENTIAL THROUGH ACQUISITIONS AND NEW SECTORS

Bulten can see expansion potential in the supply chain to OEMs of light and heavy commercial vehicles.

With the acquisition of PSM International, both the product portfolio and the customer base beyond automotive have increased, laying the foundation for continued growth. Sectors in which Bulten operates via PSM International include consumer electronics, home appliances, medical technology, and renewable energy.

Bulten has a goal to expand geographically, through acquisitions and new customer agreements, which creates further growth potential.

Read more on page 12.

HIGH YIELD

Bulten generates a high yield with a dividend target of at least 33% of net earnings.

Read more on pages 9-10.

ROBUST OPERATION ALSO IN TURBULENCE

With 150 years in business, Bulten displays demonstrable robustness, with growing market share also in a turbulent business environment affected by macroeconomic and geopolitical factors.

Read more on pages 5 and 12.



SHAREHOLDER INFORMATION

Bulten AB (publ) was listed on Nasdaq Stockholm on 20 May 2011. The company is on the Mid Cap list under the BULTEN ticker. The trading amount is one share.

The share capital is SEK 10,520,103.50 divided among 21,040,207 shares with a nominal value of SEK 0.50 per share. Each share gives one vote and an equal participation in the company's capital and earnings.

Share performance

During 2022, Nasdaq Stockholm dropped by -24.6% (35.0). Bulten's sector index, Stockholm Automobiles & Parts, dropped by -33.2% (51.3). Bulten's share price decreased by -36.0% (3.6) from a rate at the start of the year of SEK 93.00 (89.80) to SEK 59.50 (93.00) at the end. The lowest closing price, SEK 50.00, was noted on September 30, 2022 and the highest, SEK 99.50, on February 1, 2022. The market value of Bulten at the end of 2022 was SEK 1,252 (1,957) million, an change in market value of SEK -705 (68) million.

Share turnover

Bulten's total share turnover in 2022 was 12.7 (24.3) million shares, corresponding to an average turnover of 50.0 (96.1) thousand shares per day over 253 (253) trading days.

The turnover rate, calculated as the number of traded shares in relation to the total number of shares in the company, was 60.1% (115.6).

Shareholders

As of 31 December 2022, Bulten had 9,686 (9,841) shareholders. The number of registered shares abroad was 21.2% (20.8), of which 7.3% (5.7) were held by owners in Luxembourg, 6.4% (6.8) by owners in Finland, 2.9% (2.5) by owners in the US, and 0.9% (1.1) by owners in Belgium.

The five largest shareholders as of December 31, 2022 had a total of 45.6% (48.8) of the capital and votes, with the three largest holding 36.4% (39.9).

Senior management of the Group and elected board members' shareholdings were 1.0% (0.8) at the end of the year.

Dividend policy and dividend

Bulten's target over time is to pay out a dividend of at least one third of net earnings after tax. Consideration is given, however, to the company's financial position, cash flow and outlook. For 2022 the Board intends to propose to the 2023 Annual General Meeting a dividend of SEK 2.50 per share for the financial year. This represents a dividend of approximately 94.5% of net earnings after tax and 33.4% of adjusted net earnings after tax. It is proposed that April 27, 2023 be the record day for the dividend.

Financial information

Bulten publishes four interim reports a year and an annual report. These reports are available to read, download or order as a printed copy from the company's website, www.bulten.com.

FINANCIAL CALENDAR 2023

Annual General Meeting

Bulten AB (publ) will hold its Annual General Meeting on Tuesday April 25, 2023 at 5 pm CET at the restaurant Break (Hedin Bil AMG Performance Center Sisjön), Norra Långebergsgatan 2, Västra Frölunda, Gothenburg. For further information about the 2023 AGM, visit Bulten's website, www.bulten.com.

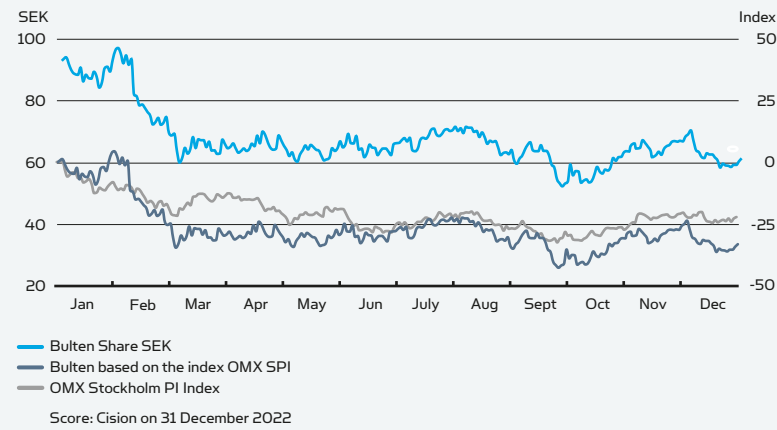
Financial reporting

Interim report January–March 2023	April 25, 2023
Half year report January–June 2023	July 12, 2023
Interim report January–September 2023	October 26, 2023
Full year report January–December 2023	February 8, 2024

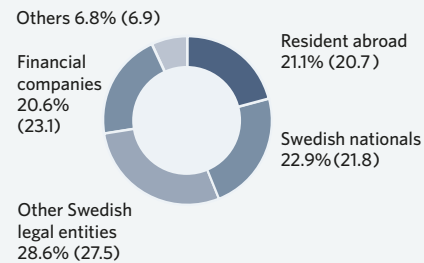
The reports can be found at www.bulten.com on their date of publication.



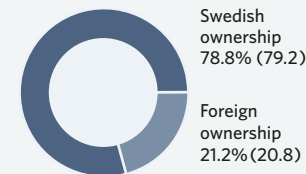
SHARE PERFORMANCE 2022



Swedish and foreign ownership



Ownership structure



OWNERSHIP STRUCTURE, DECEMBER 31, 2022

SHARE INTERVAL	NO. OF OWNERS	NO. OF SHARES	SHAREHOLDING, %
1–500	7,626	1,028,844	4.9
501–1,000	1,014	842,107	4.0
1,001–5,000	842	1,897,139	9.0
5,001–10,000	97	723,459	3.4
10,001–15,000	30	395,868	1.9
15,001–20,000	14	259,393	1.2
20,001–	63	15,893,397	75.6
Total	9,686	21,040,207	100.0

* Source: Euroclear Sweden AB register, December 31, 2022.

BULTEN'S LARGEST SHAREHOLDERS, DECEMBER 31, 2022

SHAREHOLDERS	NO. OF SHARES	SHARE OF VOTES AND CAPITAL (%)
Volito AB	5,100,000	24.2
Nordea Investments Funds	1,388,158	6.6
Carnegie Fonder	1,172,606	5.6
Handelsbankens Fonder	1,141,403	5.4
UNIONEN	800,000	3.8
Five largest owners	9,602,167	45.6
Other owners	11,438,040	54.4
Total	21,040,207	100.0

* Source: Euroclear Sweden AB register, December 31, 2022.

NO. OF SHARES

	REGISTRATION DATE	CHANGE IN NO. OF SHARES	NO. OF SHARES AFTER ISSUE
New share issue ¹⁾	2011-05-25	1,842,777	21,040,207
New share issue ²⁾	2011-05-20	7,197,430	19,197,430
New share issue	2010-01-27	8,000,000	12,000,000
New share issue	2009-01-20	3,000,000	4,000,000
Decrease	2006-02-01	-321,500	1,000,000
New share issue	2006-02-01	321,500	1,321,500
New share issue	2005-01-24	999,000	1,000,000
Start-up	2004-10-12	1,000	1,000

1) New share issue in kind 2) New share issue through offset of shareholder loan

SHARE DATA

PRICE-RELATED SHARE DATA	2022	2021
Share price at year-end (closing price paid), SEK	59.50	93.00
Highest share price during the year (price paid), SEK	99.50	117.60
Lowest share price during the year (price paid), SEK	50.00	74.50
Market value at year-end, SEK M	1,252	1,957
P/E	22.49	13.58
Yield, %	4.20	2.42
Data per share		
Earnings before depreciation (EBITDA)	16.91	19.04
Adjusted earnings before depreciation (EBITDA)	21.87	19.04
Operating earnings (EBIT)	8.57	11.04
Adjusted operating earnings (EBIT)	13.53	11.04
Earnings after net financial items (EAFI)	7.40	9.98
Earnings for the year	2.65	6.85
Adjusted earnings for the year	7.48	6.85
Equity	85.72	79.09
Cash flow from operating activities	14.21	2.30
Cash flow for the year	9.47	-0.39
Proposed dividend	2.50	2.25
Total outstanding ordinary shares, 000		
Weighted total	20,988.0	20,988.0
At year-end	20,988.0	20,988.0

AT THE END OF THE YEAR THE FOLLOWING ANALYSTS WERE REGULARLY FOLLOWING BULTEN'S DEVELOPMENT

COMPANY	ANALYST
Carnegie	Kenneth Toll Johansson
Kepler Cheuvreux	Mats Liss

STRATEGY

Market	12
Trends	13
Value model	14
Strategy	15
Financial Goals and CFO's Comments.....	17

VISION

We create and deliver the most innovative and sustainable fastener solutions.

BUSINESS CONCEPT

We constantly deliver market-leading fastener solutions that meet customers' requirements on efficiency, quality, price and sustainability.

With clearly defined goals, global presence, responsible conduct and the latest in technology and innovation, we are the company that makes a difference and creates the greatest benefit for the customer.

MISSION

With almost 150 years of expertise in fasteners, we continue to deliver not just fasteners, but also complete solutions. Our experienced, dedicated employees help customers worldwide to succeed in everything from product design to production, procurement and service.

It is in our nature to constantly expand our customer offering. By driving innovation and actively seeking collaboration with other innovative companies, we can add new functionality and new services to our offering.

We are strongly committed to sustainability and cost efficiency. We continuously improve our products and our value chain, in order to retain our leading position in the industry when it comes to the lowest possible carbon footprint and use of natural resources. Wherever we operate, we endeavor to make a positive contribution to the community. Sustainability is a natural part of who we are and our business model.

CORE VALUES



PROFESSIONAL



INNOVATIVE



DEDICATED



EMPOWERED

MARKET

The fastener market generally

There are many manufacturers and distributors of fasteners, but many of them are small and target different industries. There are a few major producers who operate on several continents, such as Nedschroef, Kamax and Agrati. Lisi of France is one of the few listed companies. Those that have a similar offering to Bulten's Full Service Provider (FSP) concept are the above-mentioned Nedschroef, and distribution companies Facil and Optimas. Bulten is primarily a manufacturer, but also distributes parts of its range from third-party suppliers.

Fastener expert on a growing market

Bulten is an expert in fastener solutions, with 150 years in developing and manufacturing fasteners. In recent decades, Bulten has grown to be a leading supplier of fasteners and related services for global manufacturers of light and heavy vehicles. Suppliers to OEMs, such as battery manufacturers, are also an important, growing customer group as the industry undergoes major changes with new platforms, for example. In 2020 Bulten acquired PSM International, opening up new customer segments beyond automotive. Today Bulten offers

its products and services also to customer groups in areas such as consumer electronics, home appliances, medical technology, and renewable energy.

Bulten's ambition is to remain a leading supplier of fasteners to the automotive industry, but it also has an express goal of further diversifying its customer portfolio by growing in other industries, including consumer electronics. Diversification enables the development of new products and services, as well as financial growth through increased margins. The aim is that 20% of all sales should come from non-automotive sectors by 2025.

An offering with added sustainability

The offering Bulten is mainly associated with is the FSP or Full Service Provider concept. Bulten has built up a strong position by delivering all the fasteners for an entire vehicle platform or other system. In recent years, sustainability has become an increasingly important parameter in Bulten's customer offering. Examples of this are the BUFOe product family and the evolved FSP offering with added sustainability: FSPs (Full Service Provider sustainability). Read more about BUFOe, FSP and FSPs on pages 18 and 24–25.

SELECTION OF CUSTOMERS

LIGHT VEHICLES Audi, BAIC, BMW, Fiat, Ford, Geely, Jaguar, Land Rover, Lynk & Co, Nissan, Opel, Polestar, Porsche, Renault, Seat, Skoda, Volkswagen, Volvo

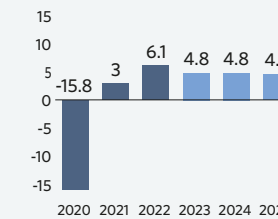
HEAVY COMMERCIAL VEHICLES AB Volvo, Mack, MAN, Renault, Scania, UD Trucks

SUPPLIERS TO THE AUTOMOTIVE INDUSTRY Adient, Autoliv, Aisin, Bosch, CATL, Chassis Brake Intl., Delphi, Novares, ElringKlinger, Keihin, Magna, Facil, Faurecia, Hoerbiger, Lear Corporation, Magna, Mann + Hummel, Mahle, Optimas, Schaeffler, Takata, TRW, Trelleborg

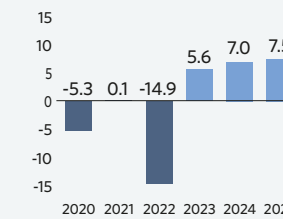
OTHER INDUSTRIES: Akcom, Garmin, GE, Foxconn, Hitachi, Honeywell, Jabil, Miele, Mindray, Philips, Sony, TE

FORECAST FOR GLOBAL VEHICLE PRODUCTION*

Light vehicles growth, %

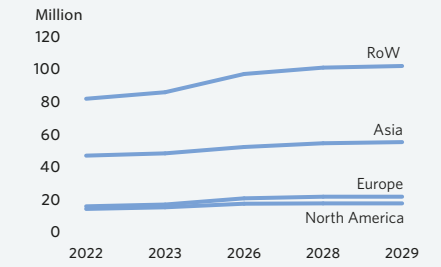


Heavy commercial vehicles (>15t) growth, %



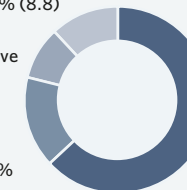
*Source: LMC Automotive estimate, Q4 2022.

FORECAST, CARS PRODUCED PER REGION, AVERAGE ANNUAL GROWTH*



INCOME BY CUSTOMER GROUP

Industries outside the automotive industry 11.8% (8.8)
Suppliers to the automotive industry 15.8% (15.6)
Heavy commercial vehicles 9.3% (10.2)



Light vehicles 63.1% (65.4)

Automotive industry 88.2%

Industries outside the automotive industry 11.8%



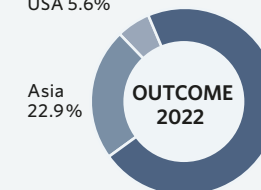
Industries outside the automotive industry 20%



Automotive industry 80%

INCOME BY GEOGRAPHIC MARKET

USA 5.6%



Europe 71.5%

USA 20%



Europe 60%

BULTEN'S GROWTH 2022

20
PERCENT

TRENDS

GLOBAL TRENDS

These are general trends that not only change the conditions for society as a whole, but also for companies and organizations.

DIGITALIZATION

Digital technology is changing business models among companies and whole industries. In industrial production, digitalization presents brand new opportunities to connect and optimize plants, systems and processes.

SUSTAINABILITY

Global warming is one of the biggest challenges of our age. This creates incentives for developing new and more sustainable products and services.

URBANIZATION

Today, more than half the world's population lives in cities, and that percentage is expected to rise. Urbanization and demographic changes are driving demand for sustainable solutions in areas such as infrastructure and transport.

INDUSTRY TRENDS

These are trends that Bulten deems will have a significant impact on the industry in general and the company in particular.

STRICTER NORMS FOR CO2 EMISSIONS

This means

Customer demands are increasing to find solutions that reduce CO2 emissions in the long term. One example is the electrification of the transport sector. Electric vehicles are continuously taking more market share.

Actions

Bulten is working to reduce CO2 emissions in its own value chain, and striving to help customers do the same. Fasteners for new applications such as EV battery packs are constantly being developed. This also encompasses new materials and more sustainable manufacturing processes. More sustainable products and services introduced by Bulten include the BUFOe product family and the FSPs service.

Read more on pages 18 and 25.

NEW TECH AND NEW SERVICES

This means

Many customers are seeing opportunities in extending functions as digitalization increases. The result is an increasing number of e.g. electronics boxes, sensors, transmitters, and so on, which in turn require more fasteners for installation while also enabling new services.

Actions

Bulten has increased its offering and supplies bespoke fasteners for in-vehicle installation. The company TensionCam, which develops sensors for measuring and monitoring clamp loads in screw joints, enables monitoring of critical fastener applications. Digitalization also entails more opportunities for Bulten to operate a more efficient development and manufacturing process thanks to automation and artificial intelligence (AI). 3D printing is another area where Bulten is working to tailor tools and components.

Read more on pages 28-30.

NEW PLAYERS

This means

Rapid macroeconomic developments alter conditions for companies to run their business while also presenting opportunities for new players. This in turn creates new products and services that could challenge traditional business models.

Actions

Bulten focuses on offering the most cost-effective total solutions, and is monitoring changes on the market so as to maintain a customer base with the right customers. Bulten works closely with its customers and business partners, existing and new, to understand the needs they have moving forward, short and long term. One example is Polestar O, a development project involving Bulten where the aim is to produce a climate-neutral electric car by 2030.

Read more on pages 26 and 29.

OVERCAPACITY

This means

Overcapacity occurs in various ways in society, for instance cars that are not fully utilized, while the world's natural resources are limited. Companies therefore need to adapt their operation to future demands for more sustainable services and a circular economy.

Actions

Bulten's focus is on eliminating waste and increasing the use of recycled material in its manufacturing process. E.g. recycled steel is used in more and more products. Bulten also systematically reviews how value can be created in environments where customers' products are used in new ways, for example by sharing transport or autonomous vehicles.

Read more on pages 29 and 44.

VALUE MODEL



STRATEGY

STRONG POSITION

FSP/FSPs concepts, geographical proximity to important customers, forefront of innovation and sustainability

GOAL 2024

Enhanced offering, including leadership in sustainability and innovation.

GROWTH

Organic and acquisition growth inside and outside automotive

Net sales
SEK 5 billion. CAGR 10%

MARGIN EXPANSION

Economies of scale, production efficiency, technology, premium sustainable solutions

Operating margin >8%

STRONG FINANCIAL PLATFORM

Financial leverage, investments in efficiency, solid equity ratio, dividends

ROCE >15%

STRONG POSITION

STRENGTHS

- Bulten is one of few companies to offer a Full Service Provider (FSP) concept along the entire value chain for fasteners.
- Bulten has manufacturing plants close to its customers' production. This provides logistical and environmental benefits, and reduces the risk of being affected by geopolitical changes and exchange rate fluctuations.
- Bulten is at the forefront of sustainable products with good functionality.

ACTIVITIES 2022

- Contract with first FSPs customer. FSPs is an evolution of the FSP offering with greater focus on sustainability.
- Streamlining of European production and distribution network under way.
- Completion and test run of surface treatment plant in Radziechowy-Wieprz, Poland.

FOCUS 2023

- Industrialization of several won contracts.
- Continued streamlining of European production and distribution network.
- Volume production in Radziechowy-Wieprz, Poland.
- Commercialization of TensionCam offering (sensors for measuring and monitoring clamp loads).

GOAL: An enhanced offering, including leadership in sustainability and innovation

GROWTH

STRENGTHS

- Bulten's strong market presence in automotive lays the foundation for further growth in this segment, both among OEMs and their growing group of suppliers and partners.
- With the acquisition of PSM International, Bulten can grow in new customer segments, such as consumer electronics.
- PSM International has also boosted Bulten's position on the Asian market and laid the foundation for continued growth in the US.

ACTIVITIES 2022

- Influx of new strategic customers in and beyond automotive, and with huge growth potential.
- Strong organic growth in the consumer electronics segment.
- Expansion of sales resources in all regions.
- Potential strategic acquisitions were continually evaluated during the year.

FOCUS 2023

- Industrialization of several won contracts.
- Continued assessment of acquisition opportunities.
- Marketing in previously unexplored sectors.

GOAL: Net sales SEK 5 BN in 2024, equating to CAGR 10%

MARGIN EXPANSION

STRENGTHS

- At Bulten we are accustomed to working continuously to optimize production, the supplier base and logistics, to work as efficiently as possible and reduce costs.
- Bulten has a large focus on developing innovative products and services in order to create added value for its customers. This enables the right pricing with scope for higher margins.
- By increasing market presence in new customer segments, Bulten has laid the foundation for higher margins.

ACTIVITIES 2022

- Implementation of improved processes in manufacturing, thus improving cost and capital efficiency.
- Ongoing regionalization of purchasing.
- Stronger focus on innovation and technology, aiming to create sustainable, functional products with higher margins.
- Continued growth increase in new customer groups outside of automotive and in Asia.

FOCUS 2023

- Insourcing of surface treatment through startup of surface treatment plant in Radziechowy-Wieprz, Poland.
- Economies of scale through restructuring and control of fixed costs.
- Increased focus on more complex products with higher refinement value.
- Targeted acquisitions in profitable sectors.

GOAL: Operating margin >8%

STRONG FINANCIAL PLATFORM

STRENGTHS

- Bulten's financial strength enables it to pay a dividend of at least one third of net earnings after tax.
- Bulten's solid finances and good relations with banks and credit institutions ensure flexible access to capital.
- Bulten has the capacity for continued investment to increase growth and create more profitable production.

ACTIVITIES 2022

- Focus on cash flow and cost control.
- Investment in new surface treatment plant in Radziechowy-Wieprz, Poland, enabling efficiencies in production and logistics.
- Improved financial key ratios through growth, profitability and good capital management.
- All covenant conditions with financiers were met during the year.

FOCUS 2023

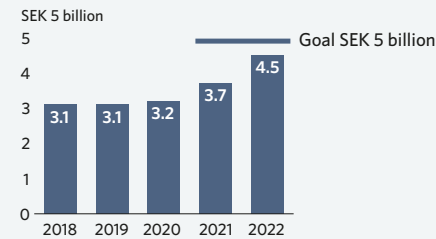
- Focus on cash flow and improved margins.
- Continue efforts to optimize stock levels and thereby free up operating capital.
- Invest in growth and efficiency.

GOAL: ROCE >15%

FINANCIAL GOALS AND CFO'S COMMENTS

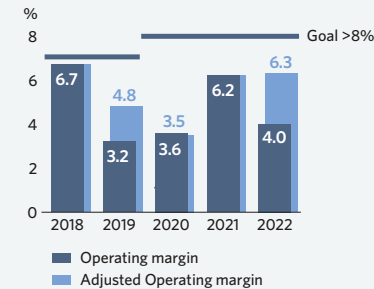
GROWTH

The goal is net sales of SEK 5 billion in 2024 (equating to a compound annual growth rate (CAGR) of 10%, both organic and through acquisitions).



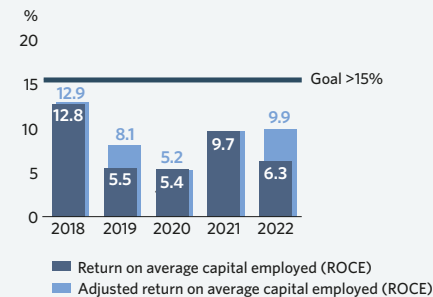
OPERATING MARGIN

The goal is to achieve an operating margin (EBIT) of at least 8% 2024.



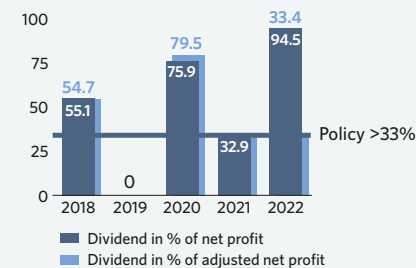
RETURN ON AVERAGE CAPITAL EMPLOYED (ROCE)

The goal is to achieve a return on average capital employed of at least 15% 2024.



DIVIDEND POLICY

Bulten's dividend policy over time is to pay out a dividend of at least one third of net earnings after tax. Consideration is given, however, to the company's financial position, cash flow and outlook.



Growth

In 2022, we had a record in net sales. The growth was 19.9% (16.7), so we therefore exceeded our target of 10% average annual growth. We enter 2023 in a good position to continue taking market share and thereby achieve our target of SEK 5 billion in net sales in 2024.

Operating margin

The adjusted operating margin was 6.3% (6.2). Our target for 2024 is at least 8%, so we are making good progress. 2022 was dominated by the war in Ukraine, component shortages, and dramatic rises in prices for raw materials, energy and transport. We were coming back into balance with customer price adjustments during the last quarter, which lays a good foundation for 2023. The reported operating margin was 4.0% (6.2) for 2022. Bulten discontinued its operation in Russia during Q2 in light of Russia's invasion of Ukraine and the related sanctions. Divestment costs related to the Russian operation burdened the result by SEK -93 million, which principally did not have an effect on cash flow. In December, Bulten decided to close its manufacturing plant in Pembroke, UK, in order to streamline the operation. Costs for restructuring burdened the 2022 figures by approximately SEK -10 million.

Return on average capital employed

The adjusted return on average capital employed was 9.9% (9.7). Our target for 2024 is at least 15%, and the company has begun activities during 2022 to reduce the value of inventories and free up more capital. These activities will continue in 2023. Bulten's profitability was also affected by the shortage of semiconductors and other disruptions in the component stage, higher raw material costs which are passed on to customers but with a certain delay, as well as higher inflation. The reported return on average capital employed fell to 6.3% (9.7) in 2022. This is a direct consequence of divestment and restructuring costs during the year.

Dividend

The Board has proposed to the Annual General Meeting a dividend of SEK 2.50 per share for the 2022 financial year, compared to SEK 2.25 per share in 2021. The dividend equates to roughly 94% (33) of net earnings after tax and 33% of adjusted net earnings after tax, which is in line with the dividend policy.

Clear financial management

Our strong balance sheet allows great maneuverability. We can manage the higher formation of capital that comes with growth, but can also take action if a strategic acquisition opportunity arises. Our financial management enables long-term, cost-effective production. With clearly defined key indicators, guidelines and targets, we ensure the best possible use of capital.



ANNA ÅKERBLAD
Chief Financial Officer

AREA OF OPERATION

Products and Manufacturing	19
Customers and Offering	24
Innovation and Quality	28
Risk Factors	32

BUFOE – THE ENVIRONMENTALLY EFFICIENT PRODUCT FAMILY

BUFOe is Bulten's product family developed to offer a climate-smart alternative to traditional strength classes 8.8 and 10.9. In traditional manufacturing, heat treatment accounts for around one-third of carbon dioxide emissions. In manufacturing the BUFOe series, cold forging is used instead, combined with alternative material choices to achieve a process that makes heat treatment redundant, thus reducing greenhouse gas emissions by 30%.

PRODUCTS AND MANUFACTURING

With 150 years of history, Bulten has far-reaching knowledge and experience of manufacturing fasteners, and today offers a vast array of products. Ten factories around the world produce millions upon millions of fasteners in several materials, for a wide range of purposes. About 60% of all products sold by Bulten are manufactured in-house.

Bulten's strategy is to have manufacturing close to the customers, thus laying the right foundation for an efficient, adaptable and competitive production process. Geographical proximity to customers also ensures the right conditions for a more sustainable value chain with lower environmental impact.

Production process

Fasteners are primarily made of wire rods using a cold forging technique, an efficient production method that can make up to 300 fasteners a minute depending on the machine and dimensions. The production process is essentially the same at all manufacturing plants. This allows flexibility, as production can be managed to optimize overall production capacity.

As well as hardening and surface treatment there are also other forms of refinement, such as lubricating coatings and assembly with washers and other parts. This is in order to deliver a more complete, pre-assembled fastener, ready for direct application in vehicle assembly with no further interim stages, for example.

Production is adjusted to customers' long-term delivery plans, and in the short term to timetabled orders that also demand precision in delivery times.

Production systems are a vital aspect of Bulten's endeavor to be the most cost-effective manufacturer of fasteners in the industry. Production is developed using a number of different methods, such as the internationally established 5S, LPA (Layered Process Audit), PDCA, Ishikawa, 5Why, TPM (Total Productive Maintenance), FMEA (Failure Mode Effect Analysis) and SIX Sigma, as well as our own proprietary processes.

Sustainable products

The screw is the most important part of a fastening application, since it creates the force that holds together the components, i.e. the clamp load. To create the right clamp load – not too much or too little – the screw elongation must be very precise.

This requires exact dimensioning, calculation and mounting, as several factors have an impact, such as external loads, heat, cold, vibration and friction. Not only the screw's strength must be considered, but also all other components in the fastener application. It is important that the relative strengths are correct.

The screw's surface treatment is another important aspect of fastener design, where consideration must be taken as to what extent the fastening application is exposed to the elements, moisture, and extreme heat. Besides the obvious, that the screw must not rust, it is also necessary to consider that it may be visible, which means it must also be pleasing to the eye and harmonize with its surroundings. Surface treatment is also a guiding parameter for achieving optimum clamp load in assembly, since surface treatment has a direct impact on friction at the moment of assembly, and thus determines the eventual clamp load. This is important, because deviating clamp load contributes to an increased risk that the joint loosens or the screw breaks.

Bulten strives to develop new and innovative products. Regardless of a fast-changing climate where greater sustainability is the constant driving force, the screw will always be an important fastener. Unlike welding, soldering, gluing, and riveting, a screw can be undone, and this makes material recycling easier as the idea of a circular economy and an ecocycle-based approach gather momentum.



MORE EFFICIENT STOCK MANAGEMENT IN GERMANY

In autumn 2022, Bulten opened a new logistics center in Bergkamen, Germany. The new building has 20% more storage capacity than the old warehouse, and is adjacent to the production facility. The new solution also means that space is freed up in the production plant for further manufacturing capacity. In future, the new warehouse building will be fitted with solar panels, which will make it self-sufficient for energy.

“ This is a hugely important milestone for Bulten’s operation in Bergkamen. It entails a major improvement in the working environment for our logistics personnel and also provides a far more efficient logistical setup, thus reducing transport costs and carbon dioxide emissions.

Johannes Hammer, Managing Director, Bergkamen, Germany.

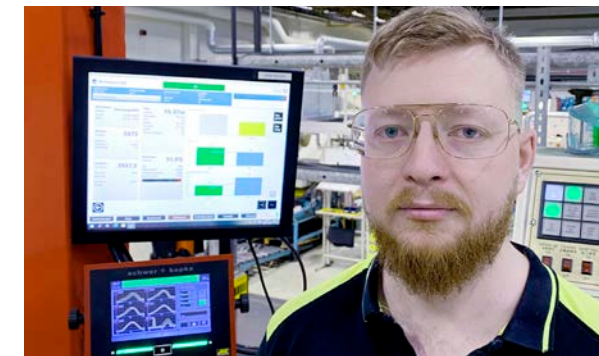


INCREASED EFFICIENCY THANKS TO CONNECTED PROCESSES

Bulten’s factory in Hallstahammar, Sweden – now almost 150 years old – was the first to connect a number of selected production machines to a digital platform with an automatic reporting system called MES (Manufacturing Execution System). The machines are connected around the clock, enabling the collection of complete data. This is an important factor, as the collected data is analyzed and then converted into measures or improvements to reduce the number and duration of stoppages. The result? Above all, more efficient use of the connected machines. The energy cost per produced unit also decreased, which is desirable particularly from a sustainability perspective.

The project manager in charge of implementing MES is Daniel Wikström, Production Developer, who says that the startup phase is partly about connecting the machines and calibrating them to ensure a high quality of data, and also training the process operators in MES.

According to Daniel, it has been an exciting project that combines technical advancements with Bulten’s existing production system. Moreover, lessons have been learned that will be of value in upcoming phases. The project has proceeded according to plan during the year, and has been extended



to include all machines in the cold forging process in Hallstahammar. Similar projects have been started at the factories in Bergkamen, Germany and Bielsko-Biala, Poland. During 2023, further machines will be connected at these three European factories.

The long-term plan is to connect all important machines at all Bulten factories, which will lead to improved performance on hundreds of machines and overall to major efficiency gains.

REINFORCEMENT IN THE US

Bulten has an ambition to grow in the United States. To succeed in this, a number of new key appointments were made in the US during the year, including a new Managing Director at the plant in Streetsboro, Ohio.

“ I am very excited to lead the Bulten expansion in the Streetsboro, Ohio, USA location. The vision is to build a dedicated team focused on striving for quality excellence, exceeding customer expectation, and empowered to implement creative ideas through new technology with commitment to Bulten’s core values. Together we will create a one-team environment and achieve these goals, and be a leader in fastening solutions.

Chad S. Squires, Managing Director, Streetsboro, Ohio, USA



SIGNIFICANT EVENTS IN BULTEN'S MANUFACTURING OPERATION 2022

- A Group-wide project has been under way to reduce the company's capital tied up. Thanks to close collaboration between central functions and local production and logistics units, products in progress and finished product stocks have been successfully optimized. An IT system was also brought in during the year to better specify customer needs.
- Initiatives have been taken at Bulten's manufacturing unit in Bergkamen, Germany. Investments in a new logistics center have enabled higher storage capacity and freed up production capacity at the nearby factory. New production machines have also been added in order to extend the product range and further increase manufacturing volumes. For instance Bergkamen will now be making nuts.
- Construction of the company's new surface treatment plant in Radziechowy-Wieprz, Poland, continued. Machines were installed and tested towards the end of the year. The ultra-modern plant is planned to be in production in early 2023. It will also enable more efficient, more sustainable production in Poland, as it is close to Bulten's other Polish production facility in Bielsko-Biala. The plant also now has extended production opportunities, thus enabling a wider product range, including screws for plastic applications.
- Bulten's manufacturing unit in Russia was divested during 2022 following Russia's invasion of Ukraine. Production volumes for foreign markets, primarily Europe, were relocated to Bulten's factory in Hallstahammar, Sweden.
- Capacity in Wuxi, China was adapted during the year to allow for new business and new types of products.
- Closure of the production plant in Pembroke, UK began towards the end of the year. The plant has long been having profitability issues due to its product mix and relatively low volumes. Some of the production will be relocated to Bulten's other sites during 2023. This will create better efficiency and profitability in line with Bulten's strategy.
- In the US, several recruitments have been made and the focus has been on streamlining flows. The aim now is to expand manufacturing over the next few years.

FOCUS 2023

- Continue the commissioning of our new surface treatment plant in Poland and increase production volumes.
- Complete closure of the production plant in Pembroke, UK in the first half of the year. This entails moving machinery and production to other Bulten factories, and a number of new appointments.
- Streamline Bulten's logistics operation by moving existing stocks in Gothenburg, Sweden to the warehouses close to our factories in Sweden, Germany, and Poland.
- Continue digitalization in Bulten's manufacturing, for instance by monitoring machines in Hallstahammar, Sweden and Bergkamen, Germany. This will allow access to efficiency data, which lays the foundation for better production planning.
- Continued focus on reducing stock levels at all production units in order to release tied-up capital.

FREDRIK BÄCKSTRÖM, CHIEF OPERATING OFFICER, SUMS UP THE YEAR



2022 has certainly been an eventful year. One recurring theme has been reducing stock levels. With a volatile business environment that has entailed rapid changes in customers' forecasts and orders, it has been a challenge to secure a good flow between production on the one hand and deliveries to customers on the other. While it has been tough, it has also made our whole organization more agile. The divestment of our Russian operation is also a significant development. It was completed in an exemplary manner, and in record time. In addition, we have taken measures to raise productivity during the year. For instance, there is now better collaboration and experience exchange between our manufacturing units. Along with the fact that we've managed to appoint several key roles, for example in the US, this lays a good foundation for the future. Our aim is to further increase production volumes in 2023.



PURCHASED PRODUCTS AND MATERIALS

By balancing in-house production with products purchased from external fastener suppliers, Bulten can maintain flexibility and efficiency. Around 40% of the total sales value is from products, both finished and semi-finished, from external suppliers. The main purchased products are screws, nuts, clips and rivets.

Fasteners are often a relatively cheap component in a product or application. In terms of quantity, however, the product or application could contain thousands. For example, fasteners represent about 1% of the overall purchase value for an OEM, but as much as 25% of all part numbers. They come in many shapes and sizes and in tremendous volumes, which makes purchasing and logistics a complex and demanding process.

Bulten's strategy is to source the majority of its purchased products regionally, thus ensuring good service close to the customer. In addition, this approach ensures a competitive cost structure and enables collaborations with more specialized suppliers. It also reduces lead times, transport costs and currency risks, and provides protection against trade barriers and risks in geopolitical crises.

Broad, quality-assured supplier network

Bulten currently has around 200 suppliers who provide products, materials and finishing. The majority relate to steel wire for in-house production, surface treatment, and outsourced products to supplement in-house production.

To deliver a market-leading offering, it is vital that we place equally high demands on suppliers as we do on the in-house operation. They must live up to Bulten's standards and requirements. All suppliers should be certified to ISO 9001 (IATF 16949) as well as ISO 14001. They must also agree to and comply with Bulten's code of conduct for suppliers. To ensure compliance with the code of conduct, it is included as part of the agreements and is managed via Bulten's Supplier Relationship Management, or SRM system.

Bulten audits new and potential suppliers in the following way:

- The supplier undergoes careful assessment based on the code of conduct using a self-assessment questionnaire (Drive Sustainability SAQ), which covers human rights including child labor and trafficking, employment and working conditions, health and safety, environment, responsible purchasing, business ethics, and corporate governance.
- If the requirements are met and Bulten decides to move on in discussions, an on-site audit is conducted. The audit includes management systems, financial status, the purchasing process and flow of goods, as well as the supplier's follow-up system.

Existing suppliers are also regularly assessed, both to assure quality and to develop the collaboration.

SIGNIFICANT EVENTS IN BULTEN'S PURCHASING OPERATION 2022

- Throughout 2022, Bulten has worked to secure a consistent supply of intermediate goods for its own production, and of purchased products for customers. This has been particularly important bearing in mind a highly volatile macroeconomic situation and the resulting uneven flow of goods.
- The prices of steel, energy, and transport have been high during the year, leading to higher costs.
- The process of bringing intercontinental purchase flows down to regional level has reduced the risks both for Bulten and its customers.
- Bulten divested its Russian operation during the year, which affected purchase flows of products and services to and from Russia.

FOCUS 2023

- Increase purchases of recycled steel for in-house production in order to achieve Bulten's climate goals by 2030.
- Continue to manage the supply of products and materials efficiently and at competitive cost levels in what remains a turbulent business environment.
- Further develop cooperation with Bulten's suppliers in order to secure a good supply chain, for instance using digital tools that enable better forecasting, thus making it easier to plan for more efficient flows of materials.
- Explore opportunities for more eco-friendly goods transportation, for instance by train or electric vehicle.

CLAES LINDROTH, SVP PURCHASING AND QUALITY, SUMS UP THE YEAR



“ We have worked a lot with risk management in the past year, by focusing more on regional procurement. We thought that 2022 might be a less turbulent year as the pandemic had slowed down, but unfortunately that wasn't to be. The price of energy, steel and transport has risen as the global situation has deteriorated. A shortage of components has also continued to affect our customers negatively, and this has also impacted on our own supply chain. We have had to work continuously to restructure our flows, such as when we divested our Russian operation. Our success factors are that we have grown very confident and agile with time, and that we enjoy an excellent collaboration with our suppliers.”



CUSTOMERS AND OFFERING

Global sales organization

Bulten offers a comprehensive package of products and services for customers in several countries in Europe and Asia, and in the United States.

The largest customer group is the automotive industry, including original equipment manufacturers (OEMs) and their suppliers. Suppliers are a growing customer group as the automotive industry develops with new technologies and services, such as electrification. In recent years, Bulten has also gained more customers outside of automotive, and sectors now include consumer electronics, home appliances and household products, medical equipment, and renewable energy.

On-site Bulten personnel

One of Bulten's unique benefits is that it offers customers access to development engineers. They bring their knowledge and experience in a project's startup phase. This means that Bulten can act as a proactive partner already at the pre-development and technical design stage. The development

engineers then stay with the customer's product throughout its life cycle, and work on continuous improvements. The objective is to find smart solutions and the right dimensioning, and to reduce the number of variations. They help the customer design fasteners that meet critical specifications, designed to last for the entire life span of the end product.

FSP – an offering that creates added value

Replacing the conventional purchasing model and assigning total responsibility for the purchase and development of fasteners to Bulten can save customers money and resources. For a vehicle manufacturer, for instance, purchasing fasteners is a complex, demanding process, which makes Bulten's Full Service Provider – FSP – concept an attractive solution. The FSP offer is not a static system, but is adapted to each customer's unique needs. It is a flexible, modular system whereby the customer's needs are met from an array of available services.

BENEFITS OF FSP

- One contact point for all fasteners.
- Simplified management and added value along the whole supply chain.
- Cost savings, freed-up resources and capital.
- The freedom to choose all or parts of the concept.
- A long-term business partner with its own quality-assured production and good familiarity with the global supplier base.
- A partner that contributes to the customer's sustainable development by taking responsibility in the entire value chain.
- A modular system where customer needs govern the level of service.



**FSP – FROM COMPLEX
AND TIME-CONSUMING
TO A SINGLE POINT
OF CONTACT**

QUALITY/EFFICIENCY

- Total control of the value chain
- Testing and validation according to the industry's requirements
- Minimizing errors – continuous improvement
- The zero error principle

DEVELOPMENT

- Product development
- Application engineers

Bulten supports customers with application-driven innovation, and develops new technology and new solutions based on the customers' needs.

MANUFACTURING

- Manufacturing

Bulten's production structure ensures sustainable, cost-effective production of the highest quality.

PURCHASES

- Purchasing

Reliable, high-quality deliveries are guaranteed by a well-established network of sustainable suppliers.

LOGISTICS

- Transport
- Packaging and warehousing

The fastener solution is distributed to the customer from one of our logistics centers, at the right time and in the right packaging.

FSPs – A UNIQUE SUSTAINABILITY OFFERING

The journey to make Bulten a sustainable company began back in 2016. In recent years huge progress has been made, and today sustainability is a common thread running through the entire company. Bulten's FSP offering is based on total responsibility as a strategic partner and Full Service Provider. The concept is adapted to customers' specific needs, and is comparable to a flexible modular system. Last year, the FSP concept evolved with the launch of Full Service Provider sustainability (FSPs), which combines total responsibility for fasteners with an added, bespoke sustainability package that aims for example to reduce climate impact, increase the use of recycled materials, and increase social sustainability in the supply chain. 2022 saw the first FSPs contract signed with a global customer in the automotive industry.

According to Emma Ringström, VP Environment, Health and Safety, FSPs has evolved over time, and can be seen as a natural progression of Bulten's integrated sustainability work combined with the fact that customers are now beginning to ask for sustainable solutions. Emma says that with FSPs,

Bulten can further help customers reduce their products' carbon footprint, while also boosting social sustainability in the supply chain.

FSPs means that Bulten works with the customer to review the entire value chain, from manufacturing to final transportation. Quantitative goals are then formulated in one or more of the customer's priority areas of sustainability, such as climate, materials, waste, diversity and gender equality, and human rights. The goals are tailored to the customer's sustainability agenda, and then monitored and measured every six months. These could for instance relate to a higher proportion of recycled or renewable materials in the products, lower emissions from transportation to the customer, or projects in the local community to help increase social sustainability.

Sustainability permeates all of Bulten's work, from long-term ambitions and major investments, to ongoing decisions in the day-to-day operation, Emma explains. And this is the main reason FSPs has evolved so naturally; it is a direct result of Bulten's internal processes, which are now extending to

include customers also. By starting from the customers, concrete goals are set that make a difference, and can be measured and monitored.

Bulten can see great potential for FSPs in the future, and it is clear that the concept is suitable for all kinds of customer sectors and segments. Emma believes that while customers may currently be in a maturation phase, with time more and more will discover the benefits of FSPs with its clear ESG* focus. Customers can see that the goals formulated within the framework of FSPs help to reduce the carbon footprint for their products from the supply chain, while also contributing to better social sustainability in the supply chain. In the process, Bulten has also identified opportunities to bring sustainability and innovation even closer together. In this way we create innovative, cost-effective solutions, while also tackling one of the biggest challenges of our age: reducing greenhouse gas emissions.

* ESG stands for Environmental, Social, and Governance. The acronym encompasses all sustainability issues relevant to companies, organizations and society.



FSPs – WITH ADDED 'S' FOR SUSTAINABILITY

ENVIRONMENTALLY EFFICIENT SOLUTIONS

Bulten's solutions can help customers to reduce their carbon dioxide emissions. The goal is to increase environmental efficiency in the entire value chain.

DEVELOPMENT

Through optimized technical design, partly by using recyclable, lightweight materials, we can reduce adverse environmental impact.

MANUFACTURING

By for instance using recycled steel and eliminating heat treatment in the production of fasteners (the BUFOe product family), we can reduce environmental impact.

PURCHASES

Bulten places high demands on suppliers to work actively to reduce carbon dioxide emissions. Similarly, Bulten ensures that the supply chain is living up to the set requirements regarding human rights, working conditions and business ethics.

LOGISTICS

Optimized packaging and sustainable transport solutions ensure environmentally efficient product transport.

STRONGER SALES ORGANIZATION

Bulten has announced a stronger focus on growing customer groups among suppliers to the automotive industry, as well as in new customer segments beyond automotive. The sales organization was bolstered during the year to help achieve this. Here are two of our important new recruits in 2022.



Peter Lawin, Account Director Tiers and Business Development, is responsible for Bulten's sales to suppliers in the automotive industry, and for business development.

“There's a lot happening in the automotive sector, with brand new players and collaboration clusters emerging. There's huge potential for Bulten to take market share here, with its long background and knowledge of the automotive segment.



Eddy Tan, Sales Director Asia, is responsible for Bulten's sales in the Asia region.

“It's exciting to be on this growth journey with Bulten. There's a clear ambition to consolidate the company's position on the Asian market and grow with new customer groups.



DEDICATION LEADS TO BUSINESS GROWTH

During 2020, Bulten began a close collaboration with one of the world's largest and most successful manufacturers of electric vehicles (EVs).

For Bulten, this has meant faster processes and shorter time frames between the initial request for tender and finished fasteners leaving the factories en route to the customer. This has placed some tough demands on the organization, particularly regarding its ability to quickly transition and deftly adapt to the customer's needs and expectations.

Jana Rosenbaum, Key Account Manager, has been instrumental in getting everything in place. She says that the customer's way of working is essentially that they are flexible, fast in their decision-making, and they place high demands on their selected suppliers and business partners.

The collaboration has gone well from the word go. Jana believes the key factor is the collective knowledge and expertise of her co-workers. Bulten works flexibly, drawing benefit from the long experience that exists in the organization and can quickly create a tailored solution for the customer. The colleagues who have been involved in the project to date are spread across Bulten's global organization, and have been hand picked depending on the specific challenge to be met. The customer has a distinct sustainability profile, another area where Jana feels Bulten has lived up to expectations, as sustainability is an integral part of Bulten's entire process.



During the year, the customer has entrusted Bulten to grow the business from a European to a global level. According to Jana, this is thanks to the culture of collaboration in the company. She says that the willingness to contribute and share both time and knowledge is fundamental to being able to deliver at that high level. Jana adds that a large part of her job involves working proactively and constantly staying updated on all aspects of Bulten's delivery. It means that she works close to production and maintains an ongoing dialogue to make sure that everything is running smoothly in the factory. This enables her to catch any challenges as early as possible.

Jana continues: “We have ambitious goals. We have them for all our customers, and obviously I want this business to keep on growing. I think we can achieve this by expanding our delivery and providing more complex solutions. But I think the biggest potential lies in Bulten being entrusted to work more closely with the customer as regards designing and developing more efficient, sustainable solutions. As a development partner, Bulten can work with the customer to produce solutions based on innovation and our many years of expertise. That's when Bulten is at its very best.”

SIGNIFICANT EVENTS IN BULTEN'S SALES OPERATION 2022

- Bulten has won several important orders, both large FSP contracts as well as smaller, yet still strategically important, contracts. This includes agreements with new EV manufacturers, as well as producers of tablets, lithium batteries, and drones.
- Increasing the margin on sold products and services is an ongoing priority for Bulten's sales organization. In 2022, the sales force worked continuously to improve margins by creating added value for customers.
- Bulten gained its first FSPs customer during the year, a global OEM. The parties have formulated joint targets, with an ambition to reduce environmental impact. Read more on page 25.

FOCUS 2023

- Continued focus on profitability through improved margins.
- Further balance the customer portfolio. This means that Bulten should retain and develop existing customers in the automotive industry, and increase the number of suppliers in the automotive supply chain and in new customer segments including consumer electronics.
- Reach further into the customer's value chain by selling more complex products and services.
- Expand and develop the FSPs offering through existing customer relationships and also selling to new customers.



MARKUS BAUM, CHIEF COMMERCIAL OFFICER, SUMS UP THE YEAR



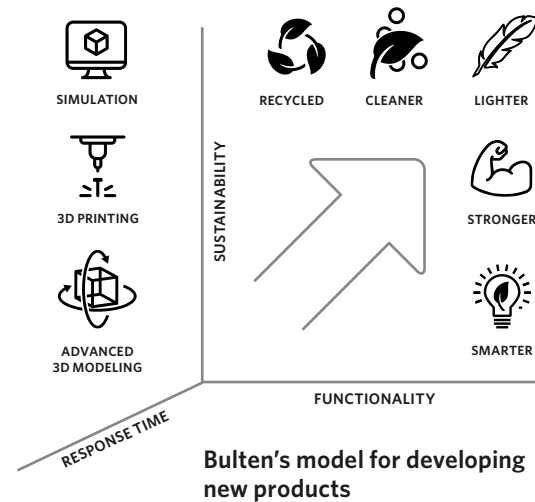
“ We have managed to achieve record sales, even though it has sometimes been hard to predict sales volumes bearing in mind the disruptions to production experienced by many of our customers. The fact that we have managed to win a lot of strategically important contracts bodes well for the future. Although many of these are small orders, they are with customers in exciting and growing areas. Our aim is to be involved further along our customers' value chain. Our new FSPs offering is a good sign that we're on track to achieve that aim. We gained our first FSPs customer during the year, which marks an important milestone for us. Finally, we have bolstered our sales organization. This provides a good foundation for organic growth on all markets, and in existing and new customer segments.



TECHNOLOGY AND INNOVATION

Innovation focusing on sustainability, functionality and speed

Bulten's new technology and innovation operations are run from two sites: Bulten Advanced Technology Center (BATC) in Gothenburg, Sweden, and Bulten Innovation Center (BIC) in Bielsko-Biala, Poland. The teams are made up of engineers with specialized expertise in areas like materials, testing, screw application and design. They identify and design technical solutions and products that undergo rigorous testing, before being approved and added to Bulten's vast array of fasteners. In addition to product development, the two teams also work on competence and process development, which helps to strengthen and improve Bulten's own production. They also provide support with advanced testing and prototype development.



Model for developing new products

Innovation is a constantly ongoing process, focused on finding the technology and product solutions that offer enhanced sustainability and functionality.

Functionality and sustainability are vital aspects of developing new products. Sustainability is fundamental along the entire value chain from design to use, with a focus on choice of materials, material consumption, energy-efficient production methods, and above all function. At Bulten, we see the way forward as developing more sustainable fasteners that also offer broader functionality. For instance, a fastener might be combined with another component or also have an integral sealing function. Essentially, it's about smarter fasteners that offer the customer more.

In addition, there is great emphasis on finding methods to achieve improved response times – a must if Bulten is to remain on the leading edge and retain its position as one of the world's leading fastener manufacturers.

SUSTAINABLE AND INNOVATIVE SOLUTIONS

BULTEN A PARTNER IN DEVELOPING WORLD'S FIRST CLIMATE-NEUTRAL ELECTRIC CAR

In 2022, electric car manufacturer Polestar and Bulten began a collaboration running up to 2030. The aim of the groundbreaking project, Polestar O, is to build the world's first climate-neutral electric car. Bulten will be providing fasteners produced in a climate-neutral value chain. This is an exciting challenge where Bulten combine innovative engineering art with more than 100 years' experience and expertise in fasteners.

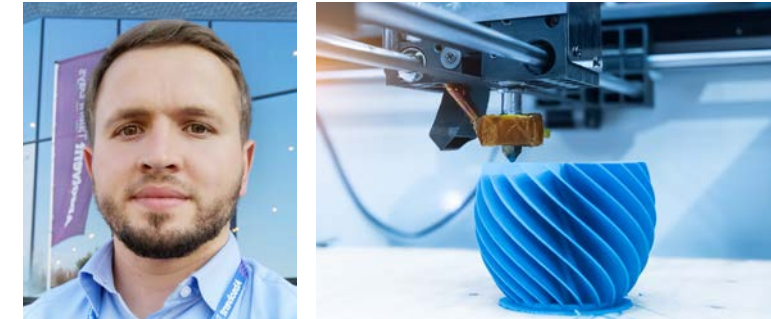
Andreas Josefsson, Key Account Manager, felt it only natural that Bulten should be involved with Polestar O. "We already have so many aspects in place: sustainable manufacturing processes, access to renewable energy

supply, and for several years now, a focus on sustainability in our production chain. We can benefit from the fact that we made the transition to sustainability early on."

The unique project challenges the early stages of the traditional development process. Polestar has set the project up on a networking basis, with involved parties working together and identifying joint solutions that meet the challenges inherent in the climate-neutrality requirement. This places some tough demands on the project parties, but it is also a unique opportunity to be involved in tomorrow's automotive manufacturing, today.

"We will need to think along new lines. They key to success in the project is the fact that Bulten is involved early on in the process, right from the development stage," says Emmy Pavlovic, SVP Technology and Innovation. "We are convinced that we can use our experience and expertise, while also suggesting innovative solutions that lead to the best possible delivery given the need for climate neutrality. Essentially, Polestar O highlights the problems that we can best solve together, such as the challenge the industry is facing regarding surface treatment. We can't all sit and think in isolation, we have to work together – just as we are doing in this project."

Polestar O is currently in its first phase, research and pilot study, and for Bulten the team initially comprises expertise in sustainability and innovation. In these early stages, a lot of time is also devoted to establishing a relationship with Polestar, and on collecting data and mapping Bulten's emission points in its current production process. With time, more parts of the organization will be brought in, eventually involving expertise from the entire value chain – something Emmy regards as a strength: "Above all, I think that this project will be important internally. It will be clear to everyone just what we can achieve together, and that we're helping to make sure that the world's first climate-neutral electric car leaves the drawing board and actually gets made."



3D PRINTING BOOSTS EFFICIENCY, PRECISION AND INNOVATION

Bulten's innovation center at the Bielsko-Biala factory, southern Poland, is home to a team of innovation engineers. They are responsible, among other things, for 3D printing of prototypes. The innovation engineers are part of the global Technology & Innovation Team, and they assist in projects throughout the Group. They mainly provide customers, internal development projects and factories with 3D-printed prototypes and tools that help to enhance efficiency and early quality assurance in development processes.

Adam Barut, Innovation Engineer, says that he and his colleagues are primarily involved in three different development areas: the prototype stage in customer projects, the prototype stage in internal development projects, and also being able to quickly print spare parts and tools that are needed in production at short notice. According to Adam there are differences between the three areas, but the common denominator is that the innovation engineers are brought in at an early stage, which is something of a challenge but also what makes the job exciting.

For Bulten, there are several benefits to using 3D printing. 3D printing of prototypes means that prototypes can quickly be produced, often with similar properties as the finished fasteners, which makes it possible to calibrate and make sure the right dimensions, materials and design are being used. Adam adds that the selection of material in 3D printing is very important to ensure the right properties based on the customer's requirements. 3D printing makes it possible to test different materials, ensuring the right choice early in the development.

In just a few days, prototypes can be sent to the customer, who in turn can test the properties and design, assure the dimensions and approve the concept. Following customer approval, the project moves into the next phase and is handed over to Bulten's teams of engineers at the factories. They are responsible for production drawings and make sure the project is ready for manufacturing. All in all, 3D printing is an efficient process that reduces the error margin, not only saving time and costs but also creating higher value for Bulten's customers.



COLLABORATIONS WITH ACADEMIA AND INDUSTRY

Bulten's development teams have close links with universities, institutes and businesses in technological areas that have been identified as important, all to ensure the right cutting-edge expertise when needed. One of the most important factors behind the success of the innovation projects is the interdisciplinary approach. Application engineers, factories and sales teams are all involved from day one, so that the right needs can be identified and new technical solutions can then quickly be developed for customers.

Matthias Preuss and Albin Andersson Honkala, former masters students at Chalmers University of Technology in Gothenburg, Sweden, did their graduation project at Bulten in 2022. The focus was on modeling, simulation and optimization of nuts with applied TensionCam technology. The aim was to analyze the deformation pattern of nuts during assembly, enabling optimal measuring by the TensionCam sensor.

* Bulten is a part-owner of TensionCam, a company that offers measuring and monitoring of critical fastener applications.

SIGNIFICANT EVENTS IN BULTEN'S TECHNOLOGY AND INNOVATION OPERATION 2022

- Bulten's new development process was implemented and audited by an independent third party, with positive results.
- A new patent application was submitted for a stainless thread forming screw for stainless applications – a solution that no fastener company other than Bulten has yet been able offer as far as we are aware. The product was tested with a customer during the spring, with positive results.
- Several exciting new projects began, including Polestar O. Read more on page 29.
- Better interdisciplinary collaboration was a contributing factor in several new projects.
- Cooperation with academia was intensified, primarily with Chalmers University of Technology in Sweden and Technical University of Dortmund in Germany.
- Several 3D-printed prototypes for customer applications and Bulten's own production were made.

FOCUS 2023

- Convert a number of Bulten's development projects into concrete customer offerings.
- Intensify work with the Polestar O team.
- Further intensify work with TensionCam by increasing the number of pilot projects with potential customers, and beginning commercialization of TensionCam's products.

EMMY PAVLOVIC, SVP TECHNOLOGY AND INNOVATION, SUMS UP THE YEAR



I'm proud that we now have a robust development process that really works. It may appear simple but it has been a tough job, and an important one as it's the foundation of everything we do in technology and innovation. We have also improved cooperation internally. Thanks to better, closer dialogue with the sales and manufacturing organizations, we have managed to create added value for our customers, for instance through several 3D-printed prototypes. Finally, I would like to mention the many successful pilot projects we have had with TensionCam's product and the patent we applied for during the year. I hope that we see more of this kind of innovations in 2023.



QUALITY

The importance of high quality

It is easy to think that if a fastener is not up to scratch, it shouldn't be too big a deal. But if you bear in mind that a product can contain thousands of different fasteners and actually hold important applications together, you soon start to realize how important quality is to a manufacturer of fasteners. Take a passenger car, for example. It consists of 25 to 50 kilos (55 to 110 lbs) of fasteners, representing approximately 400 unique part numbers. Defective or faulty components may result in serious quality problems, or in the worst case costly recalls of the vehicle model affected. For global OEMs with most of the world as their market, a recall can have drastic consequences and result in considerable financial and prestige-related losses. Bulten's ability to deliver consistently high quality is therefore vital.

Expectations, requirements, and certificates

Bulten works systematically with continuous improvement of its processes and working methods. Our units are certified to ISO 9001 and ISO 14001, and the production units are also certified to IATF 16949.

One important aspect of our recipe for success is to set challenging goals and apply a structured, systematic work approach. Internally, we continually monitor key indicators for production, markets and purchasing. We also work with our suppliers to improve their quality results and processes.

NEW QUALITY ORGANIZATION AIMING TO BE BEST IN THE INDUSTRY

So as to better exploit the potential of working more proactively and uniformly with quality, Bulten's new global quality organization was launched around new year 2021/2022. This means that around 40 people now work integrally in the global quality organization.

The new structure comprises two central teams that focus on customer quality and supplier quality respectively. In addition there are quality managers at each production unit, and they jointly make up Bulten's quality network. The network enables experience and knowledge exchange, and is also a forum to advance quality work generally. This is particularly important, as quality is very much about continuous improvement. The new organization also entails shorter decision paths, clearer mandates, and aims above all to support the ambitious goal of being the best in the industry when it comes to customer-perceived quality.

The first steps to achieve this goal have been taken by establishing the new organizational structure and implementing harmonized processes and working methods. According to Patrik Isaksson, VP Quality, in charge of the change work, it has been important to take the time to establish processes, working methods and clearly defined roles. But it's certainly not about just introducing a bunch of new things. It has also been important to highlight the experience that exists in the

organization to achieve better quality, which for instance leads to lower error margins, safer workplaces, and ultimately more satisfied customers and suppliers.

With the global organization and harmonized processes in place, Patrik can see that various benefits have been achieved: "We have gone from a silo mentality to working with best practice, and the quality network has been an important catalyst in this. We have also established harmonized general processes and working methods with clearly defined roles. With our shared processes, we can also help each other between teams and factories. This increases mobility, and if the timing is right could also open up opportunities for co-workers to work at other offices and factories."

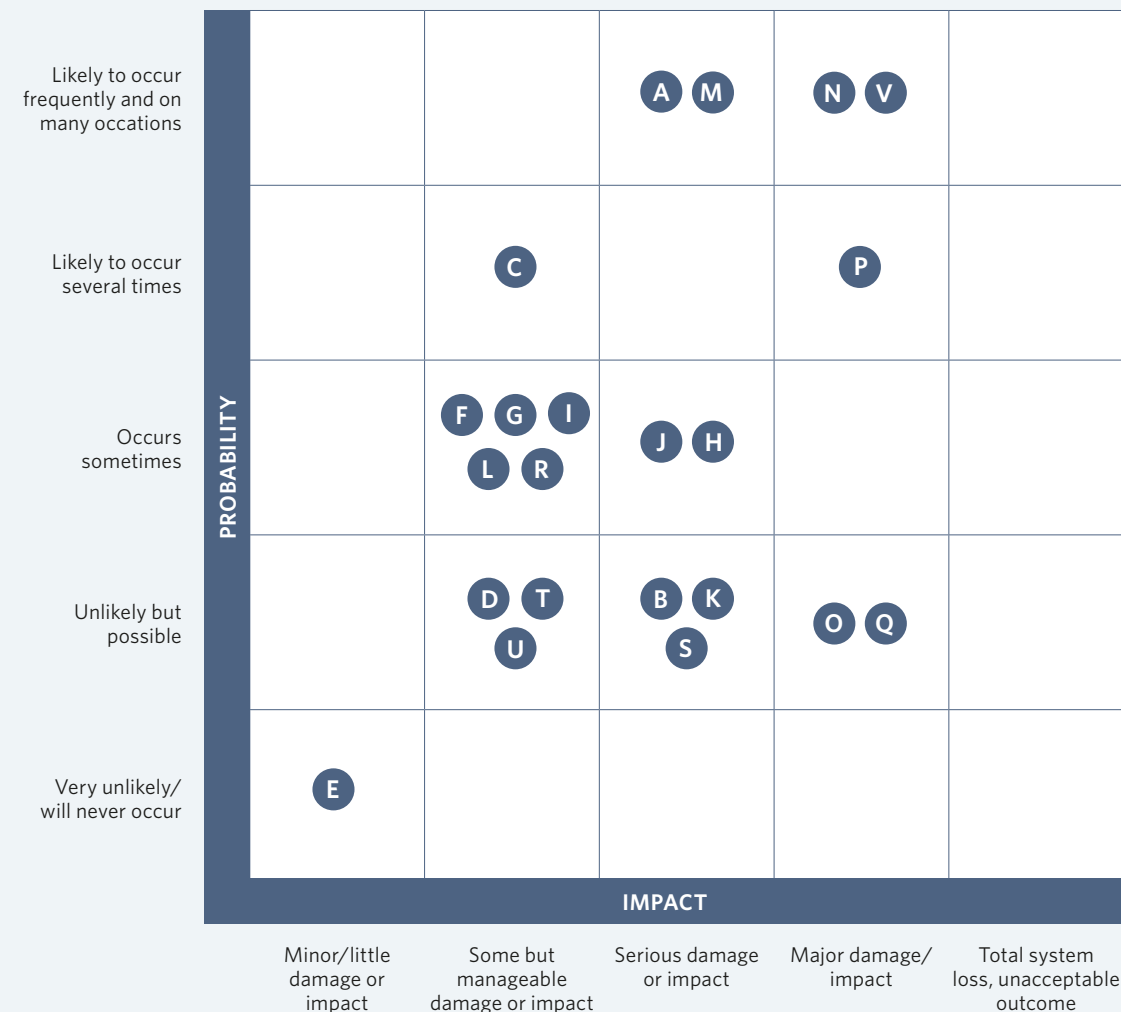
During 2023, the focus will be on the quality culture throughout the organization. With the help of e-learning and workshops, the aim is to highlight how crucial quality is in establishing long-term customer relations, and also how all employees can have an impact on this in their day-to-day work to some extent. "My goal is that customers come to us because we offer such good quality, and I want everyone to feel a sense of responsibility for that. Only then can we succeed," Patrik concludes.

RISK FACTORS

Exposure to risk is a natural part of running a business and this is reflected in Bulten's approach to risk management. The aim of risk management is to identify risk and prevent risk arising, while also limiting any damage that arises from these risks.

Bulten categorizes its risks as financial risks, sustainability risks, business cyclical and external risks, and operational risks. Below is an overall description of how the Group management assesses and manages the main risks in the operation from a time frame of 1–3 years. The risk assessment covers all parts of the company's operations and countries and regions where Bulten and its subsidiaries operate.

Further information regarding risks and risk management can be found on page 79-83, Note 5.



FINANCIAL RISKS

- A Currency risk
- B Liquidity risk
- C Interest rate risks
- D Credit risk
- E Capital risk

SUSTAINABILITY RISKS

- F Use of fossil energy sources in production processes
- G CO2e emissions
- H Failure to attract and retain employees
- I Shortcomings in equality, diversity and anti-discrimination
- J Shortcomings in health and safety
- K Violation of human rights
- L Corruption

BUSINESS CYCLE AND EXTERNAL RISKS

- M Market and competition risks
- N Legal and political risks
- O Trends and driving forces
- P Force majeure

OPERATIONAL RISKS

- Q Customer dependency
- R Global supply chain
- S Product liability, warranty and recall
- T Suspension of operations and property damage
- U Environmental regulatory/compliance risks
- V IT-related risks

RISK AREA		DESCRIPTION	OPPOSING FACTORS	PROBABILITY	IMPACT
FINANCIAL RISKS					
Currency risk	A	Bulten operates internationally and is exposed to currency risk in the form of currency exposure, mostly in EUR, PLN, GBP, USD, TWD, and CNY.	Bulten manages currency risk primarily by trying to change the operational conditions in the business by getting revenues and costs in currencies other than SEK to match each other.	Likely to occur frequently and on many occasions	Serious damage or impact
Liquidity risk	B	The risk that Bulten cannot meet payment commitments due to insufficient liquidity or problems in raising credit from external creditors.	Bulten's executive management team continually monitors the Group's liquidity reserves which comprise liquid funds and unutilized credit facilities.	Unlikely but possible	Serious damage or impact
Interest rate risks	C	Bulten's interest rate risk arises through short- and long-term loans where a sharp rise in interest rates could affect the company's position and earnings.	- Bulten's interest rate risk is deemed to be low due to the low level of borrowing. As of December 31, 2022, net debt (excluding leasing liabilities) amounted to SEK 411 million. - Focus on reducing inventory.	Likely to occur several times	Some but manageable damage or impact
Credit risk	D	Credit risk arises with regard to liquid funds and holdings at banks and financial institutions, as well as credit exposure including outstanding receivables and contracted transactions.	- Bulten's accounts receivable are spread across a large number of customers and historically Bulten's bad debts have been very low. - Liquid funds are invested exclusively with credit institutions with high credit ratings.	Unlikely but possible	Some but manageable damage or impact
Capital risk	E	The risk that Bulten does not have the right capital structure to keep costs and capital down.	Bulten has a clear dividend policy and the management team continuously monitors refinancing requirements for operating activities.	Very unlikely/ will never occur	Minor/little damage or impact

RISK AREA		DESCRIPTION	OPPOSING FACTORS	PROBABILITY	IMPACT
SUSTAINABILITY RISKS					
Environment (climate): Use of fossil energy sources in production processes	F	Increased production and additional operations will lead to greater energy use. The risk is that Bulten does not have access to energy produced from renewable sources to cover its needs and therefore has a negative impact on carbon dioxide emissions.	- Electrification of natural gas powered production processes, for example heat treatment. - Renewable electricity to all sites in the EU and US. - Bulten's climate roadmap: For example fossil-free electricity in Tianjin, China, by 2025 and investments/partnerships in renewable electricity infrastructure in Bergkamen, Germany. - Bulten continuously measures its energy use in order to streamline and reduce consumption of non-renewable energy. - The starting point in the procurement of energy is that it should come from renewable sources. - When investing, energy efficiency is a decision parameter. - Ensuring fossil-free energy through own production, solar panels.	Occurs sometimes	Some but manageable damage or impact
Environment (climate): CO2e emissions	G	Bulten's activities throughout its value chain lead to carbon dioxide emissions (scope 1, 2 and 3).	- Bulten's vision to become the most innovative and sustainable fastener provider and our climate roadmap with emissions targets validated by the Science Based Targets initiative (SBTi). Examples: - Development and introduction of FSPs. - Development of more energy-efficient products, which also reduce emissions, for example BUFOe. - Optimization of logistics flows and emission requirements are set to at least Euro 5/6 for purchased transport in the EU. - Management of investments towards more sustainable production processes (SROI = Sustainable Return on Investment), for example do not invest in production equipment and facilities that cannot be powered by renewable energy sources.	Occurs sometimes	Some but manageable damage or impact
Social aspects: Failure to attract and retain employees	H	Bulten depends on being able to attract/recruit and retain the right staff and management to safeguard Bulten's core values, future business, and operations. The risk of not being perceived as an attractive employer could affect this adversely. A lack of employee commitment could have a direct negative impact on the company's brand, position, and earnings.	- Bulten's core values and leadership foundation. - The company's clear ambition to be an inclusive employer in order to attract a wider group of potential employees. - Implementation of Bulten's global HR and H&S policy, through the company's annual development dialogue, for example. - HR system that helps the organization to implement and follow up the HR policy and strategy. - Employee surveys with concrete action plans. - Internal development and career opportunities. - Clear vertical and horizontal communication regarding short-term goals and strategy.	Occurs sometimes	Serious damage or impact

		INTRODUCTION	STRATEGY	AREA OF OPERATION	SUSTAINABILITY INFORMATION	CORPORATE GOVERNANCE	FINANCIAL INFORMATION
RISK AREA		DESCRIPTION	OPPOSING FACTORS	PROBABILITY	IMPACT		
Social aspects: Shortcomings in equality, diversity and anti-discrimination	I	Bulten operates in a traditionally male-dominated industry, which in itself can pose a risk of lack of diversity, that is not succeeding in attracting a wider group of employees to our workplaces. Poor leadership can lead to discrimination on unjustified grounds. This has a direct negative impact on employees' health and well-being as well as on trust in the company.	- To counteract discrimination and harassment and to achieve a more equal company, Bulten works actively with communication about and implementation of HR policy and processes, for example in recruitment and the company's annual development dialogue between manager and employee. - Employee survey, measurement, action plans, and follow-up. - Transparency of current policies via the intranet, employee handbooks, and reporting of breaches regarding discrimination. Clear internal reporting channels including a whistleblower system for all stakeholders in case of suspected and/or actual violation of the company's policies.	Occurs sometimes	Some but manageable damage or impact		
	J	Working environment, health, and safety are strategically important to Bulten. Shortcomings in the working environment and in health and safety entail a higher risk of illness. The risk of increased mental illness increased due to the pandemic.	- SROI where H&S improvement is an aspect for CAPEX investments. - ISO 45001 certification of all sites. - Global Environment Health Safety (EHS) lead and a global EHS internal network established. - Development of Bulten's Health and Safety (H&S) standard. - Bulten monitors and follows up on key H&S KPIs and reports out monthly. - Accidents that lead to sick leave and corrective actions are shared with all sites in order to learn and prevent similar accidents. - Improvement activities are identified, shared, and implemented. - Bulten encourages wellness activities for its employees. - Bulten has a readiness and plan to deal with a pandemic.	Occurs sometimes	Serious damage or impact		
Social aspects: Violation of human rights	K	Bulten operates on a global market where insight into/compliance with human rights and labor law may be limited/at risk. This entails a risk that Bulten and its supply chain could contribute to violations of human rights.	- Bulten is a signatory member of the UN Global Compact. - Bulten has formulated an official stance on modern slavery and trafficking. - A code of conduct and a comprehensive global HR policy state Bulten's policy on human rights. Bulten also applies a code of conduct for business partners (suppliers, JV partners, etc.). - Supplier strategy including the qualification process, which includes all sustainability aspects.	Unlikely but possible	Serious damage or impact		
Governance: Corruption	L	Corruption occurs in all countries and sectors, although to varying degrees. Bulten runs the risk of being involved in unethical business. Areas deemed to be at particular risk are the sales and purchasing processes, and the exercise of authority.	- Bulten regularly trains employees in Bulten's code of conduct, anti-corruption policy and other policies. Together with the framework for internal control and follow-up, this forms the basis for a business ethics approach and correct financial reporting. - Bulten's application of global and local authorization manuals. - Procurement processes that ensure good business ethics. - Supplier strategy including the qualification process which includes all sustainability aspects. - Bulten's internal reporting routines and whistleblower service are available to all stakeholders, where suspicion of crime can be reported anonymously.	Occurs sometimes	Some but manageable damage or impact		

RISK AREA		DESCRIPTION	OPPOSING FACTORS	PROBABILITY	IMPACT
MARKET AND COMPETITION RISKS					
Market and competition risks	M	Bulten operates in a competitive environment where both old and new competitors seek to win market shares.	- Bulten works with customers and other external resources to continuously update the understanding of medium- to long-term trends impacting the demand and specifications for its products, as well as to identify risks and opportunities. - Bulten actively works to increase market share in growing industry segments, for example in electric vehicles, automotive powertrains, and consumer electronics.	Likely to occur frequently and on many occasions	Serious damage or impact
Legal and political risks	N	Bulten operates in various jurisdictions and is subject to local regulations and laws in each jurisdiction, in addition to general international rules. Changes in local and international rules and laws could impact on the Group's business. Bulten operates in countries where instances of geopolitical risk are deemed higher than in Sweden. Political unpredictability can also entail greater risk in these jurisdictions.	- Bulten meets these risks through continual risk assessment and by using external expertise as necessary in each identified area of risk. Bulten's code of conduct, together with internal controls for financial reporting, forms the basis for its business ethics and accurate financial reporting. - Political risk can also be limited somewhat through collaboration with locally based businesses. Bulten works to localize production and purchasing to minimize trade between regions. - In any case where the risk would be estimated unacceptable, Bulten intends to end its business or trade.	Likely to occur frequently and on many occasions	Major damage/ impact
Trends and driving forces	O	Bulten operates in a competitive, cost-conscious market with high demands on environmental issues, quality, delivery precision, technological development, and customer service. Price pressure is a natural aspect of Bulten's industry. Developments in products and materials could change Bulten's competitiveness. The Paris Agreement and the industry's demands on lower greenhouse gas emissions.	- Bulten meets risk associated with competition through its FSP concept. This means that Bulten is always focused on high competence in the specific areas of production, quality, logistics, technology, and service. - The Group monitors research and development in the automotive industry, as well as market trends. - Bulten works continuously to create added value for customers, as well as scope to meet the industry's needs for cost reductions. - By conducting its own development in new applications and sustainable materials with lower greenhouse gas emissions, for example, the risk of lost competitiveness is deemed to be lower. - Diversification of customer groups outside the automotive industry also reduces the risk of cyclical sensitivity.	Unlikely but possible	Major damage/ impact
Force majeure	P	Global just-in-time logistics have made global trade more sensitive to disruptions such as pandemics, natural disasters, and strikes.	- Capacity planning and good relations with customers and suppliers reduce the risk of disruptions in global production and logistics. - In major disruptions, impact on Bulten's operation is monitored, and the company enjoys close collaboration with customers and other business partners so as to mitigate the impact as far as possible. - Bulten takes measures to protect employees such as travel bans and quarantine, while also following government guidelines and recommendations.	Likely to occur several times	Major damage/ impact

RISK AREA		DESCRIPTION	OPPOSING FACTORS	PROBABILITY	IMPACT
BUSINESS CYCLE					
Customer dependency	Q	Bulten's customers include many automotive manufacturers' in Western Europe, where a number of key customers account for a large share of the Group's sales. Bulten's sales are dependent on customers' success with their ranges of models on the market.	• The FSP concept comprises pre-development, product and technological development, production, quality, logistics, and service, and entails close collaboration with customers. • Underlying agreements with key customers cover a wide range of products and have varying terms and counterparties. • Bulten operates in different markets and segments, such as cars and commercial vehicles, consumer electronics, and home appliances industries.	Unlikely but possible	Major damage/ impact
Global supply Chain	R	Various risks exist relating to global goods flows, such as reliance on specific suppliers, intermediate goods, and logistics, as well as quality risks. Bulten is dependent on raw materials and intermediate goods for delivery to customers. Volatility in prices for raw materials and intermediate goods could affect the Group's earnings.	• Bulten balances these risks with active, professional work on purchasing, quality and logistics. • The global purchasing strategy is under constant review and updating, the aim being to optimize the purchase of materials and intermediate goods towards greater sustainability and cost-efficiency. • Bulten is usually partly compensated by its customers through contracts or negotiations in the event of material volatility.	Occurs sometimes	Some but manageable damage or impact
Product liability, warranty and recall	S	Bulten has product responsibility and can be exposed to warranty claims if products supplied by the Group cause damage to persons or property.	• Bulten meets this risk through comprehensive testing during the product design and development phases and by implementing quality, management, and control measures throughout production. • Bulten has insurance covering a certain amount of damages relating to product responsibility and recall.	Unlikely but possible	Serious damage or impact
Suspension of operations and property damage	T	Damage to production equipment could have a negative impact, both due to direct damage to property and in terms of down time.	• Bulten performs routine maintenance on production equipment and has strong internal and external support networks in the industry. Bulten also has full insurance cover for down time caused by damage to property.	Unlikely but possible	Some but manageable damage or impact
Environment: Environmental regulatory/compliance risks	U	Bulten conducts activities requiring permits and reporting in several jurisdictions.	• Bulten meets these risks by ensuring that the company has all the necessary permits and contracts, and that it meets established security, reporting, and control requirements. • ISO 14001 certifications of all sites. • Audits conducted by Bulten's insurance company (AON). • Local environmental officers/managers.	Unlikely but possible	Some but manageable damage or impact

RISK AREA		DESCRIPTION	OPPOSING FACTORS	PROBABILITY	IMPACT
IT-related risks	V	Bulten is dependent on IT systems and hardware to conduct its business. Interruptions in some of these systems or hardware entail a risk of disruptions in production and to the possibility of completing deliveries to the customer on time. Cyber attacks, including the risk of unauthorized intrusion into systems.	• Bulten has developed an IT environment that can quickly be replicated in the event of a breakdown. • Bulten has well-established routines regarding information security and processes for follow-up and control.	Likely to occur frequently and on many occasions	Major damage/ impact

SUSTAINABILITY INFORMATION

Five Focus Areas for Sustainable Development.....	37
Governance and Business Ethics	37
Sustainable Customer Offer	38
Sustainable Own Production.....	38
Sustainable Supply Chain	39
Diversity and Inclusion	40
The United Nation's Sustainable Development Goals.....	41
Ratings and Awards.....	41
Management of Sustainability Issues	42
The Group's Environmental Work	44
The Group's Work on Social Issues	46
Notes on Sustainability.....	48
GRI Index	54

Integrated Sustainability Report

Bulten prepares its Sustainability Report in line with GRI (Global Reporting Initiative) Standards. Parts of the Sustainability Report are integrated throughout the whole Annual and Sustainability Report. Also see the Notes on Sustainability on page 48.

BULTEN'S SUSTAINABLE DEVELOPMENT

Bulten's sustainability work starts from the three perspectives of corporate governance, environmental consideration, and social responsibility. To ensure the company develops sustainably, it is crucial to have a holistic approach, and to integrate these sustainability aspects in everything we do and in every decision we make. The focus of our efforts is based on our vision, mission, core values and strategy, the United Nations' Sustainable Development Goals, and our commitment to the UN Global Compact.

2022 was a year when many things were brought to a head, due partly to the wake of the pandemic but mainly to Russia's invasion of Ukraine.

Bulten made a major, crucial decision immediately after Russia invaded Ukraine by initiating divestment of its operation in Russia. There was no question that we should discontinue our involvement in Russia, but it was also important that the process took place in the best way possible to protect our Russian colleagues.

Although it has been a turbulent year, we have continued determinedly with our vision to be the most sustainable and innovative supplier of fastener solutions. Despite uncertainty, we have stuck to our roadmap and managed to deliver on our sustainability commitments during the year, and also to achieve the highest scores in several sustainability ratings.



MARLENE DYBECK, SVP HR AND SUSTAINABILITY

“With their dedication during the year, the employees and managers at Bulten have been able to work around uncertainty in an outstanding manner, while also contributing to a more sustainable future – not only for us as a company, but also for our customers, partners and shareholders.

FIVE FOCUS AREAS FOR SUSTAINABLE DEVELOPMENT

Based on the company's vision, *We create and deliver the most innovative and sustainable fastener solutions*, the sustainability impact of our value chain and ongoing interaction with our stakeholders, Bulten has structured its key sustainability issues into five focus areas:

Governance and Business Ethics, Sustainable Customer Offer, Sustainable Own Production, Sustainable Supply Chain, and Diversity and Inclusion.

This section presents examples of material topics for each focus area. These can also be found in the company's stakeholder and materiality analysis on page 49.

Bulten's main stakeholder groups are: employees, customers, suppliers, shareholders, the local community, and government agencies.



GOVERNANCE AND BUSINESS ETHICS



SUSTAINABLE CUSTOMER OFFER



SUSTAINABLE IN-HOUSE PRODUCTION



SUSTAINABLE SUPPLY CHAIN



DIVERSITY AND INCLUSION



FOCUS AREA

GOVERNANCE AND BUSINESS ETHICS

Bulten has the ambition to develop in a sustainable, responsible manner. Good business ethics and corporate citizenship are assured, for example, by creating insight and understanding among employees and other stakeholders. The code of conduct and the supplier code, company policies, and relevant training support this.

Bulten is subject to regular sustainability audits by independent ratings providers like EcoVadis, as a way of assessing the company's sustainable development. Bulten's sustainability reporting and the Sustainability Report itself are also audited by a third party, see page 57.

Examples of material topics in governance and business ethics:

- Responsible business practice/ethics and compliance, such as anti-corruption
- Strategy for sustainable development, for example climate neutrality, business ethics, human rights, transparency, and regulatory compliance
- Monitoring and transparent reporting

Developments in 2022

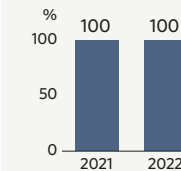
During the year, Bulten's climate goals up to 2030 were verified and approved by the Science Based Targets initiative (SBTi), a collaboration between the Carbon Disclosure Project (CDP), the UN Global Compact, the World Resource Institute (WRI), and the World Wide Fund for Nature (WWF).

The initiative aims to provide businesses with guidance in formulating climate goals that are in line with what scientifically is deemed necessary to meet the objectives of the Paris Agreement.

Governance and Business Ethics – goal and outcome 2022

The goal is that all new employees shall complete an e-learning in Bulten's code of conduct. Co-workers with external business relations should also complete an e-learning in anti-corruption and business ethics.

During the year, all employees at PSM-ZJK Fasteners (Shenzhen) Co., Ltd. were also included. The degree of completion for both training programs was 99.6% (rounded up to 100% in the graph).



Bulten aims to achieve the highest level in sustainability audits conducted by external ratings providers. In 2022 Bulten was awarded a Platinum Medal by EcoVadis, signifying that Bulten is in the top 1% of all companies rated. In addition, Morningstar/Sustainalytics designated Bulten the company with the lowest sustainability risk among the many automotive component suppliers assessed globally. See Ratings and Awards on page 41.



FOCUS AREA

SUSTAINABLE CUSTOMER OFFER

Bulten's ambition is that customers should rank the company's offer as the most sustainable in the industry.

Examples of material topics in sustainable customer offer:

- GHG emissions along products life cycle
- Energy-efficient processes
- Increasing the use of recycled material/greater circularity
- Minimizing material consumption and waste
- Sustainable supply chain, see page 39

Bulten's value chain is continuously evolving to increase the sustainability in our customer offer. The starting point is the three sustainability aspects: corporate governance, environmental consideration, and social responsibility. Bulten strives to be a partner that helps its customers achieve their sustainability goals. An example is the Full Service Provider sustainability (FSPs) concept, where we work with the customer to set sustainability goals and then monitor the results.

In order to reduce Bulten's negative impact on the climate and environment, the product design and production process are optimized with a focus on using recycled materials, fossil-free energy and energy efficiency. The BUFOe product family is an example of fasteners designed to minimize GHG emissions while also reducing energy use in the production process. This is achieved using specially adapted materials and a cold forging process that renders heat treatment redundant, thus helping to reduce energy use.

Developments in 2022

During the year, Bulten has seen a strong increase in interest in our sustainable customer offer, from existing and prospective customers alike, both in automotive and other segments. Suppliers have also shown greater interest. Bulten launched its FSPs concept to customers in 2022, and was chosen as a collaboration partner in the Polestar 0 project. Bulten was also awarded its first Platinum Medal by EcoVadis during the year, firm proof that we are at the leading edge in our industry.

Sustainable Customer Offer – goal and outcome 2022:

The aim was to sign the first FSPs contract with a customer during the year.

This goal was achieved early on in the year, and means that in addition to delivering fasteners, Bulten commits to various sustainability goals during the contract period, with the aim of supporting the customer's overall sustainability goals. The goals are formulated alongside the customer and are followed up regularly.



FSPs – WITH ADDED 'S' FOR SUSTAINABILITY

Read more about FSPs on page 25.

Read more about technology and innovation on pages 28–30.



FOCUS AREA

SUSTAINABLE OWN PRODUCTION

Bulten's ambition is to be a world leader in our industry for sustainable production, which also includes that no one should become ill or be injured at work.

At Bulten, we have long been committed to developing our company in a sustainable way. With 150 years' experience, we have amassed unique expertise in processing steel and developing world-leading fasteners. This means a leading position when it comes to developing both our own production processes and products with less negative impact on the climate and environment.

Examples of material topics in sustainable own production:

- Emission of greenhouse gases (GHGs)
- Energy-efficient processes
- Use of fossil-free energy
- Increasing the use of recycled material/greater circularity
- Minimizing material consumption and waste
- Sustainable supply chain, see page 39
- Water consumption and emissions to water
- Health and safety

Developments in 2022

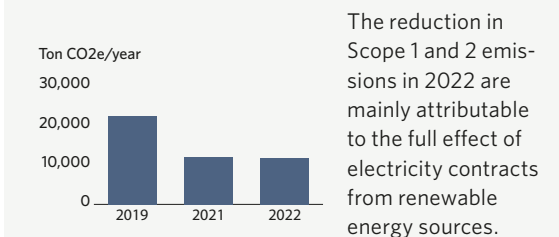
During the year, implementation of our climate strategy began. A new surface treatment plant in Poland and a new warehouse in Germany were completed. In addition the company has worked on energy efficiencies in production processes. Systems have also been established for reusing quenching oil at the Polish factory, reducing both waste and purchase of quenching oil. Water use was the same level as in 2021.

During 2022, all of Bulten's factories in Europe, Asia and the US have been certified to ISO 45001 working environment standards, and the frequency of accidents that resulted in sick-leave reduced by 14% compared to the previous year.

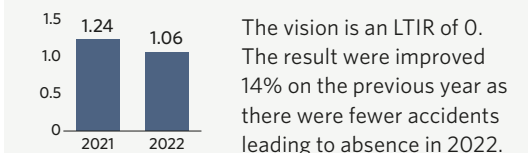
Sustainable Own Production – goal and outcome 2022

Emission of greenhouse gases, Scope 1* and 2*: The goal is to reduce absolute GHG emissions by 30% by 2030 (base year 2019).

* Direct emissions of GHGs from Bulten's operations, and indirect emissions from production of electricity and district heating used in the operation.



Work environmental goals: Bulten's vision is that no one should be injured at their place of work. One of the most important metrics is Lost Time Injury Rate (LTIR), which is the number of work-related accidents that lead to absence per 200,000 hours worked. Accidents that happen on the way to or from the workplace are not included in this metric.



For other goals and outcomes regarding energy, water, waste, health and safety, see the individual notes on sustainability. Read more about Bulten's production process on page 19 and Bulten's working environment on page 47.



FOCUS AREA

SUSTAINABLE SUPPLY CHAIN

We ensure that the supply chain lives up to our requirements using a code of conduct for business partners, by evaluating suppliers and maintaining close dialogue.

Suppliers are evaluated with an initial screening, a self-assessment, and on-site visits. In addition to commercial requirements, there are also demands on quality and logistics, environmental aspects, human rights, social responsibility, and good governance and business ethics.

A sustainable supply chain is measured by the suppliers accepting the supplier code and also completing Drive Sustainability's Self Assessment Questionnaire, SAQ.

Examples of material topics in sustainable supply chain:

- Responsible business practice/ethics and compliance, such as anti-corruption
- Transparent reporting
- Emission of greenhouse gases (GHGs)
- Increasing the use of recycled material/greater circularity
- Health and safety
- Decent working conditions
- Human rights throughout the supply chain

Developments in 2022

During the year, an updated code of conduct for suppliers was launched. Bulten has also evolved the evaluation process for new suppliers by including business ethics and social sustainability in the screening. Monitoring of existing suppliers was also developed by supplementing on-site evaluation of suppliers with social aspects and corporate governance.

In 2022, Bulten introduced 16 new suppliers of direct materials. Nine of these were referred by our customers. Referred suppliers will be assessed, partly to evaluate consolidation potential in Bulten's own production, and partly to ensure full compliance with Bulten's requirements.

One high priority area in 2022 has been supporting suppliers with a low score in the Self Assessment Questionnaire (SAQ) for sustainability. This is to ensure that they meet all of Bulten's demands in the future.

An important strategic process was initiated with suppliers of steel and plastic items during 2022. The aim is to identify opportunities to reduce GHG emissions along the supply chain, and to develop more sustainable products.

Sustainable Supply Chain – goal and outcome

Acceptance of the supplier code:

The goal during 2022 has been for Bulten's suppliers to accept the updated code of conduct.

Outcome: 99.5%.

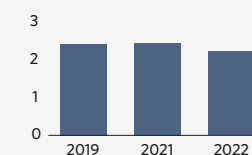
Development of suppliers:

During 2022, a total of 63 out of 82 suppliers of primarily direct materials, surface treatment and finished components achieved at least 3 stars in their sustainability rating. This equates to around 92.8% of the total purchased volume in these areas. Nine suppliers have not yet completed the assessment. Bulten is also continuing to work with 10 suppliers (in Europe and Asia) to raise the results to the high standard we expect from all our suppliers.

Emission of GHGs, Scope 3:

Bulten's goal is to reduce Scope 3* GHG emissions by 25% per tonne of sold product by 2030, with 2019 as the base year.

Ton CO₂e/ton sold product



Comment: The reduction in Scope 3 GHG emissions is primarily due to lower GHG emissions from raw materials, and from transportation.

* Scope 3 encompasses indirect emissions of GHGs in Bulten's value chain, which is to say upstream or downstream from the operation. Reported Scope 3 emissions comprise emissions from: extraction and production of raw materials, production of purchased screws, surface treatment services, inbound material transports (excluding raw materials), and other purchased transports (primarily internal transports), in accordance with Bulten's Science Based Targets for Scope 3. These equate to approximately 75% of the total Scope 3 emissions.



Read more about Bulten's work with suppliers on page 22. Other goals and outcomes are presented in the notes on sustainability.



FOCUS AREA

DIVERSITY AND INCLUSION

At Bulten, the diversity of our personnel's knowledge, experience and perspectives lays the foundation for continuous development.

Bulten wants to be characterized by an open climate and inclusive ways of working, where all employees have opportunities to develop and make a contribution.

The personal annual development dialogue (ADD) promotes inclusion, as well as development both of the individual and the company. Analyzing metrics such as the proportion of women to men, hours of training, and personnel turnover provides us with further data for our ongoing efforts. See page 52.



Examples of material topics in diversity and inclusion:

- Competence supply
- Job security
- Inclusive working methods
- Decent working conditions
- Ongoing career development
- Human rights
- Promoting diversity and gender equality

Developments in 2022

Bulten has focused on further implementing the annual development dialogue (ADD), achieving a completion rate of 99.6%.

During the year, the company also worked to implement measures resulting from the employee engagement survey conducted in late 2021.

In 2022 the Allbright foundation, which works for gender equality and diversity in leading positions in the Swedish business sector, voted Bulten one of the most gender-equal listed companies in Sweden, and placed Bulten thirty-second on its green list of publicly listed companies.

Diversity and inclusion – goal and outcome

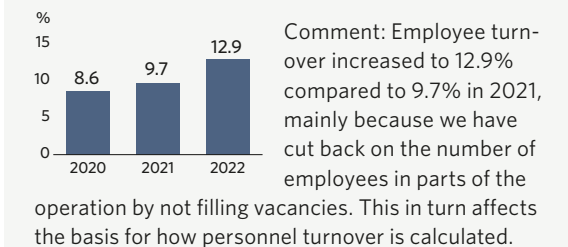
The annual development dialogue:

The aim has been for all employees to have an ADD with their manager. This dialogue is documented in Bulten's global HR system. From 2022, the process also encompasses all employees of PSM International, which Bulten acquired in 2020.



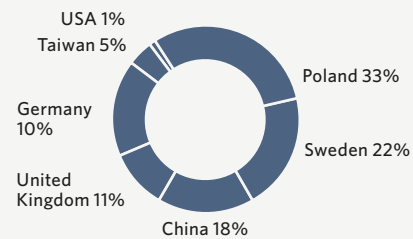
Employee turnover:

The goal is that the turnover of permanently employed personnel should be less than 8%. The companies within PSM International have been included since 2021.

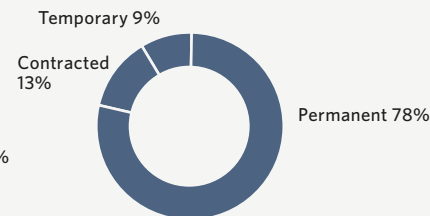


Read more about employees on page 46 and in the notes on sustainability, where other goals and outcomes relating to diversity and employees are presented.

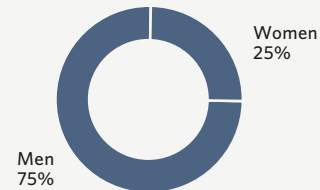
Geographic distribution



Employment form



Gender distribution



Distribution managers



Distribution Executive management



THE UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS

Through internal management discussions and on the Sustainability Committee, Bulten has analyzed how the company contributes to achieving the UN's 17 Sustainable Development Goals (SDGs). A company can have both a positive and a negative impact (see for instance our risk analysis as regards sustainability on pages 32-35). Bulten deems that the company can primarily contribute positively to the following SDG's.



7.2 Increase substantially the share of renewable energy in the global energy mix, & 7.3 Double the global rate of improvement in energy efficiency

- Invest in renewable energy at our own plants. The first solar panels at a production unit were installed in 2019.
- Investments in energy efficiency in Bulten's production plants.
- The plant in Germany is ISO 50001 certified (management system for energy efficiency).



8.4 Improve resource efficiency in consumption and production, & 8.8 Protect labor rights and promote safe and secure working environments for all workers

- Code of conduct internally and for business partners.
- Bulten's global HR policy.
- Zero vision for work-related illness and accidents. Company-wide coordination and monitoring of health and safety at the workplace.
- ISO 45001 certifications.
- Long-term employments (low percentage of contracted staff).



9.4 Upgrade all industry and infrastructure for greater sustainability.

- Investments in new and existing factories, such as investment in new Taiwan factory 2020, new build of surface treatment plant in Poland and construction of a logistic center at the Germany factory.
- Support suppliers in their development, contributing to global trade
- In-house development and collaboration with external partners in sustainable technology.



12.2 Achieve the sustainable management and efficient use of natural resources, & 12.5 Substantially reduce waste generation

- All of Bulten's units have environmental certification.
- Responsible consumption of transportation services.
- Treatment and reuse of water.
- Recycling through high proportion of raw materials from circular flows.



13.a Implement the United Nations Framework Convention on Climate Change

- Develop more eco-friendly products and services, such as BUFOe.
- Focus on raw materials with low GHG emissions.
- Investments in fossil-free production process.
- Communication, as well as training of employees and suppliers, that helps to raise awareness.
- Recycling and treatment of water.
- Increased assessment of the supply chain from an environmental perspective.
- See also Target 7.2 - renewable electricity at all plants in EU and US, and goals for this at plants in Asia.

RATINGS AND AWARDS

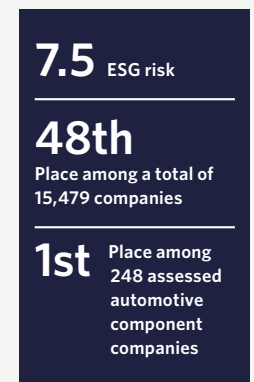
PLATINUM RATING FROM ECOVADIS

Bulten has moved from EcoVadis sustainability rating Gold to Platinum during the year. This puts the company among a rare 1% of all assessed companies.



FIRST PLACE IN THE MORNINGSTAR SUSTAINALYTICS ESG RISK RATING FOR INVESTORS

Morningstar/Sustainalytics conducts sustainability risk ratings for investors. The ratings are conducted by industry and are based on companies' published information. According to their assessment of automotive component suppliers from November 28, 2022, Bulten's ESG risk is rated 7.5, which is to say negligible. This is an improvement on the 2021 figure of 10.3. This puts the company in first place among 248 assessed automotive component suppliers, an improvement on the previous year's second place. Bulten also advanced to 48th place of all assessed companies (over 15,000).



ONE OF SWEDEN'S MOST EQUAL COMPANIES 2022

The Allbright foundation, which works for gender equality and diversity in leading positions in the Swedish business sector, voted Bulten one of the most gender-equal listed companies in Sweden in 2022. Bulten's gender distribution on the Board (AGM elected: 33% women and 67% men) and the executive management (50/50) puts the company on Allbright's green list of publicly listed companies.



MANAGEMENT OF SUSTAINABILITY ISSUES

To ensure that sustainability efforts at Bulten are realized, they are an integral aspect of the company's business strategy and operational management, with a clear division of responsibility. Overall responsibility for the company's sustainability work rests with the Board of Directors, while the CEO has operational responsibility. The work is managed and coordinated by the SVP HR and Sustainability, who is also a member of the executive management team. A sustainability committee comprising representatives from the Group's various functions drafts, develops and proposes activities. Each focus area has a clearly defined organization and resources at its disposal, and the work is led by the relevant functional head in the executive management team.

Clear sustainability goals, which are integrated into the business strategy and the regular operations, help to ensure that the Board and the executive management have the right knowledge and greater experience in the field of sustainability.

Sustainability work is governed and monitored using a management system with action plans and measurable goals; the system also includes standardized policies and guidelines. Goal achievement and action plans are followed up and reported regularly to the executive management, who in turn report development and results back to the Board of Directors.

Bulten also conducts what is known as a management review, which means that strategic work is followed up at each management team meeting. Any gaps identified are discussed and given different priorities, depending on the situation. Activities, process improvements, etc. are incorporated into action plans. Work is carried out in accordance with the PDCA method (plan, do, check, act).

The Board of Directors continuously assess the sustainability work by reporting at Board meetings. The Board's audit committee monitors the company's sustainability reporting.

See page 60 for more information on the audit committee's work.

All employees have a responsibility for sustainability efforts in their areas of responsibility, and each manager is responsible for managing the work and monitoring compliance.

Investments are assessed from a sustainability perspective.

To ensure that the company's investments support our sustainability strategy, we assess investment requests on the basis of Sustainable Return on Investment (SRoI). Assessed areas include, for instance, the working environment and machine safety, as well as environmental factors such as water and energy use, emissions, waste, and noise levels.

Assessment and reporting

The company's progress is also assessed in connection with the Group's continuous strategy work based on market intelligence, stakeholder analysis, and risk and opportunity analyses.

Sustainability reporting and the accompanying Sustainability Report encompass all Group operations in which Bulten holds an operational responsibility. If any part of the operation is not included in a particular disclosure, this is declared in the relevant disclosure. Also see the GRI Index and the Corporate Governance Report.

Codes and policies

Bulten's operation involves business relations on a global level, and its policies describe how the operation should be governed based on commercial, financial and sustainability aspects.

The purpose is to create clarity around regulations, Bulten's standpoint, as well as roles, responsibilities and procedures. It shall be easy to do the right thing. All policies are revised and updated on the basis of new legal requirements, and changes and development in processes and procedures.

Code of conduct

All employees and contractors shall be aware of and follow Bulten's code of conduct. It outlines Bulten's standpoint and principles in the following areas, among others:

- Respect and zero tolerance of harassment
- Diversity and inclusion, (non-discrimination)
- Fair working conditions
- Health and safety
- Freedom of association
- Product quality
- Responsible trade, and anti-corruption
- Fair competition
- Environmental responsibility
- Transparent accounting and reporting
- Protection of personal data
- Reporting of problems and misconduct

The code of conduct is also supplemented with other policies and codes. The policies are implemented via directives, procedures such as the finance manual and authorization rules, and through training of Bulten's employees and managers.

Policies for responsible business relations

In addition to the code of conduct, there is also a code for suppliers plus the anti-corruption policy, which provide guidance in our relations with customers, suppliers, government agencies, and so on. Bulten also has a policy to counteract anti-competitive activities. No cases or legal actions relating to anti-competitive behavior, anti-trust, or monopoly practice occurred or were reported during the year.

Other policies

Some of the areas covered by Bulten's other policies are health and safety, the environment, conflict minerals, HR, communication, IT security, and so on.

Reporting of critical sustainability-related issues

Critical sustainability-related issues are reported to the persons ultimately responsible for the company's sustainability management, as follows:

- All employees and Board members in the Group have a responsibility to report conflicts of interest, and breaches and infringements of the code of conduct. Any reports should be made to the immediate manager or their superior, or to HR or another designated management function. All stakeholders, both internal and external, can report suspected infringements anonymously via Bulten's whistleblower service.
- An IT-based reporting system is available for all internal and external stakeholders, via the company's website www.bulten.com, and on the intranet. It is also addressed in our policies.
- Any questions on reporting of violations should primarily be directed to the person at the company who is responsible for sustainability issues, as described in all policy documents. Bulten as a company is very clear in its communication that the company does not accept anyone being subjected to reprisals for reports made in good faith.

See further information in the notes on sustainability regarding Anti-corruption, and Diversity and development.

Disclosures in line with the EU taxonomy

During 2020, the EU adopted the Taxonomy Regulation as part of its action plan for financing sustainable growth. For the 2022 financial year, which is reported in 2023, Bulten has to report net sales, investments and operating costs relating to two environmental objectives: *Climate change mitigation* and *Climate change adaptation*.

Bulten has analyzed the company's economic activities based on the Taxonomy Regulation (EU 2020/852) and delegated acts, referred to below as the taxonomy. Bulten's main economic activities – the manufacture and sale of fasteners – are not included in the current version of the taxonomy. No other economic activities that generate external income reported in the consolidated income statement have been identified. With this in mind, Bulten recognizes SEK 0 (zero) in earnings from taxonomy-eligible activities.

The taxonomy also includes investments (capital expenditures, CAPEX) and operating expenses (OPEX). A few of the investments made by Bulten in 2022 are in taxonomy-eligible activities, such as the construction of a new building, new leasing contracts of buildings, installation of solar cells, charging stations and equipment for energy recovery. These equate to a rounded 65% of total capital expenditures. The main investments in eligible activities are the new factory building in Poland and the new warehouse in Germany. The figures have been obtained from the organization's internal investment monitoring.

As regards the taxonomy's requirement on sustainable investments relating to equipment and services from suppliers, Bulten has not been able to establish whether these suppliers are sustainable in line with the taxonomy. This is because the relevant details are not available from the suppliers. With this in mind, Bulten is only reporting the share of capital expenditures that are taxonomy eligible.

Bulten reports OPEX in the same way as CAPEX, which is to say it reports taxonomy-eligible expenditures. Bulten's share of eligible OPEX according to the taxonomy definition is recognized as zero (0.11%). This is due to the very limited economic activities carried out by Bulten that are taxonomy eligible. See pages 115–117.

Bulten's total net sales are equal to the net sales shown in the consolidated income statement on page 72. CAPEX comprises the year's investments in intangible assets (excluding goodwill), and property, plant and equipment as well as right-of-use assets and lease liabilities, that can be matched with the line acquisitions during the year in note 17, 18 and 19 and the line re-classifications during the year in note 19, on page 89-91. OPEX comprise maintenance and repair costs for equipment and buildings.



THE GROUP'S ENVIRONMENTAL WORK

In order to reduce Bulten's environmental impact, Bulten carries out continuous assessment and systematic improvement work in all areas of the operation.

Environmental policy

Bulten's environmental policy aims to reduce climate and environmental impact from its own operations and its products, along the entire value chain. The policy applies for all subsidiaries, see page 48.

The policy covers, for example:

- Reducing GHG emissions along the entire value chain.
- Reducing the use of fossil-based energy and transitioning to renewable energy.
- Developing and offering products and solutions with less negative environmental and/or climate impact.
- Improving energy efficiency and raw materials efficiency in our operation.
- Increasing circularity.
- Reducing emissions that impact on air, water, and land quality.
- Reducing waste and assuring responsible waste management.
- Reducing water consumption.
- Responsible handling of chemicals.

The work is managed and coordinated by the Group VP Environment, Health and Safety, who also oversees, develops and ensures continuous improvement in environmental efforts. In all of the Group's units, environmental management and quality management are integrated into the management system.

All decisions relating to the environment (Bulten's impact on environmental aspects) are based on an investigation and impact assessment of consequences as well as regulations, such as the Swedish Environmental Code and permit

processes. Bulten collaborates with external specialists and advisors in connection with, for example, new establishments, and inspections are conducted regularly by authorities and other certification bodies. Bulten guarantees that all operations have the required permits and certificates through its management function.

The environmental aspect is integrated into the value chain, from development, through purchasing, to assembly and use.

Climate impact, energy use, water use, and waste are material topics.

Bulten believes that using materials and energy efficiently reduces the environmental burden and is economically beneficial. The focus for Bulten is on increasing the use of recycled materials, switching to fossil-free energy, increasing energy recovery in the factories, minimizing waste, securing sustainable water supplies, and reusing water to the greatest extent possible.

CLIMATE-IMPACTING EMISSIONS

Bulten has mapped GHG emissions along the entire value chain in line with the Greenhouse Gas Protocol standard. This process showed that the vast majority of GHG emissions from Bulten's own operations come from the combustion of natural gas in the heat treatment furnaces used in the production process. The fossil-based electricity the company purchases also generates high GHG emissions. The main GHG emissions linked to Bulten's production, however, are in the supply chain when producing the materials and services that the company purchases.

Bulten has set targets in line with the Paris Agreement, and these have been verified and approved by the Science Based Target initiative (SBTi). Bulten has also prepared an action plan for these.

Goals

Bulten has set the following climate goals for 2030 compared to the base year 2019:

1. Reduce absolute Scope 1 and 2 emissions of GHGs by 30%.
2. Reduce Scope 3 emissions of GHGs by 25% per ton of sold product.

For further information on the goals and outcomes for 2022, see pages 38 and 39, and also page 50.

Responsibility and measures

Local goals and action plans are formulated by the local units in line with overall goals in Scope 1 and 2. Each unit reports the outcome quarterly, and this is aggregated at Group level and followed up in the company's management team.

The goal of reducing Scope 3 emissions is led by Bulten's various departments such as purchasing, production, sales, and technology and innovation.

Activities to reduce climate-impacting emissions

Bulten takes ongoing measures to reduce climate-impacting emissions. These encompass switching from fossil-derived to fossil-free energy supply in own production, more energy-efficient production methods, requirements on lower emissions from transports, and reducing indirect emissions in purchased direct materials.

See page 50 for further information including emission sources, GHG emission intensity, and emission factors.

Collaboration with Polestar

Electric vehicle manufacturer Polestar has made Bulten an official partner in a project running up to 2030. The aim of the groundbreaking project, Polestar 0, is to build the world's first climate-neutral electric car. Bulten will be providing fasteners produced in a climate-neutral value chain. This means zero GHG emissions in all stages of fastener production, including the supply chain.

"The project is in line with Bulten's strategy and is a unique opportunity to work alongside other companies in the project, and develop innovative new solutions for climate-neutral fasteners – and to do so faster than we could have done on our own," says Emma Ringström, VP Environment, Health and Safety.

Science Based Target initiative

The latest climate research clearly shows that we need to dramatically slow the rise in temperature if we are to avoid disastrous effects from climate change.

The Science Based Targets initiative (SBTi) enables organizations to identify how much and how quickly they need to reduce their GHG emissions according to climate research in order to achieve the goals of the Paris Agreement.

In the 2015 Paris Agreement, the world's governments committed to reducing the rise in global temperature to well below 2°C compared to pre-industrial levels, and to continue efforts to limit the rise to 1.5°C.

SBTi is a collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

ENERGY

In our own production we use electricity and natural gas, and in some cases district heating is purchased for heating premises. Bulten also requires its suppliers to strive for lower energy use and to increase the share of renewable energy via the company’s code of conduct for business partners.

Goal

Bulten’s goal is that 100% of the electricity purchased for its plants in Europe and the US shall come from renewable sources by 2025, and for its other plants by 2030.

Bulten also has the goal of reducing energy use by 15% per ton of produced goods, compared to 2019, by 2024.

See page 51 for the outcome in 2022.

Responsibility and measures

Local goals and action plans are formulated by the local units in line with overall goals.

Each unit reports the outcome quarterly, and this is aggregated at Group level and followed up in the company’s management team.

See note 7 for energy use within the organization and the share of renewable energy, page 51.

Reduced energy use

Many activities have been carried out during 2022 to reduce energy use. For example:

Heat from the cooling bath in the heat treatment process is recovered and used to heat the water for the washing process at our Swedish production plant, saving just over 200,000 kWh a year.

Improved insulation in one of the heat treatment furnaces, which has also reduced energy use at the Swedish production plant.

In addition, activities have been carried out at several plants, such as:

- * more efficient compressed air production
- * improved pipe insulation
- * ongoing switching of lighting to LED

In addition, more equipment for measuring energy use in different operational processes has been installed at several sites, and energy mapping has been conducted to provide data for continued energy-saving measures.



WATER CONSUMPTION

Overall, Bulten consumes relatively small amounts of water. Where it is consumed, it is primarily via evaporation in industrial washing plants and fresh water for sanitation. Water is taken from the municipal water supply, and water that Bulten pollutes is treated and reused to the extent possible at the company’s various units. Other contaminated water, including concentrate, is collected by contracted specialist companies. Other water goes for municipal wastewater treatment.

Goal

Bulten has set a goal to reduce water intensity per produced tonnage* by 10% up to 2024 compared to 2019.

During 2022, water consumption was on the same levels as 2021. See page 51.

*Cold forged or machined tons of steel.

The local units link in to this target and have varying impact on the Group’s results, depending on the type of operation and the machinery at each unit. Bulten also requires that its suppliers strive to reduce their water use through its code of conduct for business partners.

Responsibility and measures

Bulten’s sites identify their own water impact and conduct related risk assessments based on the local conditions. The sites interact with local authorities in accordance with their environmental permits. The primary interest for the supervisory authorities is water consumption and the results of samples that are taken. If specific consideration for the receiving body of water is applicable, this is reflected in each site’s environmental permit.

WASTE

Waste primarily comprises metal scrap, which is produced when processing raw materials into products. This is sent for metal recycling. Otherwise, waste is mainly produced in the washing facilities, where oil and contaminated water are separated and sent for energy recovery and destruction respectively.

Goal

Bulten’s goal is to reduce the volume of waste by 10% per ton of produced goods, up to 2024 (base year 2019).

Read about hazardous/non-hazardous waste on page 51.

Responsibility and measures

The local sites link in to this target and have varying impact on the Group’s results, depending on the type of operation and the machinery at each unit. Each site reports the outcome quarterly, and this is aggregated at Group level and followed up in the company’s management team.

Reduced waste through reuse of mineral oil in the heat treatment process

During 2022, Bulten’s plant in Poland carried out a project to reduce the consumption of mineral oil in the cooling bath after heat treatment, and thereby also reduced costs and amount of hazardous waste. The oil is recycled at the production plant by a third party. The recycled oil is mixed 50/50 with virgin oil and reused in the quenching process, reducing both oil consumption and waste volumes. The ambition is to reuse all quenching oil in the quenching process. It should be noted, however that not all recycled oil yet meets the requirements, so some still has to be disposed of.

THE GROUP'S WORK ON SOCIAL ISSUES

Bulten's code of conduct, supplier code, and related policies such as the HR policy, describe Bulten's standpoint and guidelines relating to social sustainability. These encompass, for example, human rights, working conditions, health and safety, learning and development, diversity and inclusion, along with requirements on suppliers' social responsibility.

Respect for human rights

Bulten supports the international conventions on human rights, and works actively to ensure that they are respected throughout our value chain. This includes efforts related to zero tolerance of child labor.



Policy on forced labor and trafficking

As a further step in Bulten's strategy to support human rights, a separate Statement against Modern Slavery and Human Trafficking has been formulated. It describes how Bulten's companies work to ensure that modern slavery (forced labor) and trafficking do not occur in the value chain. Each employee has the right to terminate their employment after a period of notice, in line with prevailing laws and agreements. Bulten never requires any form of deposit nor do we confiscate ID documents from our employees. We always check the ID and, where required, relevant work permits of all new employees or contracted personnel.

SOCIAL TOPICS IN BULTEN'S SUPPLY CHAIN

Bulten imposes demands on business partners, suppliers and service providers with regard to working conditions, the environment, business ethics and human rights, etc. in its code of conduct for suppliers. It is included in contract terms and is communicated in the qualification process for new suppliers, and must be signed by them.

The onboarding process for new suppliers also includes an assessment of the supplier's sustainability performance using a self-assessment questionnaire (Drive Sustainability SAQ), which covers human rights including child labor and trafficking, employment and working conditions, health and safety, environment, responsible purchasing, business ethics, and corporate governance. The results of these assessments are ranked according to an internal system.

The decision to enter into a new supplier relationship is made jointly by VP Purchasing, VP Quality, and VP Material Planning and Logistics.

OUR EMPLOYEES

Employee competence and engagement

The expertise and great dedication of our employees enable Bulten's sustainable development. The ambition is to create a workplace where everyone can thrive, and has the right opportunities to grow and develop. Bulten should be a workplace for all, where all personnel feel included and involved. The foundation for this is good relations and open dialogue, along with teamwork.

Bulten provides more than 1,800 jobs

Total number of employees 2022: 1,642, of whom 416 (25%) women and 1,226 (75%) men.
Total number of contractors: 244.

See page 52 for employee statistics.

Competence development/employee development

The employee's job description forms the basis for prioritizing the training and development of the employees. Each manager is responsible for ensuring that there are clear roles and that the employee has the skills to do a good job and for regularly monitoring performance and development.

Leadership and competence development is a priority to help us transition to the more sustainable working methods and technologies of the future.

Bulten Fastener Academy is a general training program comprising a comprehensive e-learning series in fastener technology and the company's products. The training is aimed at anyone who wants to learn more about fasteners. Courses cover everything from design, manufacturing and assembly, to the best way to make use of a fastener.

Training is followed up in the annual development dialogue (ADD), and in the employee engagement survey. See page 52 for the total number of training hours.

Diversity and inclusion lead to success

Bulten considers it important to be an inclusive employer. The code of conduct, health & safety and HR policy provide support in the ongoing work on equal treatment, and in efforts against all types of harassment and discrimination, in all contexts.

Everyone working at the company has a responsibility to combat discrimination and harassment, and to strive for greater equality and inclusion. Leadership is pivotal in this process, and the code of conduct and training of managers and personnel are important tools. Diversity and inclusion matters are monitored in the employee engagement survey, as well as in the ADD between employees and their managers.

In the latest employee survey (2021), 84% answered positively to questions on how they perceive gender equality and efforts against discrimination, and 79% answered positively to questions on inclusion.

See page 52 for further information and statistics on diversity.

Responsibility and governance

A Group-wide HR strategy and policy aim to ensure a long-term sustainable employment and competence supply. The HR policy is also a communication tool that guides the organization in its implementation and in the company's evolution.

Health and well-being are assured through a global health and safety policy, a code of conduct, and the global HR policy. Goals are adopted every year to drive the work for good health and well-being at the workplace. Each site works to fulfill set goals in accordance with locally adapted plans, which are reported to the Group on an annual basis.

Outcomes, including sickness absence, are followed up monthly at Group level and the outcomes are reported to the Board.

Contract models

The majority of employees at Bulten's European factories are covered by collective bargaining agreements. In all, 64% of Bulten's employees are covered by collective bargaining agreements. In countries where workers are not organized, or where independent unions are banned or opposed, Bulten tries to create forums for dialogue. This is to ensure a sustainable cooperation between the employer and employees.

Employee feedback

To give employees an opportunity to convey their views, the company conducts an employee engagement survey every two years or so. The latest one was conducted in late 2021/early 2022, and the next is planned for autumn 2023. The results for 2021/2022 were presented in the 2021 Annual and Sustainability Report.

Development dialogue

One of Bulten's most important HR processes is the annual development dialogue, ADD, between the manager and the employee. The purpose is to discuss the current situation and the future, as well as the prerequisites for doing a good job and for development, and also implementing the company's strategy.

See page 53 for details of the number of employees who have completed an ADD.



HEALTH AND SAFETY

Working environment and management system

Bulten's zero vision for workplace accidents acts as a guiding principle for work on health, safety and the work environment.

The Group's health and safety work is systematized continuously, and encompasses the physical, social and organizational working environment for all employees, contracted workers, and others who carry out work at the company's workplaces. A global health and safety policy was implemented in 2021, and the majority of Bulten's workplaces were certified to the occupational health and safety management standard, ISO 45001, during 2021 and 2022. This equates to around 93% of the total number of employees.

Bulten works continuously to promote well-being, and to prevent accidents and ill health. During 2022, development of a common health and safety standard for all Bulten units began.

Group-wide goals are set annually, and each workplace formulates action plans based on these. By evaluating the effect on the working environment in investment requests, the company can make sure that investments lead to an improved working environment.

Hazard identification, risk assessment, and incident investigation

In addition to the global health and safety policy, each unit should have local directives and working environment instructions. These local directives should clearly set out responsibilities, roles, procedures, and goals. Preventive efforts to achieve a good working environment include systematically identifying hazards, performing risk assessments, and preparing action plans for the improvement measures that need to be taken to eliminate or minimize the risks (in accordance with the control hierarchy).

This work should include the physical, organizational and social working environment. Safety rounds are regularly carried out at all sites. The organizational and social working environment is primarily followed up in the annual development dialogue between employees and managers, and in the employee engagement survey.

To ensure that personnel know that risks and incidents must be reported, and that reporting never leads to acts of reprisal, regular training sessions are held for employees. These sessions include the company's policies, procedures, roles, and responsibilities.

The greatest risks to health in production relate to noise and stress, for example. Typical areas with a heightened risk of accidents with serious consequences include hand injury in the cold forging operation, and in heat and surface treatment. Risk assessments have been conducted and measures identified and implemented to minimize the risks, for instance using instructions and personal protective equipment.

Employees' participation, consultation and communication about health and safety

It is Bulten's ambition that all workplaces should have some form of health and safety committee or similar, depending on local conditions and regulations. This is also a requirement of the ISO 45001 standard and is governed by legal requirements in certain countries.

Health, safety and well-being are also important aspects covered in the manager-employee annual development dialogue.

Training of employees in occupational health and safety

All employees must undergo health and safety training that is relevant for them. This takes place in the form of training by the line manager, classroom training with an internal teacher and/or external training organizer, or e-learning. All training programs are registered in the company's HR system. Training takes place in all relevant areas, such as physical work environment, organizational working environment, hazardous substances, machine safety, forklift truck safety, etc.

Prevention and limitation of health and safety risks directly associated with business relationships

During the year, Bulten has not identified or received reports of any significant general risk based on health and safety in relation to the company's business partners.

Monitoring of Group-wide H&S targets and results

Action plans and the outcomes of local and Group-wide working environment goals are monitored regularly. At Group level, Bulten follows up the outcomes, including sick leave, monthly. All accidents must be reported to Bulten AB's President and CEO, the SVP HR and Sustainability, and the VP Environment, Health and Safety. Reporting must take place within 24 hours and be documented in the Group's monitoring system for accidents. The outcomes are reported to the Board of Directors monthly.

Occupational healthcare and promoting employee health

Bulten's subsidiaries have agreements with occupational health providers or equivalent who provide expertise in health and safety-related areas, for example ergonomics, medical check-ups, treatment of minor injuries and so on. In some countries there are agreements with local healthcare institutions and/or working environment experts on a consultancy basis.

Bulten operates primarily in countries where employees are covered by a public healthcare service. In addition, Bulten's units can offer their employees various opportunities for fitness initiatives, such as gym passes, based on local conditions and legislation. See page 53 for statistics on work-related accidents and ill health.

NOTES ON SUSTAINABILITY

SUSTAINABILITY REPORT AND REPORTING

The aim of the report is to provide an overview of our sustainability work. It is an integral part of the Annual and Sustainability Report and is prepared in line with GRI Standards, see the GRI content index on page 54. The Sustainability Report encompasses the Group and all subsidiaries where Bulten has employees in the legal entity, and where ownership amounts to at least 50% over the past two years, as below:

Bulten AB
Bulten Fasteners AB
Bulten Hallstahammar AB
Bulten Sweden AB
Bulten GmbH
Bulten Invest
Bulten Ltd
Bulten Polska S.A.
Bulten North America LLC
Bulten Fasteners (Tianjin) Co., Ltd
P.S.M. Fasteners (Wuxi) Co., Ltd
P.S.M. Fasteners (Hong Kong) Ltd
P.S.M. Fasteners (Asia) Ltd
P.S.M. Fasteners (Singapore) Pte Ltd
P.S.M. International Fasteners Ltd
PSM Fasteners Corporation

Bulten’s Russian subsidiary is not included in the Sustainability Report as this operation was divested during the year. Bulten’s Sustainability Report and the reporting are audited by a third party, PricewaterhouseCoopers; see page 57. In 2022 we published our fifth Communication on Progress (CoP) on the UN Global Compact website. The UN Global Compact is a voluntary initiative which aims to guide companies to implement and assure compliance with internationally accepted sustainability principles.

For the statutory Sustainability Report, please refer to the following pages: business model; 12, 14, 24, risks; 32-35, 81, environment; 38-39, 44-45, 50-51, social matters; 39-40, 46-47, 52-53, employees; 40, 46-47, 49, 52-53, human rights; 22-23, 39-40, 42-43, anti-corruption; 37, 42-43, 50, taxonomy; 43. The company’s business model is reported continuously in the various sections of the annual report, and financial and corporate governance disclosures can be found for example in the Financial information section.

NOTE 1 STAKEHOLDER ANALYSIS

Bulten’s main stakeholders are defined as follows:

- Parties with which the company has ongoing interaction
- Parties extensively impacted by Bulten’s operations
- Parties that extensively impact upon Bulten’s operations

There have been no changes among the main stakeholders in 2022. Having an insight into the issues that are relevant to Bulten’s stakeholders is crucial in prioritizing the right activities. Assessment and analysis take place regularly in management teams involving all departments including the company management, and also in the ongoing work on the strategy. The sustainability committee regularly reviews the results of surveys, self-assessment forms and feedback from stakeholders.

STAKEHOLDER	CHANNEL FOR DIALOGUE	EXPECTATION/MAIN ISSUE
Customers	From initial sales contact to ongoing contact. Bulten presents its vision and strategy for sustainable development and sustainable customer offerings in meetings with customers, in sustainability assessments and at customer sustainability seminars.	Life cycle emissions of greenhouse gases (GHGs). Contribute to making customers’ products and processes more sustainable, for example through FSPs. Sustainable in-house production by using fossil-free energy. Customers also expect their sustainability requirements, such as respect for human rights, to be passed down through Bulten’s supply chain.
Employees and their representatives	Through questions in Bulten’s global employee survey, regular dialogue with union representatives, and annual development dialogue (ADD).	Attractive long-term employer: health and safety, working conditions, fair pay, employee-manager dialogue, and career development.
Suppliers	Bulten’s process for choosing suppliers, supplier meetings and on-site audits. During 2022, more in-depth meetings have been held with suppliers regarding Bulten’s expectations on suppliers’ sustainability work, and on CO2 emissions relating to raw materials.	Bulten’s business partners request clarity around demands and future direction, responsible business practice/business ethics, and compliance, such as long-term relations.
Owners, investors, analysts	Owners represented on the board with whom regular dialogue, reporting and follow-up are conducted. Ten Board meetings were held in 2022. Investor meetings and interviews take place continuously. Bulten reports on its work in interim reports, the Annual Report and at the Annual General Meeting of shareholders. Bulten also reports its sustainability work in the Nasdaq ESG database.	Low sustainability risk, transparent information regarding Bulten’s strategy for sustainable development, demands on good business ethics and regulatory compliance, and expectations on areas such as climate neutrality.
Local community (residents, municipal council)	Dialogue and exchange primarily take place through cooperation groups locally with other companies, collaboration with the academic sphere, ongoing dialogue with local authorities, and in connection with the establishment of new operations and licensing processes, and so on.	Expectation of responsible enterprise from an environmental (noise, environmental consideration) and social (responsible and attractive employer) perspective.
Governments, legislators, authorities	Bulten receives information via legal texts and legal surveillance, for example. There is direct contact for instance in connection with establishment and licensing processes, as well as through information from stakeholder and industry organizations.	Demands on compliance, transparency and reporting.

NOTE 2 MATERIALITY ANALYSIS

Bulten regularly assesses its stakeholders’ input, see note 1. Bulten’s value chain has an impact on various environmental, social and ethical areas, and this is considered together with the stakeholders’ expectations. This input is incorporated into Bulten’s risk assessment and strategy work, and forms the basis for considerations and decisions, and for prioritization of topics. The sustainability committee, Board, management and organization all take part in this iterative process.

Material topics

The following topics (see table below) have been prioritized as being the most material in the outlined materiality analysis. Information on each material topic’s positive and negative impact and their management can be found in the page references to our focus areas in the table below. There have been no changes in priority between this year’s most material topics and the previous year’s.

AREA	MATERIAL TOPIC	REFERENCE
Management and governance	Responsible business practice/ethics and compliance, such as anti-corruption	Page 37, GRI 205
	Strategy for sustainable development, Demands on climate neutrality, business ethics, transparency, and regulatory compliance.	Page 37, GRI 2-22
	Monitoring and transparent reporting	Page 37, GRI 2-5
Environment	GHG emissions along product life cycles	Page 38
	Energy-efficient processes	Page 38, GRI 302
	Use of fossil-free energy in in-house production and supply chain	Page 38, GRI 305
	Increasing the use of recycled material/greater circularity	Page 38
	Minimizing material consumption and waste	Page 38, GRI 306
	Water consumption and emissions to water	Page 38, GRI 303
Social aspects	Health and safety	Page 38, GRI 403
	Competence supply	Page 40, GRI 404
	Job security	Page 40, GRI 2-7, GRI 401
	Inclusive working methods	Page 40, GRI 405, 406
	Decent working conditions	Page 40, GRI 2-27, 2-30
	Continuous skills development	Page 40, GRI 404
	Human rights in own operations and in the supply chain	Pages 39–40, GRI 408, 409, 414
	Promoting diversity and gender equality	Page 40, GRI 405, 406

NOTE 3 INFORMATION ON THE ORGANIZATION AND ANY CHANGES IN THE ORGANIZATION AND SUPPLY CHAIN

The company supplies fasteners under the Bulten and PSM International brands, primarily to the automotive industry. Bulten does not offer any services or products that are banned on any market.

Bulten reports the number of employees financially in accordance with the definition for average number of employees (FTE), including contracted personnel. The number of FTEs at the end of 2022 was: 1,575 (1,673). A decrease of 5.9% on 2021.

For disclosures about the organization, Bulten has chosen to use another definition, Headcount (HC), which encompasses the actual number of employees, including absent employees and temporary employees, regardless of working hours. The status reflects December 31, 2022.

Total number of employees, Headcount (HC): 1,642, of whom permanent: 1,478 (78%) and temporary: 164 (9%).

The figures include all employees of Bulten including PSM International and subsidiaries (acquired by Bulten in 2020).

There were also 244 contractors (13%). Total Headcount including contractors: 1,886.

Changes to the organization and supply chain

Financial position and profit and loss during the reporting period; a detailed report of the Group’s financial position and profit as well as events after the balance sheet date, can be found in the Board of Directors’ Report. Bulten has acquired an extended supplier base in connection with the acquisition of PSM International. There is little overlap between this supplier base and Bulten’s. Introduction and integration of PSM International’s suppliers and procedures for integration, development and phasing out continued in 2022.

Membership in organizations

EIFI – European Industrial Fasteners Institute: Bulten holds the chair position. Rise IVF AB interest association: active membership in research projects. SAMS – Swedish Association for Material Sourcing: Bulten is represented through a trade association in the field of material supply.

NOTE 4 ACCOUNTING PRACTICES

Entities included in the consolidated financial statements

Entities included in the consolidated financial statements are shown on page 76. During 2022, Bulten divested its operation in Russia and it is therefore not included in the sustainability reporting.

Restatements of information

Bulten has implemented changes in the information in the GRI content index based on changes in the GRI framework, version 2021. The changes in the GRI framework do not, however, mean that any of the data in the 2021 Sustainability Report is incorrect.

A correction has been made, however, in the number of reported accidents, as non work-related accidents are no longer included in the reporting in line with GRI Standard 403 (2016); see page 53, note 15. A correction has also been made regarding the number of accidents in 2021 with two accidents being added; further information on page 53, note 15.

As regards to the 2021 report in terms of energy, water and waste, the figures have been corrected for one of the Chinese operations, the result being that several of the disclosures for 2021 have been adjusted; see also page 51, notes 7, 8 and 9.

When it comes to reported emissions figures for 2021 and the base year 2019, the Russian operation, which was divested during 2022, has been excluded from all disclosures in accordance with requirements in the GHG Protocol standard. A correction has also been made for purchased raw material volumes for two Asian units; see page 50, note 6.

NOTE 5 ANTI-CORRUPTION

Based on its value chain, Bulten has conducted analyses of which sustainability factors/areas the company is affected by and/or has an impact on, and thereby identified five so-called focus areas: Governance & Business Ethics, Sustainable Supply Chain, Sustainable Own Production, Sustainable Customer Offer, Diversity & Inclusion.

Corruption is a global problem and has a very negative impact on business and society if it occurs. Bulten has there-fore identified this as a significant area on which to focus.

The areas that have undergone risk assessment for anti-corruption are Bulten’s own operations, and to some extent the supply chain. Bulten conducts a Group-wide risk assessment (see pages 32-35) which includes all of the company’s operations, which is to say all countries where Bulten has its own manufacturing.

Communication and training in anti-corruption policies and procedures

The company has clear policies for preventing corruption, such as its code of conduct, finance manual, anti-corruption policy, authorization rules, anti-competition policy, and guidelines. All Board members have signed Bulten’s code of conduct. They have also been involved and have specified requirements in the development of the code.

Board members did not undergo any specific anti-corruption training organized by Bulten during 2022. All new employees and contractors sign the code of conduct in connection with their appointment/onboarding process.

All new employees and contractors must complete training in the code of conduct, and employees who deal with external relations in their job must also complete an e-learning in business ethics. During 2022, 99.6% of new and contracted employees completed these trainings. Gender- or region-based data is not available pertaining to this training information.

When a Group-wide policy is updated or altered, or a new one is added, this is communicated through the company’s policy deployment process. This means that all local managing directors confirm that they have received and accept the policy, and commit to complying with it in their particular operation.

In early 2022, a new code of conduct was launched for suppliers, and during the year 99.5% of Bulten’s strategic, prioritized and approved suppliers approved and signed it.

Confirmed incidents of corruption and actions taken 2022

None of the cases reported to the whistleblower service during the year are confirmed cases of corruption. In 2022, six incidents were reported via the whistleblower service. Two incidents did not entail any conflict of interest, crime, or infringement of the code of conduct. Two incidents relate to health and safety, and two relate to infringements of the code of conduct. These four incidents are under investigation. The Board is informed of all received reports and the accompanying investigations.

Direct and indirect emissions from purchased energy (Scope 1 and 2)

The figures include direct emissions from fuel consumption, and indirect emissions from purchased electricity and heating from all the company’s sites. Emissions have been calculated based on consumption figures reported from each site and emission factors for each type of energy; also see the section on emission factors.

Other indirect emission of GHGs (Scope 3)

The figures include the following categories:
Purchased goods and services: This category includes emissions from the production of purchased raw material (steel wire, brass, aluminum) and the proportion of finished products consisting of screws, as well as emissions from purchased surface treatment services. The emissions have been calculated based on purchased volumes taken from Bulten’s business system and emission factors for each material. Also see the section on Emission factors.

Transport and distribution upstream: This category includes emissions from purchased road, sea and air transportation, and transport of incoming materials for which

Bulten’s suppliers are responsible, excluding metal raw materials. Emissions are based on purchased volumes and transport services from Bulten’s business system.

Emission intensity

Scope 1 and 2 intensity: Calculated per ton of produced goods. The volume of produced goods is defined as the volume of cold forged goods, as well as the volume of machined goods. The figures include direct emissions from fuel consumption, and indirect emissions from purchased electricity and heating from all the company’s units. Scope 3 intensity: Calculated per ton of sold product (own production and purchased finished products). In total, about 75% of the company’s Scope 3 emissions are reported in accordance with the SBTi goals and the mapping conducted in 2019.

Emission factors

Fuels, electricity, and district heating: The emission factors come primarily from Bulten’s energy providers. Where this is not possible, other sources are used, such as IINAS GEMIS 4.95 and UK Government GHG conversion factors for Com-pany reporting. For the ‘location-based’ Scope 2 emissions, emission factors are used from www.carbonfootprint.com and reports published in 2019, 2020, and January 2022.

Scope 3, raw material: Emission factors from suppliers of steel wire have been used (calculated according to ISO 14064). Where no data was available from a supplier, average figures from the other suppliers have been used. For aluminum and copper, industry average data has been used.

Upstream transport: For air and sea transport, emission factors from the transport companies have been used. For road transportation, emission factors for a European truck full to 70% capacity and emissions of 57 grams CO2e* per ton-kilometer (well-to-wheel) have been used.

Previously reported emissions for Scope 3

The Russian operations was divested in 2022 and has therefore been excluded from Scope 1, 2 and 3 figures for all years, in line with GHG Protocol standard requirements. A correction has been made regarding purchased volumes of raw material for a couple of PSM units to actual purchased volumes, which has led to an increase in Scope 3 emissions for 2019, 2021 and 2022.

NOTE 6 EMISSIONS OF GREENHOUSE GASES (GHGS)

EMISSIONS (TONS CO2E/TON PRODUCED PRODUCT):	2022	2021*	2019* (BASE YEAR)
Scope 1: Gross emissions of direct greenhouse gases**	6,153	6,575	7,138
Scope 1: Direct CO2 emissions from biogenic sources	22	11	0
Scope 2: Gross emissions of indirect greenhouse gases* *(location-based)	15,224	15,153	17,562
Scope 2: Gross emissions of indirect greenhouse gases* *(market-based) (Scope 2)	5,520	5,393	15,337
Scope 3: Gross GHG emissions***	120 761	134,386	145,468
Of which purchased material and services	116,683	129,798	139,194
Of which upstream and internal transportation****	4078	4,588	6,275
CO2 emissions from biogenic sources	unknown	unknown	unknown
GHG emission intensity Scope 1 and 2	0.33	0.34	0.56
GHG emission intensity Scope 3 per ton of sold product	2.24	2.45	2.42

* Corrected for Russia and raw material volumes at PSM International
** CO2e stands for carbon dioxide equivalents, whereby the contribution of various GHGs to global warming has been converted into a single standard unit.
*** Greenhouse gases included: cat 1) Not known. Cat 4) CO2 + NOx + PM + SO2 from sea and air transportation. CO2 for road transport.
**** Figure does not include transportation of purchased steel (wire), copper, or aluminum.

NOTE 7 ENERGY USE WITHIN THE ORGANIZATION

ENERGY USE WITHIN THE ORGANIZATION	2022	2021
Fuel consumption from non-renewable sources, kWh*	26,292,601	35,847,437
Fuel consumption from renewable sources, kWh**	85,092	43,349
Electricity, kWh	51,785,008	53 814 825
Heating, kWh	177,308	3,619,862
Cooling, kWh	0	0
Steam, kWh	0	0
Total energy consumption, kWh	78,340,010	93,325,473
Sold energy	Not applicable; Bulten does not sell electricity, heating, cooling, or steam.	
Average energy intensity, kWh/kg cold forged/processed goods	2.20	2.48

* Mainly natural gas for direct consumption in the production processes.
** Mainly HVO for direct consumption in fork-lift trucks.

The figures for 2022 include all energy use (fuel, purchased electricity and heating) for all the company’s sites excluding the Russian operation, since it was divested during the year. The Russian operation is included in the 2021 figures. Energy use outside of Bulten’s sites is not included. 2021 energy use has been corrected for two plants as regards to heat and non-renewable fuels, which has resulted in an increase of non-renewable fuels, and a decrease of renewable fuels and heat. This resulted in a minor increase in total energy use.

The consumption data (kWh) comes from Bulten’s energy providers. The conversion factors to kWh also come from Bulten’s energy providers.

Energy intensity

Intensity is calculated per kilogram of produced goods. Produced goods are defined as the total of cold forged and machined steel, brass, and aluminum.

Share of renewable energy

The percentage of renewable energy is measured as the sum of purchased fuel, electricity and heating produced from renewable sources in kWh, divided by total purchased energy (fuel, electricity, and heating) in kWh, regardless of origin. The figures for consumption and type of energy are reported quarterly by each site, which in turn obtains this information from the energy providers.

	2022	2021
Total energy use, kWh	78,340,010	93,325,473
Of which renewable energy sources, kWh	41,532,304	42,467,869
Renewable energy sources, %	53%	45.5%

The renewable energy mainly comes from purchased electricity, primarily via ‘green’ contracts for Bulten’s units in Europe and the US. Renewable fuel, HVO, is used in various trucks for internal transports.

NOTE 8 WATER CONSUMPTION

WATER CONSUMPTION	2022	2021
Total water consumption* (megaliters)	49.7	55.6
Total water extracted from areas with water shortage (megaliters)	0	0
Water intensity (liter/kilo prod. product)	1.40	1.49

* All from municipal water supply.

Information on consumption was collected via own water meters or suppliers' water meters. The figures include water consumption at all sites excluding the Russian operation, which was divested in 2022. The 2021 figures include the Russian operation. The rainwater used in the fire-fighting pond at Bulten’s plant in Bergkamen, Germany, is not included in the figures, nor is the river water used as cooling water at the Hallstahammar facility in Sweden, as this is returned to the same receiving body of water from which it was taken.

A correction (increase) in the 2021 figure for water consumption has been made for one of the Chinese factories. This has also impacted on water intensity for 2021, which has increased.

Please note that there was a printing error in the 2021 report regarding water intensity.

NOTE 9 HAZARDOUS/NON-HAZARDOUS WASTE

HAZARDOUS WASTE, KG	2022	2021
Reuse	3,063	750
Recycling	523,739	468,657
Composting	0	0
Reuse for other use incl. energy recovery	32,457	150,874
Incineration	323,061	292,693
Injection into underground storage	0	0
Landfill	137,673	140,203
Local storage	0	0
Other	55,832	62,816

NON-HAZARDOUS WASTE, KG	2022	2021
Reuse	39	131,732
Recycling	4,970,429	5,125,686
Composting	0	0
Reuse for other use incl. energy recovery	163,097	181,874
Incineration	85,125	101,462
Injection into underground storage	0	0
Landfill	25,540	50,282
Local storage	0	0
Other	2,987	17,523

The 2022 figures include all units apart from the Russian operation, which was divested in 2022. The absolute majority of data regarding volumes has been provided by the contracted party. The 2021 figures have been adjusted for one of the Chinese factories, which has resulted in an increase in waste.

WASTE/KG PRODUCED PRODUCT	2022	2021
Waste intensity	0.177	0.184

The total volume of waste in 2022 was 6,323,015 kilograms. Waste intensity: Calculated as hazardous waste plus non-hazardous waste per ton of produced product. Waste intensity fell by 3.8% in 2022 compared to 2021.

NOTE 10 EMPLOYEE STATISTICS

Information on employees and other workers in the organization

Bulten has no traditional seasonal variation as regards to employees. The year reflects the customers’ production days, which vary between quarters. Bulten gathers data on the number of employees (Headcount) via the local HR organization in each country.

NUMBER BY EMPLOYMENT FORM, GENDER, REGION, %	PERMANENT EMPLOYEES		TEMPORARY EMPLOYEES		TOTAL
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME	
EU					
Total	64	2	9	1	76
Women	14	2	2	0	17
Men	50	0	7	0	58
Outside of EU					
Total	24	0	0	0	24
Women	8	0	0	0	8
Men	16	0	0	0	16
All regions					
Total	88	2	9	1	100
Women	21	2	2	0	25
Men	67	0	7	0	75

Some figures are rounded, which means that the totals may not always match when added up. Total number of contractors: 244 (170), of whom in EU: 63 (40), and outside of EU: 181 (130). Contracted employees comprise 13% rounded (8.9) of the total number of employees. Contracted employees work primarily in production and logistics.

Bulten does not report figures on specific under-represented groups as this data is not available, and in several countries it is not legal.

NOTE 11 TOTAL NUMBER OF TRAINING HOURS

Total number of training hours in 2022: 21,601 rounded (26,584). Training hours for temporary employees include trainee courses.

AVERAGE NO. OF TRAINING HOURS	2022			2021		
	PERMANENT EMP.	TEMPORARY	TOTAL	PERMANENT EMP.	TEMPORARY	TOTAL
Men	13.3	11.3	13.1	16.5	19.8	16.9
Women	13.5	10.7	13.3	13	13.4	13.1
Total	13.4	11.2	13.1	15.6	17.7	15.5

NOTE 12 RECRUITMENT AND EMPLOYEE TURNOVER STATISTICS

Total number of permanent employees and temporary employees recruited in 2022: 292 of whom 78 (85) women equating to 27% rounded, and 214 (198) men equating to 73% rounded. This equates to a recruitment level of 15.5% (16.8). Recruitment by age group and by gender within the age group per region 2022 (note, with rounding):

PERCENTAGE	<30 YRS			30–50 YRS			>50 YRS		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	70	30	30	74	26	58	79	21	11
Of whom EU	56	22	79	52	10	62	67	21	88
Outside of EU	13	8	21	22	16	38	12	0	12

Employee turnover. A total of 242 people left in 2022, of whom 77 women (32%) and 165 men (68%). Of the total employee turnover, 204 (84%) were permanent employees and 38 (16%) were temporary employees (figures rounded). This equates to an employee turnover rate of 14.3% (14.6), of whom 12.9% (9.7) were permanent and 1.3% (4.9) temporary. The number of retirements equates to 10%, and the percentage of involuntary employee turnover to approximately 14%. Employee turnover by age group and by gender within the age group per region 2022 (note, with rounding):

PERCENTAGE	<30 YRS			30–50 YRS			>50 YRS		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	72	28	19	63	37	59	79	21	22
Of whom EU	57	17	74	44	21	65	70	19	89
Outside of EU	15	11	26	18	16	35	9	2	11

NOTE 13 DIVERSITY STATISTICS FOR GOVERNANCE BODIES AND EMPLOYEES

Diversity of governance bodies and employees

Employees: Women 25% (26), Men 75% (74). Please note that the 2022 figures have been rounded off.

DISTRIBUTION BY AGE GROUP 2021	2022			2021		
	<30 YRS	30–50 YEARS	>50 YRS	<30 YRS	30–50 YEARS	>50 YRS
% Men	77	72	78	80.1	70.3	78.4
% Women	23	28	22	19.9	29.7	21.6
Age group as % of total employees	14	58	28	13.0	59.1	27.9

Bulten does not report gender by age group for different personnel categories, and no data per personnel category is thus available.

The Bulten AB (publ) Board and executive management:

BOARD OF DIRECTORS	NO. AGM ELECTED	% AGM ELECTED	TOTAL, INCL. EMPLOYEE REPS	TOTAL, %
Men	4	67	7	78
Women	2	33	2	22
Total	6	100	9	
EXECUTIVE MANAGEMENT	NUMBER	PERCENTAGE		
Men	4	50		
Women	4	50		
Total	8			
AGE DISTRIBUTION	30–50 YEARS	>50 YEARS		
Board of Directors	1	8		
Executive management	3	5		

Incidents of discrimination and corrective actions taken

No cases of discrimination were reported via Bulten’s whistleblower system during 2022.

NOTE 14 PERCENTAGE OF EMPLOYEES WHO REGULARLY HAVE PERFORMANCE AND PROFESSIONAL DEVELOPMENT INTERVIEWS

Bulten’s process for performance and professional development interviews is called ‘the annual development dialogue’ (ADD). Every year, the company starts a campaign in the global HR system. Managers and employees carry out the dialogue and document completed dialogues in the system. In 2022, 99.6% of all planned dialogues took place (1,434), distributed as shown below.

TOTAL	OF WHOM WOMEN		
% DIALOGUES COMPLETED (ADD)	% WOMEN OF TOTAL ADDS COMPLETED	OF WHOM PERMANENTLY EMPLOYED WOMEN	OF WHOM TEMPORARILY EMPLOYED WOMEN
99.6	24	96	4
OF WHOM MEN			
	% MEN OF TOTAL ADDS COMPLETED	OF WHOM PERMANENTLY EMPLOYED MEN	TEMPORARILY EMPLOYED MEN
	76	95	5

NOTE 15 WORK-RELATED ACCIDENTS AND ILL HEALTH

Bulten’s Russian operation, which was divested in early 2022, is not included in the 2022 figures. All other units are included in the summary below, including Bulten AB for the first time. Compared with previously reported figures, non work-related accidents are not included in the reported figures for 2022 and 2021. Two accidents omitted from the previously reported figures for 2021 have been added, one which led to absence and one which required first aid. A correction has also been made for an accident relating to a contractor, but previously reported as an employee. These changes have resulted in an increase of 2 accidents, of which one led to absence, and a minor increase in the number of hours worked. Overall, the accident frequency decreased compared to previous year.

FOR ALL EMPLOYEES, WORK-RELATED ACCIDENTS AND ILL HEALTH (NOT INCL. TO/FROM WORK)	2022	2021
Number of deaths resulting from work-related injuries	0	0
Number of work-related accidents leading to absence	14	19
Number of work-related accidents not leading to absence, excluding first aid	34	8
Number of work-related first aid accidents	29	56
Total number of accidents	77	83
Accident frequency incl. first aid*	5.11	5.15
Accident frequency leading to absence*	1.06	1.24
Number of deaths resulting from work-related ill health (not reported)	0	0
No. of cases of work-related ill health	1	1
Ill health frequency	0.06	0.06
Number of hours worked	3,209,636	3,380,917

* Bulten uses 200,000 hours as a basis for calculating frequency.

No employees have been excluded from monitoring.

FOR NON-EMPLOYED PEOPLE, WORK-RELATED ACCIDENTS AND ILL HEALTH (NOT INCL. TO/FROM WORK)	2022	2021
Number of deaths resulting from work-related injuries	0	0
Number of work-related accidents leading to sickness absence	3	2
Number of work-related accidents not leading to absence excl. first aid	0	0
Number of work-related first aid accidents	2	2
Total number of accidents	5	4
Accident frequency*	Not reported separately	
Accident frequency leading to absence*	Not reported separately	
Number of deaths resulting from work-related ill health	0	0
No. of cases of work-related ill health	0	0
Number of hours worked*		

* Not reported separately. Included in employee data.

Bulten does not monitor/report work-related illnesses and accidents by gender or region.

The most common accidents occur in the cold forging operation and involve cuts, bruises and occasional fractures. The case of work-related ill health was related to ergonomic strain. No high-consequence injuries took place in 2022.

Total number of accidents:

All sites are included in the summary below. The number includes everybody, which is to say employees and contractors:

Compared with previously reported figures, non work-related injuries are no longer included in the figures for 2021 and 2022. Bulten AB, which has not previously been included, has now been added to the figures for 2021 and 2022.

NUMBER OF WORK-RELATED ACCIDENTS	OUTCOME 2022	OUTCOME 2021	COMMENTS
Total number of registered accidents	82	87	
Total number of registered accidents that led to absence of more than one (1) day	17	21	
IR, Incident Rate (number of accidents * 200,000/total number of hours worked)	5.11	5.15	
LDR, Lost Work Day Rate (number of days absent due to accidents * 200,000/total number of hours worked)	14.9	21.0	
LTIR, Lost Time Injury Rate (number of accidents that led to absence * 200,000/total number of hours worked)	1.06	1.24	
SR, Severity Rate (number of days absent due to accidents/number of accidents with at least one day of absence)	14.1	16.9	
FAR, Fatal Accident Rate (number of fatalities * 200,000/total number of hours worked)	0	0	
NM, Near Misses (number of near misses * 200,000/total number of hours worked)	8.8	10.3	
Total amount of time worked per year	3,209,636	3,380,917	
Sick Leave Rate Total, SLT (total sick leave in 2021 (permanent and temporary))	4.16	3.72	

Omissions: Bulten does not monitor minorities or particularly vulnerable groups. This is because there is different legislation in different countries.

GRI INDEX

Application of GRI (Global Reporting Initiative)	Bulten AB has reported in line with GRI standards for the period January 1 to December 31, 2022.
GRI 1 version	GRI 1: Version 2021
Applicable GRI sector standard	None

DISCLOSURE	DESCRIPTION	PAGE OR URL	OMISSION DESCRIPTION AND REASON
GRI 2: GENERAL DISCLOSURES 2021			
2-1	Organizational details	Pages 68, 76 note 1	
2-2	Entities included in the organization's sustainability reporting	Pages 48, 76 note 3	
2-3	Reporting period, frequency and contact point	Page 76 note 1, 65–66	
2-4	Restatements of information	Pages 49 note 4, 76 note 2	
2-5	External assurance	Page 57	
2-6	Activities, value chain and other business relationships	Pages 4, 12, 14, 19, 22, 24–25, 28–29, 49 note 3, 76 note 2	
2-7	Employees	Pages 40, 46–47, 48 note 1, 49 notes 2–3, 52–53	
2-8	Workers who are not employees	Pages 49 note 3, 52 note 10	
2-9	Governance structure and composition	Pages 52 note 10, 58–60, 64–65	Legal obstacles regard- ing underrepresented groups, page 52.
2-10	Nomination and selection of the highest governance body	Pages 58–59	
2-11	Chair of the highest governance body	Page 64	
2-12	Role of the highest governance body in overseeing the management of impact from the organization	Pages 42, 59, 32–35	
2-13	Delegation of responsibility for managing impacts	Pages 42, 59	
2-14	Role of the highest governance body in sustainability reporting	Pages 42, 59	
2-15	Conflicts of interest	Pages 58, 60, 64	
2-16	Communication of critical concerns	Pages 42, 50 note 5, https://report.whistleb.com/en/bulten	
2-17	Collective knowledge of the highest governance body	Page 59	
2-18	Evaluation of the performance of the highest governance body	Page 59	
2-19	Remuneration policies	Pages 61, 71, 85 note 8	

DISCLOSURE	DESCRIPTION	PAGE OR URL	OMISSION DESCRIPTION AND REASON
2-20	Process to determine remuneration	Pages 61, 71, 85 note 8	
2-21	Annual total remuneration ratio	Page 85 note 8. See the remuneration report at https://www.bulten.com/en/IR/Corporate%20Governance/Annual%20General%20Meeting?	Deviations due to certain disclosures being non- applicable, page 61.
2-22	Statement on sustainable development strategy	Pages 6–7, 36–37	
2-23	Policy commitments	Pages 70, 79 note 5, 81, 37, 42–43, 44,46, https://www. bulten.com/en/Sustainability/Code-of-conduct-and- other-policies. The precautionary principle is applied.	
2-24	Embedding of policy commitments	Pages 37–47, 50 note 5	
2-25	Processes to remediate negative impacts	Pages 32–35, 42, 50 note 5	
2-26	Mechanisms for seeking advice and raising concerns	https://report.whistleb.com/sv/bulten	
2-27	Compliance with laws and regulations	Pages 70, 83	
2-28	Membership associations	Page 49 note 3	
2-29	Approach to stakeholder engagement	Page 48 note 1	
2-30	Collective bargaining agreements	Page 47	

MATERIAL TOPICS

GRI 3: MATERIAL TOPICS 2021

3-1	Process to determine material topics	Pages 37, 49	
3-2	Material topics	Pages 37–40, 49	
3-3	Management of material topics	Page 42	

ECONOMIC STANDARDS

GRI 205: ANTI-CORRUPTION 2016

3-3	Management of the topic	Pages 32–34, 42–43, 50 note 5, 81, 82 https://www.bulten.com/en/Sustainability/ Code-of-conduct-and-other-policies	
205-1	Operations assessed for risks relating to corruption	Pages 32–34, 50 note 5	
205-2	Communication and training in anti-corruption policies and procedures	Page 50 note 5	Information not available by gender/region
205-3	Confirmed incidents of corruption and actions taken	Page 50 note 5	

GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016

3-3	Management of the topic	Pages 32–34, 42, 50 note 5, 81, 82, https://www.bulten.com/en/Sustainability/Code-of- conduct-and-other-policies	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practice	Page 42	

DISCLOSURE	DESCRIPTION	PAGE OR URL	OMISSION DESCRIPTION AND REASON
ENVIRONMENTAL STANDARDS			
GRI 302: ENERGY 2016			
3-3	Management of the topic	Pages 32-34, 42-44 https://www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	
302-1	Energy consumption within the organization	Pages 45, 51 note 7	
302-3	Energy intensity	Page 51 note 7	
Bulten's own disclosure	Percentage of renewable energy	Page 51 note 7	
GRI 303: WATER AND EFFLUENTS 2018			
3-3	Management of the topic	Pages 32-34, 42-44	
303-1	Interactions with water as a shared resource	Page 45	
303-2	Management of water discharge-related impacts	Page 45	
303-5	Water consumption	Pages 45, 51 note 8	Cooling water from surface water in Sweden and water to fire-fighting pond in Germany not included
GRI 305: EMISSIONS 2016			
3-3	Management of the topic	Pages 32-34, Pages 39, 42-44	
305-1	Direct (Scope 1) GHG emissions	Pages 44, 50 note 6	
305-2	Energy indirect (Scope 2) GHG emissions	Pages 44, 50 note 6	
305-3	Other indirect (Scope 3) GHG emissions	Pages 44, 50 note 6	
305-4	GHG emissions intensity	Page 50 note 6	
GRI 306: WASTE 2016			
3-3	Management of the topic	Pages 32-34, 42-44, 51 note 9	
306-3	Waste	Pages 45, 51 note 9	
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT			
3-3	Management of the topic	Pages 22, 32-34, 39, 42-43 https://www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	PSM International is not included in the figures
308-1	New suppliers that were screened using environmental criteria	Page 39	PSM International is not included in the figures

DISCLOSURE	DESCRIPTION	PAGE OR URL	OMISSION DESCRIPTION AND REASON
SOCIAL STANDARDS			
GRI 401: EMPLOYMENT 2016			
3-3	Management of the topic	Pages 32-34, 40, 42-43, 46-47	
401-1	New employee hires and employee turnover	Page 52 notes 10 and 12	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
3-3	Management of the topic	Pages 32-34, 38, 42-43, 47 https://www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	
403-1	Occupational health and safety management system	Page 47	
403-2	Hazard identification, risk assessment, and incident investigation	Page 47	
403-3	Occupational health services	Page 47	
403-4	Employees' participation, consultation and communication about health and safety	Page 47	
403-5	Worker training on occupational health and safety	Page 47	
403-6	Promoting of worker health	Page 47	
403-7	Prevention and limitation of health and safety risks directly associated with business relationships	Page 47	
403-8	Workers covered by an occupational health and safety management system	Page 47	
403-9	Work-related injuries	Page 53 note 15	
GRI 404: TRAINING AND EDUCATION 2016			
3-3	Management of the topic	Pages 32-34, 42-43, 46	
404-1	Average number of training hours per employee	Page 52 note 11	
404-2	Program for upgrading employees' knowledge and for transferring knowledge	Page 46	
404-3	Percentage of employees who regularly have performance and professional development interviews	Page 53 note 14	

DISCLOSURE	DESCRIPTION	PAGE OR URL	OMISSION DESCRIPTION AND REASON
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
3-3	Management of the topic	Pages 32-34, 40, 42-43, 46 https://www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	
405-1	Diversity of governance bodies and employees	Page 52 note 10, 12 and 13	
GRI 406: NON-DISCRIMINATION 2016			
3-3	Management of the topic	Pages 32-34, 40, 42-43, 46 https://www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	
406-1	Incidents of discrimination and corrective actions taken	Page 52 note 13	
GRI 408: CHILD LABOR 2016			
3-3	Management of the topic	Pages 22, 32-34, 39-40, 42-43, 46 https://www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	PSM International is not included in the figures
408-1	Operations and suppliers at significant risk for incidents of child labor	Pages 32-34, 39	PSM International is not included in the figures
GRI 409: FORCED OR COMPULSORY LABOR 2016			
3-3	Management of the topic	Pages 22, 32-34, 39-40, 42-43, 46 https://www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	PSM International is not included in the figures
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pages 32-34, 39	PSM International is not included in the figures
GRI 414: SUPPLIER SOCIAL ASSESSMENT			
3-3	Management of the topic	Pages 22, 32-34, 39-40, 42-43, 46 https://www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	PSM International is not included in the figures
414-1	New suppliers that have been screened based on social criteria	Pages 32-34, 39	PSM International is not included in the figures

AUDITOR'S LIMITED ASSURANCE REPORT ON BULTEN AB (PUBL) SUSTAINABILITY REPORT AND STATEMENT ON THE STATUTORY SUSTAINABILITY REPORT

TO THE ANNUAL GENERAL MEETING OF, BULTEN AB (PUBL) CORPORATE IDENTITY NUMBER 556668-2141

Introduction

We have been engaged by the Board and Group Management Bulten AB (publ) to undertake a limited assurance of Bulten AB (publ) Sustainability Report for the year 2022. The company has defined the scope of its sustainability report on page 36 and 48, which also constitutes the statutory sustainability report.

Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act. The criteria are described on page 48 of the Sustainability Report, and consists of the parts of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that Bulten AB (publ) has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation

of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Bulten AB (Publ) according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Gothenburg 27 March 2023
PricewaterhouseCoopers AB

Johan Palmgren
Chartered Accountant

CORPORATE GOVERNANCE REPORT

Bulten AB (publ) is a Swedish public limited company with its registered office in Gothenburg, Sweden. Bulten has been listed on Nasdaq Stockholm since May, 20 2011. The company conforms to Nasdaq Stockholm’s regulatory framework for issuers and applies the Swedish Code of Corporate Governance (the “Code”). The Code is available on the website of the Swedish Corporate Governance Board at www.bolagsstyrning.se. The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and is to be adhered to in full in connection with the first AGM held in the year following listing. Bulten started adapting

to the Code in connection with its 2011 AGM and has since implemented it. The company does not need to observe all rules in the Code but has options for selecting alternative solutions which it may deem better suit its circumstances, provided that any non-compliance and alternative solutions are described and the reasons explained in the corporate governance report.

This corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance. It has been checked by the company’s auditors.

Composition of the Board in 2022

The table below provides an overview of the composition of the Board in 2022. Additional information about Board members can be found on page 64.

NAME	BOARD ROLE	ELECTED/ APPOINTED	AUDIT COMMITTEE	REMUNERATION COMMITTEE	INDEPENDENT OF THE COMPANY AND THE CORPORATE MANAGEMENT	INDEPENDENT OF THE COMPANY’S MAJOR SHAREHOLDERS
Board members						
Ulf Liljedahl	Chair	2015	Chair	Member	Yes	No
Karin Gunnarsson	Member	2020	Member	–	Yes	Yes
Hans Gustavsson	Member	2005	–	Chair	Yes	Yes
Christina Hallin	Member	2020	–	–	Yes	Yes
Hans Peter Havdal	Member	2013	–	Member	Yes	Yes
Peter Karlsten	Member	2015	Member	–	Yes	Yes
Joakim Stenberg	Employee representative	2020	–	–	–	–
Harri Åman	Employee representative	2020	–	–	–	–
Niklas Malmberg *	Employee representative	2020	–	–	–	–

*) Deputy

ANNUAL GENERAL MEETING

Under the Swedish Companies Act, the Annual General Meeting (AGM) is the company’s highest decision-making body. At the AGM, shareholders exercise their voting rights over key issues, such as the adoption of income statements and balance sheets, the appropriation of the company’s profits, the authorization to release the members of the Board of Directors and the President and CEO from liability for the financial year, the election of Board members and auditors and the remuneration for the Board of Directors and the auditors. The 2022 Annual General Meeting resolved to authorize the Board of Directors to acquire the company’s own shares up to 10% of all outstanding shares and to authorize new share issues of up to 10% dilution of all shares in the company.

Besides the AGM, additional general meetings may be convened.

In accordance with the Articles of Association, all general meetings of shareholders shall be convened through announcements in Post- och Inrikes Tidningar and by posting the convening notice on the company’s website. It shall be advertised simultaneously in Swedish business daily Dagens Industri that the notice to attend has been issued.

Right to attend AGMs

All shareholders who are directly registered in the register of shareholders held by Euroclear Sweden AB five working days before the AGM and who have notified the company of their intention to attend (with any assistants) the AGM by the date stated in the notice of the AGM have the right to attend the meeting and vote in accordance with the number of shares they hold. Shareholders may attend the AGM in person or through a proxy and may also be accompanied by at most two people.

Initiatives from shareholders

Shareholders who wish to have a question addressed at the AGM must submit a written request to the Board of Directors. The request must be received by the Board of Directors at least seven weeks prior to the AGM.

Major shareholders

At the end of 2022 the company had a total of 9,686 (9,841) shareholders. The five largest shareholders controlled 45.6% (48.8) of capital and votes at the end of the year. The single largest shareholder, and the only shareholder to represent more than 10% of the shares, Volito AB, controlled 24.2% (24.0) of the capital and votes.

Annual General Meeting 2023

Bulten AB (publ) will hold its Annual General Meeting on Tuesday April 25, 2022 at 17.00 in Gothenburg.

NOMINATION COMMITTEE

The nominations committee shall comprise four members – one representative each for the three largest shareholders on the final banking day in September who wish to appoint a member to the committee, and the Chair of the Board. The three largest shareholders are considered to be the three largest shareholders as registered with Euroclear Sweden AB on the final banking day in September. In the event of a major change in ownership a new major shareholder is entitled, if it so requests, to appoint a representative to the nomination committee.

The instructions for the nominations committee were adopted at the AGM held on April 28, 2022. The nominations committee shall, among other activities, submit proposals for the Chair of the AGM, the number of Board members elected by the AGM, the names of the Chair of the Board and other Board members elected by the AGM, the members of the Board’s committees, the appointment of auditors and the remuneration to auditors. Frank Larsson was appointed Chair of the nominations committee.

NOMINATION COMMITTEE	COMPANY
Frank Larsson	Handelsbankens Fonder
Maria Rengefors	Nordea Fonder
Viktor Henriksson	Carnegie Fonder
Ulf Liljedahl, Chair of the Board of Directors, Bulten AB	Volito AB

With regard to the composition of the Board of Directors, the provisions of paragraph 4.1 of the Code on Diversity Policy apply. The aim is for the Board of Directors as a whole to possess the requisite breadth in terms of both background and knowledge, taking into account the importance of even gender distribution.

The result of the nomination committee’s application of the diversity policy is a Board of Directors that represents a breadth of both professional experience and knowledge as well as geographical and cultural background. Women elected by the AGM comprise 25% of the Board.

BOARD OF DIRECTORS

The Board of Directors is the highest decision-making body after the general meeting. Under the Swedish Companies Act, the Board of Directors is responsible for the company’s management and organization, which means the Board of Directors is responsible for setting goals and strategies, for providing procedures and systems for the evaluation of established goals, for the systematic assessment of the company’s financial position and profits, progress of sustainability work and for evaluating the operational management.

In addition, the Board of Directors is responsible for preparing and issuing the annual financial statements and sustainability reports including the consolidated financial statements and ensuring that the interim reports are prepared on time. Furthermore, the Board of Directors appoints the President and CEO.

Members of the Board of Directors are appointed annually by the AGM for the period until the end of the next AGM. According to the company’s Articles of Association, the portion of the Board of Directors elected by the general meeting shall consist of a minimum of three and a maximum of ten members without deputies. Employee representatives have also been appointed.

Chair of the Board

The Chair of the Board is elected by the AGM. The Chair of the Board has special responsibility for leading the work of the Board of Directors and for ensuring that the Board of Directors’ work is efficiently organized.

Board of Directors’ procedures

The Board of Directors follows written rules of procedure, which are revised annually and are adopted by the constituting board meeting each year. Among other things, the rules of procedure regulate functions and the division of work between the members of the Board and the President and CEO. At the time of the constituting Board meeting, the Board of Directors also establishes instructions for financial and sustainability reporting and instructions for the President and CEO, in addition to rules of procedure for the Board’s audit and remuneration committees.

The Board of Directors meets at least five times a year in addition to the constituting Board meeting in accordance with a predetermined annual schedule. Besides these meetings, additional meetings can be arranged to discuss issues which cannot be postponed until the next ordinary meeting. Besides the meetings of the Board, the Chair of the Board and the President and CEO regularly discuss the management of the company.

At present, the company’s Board of Directors consists of six ordinary elected members and two ordinary employee representatives. Board members are presented in more detail in the section ‘Board of Directors, senior executives and auditors’ pages 64-65.

Board meetings in 2022

Attendance of Board members at Board meetings in 2022.

NAMES OF THE BOARD MEMBERS	ATTENDANCE/TOTAL NUMBER OF MEETINGS
Ulf Liljedahl	10/10
Karin Gunnarsson	10/10
Hans Gustavsson	10/10
Christina Hallin	10/10
Hans Peter Havdal	9/10
Peter Karlsten	10/10
Joakim Stenberg	8/10
Harri Åman	10/10
Niklas Malmberg *	3/10

*) Deputy

Evaluation of Board activities in 2022

Each year the Board of Directors evaluates its work and this evaluation is presented and discussed at a Board meeting. The purpose of this evaluation is to develop work procedures and enhance efficiency. The evaluation is carried out with the support of external advisers and is based on a survey. The results and an analysis of the survey are reported to the Board of Directors and this is followed by a discussion and then an identification of focus areas for future work. The survey will be supplemented with an evaluation of the Board of Directors’ work and competence linked to the Company’s sustainability work.

The nominations committee receives the report and the conclusions and outcomes of the Board of Directors in their entirety.

The Board of Directors’ work on sustainability matters in 2022

The Board of Directors carries out an annual evaluation of the sustainability work being carried out within the Group. Reporting and presentation take place and this is discussed at one of the year’s Board meetings. The purpose of the evaluation is to allow the Board of Directors to gain more detailed knowledge of interested parties’ expectations and requirements regarding the working methods and efficiency measures developed during the year. Results and analyses are followed by discussion and identification of focus areas for future work. The Board of Directors’ assessment is that the processes and working methods established and that are being further developed on a regular basis are relevant and effective.

Training in sustainability is provided for the Board of Directors on a regular basis.

THE AUDIT COMMITTEE

Bulten has an audit committee consisting of three members: Ulf Liljedahl (Chair), Karin Gunnarsson and Peter Karlsten.

The members of the committee may not be employed by the company. At least one member must have accounting or auditing skills. The committee shall appoint one of its members as its Chair. The audit committee shall, without it affecting the responsibilities and tasks of the Board of Directors: monitor the company’s financial and sustainability reporting; monitor the efficiency of the company’s internal controls, internal auditing and risk management; inform itself of the auditing of the annual and sustainability reports and the consolidated financial statements; scrutinize and monitor the impartiality of the auditors and pay close attention to whether the auditors are providing other services besides audit services for the company; and assist in drawing up proposals for the general meeting’s decision on the appointment of auditors. The audit committee shall meet regularly with the company’s auditors. The audit committee has no decision-making powers.

NAMES OF THE BOARD MEMBERS	ATTENDANCE/TOTAL NUMBER OF MEETINGS
Ulf Liljedahl	7/7
Karin Gunnarsson	7/7
Peter Karlsten	6/7

THE REMUNERATION COMMITTEE

Bulten has a remuneration committee consisting of three members: Hans Gustavsson (Chair), Ulf Liljedahl and Hans Peter Havdal. The remuneration committee shall prepare matters concerning remuneration policies, remuneration and other employment terms for the President and CEO and all members of the company’s management. In addition, the remuneration committee shall monitor and evaluate programs for variable remuneration to the company management that are ongoing and that are terminated during the year, and follow and evaluate the application of guidelines for remuneration to senior executives as adopted by the AGM, as well as applicable remuneration structures and levels in the company. The Chair of the Board may be Chair of the committee. Other members of the committee shall be independent of the company and the company management. The members of the committee must together possess the requisite knowledge and experience in matters relating to the remuneration of senior executives. The remuneration committee has no specific decision-making powers.

NAMES OF THE BOARD MEMBERS	ATTENDANCE/ TOTAL NUMBER OF MEETINGS
Hans Gustavsson	4/4
Ulf Liljedahl	4/4
Hans Peter Havdal	4/4

THE PRESIDENT AND CEO AND OTHER
SENIOR EXECUTIVES

The President and CEO reports to the Board of Directors and is primarily responsible for the company’s day-to-day administration and operations. The division of responsibilities between the Board of Directors and the President and CEO is set out in the rules of procedure for the Board and the instructions for the President and CEO. The President and CEO is also responsible for drafting reports and compiling information from the management ahead of Board meetings and for presenting the material at the meetings. Under the instructions for financial reporting, the President and CEO is responsible for financial and other reporting in the company and is thus required to ensure that the Board obtains sufficient information to enable it to continuously evaluate Bulten’s profit and financial position and sustainable development. The President and CEO is therefore required to inform the Board of the company’s development, sales volume, profit and financial position, liquidity and credit situation, important business events and other circumstances, knowledge of which cannot be assumed to be irrelevant to the company’s shareholders and directors. The President and CEO and other senior executives are presented in more detail in the section headed ‘Board of Directors, senior executives and auditors’.

REMUNERATION TO THE BOARD OF DIRECTORS
AND SENIOR EXECUTIVES

Remuneration to the Board

Fees and other remuneration to elected members of the Board, including the Chair, are determined by the AGM. The AGM on April 28, 2022 resolved that a total fixed remuneration of SEK 2,330,000 shall be paid to the Board of Directors for the period until the next AGM, of which SEK 485,000 shall be paid to the Chair and SEK 325,000 to each of the other Board members who are elected at a shareholder meeting and not employed by the company. A condition of payment is that the Board member is elected at the AGM and not employed by the company. The AGM also decided that a fixed remuneration of SEK 85,000 should be paid to the Chair of the audit committee and SEK 30,000 to the other members of the committee. Remuneration of SEK 65,000 shall be paid to the Chair of the remuneration committee and SEK 10,000 to the other members of the committee.

The members of the company’s Board shall not be entitled to any benefits once they cease to be members of the Board.

For further information about remuneration to Board members, see Note 8 to this annual report.

Remuneration to senior executives

Pursuant to the decision of the AGM on April 23, 2020, which is valid for up to four years if no new guidelines are adopted, the following guidelines shall generally apply to remuneration and other terms of employment for the President and CEO and other senior executives. Salaries and other terms and conditions of employment shall be such that Bulten can constantly attract and retain competent senior executives at a reasonable cost to the company. Remuneration at Bulten shall be based on the nature of the role, performance, competitiveness and fairness. Bulten uses what is referred to as a post evaluation system under license via an independent, external globally-represented company and thereby receives relevant market data that enables it to evaluate the total remuneration of senior executives. The evaluation of senior executives’ performance and total compensation does not include any interested parties other than the Board of Directors. That includes employee representatives and general meetings.

Remuneration for senior executives comprises an annual salary, variable remuneration, pension and other benefits. Each senior executive shall be offered a fixed annual salary in line with market conditions and based on the senior manager’s responsibilities, expertise and performance. The Annual General Meeting may also, if a resolution has been made to this effect, submit an offer of a long-term incentive program such as a share or share price related incentive program. Incentive programs are intended to contribute to long-term value growth and to ensure that shareholders and employees have a common interest in the share’s value growth.

All senior executives may, from time to time, be offered cash bonuses. For the President and CEO and other senior executives, remuneration is proposed by the remuneration committee and adopted by the Board. For the President and CEO, variable short-term remuneration (STI) is capped at 60% of annual salary and variable long-term remuneration (LTI) is capped at 30% of annual salary. For other senior executives, variable remuneration (STI) is capped at 40% of annual salary and variable long-term remuneration (LTI) is capped at 25% of annual salary. Variable remuneration is based on performance in relation to established targets.

For further information on remuneration of senior executives, see Note 8 in this Annual Report, as well as the remuneration report to the Annual General Meeting at www.bulten.com/en/IR/Corporate-Governance/Annual-General-Meeting/AGM-2023.

Bulten does not report comparative data, such as the CEO’s salary increase in relation to the average salary increase for all employees, since those details are not considered to provide relevant information due to market differences and different total compensation systems in different countries.

EXECUTIVE MANAGEMENT

In 2022, the executive management consisted of 8 members: the President and CEO, Chief Financial Officer (CFO), Chief Commercial Officer, Chief Operating Officer, Senior Vice President HR and Sustainability, Senior Vice President Purchasing and Quality, Senior Vice President Corporate Communications & IR, Senior Vice President Technology and Innovation. The executive management team meets monthly to follow up business and financial results. Great importance is attached to maintaining close contact with the operational business. See page 65.

INTERNAL AUDIT

A special function for internal audits has not been established within Bulten. The Board makes an assessment each year whether to establish a function for internal auditing. In 2022 the Board decided that this was not necessary. In reaching this decision the Board decided that internal controls are primarily exercised through the following:

- operations managers at various levels
- local and central finance functions
- monitoring by the executive management team

In light of the above points together and considering the size of the company, the Board believes that it is not economically viable to set up an additional administrative function.

INTERNAL CONTROL

This section contains the Board’s annual report on how internal control in relation to financial reporting is organized. The basis for this description is the Swedish Code of Corporate Governance’s rules and guidelines prepared by the Confederation of Swedish Enterprise and FAR SRS.

The Board’s responsibility for internal control is established in the Swedish Companies Act and internal control regarding financial reporting is covered by the Board’s reporting instructions for the President and CEO. Bulten’s financial reporting complies with the laws and rules for companies listed on the Stockholm stock exchange and the local rules that apply in all of the countries where business is carried out.

In addition to external rules and recommendations there are internal instructions, guidelines and systems as well as the internal delegation of responsibility and authority with the overall aim of providing good control over financial reporting.

Control environment

The control environment forms the basis for internal control. Bulten’s control environment comprises, among other things, an organization structure, instructions, policies, guidelines, reporting and defined areas of responsibility. The Board has overall responsibility for internal control of financial reporting. The Board has established written procedures outlining the Board’s responsibility and regulating the Board’s and its committees’ division of responsibilities. The Board has appointed an audit committee with the task of safeguarding established policies for financial reporting and compliance with internal control. This committee is also responsible for maintaining appropriate relations with the company’s auditors. The Board has also prepared instructions for the President and CEO and has agreed how economic reporting shall be submitted to the Board of Bulten AB (publ). The Group’s Chief Financial Officer (CFO) reports the results of his or her efforts relating to internal control to the audit committee. The results of the

audit committee’s work in the form of observations, recommendations and proposals for decisions and measures are reported regularly to the Board.

Bulten AB’s significant steering documents in the form of policies, guidelines and manuals, to the extent they relate to financial reporting, are kept up to date and communicated through established channels to the companies in the Group. Systems and procedures have been established to supply the management with the necessary reports about business results in relation to established targets. Information systems have been established as necessary to ensure that reliable and up-to-date information is provided so that the management can perform its duties correctly and efficiently.

Risk assessment

Bulten’s risk assessment regarding financial reporting aims to identify and evaluate the significant risks that affect internal control relating to financial reporting of the Group’s companies, business areas and processes.

The significant risks identified in the Group’s internal control activities that affect internal control in relation to financial reporting are handled through control structures based on the reporting of non-compliance with established targets or norms for, for example, the valuation of inventories and other significant assets.

Internal control in relation to financial reporting

Financial reports are generated monthly, quarterly and annually for the Group and subsidiaries. In connection with reporting, comprehensive analyses and associated comments are prepared along with up-to-date forecasts aimed at ensuring, among other things, that financial reporting is accurate. Finance staff and controllers with functional responsibility for accounts, reports and the analysis of financial development work at the Group and unit levels.

Bulten’s internal control activities aim to ensure that the Group meets its objectives for financial reporting.

Financial reporting shall:

- be correct and complete, and meet all applicable laws, rules and recommendations;
- provide a fair description of the company’s business; and
- support a rational and informed valuation of the business.

In addition to these three objectives, internal financial reporting shall support proper business decision-making at all levels of the Group.

Information and communication

Internal information and communication aim to create awareness among the Group’s employees of internal and external control instruments as well as of authorities and responsibilities. Information and communication about internal control instruments for financial reporting are accessible by all affected employees. The key tools for this are Bulten’s manuals, policies, intranet and training activities.

Control activities

The Group’s Chief Financial Officer (CFO) plays a key role in analyzing and monitoring the Group’s financial reporting and results. The Parent Company has additional functions for the systematic analysis and follow-up of the financial reporting of the Group and subsidiaries.

A Group-wide internal control program for key processes at the subsidiary and Group levels has been implemented. The internal control program covers essential processes and aims to ensure that appropriate controls are designed and implemented to prevent errors in financial reporting.

The Group’s reporting units also conduct regular self-assessments regarding the effectiveness of internal control in relation to financial reporting. The assessments are feed back to the executive management, which summarizes the results for the audit committee to discuss measures and ongoing monitoring.

Follow-up of financial information

The Board publishes, and has responsibility for, the company’s financial reporting. The audit committee supports the Board by preparing activities that assure the quality of the company’s financial reporting. This is partly achieved by the audit committee checking the financial information and the company’s financial controls.

The Board is informed monthly about business development, profit, financial position and cash flow. Outcomes and internal forecasts are assessed and monitored.

All of the Group’s companies report financial information in accordance with an established format and established accounting policies. In connection with this reporting, an analysis and risk assessment of the financial situation are carried out.

AUDITORS

Bulten's auditors are PricewaterhouseCoopers AB (PwC), with Johan Palmgren being the certified public accountant in charge of the audit. PwC audits Bulten AB (publ) and all major subsidiaries. Each year the audit includes a statutory audit of Bulten AB's annual accounts, a statutory audit of the Parent Company and all significant subsidiaries, an audit of internal report packages, an audit of the year-end closing and a general review of one interim report. Reviews of internal control are included as part of the work.

During the second quarter a meeting was held with the executive management to determine an audit plan and to analyze the organization, operations, business processes and balance sheet items for the purpose of identifying areas with an elevated risk of errors in financial reporting.

In addition, a meeting was held with the audit committee for the reconciliation of strategy and aims. The auditor also attends at least one Board meeting each year pursuant to the rules of procedure of the audit committee meeting.

A general review of the year-end closing is performed for the period January to September. In October an early warning review is performed of the nine-month accounts, followed by an early warning meeting with the executive management where important questions for the annual closing are raised. A review and audit of the annual closing and annual accounts are performed between January and February.

During 2022, in addition to the audit assignment, Bulten mainly consulted PwC on taxes, transfer price matters and accounting matters. The remuneration expensed to PwC in 2022 is shown in Note 9 on page 86.

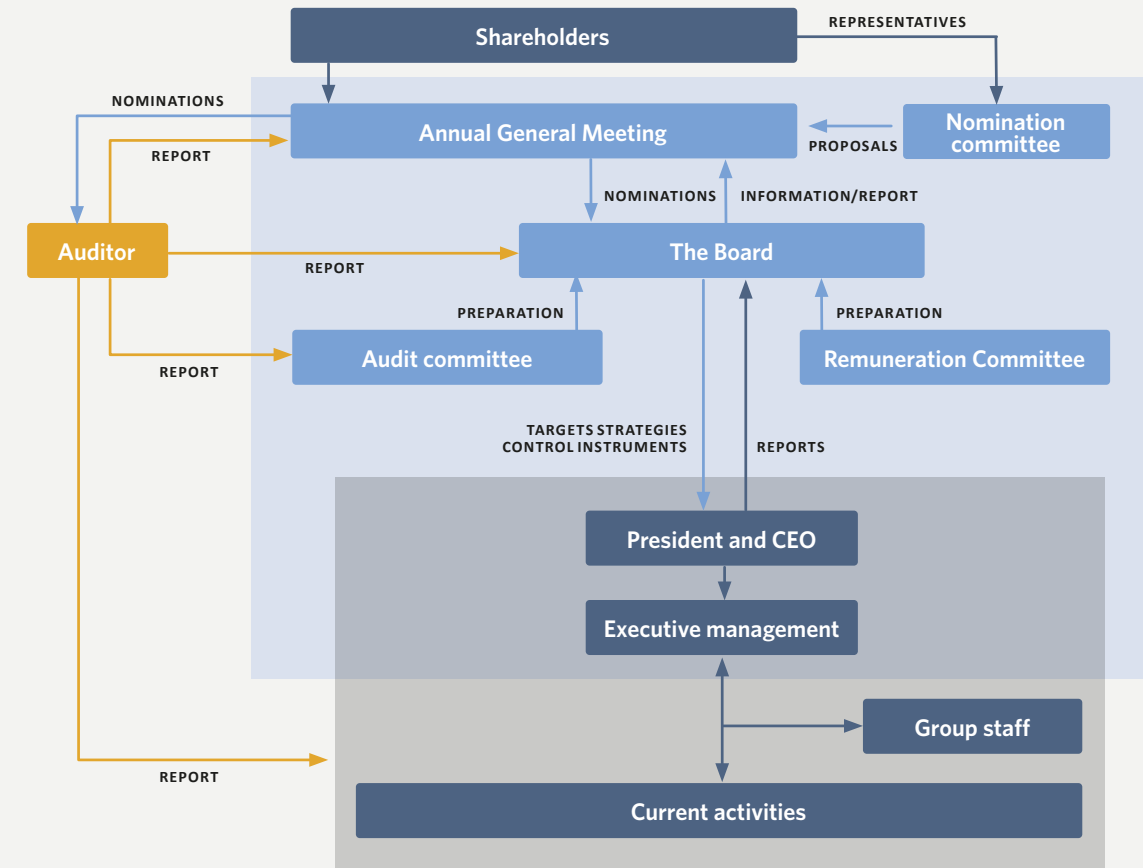
PwC has an obligation to examine its independence prior to decisions to provide independent advice to Bulten in addition to its auditing assignments.

In accordance with the company's articles of association, the company shall have at least one, and at most two, auditors, and at most two deputy auditors. In accordance with the articles of association, the mandate period for the auditors shall be one year.

COMMUNICATION

The company's information to shareholders and other stakeholders is supplied via the annual report, interim reports and press releases. All external information is published on the company's website at www.bulten.se.

OVERVIEW OF CORPORATE GOVERNANCE



THE BOARD



ULF LJLJEDAHL



KARIN GUNNARSSON



HANS GUSTAVSSON



CHRISTINA HALLIN



HANS PETER HAVDAL



PETER KARLSTEN



HARRI ÅMAN



JOACIM STENBERG



NIKLAS MALMBERG

	Chair of the Board and Chair of the Audit Committee	Board member	Board member and Chair of the Remuneration Committee	Board member	Board member	Board member	Employee representative for Unionen	Employee representative for IF Metall	Employee representative for IF Metall, deputy
Year elected	2015	2020	2005	2020	2013	2015	2020	2020	2020
Current employment	President and CEO of Volito AB	Own business focused on corporate governance and consulting	Own business in leadership	President of SEM AB	Chief Operating Officer at Hexagon Composites	Own business focused on corporate governance and consulting	Production planner at Bulten's Hallstahammar facility	Surface treatment operative at Bulten's Hallstahammar facility	Tool maker at Bulten's Hallstahammar facility
Born	1965	1962	1946	1960	1964	1957	1968	1966	1974
Education	MBA	MBA	Engineer and training in finance and management	Masters in engineering	Masters in engineering, machinery	Masters in engineering	Worked at Bulten since 1986	Worked at Bulten 1987–1991 and since 1994	Worked at Bulten since 2018
Nationality	Swedish	Swedish	Swedish	Swedish	Norwegian	Swedish	Swedish	Swedish	Swedish
Other duties	Several board assignments for companies in the Volito Group and board member of Konecranes Plc.	Board member of Beijer Electronics Group AB and Concentric AB, etc.	None	Board member of Alimak, SEM AB and SensysGatso	Board member of Yeti Move AS	Chair of the Board at Holmberg Safety Systems	None	None	None
Independent of the company and corporate management	Yes	Yes	Yes	Yes	Yes	Yes	–	–	–
Independent of the company's major shareholders	No	Yes	Yes	Yes	Yes	Yes	–	–	–
Previously experience	Executive positions at the Husqvarna Group and Cardo Group and a number of positions in finance at Alfa Laval	Senior positions at Hexpol AB and several roles, mainly within accounting, at Telelogic AB and Trelleborg AB	Executive positions at Volvo Cars and Jaguar Land Rover	Senior positions at AB Volvo	Executive positions at Kongsberg Automotive and Semcon	Executive positions at AB Volvo and ABB, among others	–	–	–
Shareholding at February 28, 2023	–	5,000	127,768	1,500	2,650	8,000	–	400	–

EXECUTIVE MANAGEMENT AND AUDITORS



ANDERS NYSTRÖM



ANNA ÅKERBLAD



MARKUS BAUM



FREDRIK BÄCKSTRÖM



MARLENE DYBECK



ULRIKA HULTGREN



CLAES LINDROTH



EMMY PAVLOVIC

Current position	President and CEO	Chief Financial Officer	Chief Commercial Officer	Chief Operating Officer	Senior Vice President HR and Sustainability	Senior Vice President Corporate Communications and IR	Senior Vice President Purchasing and Quality	Senior Vice President Technology and Innovation
Employed at the company	2019	2021	2020	2019	2016	2021	2017	2020
Education	Mechanical engineer with additional education in leadership and finance	MBA	PhD and degree in Business Administration	Masters in Mechanical Engineering	Executive MBA and university studies in behavioral science	Degree in Communication	Mechanical Engineer	Masters in engineering in chemistry with engineering physics and a doctoral degree in materials science
Previous experience	Extensive international experience in the automotive industry with several previous senior management positions within Kongsberg Automotive, Volvo Cars, Ford Motor Company and IAC Group	Extensive experience from companies in the manufacturing sector, such as Group CFO of Absolent Group and Axel Christiernsson International. Several years as consultant and auditor at Deloitte	Extensive experience of the supply chain in the automotive industry from Nedschroef, Benteler, TMD Friction and Visteon	Several senior positions at Arcam AB, Poseidon Diving System AB, Carmel Pharma AB, Pågen/Pååls bageri and Dayco Automotive AB, among others	Previous positions at Volvo Cars, Hultafor Group and Gunnebo, among others	Previous positions at NEVS, Castellum, SKF, Astra Zeneca and Tamro, among others	Previous positions at Shiloh, Volvo Cars, Norsk Hydro and Raufoss	Previous positions at Nedschroef, Aston Harald, Arcam and Volvo
Born	1965	1975	1978	1965	1966	1971	1962	1980
Nationality	Swedish	Swedish	German	Swedish	Swedish	Swedish	Swedish	Swedish
Other duties	None	None	None	None	None	None	Member of SAMS (Swedish Association for Material Sourcing)	None
Shareholding at February 28, 2023	15,687	2,518	6,728	11,353	7,423	999	10,834	1,526

JOHAN PALMGREN

PricewaterhouseCoopers AB,
Chief Auditor.

In current position: Auditor of the company since 2020

Education: Certified Public Accountant. **Born:** 1974 **Nationality:** Swedish.

Other duties: Chief auditor for HMS Networks AB (publ) and Troax Group AB (publ), among others.

SIGNATURES

Gothenburg, March 27, 2023

Ulf Liljedahl
Chair of the Board

Karin Gunnarsson
Board member

Hans Gustavsson
Board member

Christina Hallin
Board member

Hans Peter Havdal
Board member

Peter Karlsten
Board member

Joakim Stenberg
Employee representative

Harri Åman
Employee representative

Anders Nyström
President and CEO

THE AUDITOR’S OPINION ON THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of the shareholders of Bulten AB (publ), corporate identity number 556668-2141

Assignments and division of responsibility

It is the Board of Directors that is responsible for the Corporate Governance Report for the year 2022 presented on pages 58 to 66 and its preparation in accordance with the Annual Accounts Act.

Focus and scope of the audit

Our review has been conducted in accordance with FAR’s statement RevU 16 ‘Auditor’s review of the corporate governance report’. This means that our review of the corporate governance report has a different focus and is substantially smaller in scope than the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides a sufficient basis for our opinion.

Statement

A corporate governance report has been prepared. Information in accordance with Chapter 6, section 6, second paragraph, points 2 to 6 of the Annual Accounts Act and Chapter 7, section 31, second paragraph of the same Act are consistent with the annual report and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg, March 27, 2023
PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant

FINANCIAL INFORMATION

Board of Directors' Report.....	68
Consolidated Income Statement	72
Consolidated statement of Comprehensive Income.....	72
Consolidated Balance Sheet.....	73
Consolidated Statement of Changes in Equity	74
Consolidated Cash Flow Statement.....	75
Consolidated Net Debt Composition.....	75
Notes for the Group	76
Parent Company Balance Sheet	100
Parent Company's Statement of Comprehensive Income.....	100
Parent Company's Cash Flow Statement.....	100
Parent Company's Balance Sheet.....	101
Parent Company's Statement of Changes in Equity	102
Notes for the Parent Company	103
Declaration and Signatures	105
Auditor's Report	106
Key figures for the Group.....	110
Quarterly Data for the Group.....	111
Quarterly Data for the Group, Balance Sheet.....	112
Group, 12-Month Rolling	113

BOARD OF DIRECTORS’ REPORT

The Board and the President and CEO hereby submit the annual report and consolidated financial statements for Bulten AB (publ), corporate registration number 556668-2141, for the 2022 financial year.

Ownership structure

Bulten (publ) is listed on Nasdaq Stockholm. The largest shareholders at year-end were Volito AB, which owned 24.2% (24.0), Nordea Investment Funds 6.6% (6.7) and Carnegie Fonder 5.6% (5.7) of the share capital.

THE GROUP’S BUSINESS

Bulten develops and manufactures fasteners and supplies products, and technology, servicing and system solutions mainly for the automotive industry. The Group acts as a partner to international customers, primarily in the automotive industry but also in industries outside the automotive industry. Customers are mostly based in Europe, Asia and the US.

Bulten is one of the few companies that provide full-service accountability throughout the value chain for fasteners, from development of the product to final delivery to the customer’s production line.

Production takes place mostly in Europe, although the Group also operates production plants for fasteners in China, Taiwan and the USA.

In 2022, Bulten had 10 production facilities in 7 countries, averaging 1,575 (1,673) employees, which is an increase of 5.9% from the end of 2021. The Group’s sales for 2022 amounted to SEK 4,474 (3,730) million, which was an increase of 19.9% compared with the previous year, which is Bulten’s highest ever sales.

Key financial indicators

	2022	2021	2020	2019	2018
Net sales, SEK M	4,474	3,730	3,195	3,093	3,132
EBITDA margin, %	7.9	10.7	8.7	7.7	9.6
EBIT margin (operating margin), %	4.0	6.2	3.6	3.2	6.7
Adjusted EBIT margin (operating margin), % *	6.3	6.2	3.5	4.8	6.7
Capital turnover rate, times	1.5	1.6	1.5	1.6	1.9
Return on capital employed, %	6.3	9.7	5.4	5.5	12.8
Return on equity, %	3.2	9.1	3.7	3.5	9.9
Debt/equity ratio, times	-0.5	-0.4	-0.3	-0.4	-0.1
Interest coverage ratio, times	6.8	10.1	3.9	7.6	18.2
Equity/assets ratio, %	41.9	49.3	49.4	55.2	64.8
Average no. of employees	1,575	1,673	1,616	1,425	1,433

*) Adjusted EBIT margin. Operating profit adjusted for non-recurring costs as a percentage of net sales for the year.

The year in brief

The whole of 2022 was yet another turbulent year. Bulten has faced a lot of challenges, but there is also a lot to be happy about. Bulten’s customers were still experiencing component shortages in 2022, which meant uneven production in the customers’ factories. This made it hard to forecast our sales volumes, plan production and incoming material deliveries. The result for Bulten was higher costs and unnecessarily high stock levels. The unsettled global situation, worsened by the aftermath of the pandemic and Russia’s invasion of Ukraine, had an adverse effect on the company’s business. Severe cost increases for raw materials, energy and transport hindered profitability during much of the year, and forced the company to raise prices for customers. In the last quarter, this began to balance out and the margins stabilized somewhat.

The uneasy geopolitical situation has also led to a raft of structural measures in our value chain to reduce the company’s risks moving forward. Having said that, the year was overall positive. 2022 was another year where the company made significant strategic decisions and won important new business. Bulten is well on the way to achieving its financial goals and its vision, which is “We create and deliver the most innovative and sustainable fastener solutions”.

Bulten held a Capital Markets Day at the beginning of the year. It was emphasized that the company abides by established financial targets and that total sales will amount to SEK 5 billion by 2024. This can be achieved through both organic and acquired growth. We also clarified the plans to increase growth outside of the automotive sector and to invest in a stronger production presence in the United States. It was also informed about how the company will steer the product mix towards more specialized, complex products.

Seeing how things have developed since Capital Markets Day, the company is on target with set levels of ambition. The growth in Bulten’s new customer sectors has been good, particularly in consumer electronics and also in leisure equipment.

In the automotive sector, we can also see that the new electric vehicle platforms contain far more complex fasteners. Bulten has won new business in this area and it can therefore be noted that here too the plans are coming into fruition. Many people have speculated as to whether electric vehicles with simpler drivetrains than traditional combustion-engined vehicles might pose a threat to producers of fasteners. Current trends rather suggest the opposite, with the battery packs in particular containing a lot of relatively complex screw joints.

Another important milestone was the start-up of the company’s brand new surface treatment plant in Poland. This is Bulten’s largest investment of all time, and is based on the very best technology in terms of efficiency, quality and sustainability. This extremely comprehensive project was delivered on time and on budget, and it is testament to the power and expertise that exists within the organization. The factory makes it possible to integrate the vast majority of all the standard surface treatment types into our own process, and will entail progressively shorter lead times, lower costs and capital tied up, as well as lower climate impact from both the process and transport.

The work to streamline the distribution network to rationalize logistics and reduce costs and stock levels began during the year. A new logistics center adjacent to the new surface treatment plant in Poland and a new warehouse building adjoining the factory in Germany enable us to close the warehouse in Arendal, Gothenburg in 2023 and to ship goods directly from the point of production.

During the first quarter Russia invaded Ukraine, which led to a swift decision by Bulten to close down the company’s Russian operation. Bulten’s annual sales will not be affected by the divestment, since the Russian operation corresponded to just 1.6% of total sales. The plans to close production in Pembroke, UK, as it is hard for us to achieve profitability with the mix of products manufactured there and volumes are also relatively low, were also communicated at the end of 2022. By moving the parts of production that have long-term potential to the other plants, Bulten can achieve better efficiency and thereby higher profitability.

Bulten’s commitment to technology and innovation, with the company owning a minority stake in TensionCam Systems AB, has resulted, after several successful pilot projects, in the start of industrialization and commercialization of Tension-Cam’s technology, which involves measuring and monitoring clamping force in screw joints. Bulten has also decided to increase its holding in TensionCam Systems AB and become the majority owner.

Another example is that Bulten has developed a thread formed screw for stainless applications. This is a new development on the market and a patent is pending. Many other interesting ideas are also on their way through Bulten’s innovation process.

Net sales

Net sales for the full year totaled SEK 4,474 (3,730) million, which is an increase of 19.9%. Adjusted for foreign exchange effects, growth totaled 12.4% for the same period.

78.0% of Bulten’s net sales in 2022 were attributable to light vehicles, 10.2% to commercial vehicles, and 11.8% to other. 72.5% of total sales were attributable to direct deliveries to vehicle manufacturers (OEMs) and the remaining 27.5% to their suppliers and others.

Earnings and profitability

The Group’s gross profit was SEK 826 (710) million, corresponding to a gross margin of 18.5% (19.0).

Earnings before depreciation and amortization (EBITDA) amounted to SEK 355 (400) million, corresponding to an EBITDA margin of 7.9% (10.7).

Operating earnings (EBIT) totaled SEK 180 (232) million, equating to an operating margin of 4.0% (6.2). Adjusted operating earnings (EBIT) totaled SEK 284 (232) million, equating to an adjusted operating margin of 6.3% (6.2). In light of Russia’s invasion of Ukraine and the related sanctions, Bulten discontinued its operation in Russia during Q2. Close-down costs related to the Russian operation burdened the result by SEK -93 million.

In December, Bulten decided to close its manufacturing plant in Pembroke, UK, in order to streamline the operation. Costs for the ongoing restructuring have burdened the 2022 figures by approximately SEK -10 million.

Operating earnings were affected by exchange rate fluctuations of SEK -1 (0) million net when converting working capital at the closing day rate.

The Group’s net financial items were SEK -25 (-22) million. Financial income was SEK 2 (1) million, and consists of interest income of SEK 2 (1) million. Financial expenses amounted to SEK -27 (-23) million and include interest expenses of SEK -19 (-17) million, of which interest expenses for lease liabilities total SEK -11 (-11) million. Foreign exchange losses amount to SEK -2 (-) million. Other financial expenses amounted to SEK -6 (-6) million.

The Group’s profit before tax increased to SEK 155 (210) million and profit after tax was SEK 74 (154) million. Adjusted profit before tax amounted to SEK 260 (210) million, and adjusted profit after tax was SEK 176 (154) million.

Earnings per share were SEK 2.65 (6.85). Adjusted earnings per share were SEK 7.48 (6.85).

The return on capital employed (ROCE) amounted to 6.3% (9.7). The adjusted return on capital employed (ROCE) amounted to 9.9% (9.7). The capital turnover rate amounts to 1.5 (1.5) times.

Cash flow, working capital, investments and financial position

Cash flow from operating activities before changes in working capital totaled SEK 381 (332) million, which equates to 8.5% (8.9) of net sales. The effect on cash flow of the change in working capital amounted to SEK -83 (-284) million. Inventories increased by SEK 84 (173) million, and current receivables increased by SEK 321 (85) million. Current liabilities changed by SEK 287 (-40) million.

Accounts receivable during the past year averaged SEK 860 (709) million, which equates to 19.2% (19.0) of net sales. Average inventories amounted to totaled SEK 917 (789) million, equating to an inventory turnover of 4.0 (3.8) times. Cash flow from operating activities totaled SEK 298 (48) million.

Investments in intangible assets and property, plant and equipment amounted to SEK 267 (170) million. Investments of SEK 267 (170) million relate to property, plant and equipment. The corresponding amount for intangible assets is SEK 0 (0) million. Depreciation/amortization amounted to SEK -175 (-168) million. The rate of investment in 2022 of 6.0% of sales has been higher than Bulten’s average rate of investment due to the new production plant in Radziechowy-Wieprz (RAD), Poland.

Consolidated cash and cash equivalents amounted to SEK 451 (242) million at the year-end. In addition to cash and cash equivalents, the Group also had approved but unused overdraft facilities of SEK 615 (896) million, which means that the Group’s liquidity amounted to SEK 1,066 (1,138) million. Consequently, disposable cash and cash equivalents amounted to 23.8% (30.5) of net sales.

The balance sheet total at year-end was SEK 4,356 (3,419) million. Equity in the Group was SEK 1,825 (1,687) million at the end of the financial year. Net profit for the year of SEK 74 (154) million, other comprehensive income totaling SEK 131 (57) million and transactions with shareholders totaling SEK -67 (-41) million have had an impact on equity.

On the closing date, net debt amounted to SEK 925 million. Net debt for the previous year amounted to SEK 655 million. Net debt adjusted for lease liabilities amounted to SEK 411 million. Adjusted net debt for the previous year amounted to SEK 323 million.

The equity/assets ratio was 41.9% (49.3). Group goodwill at the end of the financial year was SEK 218 (234) million, or 5.0% (6.8) of total assets.

Risks and risk management

Exposure to risk is a natural part of a business and this is reflected in Bulten's approach to risk management. This aims to identify risks and prevent risks from occurring or to limit any damage resulting from these risks.

Risks to the business can be categorized as financial risks, sustainability risks, business cycle and external risks and operational risks. For a description of how the Group manages these risks in its activities, see Note 5.

Permits and the environment

Bulten has engaged in manufacturing at ten facilities in eight countries: Sweden, Germany, the UK, Poland, China, Taiwan, Russia and the USA.

At the end of 2022, the Swedish plant in Hallstahammar was subject to permit requirements under the Swedish Environmental Code. The permit requirements stem from the nature of the activities. It principally comprises activities involving cold work processing, heat and surface treatment. The primary environmental impact derives from the manufacturing processes in the form of emissions to water and air, waste generation, resource consumption, noise and transport.

Manufacturing units outside Sweden adapt their operations, apply for the necessary permits and report to the authorities as required by local legislation.

Bulten has an explicit strategy for reducing the environmental impact of, among other things, its process water, energy consumption, transport, chemicals and waste.

The outlook for 2023

Bulten celebrates its 150th anniversary in 2023 and carries with it all the knowledge and experience accumulated during those years. At the same time, the company is changing to meet new demands and expectations with the ability to grow as the goal. Bulten is an old company that is still at the forefront in many respects. One example of this is the fact that Bulten has been entrusted with developing the fasteners for a fully climate-neutral concept car, Polestar O. When we have done that, Bulten will probably be the first company in the world in our industry to offer climate-neutral products and value chains. Bulten's FSPs concept, which is unique to Bulten, is also winning business. Customers' interest in working with Bulten to achieve their sustainability goals will increase with time. Bulten also sees the transition to electrified vehicles as a business opportunity. This entails products that are of great interest to the company and there is an opportunity to create a lot more value per vehicle than there traditionally has been. Bulten takes that know-how into new markets and new customer sectors.

In 2022, Bulten has grown in sectors outside of the automotive industry in line with its strategy. The goal for 2023 is to continue this growth journey, for example through potential acquisitions.

It is difficult to assess how global and macroeconomic factors will develop and affect Bulten and production at the company's customers. Underlying demand remains very strong. Bulten has a strong market position and, irrespective of macroeconomic and geopolitical events, will get through this while continuing to focus on health, cash flow, profitability, and growth.

Significant events after the end of the financial year

There are no other significant events to report after the closing day.

PARENT COMPANY

Bulten AB (publ) owns, directly or indirectly, all the companies in the Group. The Parent Company handles the Group-wide administration, stock exchange matters and management functions for the other companies in the Group.

The equity/assets ratio was 70.3% (73.1). Equity amounted to SEK 1,043 (1,090) million.

On the balance sheet date, there were SEK 0 (0) million in cash or cash equivalents. The Parent Company had eight employees on the closing date.

Total number of shares

The total number of shares is 21,040,207. The total number of outstanding shares as of December 31, 2022 was 20,987,992. As of December 31, 2022, Bulten AB has 52,215 shares in its own custody. See also Note 26.

Board activities

The Board has adopted a set of working procedures and a number of policies that define the allocation of responsibilities between the Board, the President and CEO and Group management. The Board has the ultimate responsibility for the Group's operations and organization, and ensures that the President and CEO's duties and the financial operations are carried out in compliance with established principles. The Board held 10 minuted meetings during the year, plus one strategy and business-planning meeting.

From its membership, the Board has appointed an audit committee and a remuneration committee. The Audit Committee held seven meetings and the Remuneration Committee held four meetings during the year.

Guidelines for remuneration for senior management

The 2022 Annual General Meeting adopted a resolution on the following guidelines for remuneration to senior executives. The guidelines cover remuneration and other employment terms and conditions for Bulten's President and CEO and other senior executives.

Salaries and other terms and conditions of employment shall be such that the Group can constantly attract and retain competent senior managers at a reasonable cost to the company. Remuneration within Bulten shall be based on the nature of the position, principles of performance, competitiveness and fairness. Remuneration for senior management comprises a fixed salary, variable remuneration, pension and other benefits. Each senior manager shall be offered a fixed salary in line with market conditions and based on the senior manager's responsibilities, expertise and performance. The Annual General Meeting may also, if a resolution has been made to this effect, submit an offer of a long-term incentive program such as a share or share price related incentive program.

Incentive programs are intended to contribute to long-term value growth and to ensure that shareholders and employees have a common interest in the share's value growth.

Senior executives may be offered variable remuneration. Variable remuneration shall be based primarily on developments in the Group as a whole or developments in the unit for which the person in question is responsible. For further information about remuneration to the executive management, see Note 8 to these annual financial statements.

Prior to the 2023 AGM, the Board proposes that the previous year's guidelines for remuneration to senior executives, but adapted to the rules in the Swedish Companies Act, sustainability, and the Code of Corporate Governance be also established for 2023.

Appropriation of earnings

Bulten's target over time is to pay out a dividend of at least one third of net earnings after tax. Consideration is given, however, to the company's financial position, cash flow and outlook.

The following profit in the Parent Company (SEK) is at the disposal of the Annual General Meeting:

Stock premium reserve	1,132,950,039
Retained earnings	-199,996,076
	932,953,963

The Board of Directors proposes that these earnings be appropriated as follows (SEK):

The Board of Directors' proposal for a dividend

(SEK 2.50 per share)	52,469,980
Carried forward to new accounts	880,483,983
Total	932,953,963

It is proposed that April 27, 2023 be the record day for the dividend. If the meeting resolves in accordance with the proposal, the dividend is expected to be distributed to the shareholders by Euroclear Sweden AB on May 3, 2023. As of March 27, 2023, there were a total of 21,040,204 shares in the company, of which 52,215 are held by the company. The dividend amount of SEK 52,469,980 will therefore be divided among the 20,987,992 shares that are entitled to receive the dividend.

Statement of the Board concerning the proposed dividend

The equity/assets ratio as of December 31, 2022 was 70.3% for the Parent Company and 41.9% for the Group. No part of the Parent Company's or the Group's equity relates to market values of financial instruments. The currently proposed dividend of SEK 52,469,980 means that the Parent Company's equity/assets ratio will fall to 69.2% and the Group's equity/assets ratio will fall to 41.2%.

It is the Board's assessment that the long-term earnings capability of the Parent Company and the Group is secure and that from this perspective the dividend is appropriate. It is further judged that the liquidity of the Parent Company and Group can be maintained at secure levels.

The Board considers that the proposed dividend is appropriate in relation to the demands that the type, scope and risks of the business place upon the amount of equity in the Parent Company and Group, and with regard to the consolidation requirements, liquidity and general financial position of the Parent Company and Group. The Board's statement in accordance with chapter 18, section 4, of the Swedish Companies Act has been published in a separate document.

Corporate Governance Report

Bulten is submitting a separate corporate governance report, in accordance with the Annual Accounts Act, section 6:8, which is included in this annual report on pages 58–66.

Sustainability report

Bulten is providing a separate sustainability report in accordance with the Annual Accounts Act, section 6:11, which is included in this annual report, see page 36 for more information.

CONSOLIDATED INCOME STATEMENT

SEK MILLION	NOTE	2022	2021
Net sales	6	4,474	3,730
Cost of goods sold	7	-3,648	-3,020
Gross profit		826	710
Other operating income	11	12	13
Selling expenses	7	-320	-279
Administrative expenses	7	-253	-223
Other operating expenses	11	-97	-3
Share of profit in joint ventures and associated companies	35	12	14
Operating profit	8, 9, 10, 12	180	232
Financial income	13	2	1
Financial expenses	13	-27	-23
Profit before tax	14	155	210
Tax on profit for the year	15	-81	-56
Profit after tax		74	154
Attributable to			
Parent Company shareholders		55	143
Non-controlling interests		19	11
Profit after tax		74	154
Earnings per share (SEK) attributable to Parent Company shareholders			
Earnings per share (SEK) before and after dilution	16	2.65	6.85
Adjusted earnings per share (SEK) before and after dilution	16	7.48	6.85

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	NOTE	2022	2021
Earnings for the year		74	154
Other comprehensive income			
Items not to be reversed in the income statement			
Revaluation of defined-benefit pension plans, net after tax		3	-1
Items that may later be reversed in the income statement			
Exchange differences		122	57
Other comprehensive income attributable to joint venture	35	6	1
Total other comprehensive income		131	57
Total comprehensive income for the year		205	211
Attributable to			
Parent Company shareholders		186	199
Non-controlling interests	28	19	12
Total comprehensive income for the year		205	211

Comments on the consolidated income statement

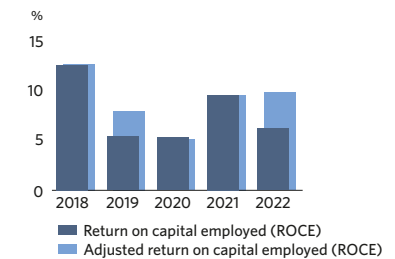
Net sales for the full year totaled SEK 4,474 (3,730) million, which is an increase of 19.9%. The Group's gross profit was SEK 826 (710) million, corresponding to a gross margin of 18.5% (19.0).

Earnings before depreciation and amortization (EBITDA) amounted to SEK 355 (400) million, corresponding to an EBITDA margin of 7.9% (10.7).

Operating earnings (EBIT) totaled SEK 180 (232) million, equating to an operating margin of 4.0% (6.2). Adjusted operating earnings (EBIT) totaled SEK 284 (232) million, equating to an adjusted operating margin of 6.3% (6.2). In light of Russia's invasion of Ukraine and the related sanctions, Bulten discontinued its operation in Russia during Q2. Close-down costs related to the Russian operation burdened the result by SEK -93 million. In December, Bulten decided to close its manufacturing plant in Pembroke, UK, in order to streamline the operation. Costs for the ongoing restructuring have burdened the 2022 figures by approximately SEK -10 million. Operating earnings were affected by exchange rate fluctuations of SEK -1 (0) million when converting working capital at the closing day rate.

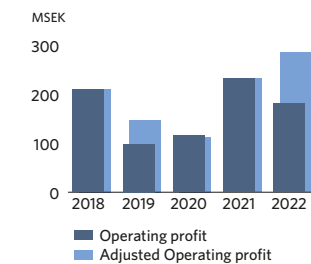
The Group's net financial items were SEK -25 (-22) million. Financial income was SEK 2 (1) million, and consists of interest income of SEK 2 (1) million. Financial expenses were SEK -27 (-23) million, mainly comprising interest expenses of SEK -19 (-17) million, of which interest expenses for lease liabilities totaled SEK -11 (-11) million. Foreign exchange losses amount to SEK -2 (-) million. Other financial expenses amount to SEK -6 (-6) million. The Group's profit before tax amounted to SEK 155 (210) million and profit after tax was SEK 74 (154) million.

Return on capital employed (ROCE), %



The return on capital employed (ROCE) amounted to 6.3% (9.7). The adjusted return on capital employed amounted to 9.9% (9.7).

Operating earnings, SEK M



Operating profit amounted to SEK 180 million, which is lower than the previous year. Adjusted operating profit totaled SEK 284 million.

The operating margin was 4.0% (6.2) for 2022. A decrease of -2.2 percentage points compared with the previous year. The adjusted operating margin was 6.3% (6.2) for 2022.

CONSOLIDATED BALANCE SHEET

SEK MILLION	NOTE	12/31/2022	31/12/2021
ASSETS			
Fixed assets			
Intangible fixed assets			
Goodwill	17	218	234
Other intangible fixed assets	17	2	3
Total intangible fixed assets		220	237
Property, plant and equipment			
Land and buildings	18	187	189
Plant and machinery	18	378	429
Equipment, tools, fixtures and fittings	18	69	71
Construction in progress and advances relating to property, plant and equipment	18	339	128
Total property, plant and equipment		973	817
Right-of-use assets			
Buildings	19	468	295
Equipment	19	18	18
Total right-of-use assets		486	313
Financial fixed assets			
Investments in joint ventures and associated companies	35	65	59
Other long-term receivables	20, 25	2	4
Total financial fixed assets		67	63
Deferred tax assets	15	22	16
Total fixed assets		1,768	1,446
Current assets			
Inventories	21	959	875
Current receivables			
Accounts receivable	22, 25	975	744
Current tax assets		1	0
Other receivables	23	76	58
Prepaid expenses and accrued income	24	126	54
Total current receivables		1,178	856
Cash and cash equivalents	25, 36	451	242
Total current assets		2,588	1,973
Total assets		4,356	3,419

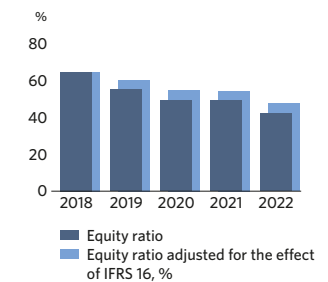
SEK MILLION	NOTE	12/31/2022	12/31/2021
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	26	11	11
Other contributed capital	26	1,263	1,263
Other reserves	27	160	32
Profit/loss brought forward		365	354
Equity attributable to Parent Company shareholders		1,799	1,660
Non-controlling interests	28	26	27
Total equity		1,825	1,687
Liabilities			
Non-current liabilities			
Deferred tax liabilities	15	14	18
Provisions for pensions and similar obligations	29	16	20
Interest-bearing lease liabilities	19	449	277
Other interest-bearing liabilities	25, 30, 31	400	326
Total non-current liabilities		880	641
Current liabilities			
Interest-bearing lease liabilities	19	65	56
Other interest-bearing liabilities	25, 30, 31	447	221
Accounts payable	25	827	563
Current tax liabilities		59	22
Other liabilities		81	63
Accrued expenses and deferred income	32	161	166
Other provisions	33	11	–
Total current liabilities		1,651	1,091
Total equity and liabilities		4,356	3,419

Comments to the balance sheet

Average working capital amounted to SEK 956 (773) million, which corresponds to 21.4% (20.7) of net sales.

The consolidated balance sheet total at year-end was SEK 4,356 (3,419) million. Equity in the Group was SEK 1,825 (1,687) million at the end of the financial year. The equity/assets ratio was 41.9% (49.3). The equity/assets ratio (excluding lease liabilities, IFRS 16) amounted to SEK 47.5% (54.4).

Equity/assets ratio, %



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK MILLION	NOTE	ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS				NON-CONTROLLING INTERESTS	TOTAL EQUITY
		SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	OTHER RESERVES ¹⁾	PROFIT/LOSS BROUGHT FORWARD		
Opening balance, January 1, 2021		11	1,263	-25	254	14	1,517
Comprehensive income							
Earnings for the year		–	–	–	143	11	154
Other comprehensive income							
Items not to be reversed in the income statement							
Revaluation of defined-benefit pension plans, net after tax ²⁾		–	–	–	-1	–	-1
Items that may later be reversed in the income statement							
Exchange differences		–	–	56	–	1	57
Other comprehensive income attributable to joint ventures and associated companies	35	–	–	1	–	–	1
Total comprehensive income		–	–	57	142	12	211
Transactions with shareholders							
Transactions with non-controlling interests		–	–	–	–	1	1
Dividend to Parent Company shareholders (SEK 2.00 per share)		–	–	–	-42	–	-42
Total transactions with shareholders		–	–	–	-42	1	-41
Closing balance as of December 31, 2021		11	1,263	32	354	27	1,687
Comprehensive income							
Earnings for the year		–	–	–	55	19	74
Other comprehensive income							
Items not to be reversed in the income statement							
Revaluation of defined-benefit pension plans, net after tax ²⁾		–	–	–	3	–	3
Items that may later be reversed in the income statement							
Exchange differences		–	–	122	–	0	122
Other comprehensive income attributable to joint ventures and associated companies	35	–	–	6	–	–	6
Total comprehensive income		–	–	128	58	19	205
Transactions with shareholders							
Transactions with non-controlling interests		–	–	–	–	-20	-20
Dividend to Parent Company shareholders (SEK 2.25 per share)		–	–	–	-47	–	-47
Total transactions with shareholders		–	–	–	-47	-20	-67
Closing balance as of December 31, 2022		11	1,263	160	365	26	1,825

1) A specification of Other reserves can be found in Note 27.

2) Tax effects are explained in Note 15.

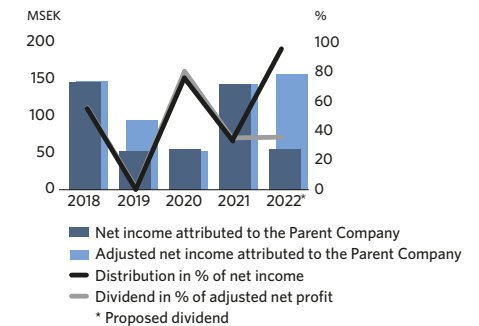
Comments on changes in equity

Net profit for the year of SEK 74 (154) million, other comprehensive income totaling SEK 131 (57) million and transactions with shareholders totaling SEK -67 (-41) million have had an impact on equity.

Dividends to Parent Company shareholders during the year amounted to SEK 47 (42) million, which corresponds to 32.9% (75.9) of the previous year's profit.

Other reserves consist entirely of a translation reserve. The translation reserve covers currency differences that arise as a result of translating the income statements and balance sheets of all Group companies into the Group's reporting currency. During the year, currency translation impacted equity by SEK 128 (58) million.

Dividend as a percentage of net profit



CONSOLIDATED CASH FLOW STATEMENT

SEK MILLION	NOTE	2022	2021
Operating activities			
Profit after financial items		155	210
Adjustments for items not included in cash flow	36	270	149
Taxes paid		-44	-27
Cash flow from operating activities before changes in working capital		381	332
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		-75	-173
Increase(-)/Decrease(+) in operating receivables		-297	-78
Increase(+)/Decrease(-) in operating liabilities		289	-33
Cash flow from operating activities		298	48
Investing activities			
Acquisition of intangible fixed assets		-0	-0
Acquisition of property, plant and equipment		-267	-170
Divestment of property, plant and equipment		1	1
Divestment of shares in joint venture		-	4
Cash flow from investing activities		-266	-165
Financing activities			
Change in overdraft facilities and pension liabilities	36	12	25
Borrowing	36	283	288
Repayment of borrowings	36	-	-100
Repayment of lease liabilities	36	-72	-62
Dividend to Parent Company shareholders		-47	-42
Transactions with non-controlling interests		-9	0
Cash flow from financing activities		167	109
Cash flow for the year		199	-8
Reconciliation of cash and cash equivalents			
Cash and cash equivalents as of beginning of the financial year		242	236
Cash flow for the year		199	-8
Exchange rate difference in cash and cash equivalents		10	14
Cash and cash equivalents at year-end	36	451	242

CONSOLIDATED NET DEBT COMPOSITION

SEK MILLION	NOTE	12/31/2022	12/31/2021
Long-term interest-bearing liabilities		-849	-603
Provision for pensions		-16	-20
Current interest-bearing liabilities		-512	-277
Financial interest-bearing receivables		1	1
Cash and cash equivalents		451	242
Net debt (-)	36	-925	-655
Less interest-bearing liabilities attributable to finance leases		514	332
Adjusted net debt (-)		-411	-323

Comments on the cash flow statement

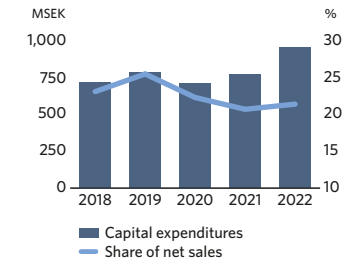
Cash flow from operating activities before changes in working capital totaled SEK 381 (332) million, which equates to 8.5% (8.9) of net sales. The cash flow effect of the change in working capital amounted to SEK -83 (-284) million. Inventories increased by SEK 84 (173) million and current receivables increased by SEK 321 (85) million. Current liabilities changed by SEK 287 (-40) million. Average working capital corresponds to 21.4% (20.7) of net sales.

Investments in intangible assets and property, plant and equipment amounted to SEK 267 (170) million. Investments of SEK 267 (170) million relate to property, plant and equipment. The corresponding amount for intangible assets is SEK 0 (0) million. Depreciation/amortization amounted to SEK -175 (-168) million. Investment expenses correspond to 6.0% (4.6) of net sales.

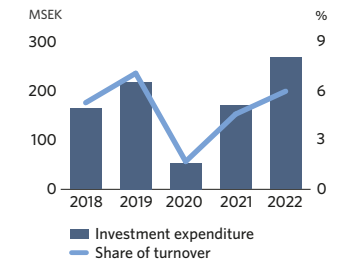
Consolidated cash and cash equivalents amounted to SEK 451 (242) million at the year-end. In addition to cash and cash equivalents, the Group also had approved but unused overdraft facilities of SEK 615 (896) million, which means that the Group's liquidity amounted to SEK 1,066 (1,138) million. Consequently, disposable cash and cash equivalents amounted to 23.8% (30.5) of net sales.

Net debt amounted to SEK -925 (-655) million, which is a change of SEK -270 million compared with the previous year. Net debt (excluding lease liabilities) totaled SEK -411 (-323) million, a change of SEK -88 million.

Working capital as a percentage of net sales



Investment expenses as a percentage of net sales



NOTES FOR THE GROUP

All amounts in SEK million unless otherwise stated. Figures in parentheses refer to the previous year. Some figures are rounded, so amounts might not always appear to match when added up.

NOTE 1 GENERAL INFORMATION

Bulten AB (publ) (the Parent Company) with corporate identity number 556668-2141 and its subsidiaries (jointly the Group) manufacture and distribute automotive components.

The Parent Company conducts operations in the legal form of a limited liability company, with its registered office in Göteborg, Sweden. The company's postal address is Bulten AB, Box 9148, 400 93 Gothenburg.

The Group uses the calendar year as the financial year.

This annual report and these consolidated financial statements were approved for publication by the Board on March 27, 2023 and will be presented to the Annual General Meeting of shareholders on April 25, 2023.

NOTE 2 CHANGES DURING THE REPORTING PERIOD

The Group's financial position and profit were affected by the following events and transactions during the reporting period.

Changes in the composition of the Group

The shares in Joint Venture, BBB Fasteners Craiova S.R.L, Romania, were liquidated in February 2022.

The shares in Joint Venture, BBB Service Ltd, UK, were liquidated in August 2022.

The shares in Joint Venture, RUS Fasteners B.V. The Netherlands, were liquidated in August 2022.

The shares in Bulten RUS LLC were sold on July 26, 2022. The purchase sum totaled SEK 10 million. The capital loss amounted to SEK 93 M.

Other changes during the reporting period

No changes, updates or corrections to accounting policies have been made compared to the previous year.

No other significant changes occurred during the reporting period.

Financial position and profit during the reporting period

A detailed report of the Group's financial position and profit can be found in the Board of Directors' Report.

NOTE 3 SPECIFICATION OF THE GROUP'S HOLDINGS OF PARTICIPATIONS IN GROUP COMPANIES

SUBSIDIARY/CORP. REG. NO./ REGISTERED OFFICE	COUNTRY	PARTICIPATION, %
		12/31/2022
Bulten Holding AB, 556224-0894, Gothenburg	Sweden	100.0
Bulten Fasteners AB, 556010-8861, Gothenburg	Sweden	100.0
Bulten Sweden AB, 556078-3648, Gothenburg	Sweden	100.0
Bulten Hallstahammar AB, 556261-2506, Hallstahammar	Sweden	100.0
Bulten Ltd, No. 85664, Edinburgh	United Kingdom	100.0
Bulten Polska S.A., KRS 0000019503, Bielsko-Biala	Poland	100.0
Bulten Invest Sp.z.o.o., KRS 0000690750, Radziejow	Poland	100.0
Bulten GmbH, HRB 4748, Bergkamen	Germany	100.0
Finnveden Micro Fasteners AB, 556039-4180, Gothenburg	Sweden	100.0
Bulten North America LLC, 3995144, Streetsboro, Ohio	USA	100.0
Ram-Bul LLC, 6325829, Hudson, Ohio	USA	50.0
Bulten Fasteners (Tianjin) Co Ltd, 91120000MA06HY3T4R, Tianjin	China	100.0
Bulten Fasteners (China) Co Ltd, 600041586, Peking	China	100.0
Finnveden Trading AB, 556201-4570, Gothenburg	Sweden	100.0
Bulten Industrifastighet AB, 556872-5534, Gothenburg	Sweden	100.0
Bulten Romania S.R.L, 42096458, Bucharest	Romania	100.0

SUBSIDIARY/CORP. REG. NO./ REGISTERED OFFICE	COUNTRY	PARTICIPATION, %
		12/31/2022
Bulten Turkey Bağlantı Malzemeleri Ticaret Limited Şirketi, 256555-5, Istanbul	Turkey	100.0
PSM International Holdings Ltd, 02290856, Pembroke	United Kingdom	100.0
PSM International Fasteners Ltd, 00375564, Pembroke	United Kingdom	100.0
PSM Fasteners (Wuxi) Co., Ltd, 913202057357161305, Wuxi	China	100.0
PSM Fasteners Corporation, 2047949, Streetsboro, Ohio	USA	100.0
PSM Fasteners (Hong Kong) Ltd, 58999714-000-09-20-7, Kowloon	Hong Kong	100.0
PSM Fasteners (Asia) Ltd, 33894472, New Taipei City	Taiwan	100.0
PSM Fasteners (Singapore) Pte Ltd, 34230149, Singapore	Singapore	100.0
PSM International Fasteners B.V. 06062804, Amsterdam	The Netherlands	100.0
PSM Celada Fasteners Srl, 04446470157, Milan	Italy	50.0
PSM Fasteners AB, 556264-5670, Järfälla	Sweden	50.0
Japan PSM Company Ltd, 6010801009051, Tokyo	Japan	50.0
PSM-ZJK Fasteners Co., Ltd. 91440300MA5FTN6921, Pingshan District, Shenzhen.	China	51.0
PSM IP Ltd, 1377768, Road Town, Tortola	British Virgin Islands	100.0
TensionCam Systems AB, 559196-4738, Gothenburg	Sweden	27.0

The share of capital in all of the above holdings is equivalent to voting rights.

NOTE 4 SUMMARY OF IMPORTANT ACCOUNTING POLICIES AND DISCLOSURES

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and in accordance with the Council for Financial Reporting Recommendation, RFR 1, Supplementary accounting rules for groups and the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the cost method.

In addition to these standards, both the Swedish Companies Act and the Annual Accounts Act require certain supplementary disclosures to be made.

The accounting policies applied in the preparation of the consolidated financial statements are disclosed in the respective notes in order to provide a better understanding of the respective accounting field. See the table below for reference to the note in which each significant accounting policy is used and the applicable IFRS standard that is deemed to have significant influence.

ACCOUNTING POLICY	NOTE	IFRS STANDARD
Company acquisitions	4 Consolidated financial statements	IFRS 3
Segment	4 Segment reporting	IFRS 8
Income	6 Income	IFRS 15
Operating expenses	7 Operating expenses	IAS 1, IAS 20
Share-based remuneration	8 Employees, employee benefit expenses and remuneration to the Board	IFRS 2
Financial income and expenses	13 Financial income and expenses	IFRS 9
Income taxes	15 Tax	IAS 12
Earnings per share	16 Earnings per share	IAS 33
Intangible fixed assets	17 Intangible fixed assets	IAS 36, IAS 38
Property, plant and equipment	18 Property, plant and equipment	IAS 16, IAS 36
Right-of-use assets and lease liabilities	19 Leasing	IFRS 16
Inventories	21 Inventories	IAS 2
Accounts receivable	25 Financial instruments by category	IAS 18, IAS 32, IFRS 9, IFRS 7
Accounts payable	25 Financial instruments by category	IAS 32, IAS 37, IFRS 9, IFRS 7
Derivative instruments and hedging instruments	25 Financial instruments by category	IAS 32, IFRS 9, IFRS 7, IFRS 13
Non-controlling interests	28 Non-controlling interests	IFRS 10, IFRS 12
Pensions and similar obligations	29 Provisions for pensions and similar obligations	IAS 19 Revised
Borrowing	30 Interest-bearing liabilities to credit institutions	IAS 32, IAS 37, IFRS 9, IFRS 7
Provisions	33 Other provisions	IAS 28, IAS 37, IFRS 11
Joint venture	35 Holdings in joint ventures and associated companies	IFRS 11, IAS 28, IFRS 12
Cash flow statement	36 Cash flow	IAS 7
Transactions with related parties	38 Transactions with related parties	IAS 24

Important estimates and assessments for accounting purposes

Preparing financial reports in accordance with IFRS requires important accounting estimates to be made. In addition, the management needs to make certain assessments in applying the company's accounting policies. The areas subject to a high degree of assessment or complexity, or areas in which assumptions and estimates are of considerable importance to the consolidated financial statements, are indicated in the following table. The estimates and assumptions are regularly reviewed, and the effect on the carrying amounts is recognized in the income statement.

ESTIMATES AND ASSESSMENTS	NOTE
Recognition of income	6 Income
Assessment of deficit deduction	15 Tax
Impairment test	17 Intangible assets
Leases	19 Right-of-use assets and lease liabilities
Inventory obsolescence	21 Inventories
Transfer of accounts receivable	22 Accounts receivable
Legal risks, claims for compensation	33 Other provisions

Estimates and assessments are evaluated continuously and based on historical experience and other factors, including expectations of future events considered reasonable under the prevailing conditions.

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these assumptions, by definition, seldom equal the related actual results.

Consolidated financial statements

Subsidiaries

A subsidiary is any company in which the Group has a controlling influence. The Group controls a company when it is exposed to or has the right to variable returns from its holdings in the company and has the ability to affect returns through its influence on the company. Subsidiaries are included in the consolidated financial statements from the day on which controlling influence passes to the Group. They are excluded from the consolidated financial statements from the day on which this controlling influence ceases.

The acquisition method is used for recognizing the Group's acquisition of subsidiaries. The cost of an acquisition comprises the fair value of assets provided as remuneration, equity instruments issued and liabilities that arise or are assumed on the transfer date. In addition, the cost of acquisition includes the fair value of all assets and liabilities arising from any agreement about conditional purchase sums. Costs relating to an acquisition are expensed as they arise. For each acquisition the Group determines whether any non-controlling interest in the acquired business is to be recognized at fair value or using the proportional share of the acquired company's net assets. The amount by which the purchase sum, any non-controlling interest and the fair value on the acquisition date of previous shareholdings exceeds the fair value of the Group's proportion of identifiable acquired net assets is recognized as goodwill.

If the cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognized directly in the income statement.

When the Group no longer has a controlling influence, each remaining shareholding is assessed at fair value at the time when the controlling influence is terminated. The change in the carrying amount is recognized in the income statement. Fair value is used as the first carrying amount and forms the basis for the continued recognition of the remaining holding as an associate company, joint venture or financial asset.

All amounts concerning the divested unit that were previously recognized in other comprehensive income are recognized as if the Group had directly divested the attributable assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified as profit.

Elimination of transactions between Group companies

Intra-group transactions and balance sheet items, as well as unrealized gains on transactions between Group companies, are eliminated. Unrealized losses are also eliminated, unless the transaction is proof of an impairment requirement for the transferred asset. Unrealized gains and losses arising from transactions between the Group and its associated companies and joint ventures are eliminated in relation to the Group's holding in those companies. The accounting policies for subsidiaries, associated companies and joint ventures have been changed where appropriate to ensure consistent application of the Group's principles.

Translation of foreign currencies

Items in the financial statements for the various Group units are valued in the currency used in the economic environment where each company primarily operates (the functional currency). In the consolidated financial statements the Swedish krona (SEK) is used, which is the Parent Company's functional and reporting currency.

Transactions in foreign currencies are translated into the functional currency at the exchange rates in force on the transaction date. Exchange gains and losses arising from settlement of such transactions and recalculation of monetary assets and liabilities in foreign currencies at the closing day rate are accounted for in the income statement. Exchange gains and losses attributable to loans and cash and cash equivalents are recognized as financial income and expenses respectively. All other exchange gains and losses are recognized as 'Other operating income' or 'Other operating expenses'.

The profit and financial position of all Group companies are translated into the Group's reporting currency. Assets and liabilities are translated at the closing day rate, income and expenses are translated at the average rate and any resulting exchange differences are recognized as a separate portion of equity. Fair value adjustments and goodwill arising from the acquisition of a foreign operation are recognized as assets and liabilities in that operation and are translated at the closing day rate.

When translating amounts in foreign companies, the following exchange rates have been used:

	AVERAGE RATE		CLOSING DAY RATE	
	2022	2021	2022	2021
CNY	1.50	1.33	1.50	1.42
EUR	10.63	10.14	11.13	10.23
GBP	12.47	11.80	12.58	12.18
PLN	2.27	2.22	2.37	2.23
SGD	7.34	6.38	7.77	6.68
TWD	0.34	0.31	0.34	0.33
USD	10.12	8.58	10.44	9.04

Classification

Fixed assets and long-term liabilities essentially consist of amounts expected to be recovered or paid more than 12 months after the balance sheet date. Current assets and current liabilities consist essentially of only those amounts expected to be recovered or paid within 12 months of the balance sheet date.

Non-recurring items

Non-recurring items are recognized separately in the financial statements when this is necessary for explaining the Group's results. Non-recurring items refer to significant income or expense items that are recognized separately because of the importance of their nature or amount.

Segment recognition

The Group consists of only one reportable segment, Bulten, as it is at this level that the Group's management team has responsibility for the allocation of resources and assesses the business's results.

Operating segments are reported in a way that is consistent with the internal reporting submitted to the highest executive decision-maker. The highest executive decision-maker is the role with responsibility for allocating resources and making assessments of the results of the operating segments. The executive management team of the Group has been identified as having this role.

Standards or amendments to or interpretations of existing standards that came into effect in 2022

The Group has adopted all the relevant new and revised accounting standards and interpretations issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). No standards, amendments to or interpretations of existing standards that came into effect in 2022 have had any material effect on the Group's reporting.

New standards and interpretations not yet applied by the Group

Other known changes to IFRS and IFRIC that will be applied in the future are not expected to have a material effect on the Group's reporting.

NOTE 5 RISKS AND RISK MANAGEMENT

FINANCIAL RISKS

Bulten is exposed to various financial risks in its operations. Examples of these are currency, liquidity, interest rate, credit and capital risks. The Board determines risk management policies. Financial activities in the form of risk management, liquidity management and borrowing are managed for the whole Group by the Parent Company. The Group's overall risk management focuses on the unpredictability of the financial markets, and strives to minimize potential unfavorable effects on the Group's finances.

Currency risk

The Group operates internationally and is exposed to currency risks arising from various currency exposures, primarily for EUR, PLN, GBP, USD, CNY and TWD. Currency risks arise from future business transactions, flow exposures in the form of receipts and disbursements in different currencies, recognized assets and liabilities, the translation of the profit/loss of foreign subsidiaries and net investments in foreign operations.

Changes in currency exchange rates can also affect the group's own or its customers' competitiveness and, indirectly, Group sales and earnings. The Group is exposed to changes in multiple currencies, where fluctuations in EUR has the greatest impact on the Group's profit.

The Group's policy for managing currency risks is focused on transactionrelated currency risks. Currency risk are primarily managed by trying to change the operational conditions in the business by getting revenues and costs in currencies other than SEK to match each other. Nevertheless, hedging may be used in special circumstances. Currency flows shall be hedged only if this fulfills criteria for hedge accounting in accordance with IFRS 9. The application of hedge accounting is, however, determined in each individual case when the hedge is established.

If the SEK had weakened by 10% against the EUR with all other variables remaining constant, the improvement in operating profit would be around SEK 79 (78) million. An equivalent weakening against the PLN would adversely affect operating profit by around SEK -22 (-19) million. An equivalent weakening against the GBP would amount to around SEK -33 (-25) million, against the USD to around SEK 47 (26) million, against the CNY to around SEK -17 (-7) million and against the TWD to around SEK -12 (-9) million. Given current exposure the net effect would have been an improvement in operating profit of around SEK 43 (42) million if the SEK had weakened in value by 10% against the EUR, PLN, GBP, USD, CNY, RUB and TWD. Corresponding effect on equity is around SEK 192 (182) million.

Group currency flows were distributed as follows during the financial year:

CUR- RENCY*	2022			2021		
	INCOME	EXPENSES	NET EXPOSURE	INCOME	EXPENSES	NET EXPOSURE
SEK	401	-584	-183	363	-516	-153
EUR	2,779	-1,990	789	2,399	-1,618	781
PLN	16	-236	-220	13	-204	-191
GBP	151	-477	-326	166	-418	-252
USD	544	-75	469	300	-41	259
CNY	550	-714	-164	411	-483	-72
RUB	13	-14	-1	60	-68	-8
TWD	13	-131	-118	12	-107	-95
Others	7	-73	-66	6	-43	-37
Total	4,474	-4,294	180	3,730	-3,498	232

* Expressed in SEK million.

The Group has holdings in foreign businesses whose net assets are exposed to currency changes. Currency exposure arising from the assets in the Group's foreign operations is mainly managed through borrowing in the foreign currencies concerned.

Distribution of financial liabilities per currency:

CURRENCY*	2022			2021		
	INTEREST- BEARING LIABILI- TIES ¹⁾	ACCOUNTS PAYABLE	TOTAL	INTEREST- BEARING LIABILI- TIES ¹⁾	ACCOUNTS PAYABLE	TOTAL
SEK	458	56	514	377	32	409
EUR	321	356	677	72	227	299
PLN	441	24	465	288	15	303
GBP	10	57	67	11	29	40
USD	94	7	101	85	8	93
CNY	13	302	315	21	208	229
RUB	—	—	—	0	14	14
TWD	22	24	46	23	29	52
Others	0	1	1	1	1	2
Total	1,359	827	2,186	878	563	1,441

* Expressed in SEK million.

¹⁾ Excluding pensions and similar obligations.

Liquidity risk

Liquidity risk is the risk that a company cannot make its payments due to insufficient liquid assets and/or difficulty in obtaining credit from external lenders. Liquidity risk is managed by the Group holding sufficient cash and cash equivalents and short-term investments with a liquid market and having access to financing through agreed credit facilities. The management closely monitors rolling forecasts for the Group's liquidity reserve, which consists of unused lines of credit and cash and cash equivalents based on expected cash flows. This occurs at two levels in the Group: at a local level in the Group's operating companies and at Group level.

The company is primarily financed through Svenska Handelsbanken via a credit facility totaling SEK 1,300 million. The credit facility runs up until the end of June 2025. There is also a financing agreement with Danske Bank with credit totaling EUR 12 million.

Covenants associated with these credit facilities are presented in more detail in Note 30. All covenant conditions were met during the year. The Group systematically transfers accounts receivable within the framework of a block purchase agreement. The agreement means that the buyer of the accounts receivable assumes the credit risks associated with the receivables. The criteria for not reporting accounts receivable on the balance sheet have been met. The Group is therefore dependent on the buyer's ongoing assessment of customers' creditworthiness.

At the end of 2022 the value of transferred accounts receivable amounted to SEK 70 (69) million. The total capacity of the agreement covering the sale of accounts receivable is SEK 73 (73) million.

At the end of 2022, the available liquidity reserve for the Group amounted to SEK 1,068 (1,138) million, which corresponds to 23.8% (30.5) of net sales. The Group's policy stipulates that the available resources, namely cash and cash equivalents and available credit, must exceed 5% of net sales, and that the funds available at any time must exceed SEK 100 million. Temporary excess liquidity is placed in investments with short maturities and minimal credit risk; e.g. in bank accounts or short-term bonds issued by Swedish banks or the Swedish state.

The table below analyses the Group's financial liabilities broken down by the time remaining on the balance sheet date up to the contractual maturity date (including any interest payments, where these can be determined). The amounts indicated in the table are the contractual, non-discounted cash flows.

AS OF DECEMBER 31, 2022 (INCLUDING INTEREST PAYMENTS)	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS OF AGE	MORE THAN 5 YEARS
Bank loans and overdrafts ¹⁾	454	440	—
Accounts payable and other liabilities	1,319	—	—
Lease liabilities	74	207	286
Total	1,847	647	286

1) The company is mainly financed through a financing agreement that amounts to SEK 1,300 million. The credit facility runs up until the end of June 2025.

AS OF DECEMBER 31, 2021 (INCLUDING INTEREST PAYMENTS)	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS OF AGE	MORE THAN 5 YEARS
Bank loans and overdrafts	221	334	—
Accounts payable and other liabilities	815	—	—
Lease liabilities	64	173	136
Total	1,100	507	136

Interest rate risk

The Group's interest rate risk arises from short- and long-term borrowing. Borrowing at variable interest rates exposes the Group to a cash flow interest rate risk, which is partly neutralized by having cash and cash equivalents with variable interest. Borrowing at fixed rates exposes the Group to an interest rate risk relating to fair value.

The Group's policy for managing interest rate risk reflects the rate of change in the Group's financing. In recent years this has meant a short lock-in period. The financial policy stipulates that the fixed term of interest rates for external loans should average six months, with the right to deviate by +/- three months if the market assessment changes. The average fixed-rate term at the end of both 2022 and 2021 for external borrowing was six months.

At the end of the financial year the Group had no financial contracts for changing the interest rate risk in relation to what the existing loan agreements regulate. In 2022 and 2021 Group borrowing with variable interest was in SEK and EUR. If interest rates on borrowing, including lease liabilities, had been 1% higher or lower in 2022 with all other variables remaining constant, profit before tax for the financial year would have been SEK 11 (7) million lower or higher respectively.

Credit risk

Credit risk arises with regard to liquid funds and holdings at banks and financial institutions, as well as credit exposure including outstanding receivables and contracted transactions.

Individual assessments of a customer's creditworthiness and credit risk are made by taking the customer's financial position into account, along with past experience and other factors. The management does not expect any losses due to default by counterparties in addition to what has been reserved as doubtful receivables; see Note 22.

Capital risk

The Group's objective with regard to the total capital structure is to secure the Group's ability to continue trading so that it can generate returns to shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to keep the cost of capital down.

To maintain or adjust the capital structure the Group can choose to change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debts.

The executive management systematically monitors refinancing requirements relating to external borrowing with the objective of renegotiating the Group's credit facilities no later than 12 months before the due date. One of the Group's financial targets is to achieve a return on average capital employed above 15%. Average capital employed, defined as equity plus interest-bearing liabilities, amounted to SEK 2,894 (2,400) million in 2022. Return, defined as profit after financial items plus financial expenses, on average capital employed amounted to 6.3% in 2022 and 9.7% in 2021.

The equity/assets ratio amounted to 41.9% as at December 31, 2022 and 49.3% as at December 31, 2021, as shown in the table below.

EQUITY RATIO	2022	2021
Shareholders' equity	1,825	1,687
Balance sheet total	4,356	3,419
Equity/assets ratio, %	41.9	49.3

The debt/equity ratio as of December 31, 2022 and December 31, 2021 was as follows in the table below:

DEBT/EQUITY RATIO	2022	2021
Interest-bearing lease liabilities	-514	-332
Other interest-bearing liabilities	-863	-567
Minus: interest-bearing assets	1	1
Minus: cash and cash equivalents	451	242
Net debt (-)	-925	-655
Total equity	1,825	1,687
Debt/equity ratio, times	-0.5	-0.4

The debt/equity ratio is calculated as net debt divided by equity, including non-controlling interests. Net debt is calculated as total interest-bearing liabilities (including short-term borrowing and long-term borrowing, and interest-bearing pension liabilities in the consolidated balance sheet) minus cash and cash equivalents and interest-bearing assets. The average interest rate on borrowing liabilities amounted to 1.7% (2.1).

SUSTAINABILITY RISKS

Bulten operates in an industry that has a direct and an indirect impact in the areas that Bulten has identified as important for sustainable business, namely the environment, social responsibility and corporate governance.

Environmental principles

Within the framework of Bulten’s operations both renewable and non-renewable natural resources are used, which could have a negative impact on the environment in the future. Resources such as fossil fuels and coal are classified as non-renewable. Some metals, however, can be reused. Examples of renewable resources are water, wind and solar energy.

Active environmental efforts are conducted by all Group units to ensure that operations are conducted with as small an environmental impact as practicable while being economically viable. Processes are in place to ensure that renewable resources such as water and air will not be adversely affected by, for example, hazardous emissions due to deficient treatment equipment. The main consumption of resources impacting on the environment occurs in the field of energy, where the Group strives to use renewable energy, to recycle and to implement energy-efficient production processes. To minimize the use of fossil fuels, a central logistics team works to ensure efficient logistics and transport.

Social responsibility

Bulten operates in a global market alongside various interest groups for which public health, welfare and general rights are fundamental values. If imbalances occur in these areas, there is a risk of unrest and conflict, both for the individual and for society at large.

Bulten’s ambition is to respond to all interest groups with respect and to demonstrate sound ethics. The Group complies with the UN Global Compact in areas such as human rights, working conditions and anti-corruption. All personnel shall be aware of and follow the code of conduct. Bulten also urges its suppliers, consultants and other business partners to apply the principles. All employees and Board members of Bulten have an individual responsibility to report conflicts of interest, crime or breaches of this code of conduct.

Corporate Governance

Risks exist when activities directly or indirectly fail to comply with applicable laws, rules, policies and society’s accepted norms. Corruption occurs in all countries and sectors, although to varying degrees. Bulten runs the risk of being involved in unethical business. Areas deemed to be at particular risk are the sales and purchasing process, and the exercise of authority.

Bulten conducts its business responsibly and efficiently, with a high level of business ethics, good risk management and a sound corporate culture. Governance guidelines and policies serve as the basis for sustainable and long-term business, where the Group’s code of conduct provides guidance for all decisions made in the business.

BUSINESS CYCLE AND EXTERNAL RISKS

Market and competitive risk

Bulten operates in a competitive market where customers are affected by macroeconomic factors as well as political decisions. Demand for the Group's products is dependent on demand for the transport of goods and passengers, among other things, which is in turn driven by global trade and economic growth around the world. Bulten operates in the markets for cars, commercial vehicles, consumer electronics and domestic appliances. The Group's sales are diversified and spread over a number of customers, platforms, models and factory sites, which usually reduces volatility depending on individual fluctuations in demand. The use of production forecasts and close relationships with customers means that the Group is well informed about the customers' production schedules and plans. The business's profit is dependent on the Group's ability to react swiftly to fluctuations in demand for the Group's products and to adapt production levels and operating expenses accordingly. Entry into new markets requires well-prepared plans, processes and local knowledge in which cultural and political aspects are important considerations. Bulten has good experience of entering new markets and geographical areas, which is best achieved by way of partners with better knowledge of the local market.

Legal and political risks

Bulten's business is conducted in several jurisdictions and is subject to the local rules and laws that apply in each jurisdiction as well as general international laws.

Changes in rules, customs regulations and other trade barriers, pricing and currency controls and other public guidelines in countries where Bulten operates may affect the Group's business. The Group is exposed to legal risks as the business is influenced by a large number of commercial and financial agreements with customers, suppliers, employees and other parties, as well as licenses, patents and other intellectual property rights. These are normal legal risks for a business such as the Group's. Bulten is established in markets and in countries where the Group has operated for a limited period. Start-ups, especially in growth countries, may involve unforeseen costs. In some of the countries where the Group now operates, corruption is more prevalent than is the case, for example, in Sweden. Bulten's code of conduct together with the Group's system of internal control with regard to financial reporting, as outlined in the corporate governance report on pages 58–66, provides the basis for an ethical approach to doing business and accurate financial reporting. In some emerging countries, there is also an increased risk of both central and local government decisions being made on political grounds, which may result in a degree of unpredictability in the business. Through collaboration with locally based companies, political risk can be mitigated somewhat. In addition, geopolitical unrest can pose a risk to the company's operations. The Group is addressing such risks through systematic efforts towards risk assessments and, if necessary, the use of external expertise in each identified risk area.

Trends and driving forces

Bulten operates in a competitive, cost-conscious market with high demands on environmental issues, quality, delivery precision, technological development and customer service. Price pressure is a natural aspect of the industry in which Bulten operates. The development of products and materials could change Bulten's competitiveness. The Paris Agreement and the industry's requirements for reduced CO2 impact are other factors affecting Bulten. Through systematic sustainability efforts in which sustainability is an integral part of the company's strategy, we meet the expectations of our customers and other stakeholders.

Bulten is able to offer cost-effective solutions through the FSP concept and close collaboration with the customer. Bulten is always focused on high competence in the specific areas of production, quality, logistics, technology and service. The Group monitors research and development in the industries it operates in, as well as market trends.

Bulten works continuously on creating added value for customers, as well as scope to meet the industry's needs for cost reductions. By conducting its own development in e.g. new applications and sustainable materials with lower CO2 impact, the risk of lost competitiveness is deemed to be lower.

Force majeure

As global warming increases, natural disasters may occur. At the same time, globalization and "Just-in-time" logistics have made global trade more sensitive to disruptions. In recent years, natural disasters and pandemics have occurred that have affected the vehicle industry, but thanks to careful capacity planning and good customer and supplier relations within the industry, to date production has been able to continue.

In major disruptions, impact on Bulten's operation is monitored, and the company enjoys close collaboration with customers and other business partners so as to mitigate the impact as far as possible.

It is hard at this point in time to foresee how the future will develop with regard to Covid-19 and geopolitical and macro-economic factors. Bulten is carefully monitoring the course of events, and is maintaining good flexibility and the ability to adapt its operation to prevailing circumstances.

OPERATIONAL RISKS

Customer dependence

Bulten’s customer base includes a large number of OEMs in Western Europe, with some key customers accounting for a large proportion of the Group’s sales. Losing the contract of a key customer and falling demand for a customer’s product can result in reduced sales and profitability. Underlying agreements with key customers cover a wide range of products and have varying terms and counterparties. Bulten’s FSP concept, including the development of products and technologies, production, quality, logistics and service, requires close cooperation with customers. Bulten operates in many different markets as well as in various segments, such as cars, commercial vehicles, consumer electronics and domestic appliances.

Global supply chain

There are various risks inherent within the global supply chain relating to dependence on specific suppliers, raw materials and inputs, logistics and quality. With regard to raw materials and inputs, Bulten’s exposure is greatest in relation to the different grades of steel for which price changes can affect the Group’s profit. The prices of raw materials are adjusted periodically to reflect current market levels based on price trends over the period. Bulten’s supply chain is global, which places great demands on procurement processes, quality assurance and monitoring. Bulten addresses these risks through active and professional efforts with regard to procurement, quality and logistics, as well as through a global purchasing strategy that is systematically reviewed and updated so as to optimize the Group’s procurement, to ensure compliance with codes of conduct and to ensure that requested volumes are obtained on time, on budget and at the right level of quality. In the event of material volatility, Bulten is compensated by its customers, partly through agreements or negotiations.

Product liability, warranty and recall

The Group is exposed to product liability and warranty claims in cases where the Group’s products cause personal injury or material damage. If a product is defective, the Group may have to participate in a vehicle recall. No significant claims for damages concerning product liability or recalls have occurred. Bulten has insurance covering a certain amount of damages relating to product responsibility and recall. Bulten minimizes risks related to product liability, warranty insurance and damages through extensive testing in the design and development phase as well as in production by way of managed processes and systematic quality, management and control measures.

Suspension of operations and material damage

Damage to production equipment could have a negative impact, both due to direct damage to property and in terms of down time. The effect of such damage to production equipment have been assessed as small. Systematic efforts are underway to improve the Group’s forward planning and preventative safety measures. Bulten carries out routine maintenance work on its production equipment. The Group also holds insurance against the suspension of operations and material damage.

Environmental risks

In several jurisdictions, Bulten’s business is subject to reporting and permit requirements. All of the Group’s production plants are either required to apply for permits or regulated by the environmental laws of the country in which they operate. Bulten has received the permits and agreements required and complies with stipulated safety, reporting and control requirements. In addition, Bulten focuses on activities that reduce both internal and external environmental impacts.

Compliance with laws

Bulten has not been reported for any violation of any legislation and has not been ordered to pay any fines or similar measures in 2022.

IT-related risks

Bulten’s operations are dependent on IT systems and hardware that support the management of the Group’s production, logistics and order processing. Disruption to a system that supports the above may have a negative impact on the company’s production and its ability to fulfill its delivery commitments. Bulten systematically manages IT-related risks through the Group’s central IT department. Bulten has well-established procedures for information security and monitoring and control processes (ITGC). Bulten has developed an IT environment that can quickly be replicated in the event of a breakdown.

Sensitivity analysis

Significant factors that affect Group earnings are presented below. The analysis is based on year-end values and the assumption that all other factors remain unchanged.

- Fluctuation in sale prices is the variable with the largest impact on profit. A change of 1% in prices to customers affects profit before tax by SEK 45 (37) million.
- Trends in raw material prices and other direct materials, excluding salaries, affect Bulten’s profit. Although a 1% change in raw material prices and other direct materials, excluding salaries, affects profit before tax by SEK 28 (22) million; like other players in this sector, however, Bulten can usually pass higher raw material costs on to its customers to compensate for the higher cost.
- Payroll costs comprise a major share of the Group’s expenses. A 1% increase affects pre-tax earnings by SEK 7 (6) million.
- A percentage point change in interest rates on average net debt with variable interest rates affects profit before tax by SEK 11 (7) million. With the exception of the Group’s lease liabilities, no portion of the net debt is subject to fixed interest rates.
- For a description of Bulten’s exposure to currency fluctuations, see ‘Currency risk’ on page 79.

NOTE 6 INCOME

The Group manufactures and sells fasteners. Income from product sales is recognized at the point when control of the product is transferred to the customer. This occurs most often once the delivery has been made to the customer and ownership rights have been transferred. Bulten's customers are mainly found in the automotive industries in Europe, Asia and the USA.

Income based on geographic location of subsidiaries

The Group receives most of its income from Northern Europe. The table below presents the distribution of the Group's income from external customers based on the geographic location of the subsidiaries.

SEK MILLION	2022	2021
Sweden	947	822
Germany	392	279
United Kingdom	1,989	1,820
Poland	40	38
China	813	507
USA	190	123
Other countries	103	141
Total income	4,474	3,730

Income by geographic market

The Group receives most of its income from Northern Europe. The table below presents the distribution of the Group's income from external customers based on the geographic market.

SEK MILLION	2022	2021
Sweden	500	438
Germany	293	233
United Kingdom	1,154	1,098
Poland	31	26
Rest of Europe	1,209	977
China	827	532
USA	251	168
Other countries	209	258
Total income	4,474	3,730

Income by customer group

Income is primarily from car manufacturers but also from heavy vehicles as well as other suppliers, so-called Tiers. Other income refers to income from outside of the automotive industry. The table below presents the distribution of the Group's income from external customers.

SEK MILLION	2022	2021
OEM Light vehicles	2,824	2,440
OEM Heavy commercial vehicles	418	380
Suppliers (Tiers)	708	583
Other	524	327
Total income	4,474	3,730

Income distributed between chassis and powertrains

The Group receives most of its income from chassis. Other income refers to income from outside of the automotive industry. The table below shows the Group's income distributed by chassis, powertrains and other.

SEK MILLION	2022	2021
Chassis	3,302	2,749
Powertrains	648	654
Other	524	327
Total income	4,474	3,730

Income distributed by income category

Income comes primarily from in-house production and outsourced production. The table below shows the Group's income distributed by income category.

SEK MILLION	2022	2021
In-house production	2,566	2,048
Outsourced production	1,795	1,598
Other	113	84
Total income	4,474	3,730

The Group's value model

See page 14 for more detailed information on the Group's value model.

The Group's customers

The Group's customers are primarily in the automotive industry. The Group has two external customers that each generate income greater than 10% of the Group's sales. Income from these customers amounted to SEK 1,585 (1378) million and SEK 453 (403) million, which together constitute 45.6% (47.8) of sales. Underlying customer agreements cover a wide range of products and have varying terms and counterparties.

ACCOUNTING POLICIES

Net sales consist of income from the sale of products and services. In accordance with IFRS 15, revenue recognition occurs when control of the goods/service is transferred to the customer based on a five-step model:

- Identify the contract with the customer
- Identify the various performance commitments in the contract
- Determine the transaction price
- Allocate the transaction price to the various performance commitments
- Recognize revenue once the commitment has been fulfilled

At the start of a customer contract, Bulten determines to what extent the goods and/or services to be delivered constitute a performance commitment or several separate performance commitments. A performance commitment is defined as a distinct promise to provide a product or service. A product or service that has been promised is distinct if both of the following criteria are fulfilled:

- the customer can use the product or service separately or together with other resources that are available for the customer, and
- the Group's commitment to transfer the product or service to the customer can be distinguished from other commitments in the agreement.

When determining the transaction price, which is the compensation that is promised in the agreement, the Group considers potential variable compensation. The transaction

price includes variable payments only if it is highly likely that a substantial reversal of the income is not expected to occur for a future period. Bulten only receives advance payments from customers to a limited extent. No customer agreements within the Group are considered to include a significant financing component.

Bulten allocates the transaction price for each performance commitment on the basis of an independent sale price. The independent sale price is the price at which the Group would sell the product or service separately to the customer.

Bulten recognizes the income when the Group fulfills a performance commitment by transferring a product or service to a customer, i.e. when the customer takes control of the asset. A performance commitment is fulfilled either over time or by a specific time.

Bulten's income is made up primarily of the sale of goods. Services related to sold goods makes up a limited portion of revenues. The sale of goods is recognized as income when control of the products is transferred to the customer, which normally occurs in conjunction with delivery. Delivery occurs when the goods have been transported to the specific location, the risks of obsolete or lost items have been transferred to the customer, and the customer has either accepted the goods in accordance with the agreement, the time period for objections to the agreement has expired, or the Group has objective proof that all of the criteria for acceptance have been fulfilled. Services are recognized over time. For services that take place over a shorter period of time, the revenues are recognized in practice when the service has been completed.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Customer contracts exist in which the pricing of goods and services is based on forecast volumes in accordance with customer delivery plans. In periods when unexpected volume changes occur, final remuneration may deviate from the invoiced remuneration. The Group regularly reconciles actual volume figures against delivery plans and adjusts remuneration systematically.

NOTE 7 OPERATING EXPENSES

The Group reports its income statement based on functions. The key cost items are presented below.

SEK MILLION	2022	2021
Changes in stock, cost of goods sold	-3,113	-2,504
Costs of payments to employees and the Board of Directors (Note 8)	-703	-661
Depreciation/amortization (Note 10)	-175	-168
Other costs	-230	-189
Total costs for goods sold, sales and administration	-4,221	-3,522

ACCOUNTING POLICIES

The income statement is structured according to function. The functions are as follows:

‘Cost of goods sold’ refers to costs for goods management and manufacturing costs, including salary and material costs, services bought, costs of premises and depreciation and impairment of property, plant and equipment used in the procurement and production process.

‘Administrative expenses’ refers to costs for the boards, executive management teams and corporate functions in the Group, and depreciation and impairment of property, plant and equipment used in the Group’s administration functions.

‘Selling expenses’ refers to costs for the Group’s own sales organization, including costs for logistics centers and depreciation and impairment of property, plant and equipment used in the Group’s sales organization. Allocations to, or reversals from, the credit reserve for doubtful receivables are also included under ‘Selling expenses’ in the income statement.

NOTE 8 EMPLOYEES, EMPLOYEE BENEFIT EXPENSES AND REMUNERATION TO THE BOARD OF DIRECTORS

AVERAGE NUMBER OF EMPLOYEES	NUMBER OF PEOPLE		OF WHOM MEN, %	
	2022	2021	2022	2021
Parent Company	8	8	38	38
Subsidiaries				
Sweden	321	330	79	81
Germany	150	154	79	79
Poland	512	527	80	80
United Kingdom	158	157	71	73
Romania	2	2	50	50
China	289	269	68	65
Hong Kong	1	1	–	–
Taiwan	80	83	73	74
Singapore	7	6	43	33
Russia	30	120	67	67
USA	17	16	76	58
Total for subsidiaries	1,567	1,665	76	75
Total average number of employees	1,575	1,673	75	75

GENDER DISTRIBUTION ON THE BOARD AND IN EXECUTIVE MANAGEMENT	NUMBER OF PEOPLE		OF WHOM WOMEN, %	
	2022	2021	2022	2021
Board of Directors	8	8	25	25
Executive management	8	8	50	50

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES	SALARIES AND REMUNERATION		SOCIAL SECURITY EXPENSES	
	2022	2021	2022	2021
Parent Company	17	17	10	10
(of which pension cost)	–	–	4	3
Subsidiaries	534	495	142	139
(of which pension cost)	–	–	21	21
Total salaries, other remuneration and social security expenses	551	512	152	149
(of which pension cost)	–	–	25	24

SALARIES AND OTHER REMUNERATION ACCORDING TO COUNTRY AND AMONG MANAGEMENT STAFF AND OTHER EMPLOYEES	MANAGEMENT STAFF ¹⁾		OTHER EMPLOYEES	
	2022	2021	2022	2021
Parent Company in Sweden	11	8	6	9
(of which bonus and similar)	2	2	1	1
Subsidiaries in Sweden	3	3	148	146
(of which bonus and similar)	0	1	3	6
Subsidiaries abroad				
Countries in the EU	9	16	266	234
(of which bonus and similar)	1	1	1	2
Other countries	6	6	102	90
(of which bonus and similar)	0	1	5	7
Total	29	33	522	479
(of which bonus and similar)	3	5	10	15

Pension costs for the Board and the President and CEO amount to SEK 4 (4) million in the Group.

¹⁾ Includes current and former Board members and their deputies, the President and CEO of the Parent Company and its subsidiaries.

The Chair of the Board and Board members receive remuneration as approved by the Annual General Meeting. The Annual General Meeting approved remuneration to the Board totaling SEK 2.3 (2.3) million, which was distributed in accordance with the decision of the AGM. The Chair of the Board received remuneration of SEK 0.6 (0.6) million. No Board remuneration is paid to employee representatives.

Remuneration to the President and CEO and other senior executives consists of an annual salary, variable remuneration, other benefits and pension. Senior executives are defined as those individuals who are members of the Group management staff. In 2022, this group encompassed a total of 8 people, including the President and CEO. For the President and CEO and other senior executives, remuneration is proposed by the remuneration committee and adopted by

the Board. For the President and CEO, the variable short-term incentive (STI) is no more than 60% of their annual salary and the variable long-term incentive (LTI) is no more than 30% of their annual salary. For other senior executives, the variable STI is no more than 40% of their annual salary and the variable LTI is no more than 25% of their annual salary. Variable remuneration is based on performance in relation to established targets. In 2022, the company has followed the applicable remuneration guidelines as adopted by the annual general meeting.

The President and CEO was paid an annual salary of SEK 3.9 (3.7) million for the year. Other senior executives received an annual salary totaling SEK 12.6 (12.7) million for the year.

For 2022, the President and CEO earned variable remuneration of SEK 1.4 (1.7) million. Other senior executives earned variable remuneration in 2022 totaling SEK 3.9 (4.3) million. Senior executives domiciled in Sweden have been offered a defined-contribution pension agreement based on premiums which amount to a maximum of 30% of the fixed annual salary in addition to the pension benefits to which each senior executive is entitled in accordance with the ITP plan. The ordinary retirement age for the President and CEO is 65. The pension cost for the President and CEO is primarily based on a defined-contribution plan and corresponds to 30% of the fixed salary, in addition there are pension benefits that the President and CEO is entitled to according to the ITP plan. Senior executives domiciled outside of Sweden may be offered pension solutions that are competitive in the country in which the persons are or have been domiciled or to which they have a significant link, primarily defined-contribution solutions. Defined-benefit pension solutions shall always be avoided where possible.

There is a mutual notice period of six months between the company and the President and CEO. Remuneration during the notice period is reduced to account for other income during this period. In the event of termination of employment initiated by the company prior to the President and CEO reaching retirement age, severance pay is equivalent to 12 months of salary. Severance pay is reduced to account for other income during this period. No severance pay is payable once the President and CEO has reached retirement age.

REMUNERATION TO THE BOARD AND SENIOR EXECUTIVES, MSEK	2022				2021			
	REMUNERA-TION ¹⁾ / BASIC SALARY	VARIABLE REMUNERA-TION	OTHER BENEFITS	PENSION	REMUNERA-TION ¹⁾ / BASIC SALARY	VARIABLE REMUNERA-TION	OTHER BENEFITS	PENSION
The Group								
The Board								
Ulf Liljedahl	0.6	–	–	–	0.6	–	–	–
Karin Gunnarsson	0.4	–	–	–	0.4	–	–	–
Hans Gustavsson	0.4	–	–	–	0.4	–	–	–
Christina Hallin	0.3	–	–	–	0.3	–	–	–
Hans Peter Havdal	0.3	–	–	–	0.3	–	–	–
Peter Karlsten	0.4	–	–	–	0.4	–	–	–
Senior executives								
Anders Nyström (President and CEO)	3.9	1.4	0.1	1.2	3.7	1.7	0.1	1.2
Other senior executives ²⁾ , 7 (7)	12.6	3.7	0.6	3.4	12.7	4.3	0.7	3.3

1) Refers to remuneration to the Board and committees.
2) Number on balance sheet date

With regard to termination of employment for other senior executives, generally there is a mutual notice period of six months for the company and the employee. Severance pay is payable in addition to salary during the notice period and, together with the fixed salary during the notice period, may amount to a maximum of six months of salary.

Individuals domiciled outside Sweden may be offered notice periods and severance pay that are competitive for the country where they are or have been domiciled or with which they have a significant link, although these solutions shall preferably correspond to that which applies to senior executives domiciled in Sweden.

Incentive program 2022 (LTI)

At the Annual General Meeting held on April 28, 2022, a resolution was adopted to extend the variable long-term incentive program (LTI) for another year for approximately 20 senior executives and key employees. Participants in the

program will have the opportunity to receive a bonus where the net amount of the bonus, after deductions for taxes, will be used to acquire shares in Bulten AB. The incentive program does not entail any dilution for the company’s shareholders if the shares are purchased in full on the stock market.

The program involves the participants being given the opportunity each financial year to obtain a bonus for fulfilling a target set for that year regarding an increase in the company’s earnings per share (profit per share) for the financial year compared to the previous financial year. The incentive program runs over one year. The cost of the program for the 2022 financial year is estimated to be a maximum of approximately SEK 11 million, including social security costs. The maximum award is 30% of basic salary for the President and CEO, and 25% for the rest of the executive management. All of the participants in the program receive shares that are subject to a two-year holding lock.

ACCOUNTING POLICIES

Through the long-term share-based incentive program, the company can give shares to employee. The current incentive program has been designed as cash-settled payment with subsequent requirements to reinvest in shares (see the program description for further details). As a result, the program is deemed to be a cash-settled share-based payment in accordance with the rule in IFRS 2. The fair value of the Group’s incentive programs are expensed over the vesting period, which corresponds to the period in which remuneration is earned and the services are performed. The fair value is estimated continuously based on the Group’s best assessment of outcome and is recognized as a liability. The assessment of the total remuneration expected to be earned, is based on performance terms provided in the program description. Estimates are reviewed at the end of each reporting period and any discrepancies are recognized in the income statement with a corresponding adjustment to liabilities. In cases where the share-based payment is forfeited because the employee has not satisfied the conditions, the amount previously recognized for these instruments is reversed.

NOTE 9 REMUNERATION TO AND REIMBURSEMENT OF AUDITORS

PWC	2022	2021
Audit engagement	4	4
<i>of which to PricewaterhouseCoopers AB</i>	2	2
Other auditing assignments	0	1
<i>of which to PricewaterhouseCoopers AB</i>	0	0
Tax advice	0	2
<i>of which to PricewaterhouseCoopers AB</i>	0	1
Other services	1	0
<i>of which to PricewaterhouseCoopers AB</i>	0	0
Total	5	7
<i>of which to PricewaterhouseCoopers AB</i>	2	3

“Audit engagement” refers to the examination of the financial statements and accounting records and the Board’s and President and CEO’s administration, other tasks that might be incumbent on the company’s auditors, and advice or other assistance as a result of observations during the audit or the implementation of the other duties referred to. “Auditing activities” in addition to the audit engagement mainly comprises a general examination of interim reports. “Tax advice” includes advice on income tax, including internal pricing issues, and VAT. “Other services” refers to advice not related any of the above categories of services.

NOTE 10 AMORTIZATION/DEPRECIATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

AMORTIZATION/DEPRECIATION ACCORDING TO PLAN DISTRIBUTED BY CLASS OF ASSET	2022	2021
Intangible assets	-1	-1
Property, plant and equipment		
- Buildings	-14	-13
- Plant and machinery	-76	-77
- Equipment, tools, fixtures and fittings	-17	-16
Right-of-use assets		
- Buildings	-58	-52
- Equipment	-9	-9
Total amortization/depreciation	-175	-168

AMORTIZATION/DEPRECIATION ACCORDING TO PLAN BY FUNCTION	2022	2021
Cost of goods sold	-129	-127
Selling expenses	-35	-31
Administrative expenses	-11	-10
Total amortization/depreciation	-175	-168

The assets are primarily machinery and other technical equipment.

NOTE 11 OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME	2022	2021
Gain on sale of non-current assets	1	0
Gain on sale of land	5	–
Exchange gains on receivables/liabilities relating to operations	–	0
Repayment of pension contribution	–	5
Other operating income	6	7
Total other operating income	12	13

OTHER OPERATING EXPENSES	2022	2021
Loss on sale of fixed assets	-0	-1
Exchange losses on receivables/liabilities relating to operations	-1	–
Wind-up costs relating to the Russian operations	-93	–
Other operating expenses	-3	-2
Total other operating expenses	-97	-3

ACCOUNTING POLICIES

Other operating income and costs relate to secondary activities, such as income from e.g. administrative services, exchange rate differences for items relating to operations and capital gains on the sale of property, plant and equipment. Group profit relating to the sale of subsidiaries or joint ventures are also recognized here if recognition as divested business is not applicable.

NOTE 12 LEASE EXPENSES

	2022	2021
Short-term leases and low-value leases	-5	-5
Amortization	-68	-62
Interest expenses, leasing	-11	-11
Variable lease fees paid	–	–
Total lease expenses	-84	-78

Short-term leases and leases for which the underlying asset is of low value are excepted from being recognized in the balance sheet. Interest expenses for leasing are included in financial expenses.

NOTE 13 FINANCIAL INCOME AND EXPENSES

FINANCIAL INCOME	2022	2021
Interest income	2	1
Other	0	0
Total financial income	2	1

FINANCIAL EXPENSES	2022	2021
Interest expenses, leasing	-11	-11
Interest expenses, other	-8	-6
Exchange rate differences on loans	-2	-0
Other	-6	-6
Total financial expenses	-27	-23

ACCOUNTING POLICIES

Financial income and expenses comprise interest income from bank funds and receivables, interest expenses on borrowing, dividend income and exchange rate differences.

The interest component of lease liabilities and other financial liabilities is entered in the income statement in accordance with the effective interest method, whereby interest is divided so that each accounting period is charged with an amount based on the liability recognized during the period in question. Issue expenses and similar direct transaction costs for raising loans are included in the acquisition cost of the borrowing and are expensed in accordance with the effective interest method.

NOTE 14 EXCHANGE RATE DIFFERENCES AFFECTING PROFIT

	2022	2021
Exchange differences affecting operating profit/loss	-1	0
Exchange differences on financial items	-2	-0
Total exchange rate differences	-3	-0

NOTE 15 TAX

REPORTED TAX	2022	2021
Current tax		
Current tax for the year	-93	-50
Current tax related to earlier years	3	-2
Total current tax	-90	-52
Deferred tax expense (-)/tax income (+)		
Change in deferred tax	9	-4
Total deferred tax	9	-4
Total reported tax	-81	-56

Income tax relating to components of other comprehensive income amounts to SEK 0.2 (-0.0) million and relates entirely to the revaluation of pension plans.

RECONCILIATION OF EFFECTIVE TAX	2022	2021
Profit before tax	155	210
Tax according to applicable tax rate for the Parent Company, 20.6% (20.6%)	-32	-43
Tax effect of:		
Differences in tax rates for foreign subsidiaries	-10	-2
Non-taxable income	0	4
Non-deductible expenses	-30	-5
Deferred tax for previous years' non-recognized temporary differences	4	-1
Tax losses for which non-deferred tax is recognized	-12	-8
Utilization of loss carry-forwards not previously recognized	0	1
Adjustment for current tax related to earlier years	3	-2
Revaluation effect of change in tax rate	—	—
Joint ventures and associate companies' profit/loss recognized after tax	2	2
Other	-6	-2
Tax on profit for the year according to the income statement	-81	-56

	DEFERRED TAX ASSET		DEFERRED TAX LIABILITIES	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Machinery and equipment	1	0	18	23
Right-of-use assets	6	4	—	—
Inventories	7	6	—	—
Accounts receivable	1	1	—	—
Loss carry-forwards	5	2	—	—
Pensions	5	6	—	—
Other	1	2	0	0
Net recognition of receivables/liabilities in the same jurisdiction	-4	-5	-4	-5
Total	22	16	14	18

Deferred tax assets are recognized for tax loss carry-forwards to the extent that it is likely that benefit can be derived from them through future taxable surpluses. As of December 31, 2022, the accumulated tax loss carry-forwards amount to SEK 5 (2) million. The Group has also calculated tax loss carry-forwards amounting to SEK 221 (209) million, of which SEK 132 (103) million is attributable to China, SEK 89 (49) million is attributable to the USA, for which deferred tax assets are not recognized as of December 31, 2022. Of the total loss carry-forwards, SEK 17 million falls due in 2024, SEK 49 million falls due in 2025, SEK 36 million falls due in 2026, SEK 19 million falls due in 2027, SEK 11 million falls due in 2029, SEK 111 million in 2033 or later than 2033.

ACCOUNTING POLICIES

Income taxes consist of current tax and deferred tax. Income taxes are recognized in the income statement except when the underlying transaction is recognized in other comprehensive income or directly in equity. In such cases the tax is also recognized in other comprehensive income or in equity.

Current tax is tax due for payment or receipt during the financial year in question. Adjustments to current tax related to earlier periods is also included in this item. Deferred tax is calculated in accordance with the balance sheet method, based on the temporary differences between the carrying

amounts in the consolidated financial statements and the tax base of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to be offset, and by applying the tax rates and tax regulations in effect or publicized on the balance sheet date in the countries where the Parent Company's subsidiaries and associated companies operate and generate taxable income.

Deductible temporary differences are not taken into consideration with respect to consolidated goodwill nor, in normal cases, to differences attributable to participations in subsidiaries that are not expected to be taxed in the foreseeable future. Deferred tax liabilities are not recognized if they arise due to a first recognition of goodwill. Neither is deferred tax recognized if it arises due to a transaction that is attributable to the first recognition of an asset or liability that is not a business acquisition and which, at the time of the transaction, affects neither recognized nor taxable profit. Deferred tax assets are recognized to the extent that it is probable that future taxable surpluses against which the temporary differences may be utilized will be available.

Untaxed reserves including deferred tax liability are reported in legal entities. In the consolidated financial statements, however, untaxed reserves are apportioned between deferred tax liability and equity. Deferred tax assets with respect to deductible temporary differences and loss carry-forwards are recognized only in so far as it is likely that these items will lead to lower tax payments in the future.

Deferred tax assets and liabilities are offset in the balance sheet where there is a legal offset option for current tax receivables and liabilities and where deferred tax receivables and liabilities are attributable to taxes collected by the same tax authority.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The accounting principles describe the conditions for recognizing deferred tax assets as temporary differences. In this context it is important that the executive management consider whether the business will recognize the tax surplus in a near enough time frame for the asset to be balanceable.

In countries where the management believes that the Group can benefit from future lower tax receipts in the near future resulting from existing tax losses, the receipts are recognized as deferred tax assets.

As at December 31, 2022, the management's assessment was that it is probable that a tax surplus will occur for the Group's Swedish activities. This assessment is based on a tax surplus being recognized in 2022 and, based on existing business plans, this is expected to continue in the coming years.

At the same time, management determined that the tax losses of a combined SEK 221 (209) million from several overseas operations will not be able to be used within the foreseeable future. Based on this, they are not recognized as a deferred tax asset.

As of December 31, 2022, the Group recognizes a deferred tax asset attributable to loss carry-forwards and other temporary tax differences amounting to SEK 22 (16) million.

NOTE 16 PROFIT PER SHARE

EARNINGS PER SHARE	2022	2021
Profit for the year attributable to share-holders of Bulten AB (publ), SEK million	55	143
Adjusted annual result attributable to shareholders in Bulten AB (publ), MSEK	157	143
Weighted average number of outstanding shares before dilution	20,987,992	20,987,992
Weighted average number of outstanding shares after dilution	20,987,992	20,987,992
Basic earnings per share (SEK) before and after dilution	2.65	6.85
Adjusted earnings in SEK per share before and after dilution	7.48	6.85

ACCOUNTING POLICIES

Basic earnings per share are calculated by dividing profit for the period attributable to the Parent Company's shareholders by the Parent Company's weighted average number of shares outstanding for the financial year. Diluted earnings per share are calculated by dividing the profit for the period attributable to the Parent Company's shareholders by the Parent Company's weighted average number of shares outstanding after dilution.

NOTE 17 INTANGIBLE ASSETS

	12/31/2022			12/31/2021		
	GOODWILL	OTHER INTANGIBLE ASSETS ¹⁾	TOTAL	GOODWILL	OTHER INTANGIBLE ASSETS ¹⁾	TOTAL
Accumulated acquisition cost						
At beginning of year	354	10	364	348	9	357
Acquisitions during the year	–	0	0	–	0	0
Reclassifications during the year	–	1	1	–	0	0
Divestments and disposals	-14	-2	-16	–	-1	-1
Exchange differences during the year	-2	2	0	6	2	8
At year-end	338	11	349	354	10	364
Accumulated depreciation according to plan						
At beginning of year	–	-7	-7	–	-6	-6
Divestments and disposals	–	1	1	–	1	1
Depreciation according to plan for the year	–	-1	-1	–	-1	-1
Exchange differences during the year	–	-2	-2	–	-1	-1
At year-end	–	-9	-9	–	-7	-7
Accumulated impairment						
At beginning of year	-120	–	-120	-120	–	-120
At year-end	-120	–	-120	-120	–	-120
Recognized value						
At beginning of year	234	3	237	228	4	232
At year-end	218	2	220	234	3	237

¹⁾ Relates primarily to license fees.

INTANGIBLE FIXED ASSETS BY COUNTRY

	12/31/2022	12/31/2021
Sweden	181	183
Poland	2	1
China	37	35
Russia	–	18
Others	0	0
Total intangible assets	220	237

Impairment requirement testing for goodwill

Recognized consolidated goodwill amounts to SEK 218 (234) million. The Group carries out an impairment test each year to determine any impairment requirement for goodwill. Goodwill is monitored by the management at operating segment level. The recoverable amounts for Bulten have been determined by calculating the value in use. Calculations are based on estimated future cash flows from financial plans approved by the executive management and cover a period of three years.

Significant assumptions in the financial plans include sales growth, productivity developments and operating margins. These assumptions are determined based on published statistics for the development of the automotive industry, customers' model strategies and their long-term delivery

plans as well as the executive management's assessment of the development of Group margins. The forecasts reflect historical levels, adjusted for expected growth and changes to customer contracts.

Cash flows beyond the three-year period are extrapolated using an estimated growth rate resulting from assumed inflation of 2.0% (2.0). The forecast cash flow has been calculated at present value using a discount rate of 9.6% (7.8) before tax. The discount rate has been determined by calculating a weighted cost of own and borrowed capital.

In both 2022 and 2021 the estimated recoverable amount for Bulten exceeded the book value, which is why no impairment requirement has been identified.

Alternative calculations have been made by changing the assumptions concerning the required return on equity, growth rate and sustainable operating margin. A change in these individual assumptions of two percentage points would not result in any impairment requirement for goodwill related to Bulten.

ACCOUNTING POLICIES

Intangible assets

Expenditure on research and development

The Group conducts no research and development of the kind that is to be capitalized as an intangible asset. Expenditure is expensed as it arises. The Group only conducts development directly linked to customer orders. This process is preparatory in nature and is generally conducted ahead of planned production start-up.

Goodwill

Goodwill is the amount by which the cost exceeds the fair value of the Group's proportion of the subsidiary/associated/joint venture company's identifiable net assets upon acquisition. Goodwill upon acquisition of subsidiaries is recognized under intangible assets. Goodwill upon the acquisition of associated companies/joint ventures is included in the value of holdings in associated companies/joint ventures.

Goodwill is tested annually to identify any write-down requirement and is recognized at cost less accumulated impairment. Impairment of goodwill is not reversed. Profit or loss from the sale of a unit includes the remaining carrying amount of the goodwill pertaining to the sold unit.

Goodwill is distributed between cash generating units upon testing to determine any impairment requirement. For business combinations where the cost is less than the net fair value of the acquired assets and assumed liabilities and contingent liabilities, the difference is recognized directly in the income statement.

Other intangible assets

Other intangible assets acquired by the Group are recognized at cost of acquisition less accumulated amortization and impairment. Expenditure for internally generated goodwill and trademarks is recognized in the income statement as an expense as it is incurred. The Group's intangible assets include acquired software licenses, which are set up as assets on the basis of expenditure arising when the software in question was acquired and started up. The expenditure is capitalized to the extent that the probable economic benefits exceed the expenditures.

Amortization

Amortization according to plan is based on the original purchase cost less any residual value. Amortization is applied on a straight-line basis over the useful life of the asset and is accounted for as an expense in the income statement. Amortization takes place as of the accounting period in which the asset becomes available for use. Amortization for intangible assets is five years.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The impairment requirement for goodwill is assessed annually, or more frequently if needed, by calculating the recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. If the calculated value is less than the carrying amount, an impairment is made to the asset's recoverable amount. To determine the value in use, estimated future cash flows are used, which are based on internal business plans and forecasts. Although the executive management believes that the estimated future cash flows are reasonable, different assumptions regarding such cash flows could affect valuations substantially. In assessing the goodwill value of SEK 218 (234) million as at the end of 2022 and 2021, no impairment requirement was identified.

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

	12/31/2022					12/31/2021				
	LAND AND BUILDINGS ¹⁾	PLANT AND MACHINERY	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS	CONSTRUCTION IN PROGRESS AND ADVANCES	TOTAL ¹⁾	LAND AND BUILDINGS ¹⁾	PLANT AND MACHINERY	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS	CONSTRUCTION IN PROGRESS AND ADVANCES	TOTAL ¹⁾
Accumulated acquisition cost										
At beginning of year	258	987	151	128	1,524	247	891	130	45	1,313
Acquisitions during the year	11	6	12	246	275	2	15	6	161	184
Reclassifications during the year	4	34	5	-43	—	5	58	18	-81	—
Divestments and disposals	-10	-44	-18	-1	-73	—	-10	-10	—	-20
Exchange differences during the year	5	53	12	9	79	4	33	7	3	47
At year-end	268	1,036	162	339	1,805	258	987	151	128	1,524
Accumulated depreciation according to plan										
At beginning of year	-69	-514	-80	—	-663	-55	-424	-67	—	-546
Reclassifications during the year	—	—	—	—	—	—	—	—	—	—
Divestments and disposals	3	18	14	—	35	—	10	8	—	18
Depreciation according to plan for the year	-14	-76	-17	—	-107	-13	-77	-16	—	-106
Exchange differences during the year	-1	-42	-10	—	-53	-1	-23	-5	—	-29
At year-end	-81	-614	-93	—	-788	-69	-514	-80	—	-663
Accumulated impairment										
At beginning of year	—	-44	—	—	-44	—	-44	—	—	-44
At year-end	—	-44	—	—	-44	—	-44	—	—	-44
Recognized value										
At beginning of year	189	429	71	128	817	192	423	63	45	723
At year-end	187	378	69	339	973	189	429	71	128	817

1) Of which land, SEK 52 (50) million.

PROPERTY, PLANT AND EQUIPMENT BY COUNTRY

	12/31/2022	12/31/2021
Sweden	243	250
Germany	96	77
United Kingdom	21	23
Poland	465	283
Russia	—	46
China	105	98
USA	28	25
Taiwan	15	15
Total property, plant and equipment	973	817

ACCOUNTING POLICIES

Tangible fixed assets are recognized as assets in the balance sheet when, on the basis of available information, it is likely that the future economic benefit associated with its possession will accrue to the Group, and the cost of the asset can be reliably calculated. Property, plant and equipment are recognized at their cost of acquisition less accumulated depreciation and any impairments. Land is not subject to depreciation.

The cost includes the purchase price and costs directly attributable to bringing the asset to the location and condi-

tion necessary for it to be capable of operating in the manner intended. Also included are estimated costs for dismantling and removing the assets, as well as restoring the site or area where such costs are generated.

The cost of acquisition of fixed assets manufactured in-house includes expenses for materials, remuneration to employees, direct manufacturing costs and the cost of borrowing where a substantial period of time is needed to prepare the asset for its intended use.

Subsequent costs are added to an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with

the asset will pass to the Group and the cost of acquisition of the asset can be measured reliably. The carrying amount for the replaced part is derecognized from the balance sheet. All other repairs and maintenance are expensed in the income statement in the period in which they arise.

The carrying amount for a tangible fixed asset is derecognized from the balance sheet on scrapping or sale or when no future economic benefits are expected from its use. The net financial gain or loss from the sale or scrapping comprises the selling price and carrying amount of the asset less direct selling expenses. This is recognized as other operating income/expense.

Principles for depreciating property, plant and equipment

Depreciation according to plan is based on the original purchase cost less estimated residual value. Depreciation is carried out on a straight-line basis over the estimated useful life of the asset.

The following depreciation periods are applied:

ACQUIRED PROPERTY, PLANT AND EQUIPMENT	NUMBER OF YEARS
Buildings	15 TO 40
Plant and machinery	5 TO 14
Equipment, tools, fixtures and fittings	3 TO 10

Impairment

Assets which are depreciated/mortised are assessed in terms of decrease in value whenever an event or a change in circumstances indicates that the carrying amount may not be recoverable. Impairment is carried out for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less selling expenses, and value in use. On determining the write-down requirement, assets are grouped at the lowest levels at which there are separate, identifiable cash flows (cash generating units).

NOTE 19 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	12/31/2022			31/12/2021		
	BUILDINGS	EQUIPMENT	TOTAL	BUILDINGS	EQUIPMENT	TOTAL
Accumulated acquisition cost						
At beginning of year	432	36	468	404	27	431
Acquisitions during the year	84	7	91	1	8	9
Reclassifications during the year	124	2	126	10	3	13
Divestments and disposals	-19	-6	-25	-1	-2	-3
Exchange differences during the year	35	1	36	18	0	18
At year-end	656	40	696	432	36	468
Accumulated depreciation according to plan						
At beginning of year	-137	-18	-155	-83	-11	-94
Reclassifications during the year	-	-	-	-	-	-
Divestments and disposals	19	6	25	1	2	3
Depreciation according to plan for the year	-58	-9	-67	-53	-9	-62
Exchange differences during the year	-12	-1	-13	-2	0	-2
At year-end	-188	-22	-210	-137	-18	-155
Recognized value						
At beginning of year	295	18	313	321	16	337
At year-end	468	18	486	295	18	313

RIGHT-OF-USE ASSETS PER COUNTRY

	12/31/2022	12/31/2021
Sweden	29	27
Germany	234	55
United Kingdom	20	26
Poland	89	84
China	11	20
USA	82	78
Taiwan	20	22
Other countries	1	1
Total right-of-use assets	486	313

LEASE LIABILITIES

	12/31/2022	12/31/2021
Long-term interest-bearing lease liabilities	449	277
Current interest-bearing lease liabilities	65	56
Total interest-bearing lease liabilities	514	333

Lease expenses, see Note 12.

CASH OUTFLOW FOR LEASES

Total cash outflow for leases in 2022 amounts to SEK 86 (76) million.

ACCOUNTING POLICIES

The Group as lessee

The Group's leases primarily comprise right-of-use assets regarding premises and equipment. The leases are recognized as right-of-use assets with a corresponding lease liability on the day the leased asset becomes available for use by the Group. Short-term leases and leases for which the underlying asset is of low value are excepted.

Each lease payment is distributed between repayment of lease liability and financial expense. The financial expense shall be distributed over the term of the lease so that each accounting period is charged with an amount corresponding to a fixed rate of interest for the liability recognized in the respective period.

The lease period is established as the non-terminable period together with both periods covered by an opportunity to extend the lease if the lessee is reasonably certain to utilize that option, and periods covered by an opportunity to terminate the lease if the lessee is reasonably certain not to utilize that option.

The Group's lease liabilities are entered at the present value of the Group's fixed fees (including fees which are substantially fixed). Call options are included in the fees if it is reasonably certain that these will be utilized to acquire the underlying asset. Penalty fees which are charged on termination of the lease are included if the lease period reflects the fact that the lessee will utilize an opportunity to terminate the lease. Lease payments that will be made for reasonably certain extension options are also included in the valuation of the liability.

The lease payments are discounted by the lease's imputed rate of interest if this interest rate can easily be established, otherwise the Group's incremental borrowing rate is used. The Group determines the incremental borrowing rate on the basis of the base interest rate for each currency and the term, plus the Group's borrowing margin for each class of asset. The weighted average incremental borrowing rate for the company's leases amounted to 2.13% (2.64). The Group is exposed to any future increases in lease payments based on an index or interest rate that are not part of the lease liability until they come into effect. When adjustments to lease payments based on an index or interest rate come into effect, the lease liability is revalued and adjusted against the right-of-use asset.

The Group's right-of-use assets are recognized at cost and initially include the present value of the lease liability, adjusted for lease fees paid on or before the start date, as well as initial direct costs.

Principles for depreciating right-of-use assets

The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the length of the lease. Depreciation according to plan is based on original acquisition values.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Options to extend and terminate agreements are included in a number of the Group's leases for buildings and equipment. The great majority of the options to extend and terminate agreements can only be utilized by the Group and not by the lessors. Once the length of the lease has been determined, the management team considers all the available information that provides an economic incentive to utilize an option to extend, or not to utilize an option to terminate an agreement. Opportunities to extend an agreement are only included in the length of the lease if it is reasonably certain that the agreement will be extended (or not be terminated).

NOTE 20 OTHER LONG-TERM RECEIVABLES

ACCUMULATED ACQUISITION COST	12/31/2022	12/31/2021
At beginning of year	4	3
Repayments, less receivables	-1	-2
Other additional receivables	0	1
Reclassification	-1	2
Translation differences	0	0
Carrying amount at year-end	2	4

NOTE 21 INVENTORIES

	12/31/2022	12/31/2021
Raw materials and consumables	80	86
Products in progress	189	153
Finished products and goods for resale	690	636
Total inventories	959	875

The cost of inventories that have been expensed is included in the item 'Cost of goods sold'.

Impairment for the year of inventories at their net selling price amounts to SEK 23 (13) million. The impairment has been recognized in the income statement as the cost of goods sold. During the year, the Group reversed SEK -23 (-5) million of previous impairments of inventories. The amount is included in the cost of goods sold. The total reserve for obsolescence at year-end was SEK 75 (70) million.

ACCOUNTING POLICIES

Inventories are stated at the lower of cost and net selling price. The cost of acquisition is calculated by applying the first-in, first-out principle (FIFO) and includes costs arising upon acquisition of the inventory assets, transport to their current location and bringing them to their current condition. Net selling price is the estimated sales price in the ordinary course of business, less estimated costs for completing and bringing about a sale.

Valuation takes into account the risk of obsolescence. For manufactured goods and work in progress, the cost includes a reasonable proportion of indirect production costs. Valuation has taken into account normal capacity utilization.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group is reporting a total inventory value of SEK 959 (875) million. An obsolescence reserve is recognized if the estimated net selling price is lower than the cost of acquisition, and in connection therewith, the Group makes estimates and assumptions regarding, among other things, future market conditions and estimated net selling prices. The risk of obsolescence arises especially in periods when there is an unexpected drop in demand. Additionally, obsolescence can occur if the Group is not successful in adjusting inventory levels in conjunction with customers phasing out vehicle models from their production.

NOTE 22 ACCOUNTS RECEIVABLE

ACCOUNTS RECEIVABLE	12/31/2022	12/31/2021
Accounts receivable	980	749
Minus credit reserve	-5	-5
Total accounts receivable	975	744

Accounts receivable are amounts collectible from customers from the sale of the Group's products and services. In the event that these are expected to be settled more than 12 months after the balance sheet date, they are classified as Other long-term receivables.

Accounts receivable are recognized initially at the transaction price. The Group holds accounts receivables in order to collect contractual cash flows and values them at amortized using the effective interest method at subsequent reporting times.

Carrying amounts for each currency for the Group's accounts receivable are as follows:

ACCOUNTS RECEIVABLE FOR EACH CURRENCY	12/31/2022	12/31/2021
SEK	71	43
EUR	436	346
USD	197	133
GBP	32	37
PLN	1	1
CNY	189	134
Others	49	50
Total accounts receivable	975	744

Assessed impairment of accounts receivable

For accounts receivable, the Group applies the simplified approach to a credit reserve for doubtful receivables, i.e. the reserve will correspond to the expected loss over the entire lifespan of the accounts receivable. In order to measure the expected credit losses, the accounts receivables have been grouped based on their external credit rating or the payment history of the counterparty. Expected credit losses are listed in the Group's report of the comprehensive income under the item Selling expenses. Accounts receivable and current receivables are written off when there is no reasonable expectation of repayment.

These customers normally pay on the agreed due date and the Group has a history of very low credit losses. Losses on accounts receivable in relation to the Group's net sales amounted to 0.00% (0.00) in 2022.

AGE ANALYSIS, ACCOUNTS RECEIVABLE	12/31/2022	12/31/2021
Less than 3 months	98	67
3 to 6 months	2	3
More than 6 months	12	8
Total accounts receivable due	112	78

CHANGE IN CREDIT RESERVE	12/31/2022	12/31/2021
At beginning of year	-5	-6
Change in credit reserve	-3	-3
Receivables written off during the year as non-recoverable	4	2
Reversal of unutilized amounts	0	2
Exchange differences during the year	-1	0
At year-end	-5	-5

Other categories of current receivables, i.e. 'Prepaid expenses and accrued income' and 'Other receivables' do not include any assets which have an impairment requirement or anticipated future loss risks. The same applies for 'Other long-term receivables'. The maximum exposure to credit risk as of the balance sheet date is the fair value of each category of receivables mentioned above. For all these categories of receivables, the fair value is essentially considered to correspond to the book value.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group regularly transfers parts of outstanding accounts receivable to a third party. The divestments are based on framework agreements and conditions that, as a whole, have been assessed to mean that the risks and benefits associated with the accounts receivable are, essentially, transferred to the buyer based on a test in accordance with IFRS 9 – Financial Instruments. As of December 31, 2022, the value of transferred accounts receivable amounted to SEK 70 (69) million.

NOTE 23 OTHER RECEIVABLES

	12/31/2022	12/31/2021
Receivable attributable to VAT	60	47
Other receivables	16	11
Total other receivables	76	58

NOTE 24 PREPAID EXPENSES AND ACCRUED INCOME

	12/31/2022	12/31/2021
Prepaid rent	2	3
Prepaid licenses	2	2
Prepaid insurance	5	5
Other prepaid expenses	14	16
Other accrued income	103	28
Total prepaid expenses and accrued income	126	54

NOTE 25 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

The Group classifies its financial instruments in the following categories: financial assets valued at fair value either via the income statement or other comprehensive income or financial assets valued at amortized cost. The classification of investments in debt instruments depends on the Group's business model for handling financial assets and the contractual terms for the cash flow of the assets. The management determines the classification of financial assets upon their first recognition. The Group only has financial assets in the amortized cost category.

Financial assets at amortized cost

Assets that are held for the purposes of collecting contractual cash flows, and where the cash flows only constitute capital amounts and interest are valued at amortized cost. They are included under current assets, with the exception of items maturing more than 12 months after the balance sheet date, which are classified as non-current assets. Interest income from these financial assets is recognized using the effective interest method and are included in financial income. The Group's financial assets that are valued at amortized cost are made up of the items accounts receivable, other long-term receivables, and cash and cash equivalents.

FINANCIAL ASSETS	AMORTIZED COST 12/31/2022	AMORTIZED COST 12/31/2021
Other long-term receivables	2	4
Accounts receivable	975	744
Cash and cash equivalents	451	242
Total	1,428	990

Investments in joint ventures and associated companies, see Note 35.

ACCOUNTING POLICIES

Purchases and sales of financial assets are taken up on the trade date, i.e. the date on which the Group undertakes to buy or sell the asset. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and rewards associated with ownership. Financial assets are initially valued at the fair value plus, in those cases where the asset has not been recognized at fair value via the income statement, transaction costs directly attributable to the purchase. After the acquisition period, they are reported at amortized cost by applying the effective interest method.

Financial assets and liabilities are offset and reported on a net basis in the balance sheet when a legal right to offset the carrying amounts exists and there is an intention to settle them on a net basis or to simultaneously realize the asset and settle the debt. The legal right must not be dependent on future events and it must be legally binding for the company and counterparty, both during normal business activities and in the event of order cancellation, insolvency or bankruptcy.

The Group assesses the future anticipated credit losses that are connected to assets recognized at amortized cost. The Group recognizes a credit reserve for anticipated credit losses at each reporting date. The loss provisions regarding financial assets are based on assumptions of the risk of bankruptcy and anticipated losses. The Group makes its own assessments of the assumptions and choices regarding input data for calculating the impairment. These are based on history, known market conditions and forward-looking estimates at the end of each reporting period. For assessment of the credit reserve for accounts receivable, see Note 22.

Financial liabilities

The Group classifies its financial liabilities in the categories of: liabilities valued at amortized cost and derivative instruments. Financial liabilities are distributed in the balance sheet using the following amounts:

FINANCIAL LIABILITIES	AMORTIZED COST 31/12/2022	AMORTIZED COST 31/12/2021
Long-term interest-bearing liabilities	849	603
Current interest-bearing liabilities	512	277
Accounts payable	827	563
Total	2,188	1,443

ACCOUNTING POLICIES

Interest-bearing liabilities

The accounting policies for other interest-bearing liabilities are presented in Note 30, Interest-bearing liabilities to credit institutions, and Note 19, Right-of-use assets and lease liabilities.

Accounts payable

Accounts payable are obligations to pay for goods or services acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if they fall due within one year or earlier. If not, they are recognized as non-current liabilities.

Derivative instruments and hedging instruments

At the end of 2022 and 2021 the Group had no derivative contracts.

Fair value

In the event that fair value deviates from the book value, information about fair value is presented in the relevant note. There were no financial assets and liabilities recognized at fair value on the balance sheet dates in 2022 and 2021.

NOTE 26 SHARE CAPITAL AND OTHER CONTRIBUTED CAPITAL

	ORDINARY SHARES	TOTAL NUMBER OF SHARES
Number of shares outstanding as of December 31, 2021	20,987,992	20,987,992
Number of shares outstanding as of December 31, 2022	20,987,992	20,987,992

The total number of ordinary shares as of December 31, 2022 amounts to 21,040,207. The quotient value per share is SEK 0.50.

All issued shares are fully paid up. As 12/31/2022, Bulten AB has 52,215 shares in its own custody.

ACCOUNTING POLICIES

Equity is divided between capital attributable to Parent Company shareholders and non-controlling interests. Value transfers in the form of e.g. dividends from the Parent Company and the Group shall be based upon the Board's established statement on the proposed dividend. This statement has to take into account the legal precautionary rules to avoid dividends greater than what financial coverage exists for.

Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares or warrants are recognized net after tax in equity as a deduction from the issue settlement. When financial liabilities are eliminated through the repayment of part or all of the loan being through issued shares, the shares are valued at fair value and the difference between this value and the book value of the loan is recognized in the income statement. In the event that the lender is, directly or indirectly, a shareholder and acts as a shareholder, the issued amount corresponds to the book value of the financial liability which is thereby eliminated (so-called set-off issue). In this way, there is no gain or loss to recognize in the income statement.

Other contributed capital

Refers to equity contributed by the owners.

NOTE 27 OTHER RESERVES

	TRANSLATION RESERVE	
	2022	2021
Opening balance	32	-25
Exchange differences	122	56
Other comprehensive income attributable to joint venture	6	1
Closing balance	160	32

ACCOUNTING POLICIES

Translation reserve

The translation reserve covers currency differences that arise as a result of translating the income statements and balance sheets of all Group companies into the Group's reporting currency.

NOTE 28 NON-CONTROLLING INTERESTS

The following tables present summarized financial information for subsidiaries that have non-controlling interests and that are essential to the Group. Information is shown for PSM-ZJK, Rus Fasteners B.V. and the underlying operating company Bulten Rus LLC as one consolidated unit. The shares in Bulten Rus LLC were divested and the shares in Rus Fasteners B.V. were liquidated in 2022.

SUMMARIZED INCOME STATEMENT	2022	2021
Profit/loss items		
Income	208	158
Profit after tax	37	23
Other comprehensive income		
Exchange differences	14	4
Total comprehensive income	51	27

Attributable to		
Parent Company shareholders	32	15
Non-controlling interests	19	12
Total comprehensive income	51	27

SUMMARIZED BALANCE SHEET	12/31/2022	12/31/2021
Assets		
Fixed assets	3	46
Current assets	153	132
Total assets	156	178
Liabilities		
Non-current liabilities	–	5
Current liabilities	104	107
Total liabilities	104	112
Net assets	52	66
Total net assets attributable to non-controlling interests	26	27

SUMMARIZED CASH FLOW	2022	2021
Cash flow from operating activities	41	8
Cash flow from investing activities	-0	-4
Cash flow from financing activities	-21	-4
Cash flow for the year	20	-0

ACCOUNTING POLICIES

Non-controlling interests

The Group applies the principle of treating transactions with non-controlling interests as transactions with the Group's shareholders. For purchases from non-controlling interests, the difference between the compensation paid and the actual acquired share of the carrying amount of the subsidiary's net assets is recognized in equity. Gains and losses on divestments to non-controlling interests are also recognized in equity.

NOTE 29 PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Remuneration to employees after completed employment is chiefly made through payments to insurance companies or authorities which thereby assume the obligations towards the employees: these schemes are known as defined contribution pensions. The largest defined benefit plans are in Sweden (FPG/PRI). With defined benefit pensions, the company's costs and the value of the remaining obligation are measured using actuarial calculations which aim to determine the present value of obligations issued. Interest is classified as a financial expense. Other cost items are distributed among operating profit/loss under cost of goods sold, selling expenses or administrative expenses depending on the employee's function. The Group also has pension obligations of SEK 10 (15) million secured through capital insurance, which means that any changes in pension obligations will be fully compensated through equivalent changes in the value of the capital insurance. Pension commitments are recognized as contingent liabilities and capital insurance as pledged assets.

DEFINED-BENEFIT PENSION PLANS AND SIMILAR OBLIGATIONS	12/31/2022	12/31/2021
FPG/PRI	7	9
Other retirement pensions in Swedish companies	1	1
Retirement pensions in foreign companies	6	8
Other long-term remuneration to employees	4	4
Total defined-benefit pension plans and similar obligations	18	22

Pension obligations relating to defined benefit pension plans are valued based on the assumptions shown in the table below.

	SWEDEN	
PENSION COMMITMENTS	2022	2021
Discount rate, %	3.6	0.9
Inflation, %	2.0	2.2

There is no further vesting in the defined-benefit system in Sweden. Consequently, the Group's pension commitment is based on an unchanged rate of pay increase. The discount rate is determined based on the market rate as of the balance sheet date for housing bonds in Sweden.

Risk exposure and sensitivity analysis

The liabilities of defined-benefit pension plans are determined using a discount rate based on mortgage bonds with a duration corresponding to the average remaining term of the obligation (six years). A reduction in the interest rate on corporate bonds of 0.5% will mean an increase of SEK 0.2 million in the liabilities of the plan. Since the plans are unfunded, a reduced bond rate would increase liabilities without a corresponding increase in the value of plan assets.

DEFINED-BENEFIT OBLIGATIONS AND THE VALUE OF PLAN ASSETS	12/31/2022	12/31/2021
Present value of defined-benefit obligations	20	24
Fair value of plan assets	-2	-2
The Group's net obligation in respect of defined-benefit pension plans	18	22
- of which, provisions for pensions	16	20
- of which, current interest-bearing liabilities	2	2

RECONCILIATION OF NET OBLIGATION RELATING TO DEFINED-BENEFIT OBLIGATIONS	12/31/2022	12/31/2021
Opening net debt	22	21
Acquired pension provision	—	—
Pension expense (+)/income (-) for the period	2	2
Pension payments	-3	-3
Revaluation effect of changed assumptions after tax	-3	1
Translation difference	0	1
Closing net debt	18	22

SPECIFICATION OF TOTAL COSTS FOR REMUNERATION AFTER COMPLETED EMPLOYMENT AS RECOGNIZED IN THE INCOME STATEMENT	2022	2021
Costs relating to defined benefit plans		
Costs for service during current year	-1	-2
Interest expenses	0	-0
Total costs relating to defined-benefit plans	-1	-2
Costs relating to defined contribution plans	-23	-22
Total costs recognized in the income statement	-24	-24
Revaluation effect recognized in 'Other comprehensive income' (after tax)	3	-1

ASSETS PLEDGED FOR PENSION COMMITMENTS	12/31/2022	12/31/2021
Capital insurance – Direct pensions ¹⁾	11	21
Total	11	21
Amount by which provision item is expected to be paid after more than 12 months	6	10

1) Pension obligations are secured by way of capital insurance, which means that any changes to the pension obligation will be fully compensated by a corresponding change in value of the capital insurance. Both pension commitments and the capital insurance are recognized in Note 33.

ACCOUNTING POLICIES

Pension obligations

The Group's companies have different pension systems in accordance with local terms and generally accepted practice in the countries where they operate.

The predominant form of pension is a defined-contribution plan. These plans mean that the company reconciles its commitment systematically by way of payments to insurance companies or pension funds.

However, pension plans based on an agreed future pension entitlement, known as defined-benefit pension plans, mean that the company has a liability that extends further and where, for example, assumptions regarding the future affect the company's reported cost. The Group's net obligation is calculated separately for each plan by estimating the future remuneration the employees have earned through their employment both in current and previous periods; this remuneration is discounted to a present value.

The liability recognized in the balance sheet for defined-benefit pension plans is the present value of the defined-benefit obligation at the end of the reporting period less the

fair value of plan assets. The defined-benefit obligation is calculated annually by independent actuaries using the so-called projected unit credit method.

The present value of the defined-benefit obligation is determined by discounting estimated future cash flows using the interest rates of high-quality corporate bonds denominated in the same currency as that in which the remuneration will be paid and with maturities comparable to the current pension obligation.

Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognized in 'Other comprehensive income' in the period in which they arise.

Costs for service in earlier periods are recognized directly in the income statement.

Remuneration upon termination of employment

Remuneration upon termination of employment is payable when an employment relationship is terminated by the Group before the normal retirement age or when an employee accepts voluntary redundancy in exchange for such remuneration. The Group recognizes severance pay when it is demonstrably obliged either to terminate employees as part of a detailed formal plan without any possibility of revocation or to provide remuneration upon termination of employment as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Other long-term remuneration to employees

'Other long-term remuneration to employees' refers to the Group's defined-benefit obligations in accordance with a plan that gives employees a flexible transition from employment to retirement. The plan aims to enable flexible service as agreed between the employer and the employee. The Group's defined-benefit obligation is determined annually by applying the so-called projected unit credit method. Unlike the recognition of defined-benefit pension obligations, revaluations of the obligation are recognized in the income statement and not in "Other comprehensive income".

Bulten Polska S.A. has a long-term obligation to its employees that is classified as a defined-benefit plan. In accordance with local labor law, each employee is entitled to one-time compensation when employment in the company is terminated.

NOTE 30 INTEREST-BEARING LIABILITIES TO CREDIT INSTITUTIONS

LONG-TERM INTEREST-BEARING LIABILITIES	12/31/2022	12/31/2021
Bank overdraft facilities	—	—
Other interest-bearing liabilities	400	326
Long-term interest-bearing liabilities	400	326
Which mature between 1 and 5 years	400	326
Which mature after more than five years	—	—
Total	400	326

The fair value is considered to correspond to the book value of the Group's financial liabilities because the interest-bearing liabilities incur interest corresponding to market rates. The Group has special loan covenants that must be fulfilled with respect to external lenders, including relational figures such as EBITDA, net debt and financial expenses. All covenants were met in both 2022 and 2021.

The company is primarily financed through Svenska Handelsbanken via a credit facility totaling SEK 1,300 million. The credit facility runs up until the end of June 2025. There is also a financing agreement with Danske Bank with credit totaling EUR 12 million.

BANK OVERDRAFT FACILITIES	12/31/2022	12/31/2021
Approved overdraft facilities	294	274
Unutilized portion	-193	-190
Credits utilized	101	84

ACCOUNTING POLICIES

Borrowing

Borrowing is initially recognized at fair value. Borrowing is subsequently recognized at amortized cost, and any difference between the amount received and the repayment amount is entered in the income statement over the borrowing term, using the effective interest method.

Borrowing, including bank overdraft facilities, is classified as current liabilities unless the Group has an unconditional right to postpone payment of the liability for at least 12 months after the balance sheet date.

NOTE 31 PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTIONS

	12/31/2022	12/31/2021
Shares in subsidiaries	1,808	1,674
Real estate mortgages	74	74
Floating charges	670	436
Other long-term receivables	1	1
Total pledged assets for liabilities to credit institutions	2,553	2,185

NOTE 32 ACCRUED EXPENSES AND PREPAID INCOME

	12/31/2022	12/31/2021
Accrued salaries, including holiday pay	57	66
Accrued social security costs	30	29
Other accrued expenses	66	58
Prepaid income	8	13
Total accrued expenses and prepaid income	161	166

NOTE 33 OTHER PROVISIONS

	12/31/2022	12/31/2021
Costs for restructuring programs	11	—
Total other provisions		
RESTRUCTURING MEASURES		
Carrying amount at start of year	—	—
Assigned during the year	11	—
Utilized during the year	—	—
Carrying amount at end of year	11	—

Provisions for restructuring cover direct costs that are contingent on the restructuring and have no connection with the company's current activities, such as costs for unutilized rental contracts, environmental costs and remuneration to staff without employment. When the effect of the timing of the payment is of significance, the provision is determined by way of a calculation of the current value of future disbursements.

ACCOUNTING POLICIES

A provision is recognized in the balance sheet when the company has a formal or informal obligation as a consequence of an event that has occurred, and it is likely that an outflow of resources will be required to settle the commitment and that the amount can be estimated reliably. When the effect of the timing of the payment is important, provisions are calculated by discounting the expected future cash flow at a pre-tax interest rate which reflects current market assessments of the time-related value of money and, if applicable, the risks associated with the liability.

A provision for restructuring is recognized when a detailed, formal restructuring plan has been established and the restructuring has either begun or has been publicly announced.

A provision for onerous contracts is recognized when the expected benefits are lower than the unavoidable costs for fulfilling the obligations in accordance with the contract.

A provision for the Group's share in a joint venture's negative net assets is recognized when the Group has a formal or informal obligation to restore the company's own equity.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group is exposed to legal risks when the business is impacted by a large number of commercial and financial agreements with customers, suppliers, employees and other parties. This is normal for a business such as the Group's. The executive management systematically assesses the expected outcome of compensation claims made against the Group. At the balance sheet date there were a few compensation claims against the Group, and the executive management believes that it is unlikely that these will have a material impact on the consolidated profit and financial position. No provision is recognized as of the balance sheet date for these compensation claims.

NOTE 34 CONTINGENT LIABILITIES

	12/31/2022	12/31/2021
Pension obligations in addition to those accounted for as liabilities or provisions ¹⁾	11	21
Other contingent liabilities	8	7
Total contingent liabilities	19	28

1) Of which SEK 11 (21) million in pension obligations is secured by way of capital insurance, which means that any changes to the pension obligation will be fully compensated by a corresponding change in value of the capital insurance.

NOTE 35 HOLDINGS IN JOINT VENTURES AND ASSOCIATED COMPANIES

The Group has participating interests in companies where its share of ownership is between 20% and 50%, which are recognized as holdings in associated companies or joint ventures. The companies and respective holdings are specified in Note 3.

The Group liquidated its shares in the joint venture BBB-Services Ltd and its wholly owned subsidiary in Romania in 2022.

Ram-Bul LLC in the USA did not conduct any significant activities in 2022 from a Group perspective. The holding is recognized according to the equity method as an investment in a joint venture. The Group's share of net assets amounts to SEK 1 (0) million.

Through the acquisition of PSM International, the Group has become a part-owner in a number of joint ventures with holdings of 50%. The holdings are recognized according to the equity method as investments in joint ventures. The Group's share of net assets in these joint ventures totals SEK 58 (51) million.

The Group has a holding in the associated company Tension-Cam Systems AB. The Group's holding is 27%. The holding is recognized according to the equity method. The Group's share of net assets amounts to SEK 6 (6) million and the carrying amount is SEK 6 (6) million.

None of the Group's joint ventures or associated companies are deemed to be significant from a financial reporting perspective.

THE GROUP'S HOLDINGS IN JOINT VENTURES AND ASSOCIATED COMPANIES	12/31/2022	12/31/2021
Opening balance	59	50
Holdings in associated companies divested during the year	–	-4
Share of profit for the year	12	14
Dividends during the year	-8	-2
Other comprehensive income	2	1
Closing balance	65	59

The Group has no contingent liabilities relating to the joint venture other than the responsibility of the Group for the quality of items supplied by Bulten to the company in accordance with normal delivery and commercial terms for the industry.

ACCOUNTING POLICIES

Holdings in associated companies are recognized using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. For joint ventures, the Group applies IFRS 11 Joint Arrangements.

Under IFRS 11 an interest in a joint arrangement is classified as either a joint operation or a joint venture, depending on the contractual rights and obligations of each investor.

The Group has assessed its joint arrangements and determined that they are joint ventures. Joint ventures are recognized using the equity method.

Under the equity method, investments in joint ventures are initially recognized in the consolidated statement of financial position at their cost of acquisition. The carrying amount is subsequently increased or decreased to take into account the Group's share of profit and other comprehensive income from its joint ventures after the acquisition date. The Group's share of profit included in consolidated profit and the Group's share of other comprehensive income is included in other comprehensive income in the Group.

When the Group's share of losses in a joint venture is equal to or exceeds its holding in the joint venture (including any long-term receivables which actually form part of the Group's net investment in the joint venture), the Group recognizes no further losses unless the Group has assumed formal or informal obligations or made payments on behalf of the joint venture.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's holdings in joint ventures. Unrealized losses are also eliminated unless the transaction indicates an impairment of the transferred asset.

NOTE 36 CASH FLOW, NET DEBT

ADJUSTMENTS FOR ITEMS NOT INCLUDED IN CASH FLOW	2022	2021
Depreciation/amortization of fixed assets	175	168
Unrealized currency gains/losses	7	-5
Profit from participations in joint ventures	-12	-14
Gain on sale of non-current assets	-1	0
Winding-up costs / Restructuring costs	101	–
Other non-cash-affecting items	0	–
Total adjustments for items not included in cash flow	270	149
INTEREST PAID AND RECEIVED	2022	2021
Interest paid	-19	-17
Interest received	2	–
CASH AND CASH EQUIVALENTS	12/31/2022	12/31/2021
Cash and bank accounts	451	242
Total cash and bank accounts	451	242

‘Cash and cash equivalents’ in the balance sheet and cash flow statement refers solely to cash and bank accounts. Outstanding bank funds of SEK 451 (242) million are, in their entirety, placed in banks with the highest credit rating from leading credit institutions.

REPORT ON CASH FLOW	2022-01-01	CASH FLOW	CHANGES NOT AFFECTING CASH FLOW				12/31/2022
			LEASING	PENSION	OTHER	EXCHANGE RATE DIFFERENCES	
Long-term interest-bearing lease liabilities	-277	—	-137	—	—	-35	-449
Other long-term interest-bearing liabilities	-326	-72	—	—	—	-2	-400
Provision for pensions	-20	3	—	2	—	-1	-16
Current interest-bearing lease liabilities	-56	-72	63	—	—	—	-65
Other current interest-bearing liabilities	-221	-225	—	-1	—	—	-447
Total	-900	-366	-74	1	—	-38	-1,377
Financial interest-bearing receivables	1	0	—	—	-0	0	1
Cash and cash equivalents	242	199	—	—	—	10	451
Total	243	199	—	—	-0	10	452
Total	-655	-167	-74	1	-0	-28	-925

REPORT ON CASH FLOW	01/01/2021	CASH FLOW	CHANGES NOT AFFECTING CASH FLOW				12/31/2021
			LEASING	PENSION	OTHER	EXCHANGE RATE DIFFERENCES	
Long-term interest-bearing lease liabilities	-300	—	42	—	—	-19	-277
Other long-term interest-bearing liabilities	-247	-76	—	—	—	-3	-326
Provision for pensions	-20	—		1	—	-1	-20
Current interest-bearing lease liabilities	-47	62	-71	—	—	—	-56
Other current interest-bearing liabilities	-83	-137	—	-1	—	—	-221
Total	-697	-151	-29	0	—	-23	-900
Financial interest-bearing receivables	3	-2	—	0	—	0	1
Cash and cash equivalents	236	-8	—	—	—	14	242
Total	239	-10	—	0	—	14	243
Total	-458	-161	-29	0	—	-9	-655

CHANGE IN NET DEBT	2022	2021
Net debt (-) at the start of the year	-655	-458
Change in bank overdraft facilities and other financial liabilities	-300	-216
Change in lease liabilities	-182	14
Changes in provisions for pensions	3	-0
Change in interest-bearing receivables	-0	-1
Change in cash and cash equivalents	209	6
Net debt (-)	-925	-655
Less interest-bearing liabilities attributable to lease liabilities	514	332
Adjusted net debt (-)	-411	-323

ACCOUNTING POLICIES

Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. The reported cash flow only covers transactions resulting in receipts or disbursements.

In addition to cash and bank balances, cash equivalents also include short-term financial investments subject only to negligible risk of value fluctuation and which can be traded on an open market in known amounts, or have a remaining term of three months from the acquisition date.

NOTE 37 RECONCILIATION BETWEEN IFRS AND KEY INDICATORS USED

ADJUSTED NET SALES, ORGANIC GROWTH	2022	2021
Net sales	4,474	3,730
Currency effect, current year	-282	—
Adjusted net sales	4,192	3,730

In calculating adjusted net sales and organic growth, net sales are adjusted for the currency effect of the current period and, in specific cases, adjustments are made for net sales from completed acquisitions. This measurement gives a figure for comparing net sales with the previous year.

OPERATING PROFIT, EXCLUDING DEPRECIATION/AMORTIZATION, EBITDA	2022	2021
Operating earnings (EBIT)	180	232
Depreciation/amortization and impairments	175	168
Operating profit excluding depreciation/amortization (EBITDA)	355	400

When calculating operating earnings excluding depreciation (EBITDA), depreciation and impairments are returned to operating earnings (EBIT). This measurement provides a figure for operating earnings excluding depreciation which are in turn based on investments.

ADJUSTED OPERATING PROFIT, EXCLUDING DEPRECIATION/AMORTIZATION, ADJUSTED EBITDA	2022	2021
Operating profit, excluding depreciation/amortization (EBITDA)	355	400
Winding-up costs / Restructuring costs	104	—
Adjusted operating profit excluding depreciation/amortization (EBITDA)	459	400

In calculating adjusted operating profit, excluding depreciation/amortization (adjusted EBITDA), non-recurring items are added to operating profit (EBIT). This measure expresses the operating profit, excluding depreciation/amortization, cleared of non-recurring items.

ADJUSTED OPERATING PROFIT, ADJUSTED EBIT	2022	2021
Operating earnings (EBIT)	180	232
Winding-up costs / Restructuring costs	104	—
Adjusted operating profit (EBIT)	284	232

In calculating adjusted operating profit (adjusted EBIT), non-recurring items are added to operating profit (EBIT). This measurement provides a figure for the operating profit, cleared of non-recurring items.

ADJUSTED NET PROFIT	2022	2021
Net profit	74	154
Winding-up costs / Restructuring costs	102	—
Adjusted net profit	176	154

When calculating the adjusted net profit, the non-recurring items are moved to the net profit. This measurement provides a figure for net profit, cleared of non-recurring items.

ADJUSTED NET DEBT	12/31/2022	31/12/2021
Net debt (-)	-925	-655
Less interest-bearing liabilities attributable to finance leases	514	332
Adjusted net debt (-)	-411	-323

In calculating adjusted net debt, interest-bearing liabilities attributable to finance leases of SEK 514 (332) million are deducted from net debt, of which SEK 488 (306) million is attributable to IFRS 16 Leasing. This measurement provides a figure for a refined financial structure excluding lease liabilities.

NOTE 38 TRANSACTIONS WITH RELATED PARTIES

Information about remuneration to senior executives is provided in Note 8, Employees, employee benefit expenses and remuneration to the Board.

The following transactions with related parties were made with BBB Services Ltd (joint venture), Ram-Bul LLC (joint venture) and joint ventures within PSM Group. All transactions were made on market terms under the arm's-length principle. BBB Service Ltd was liquidated in 2022.

TRANSACTIONS WITH JOINT VENTURES	2022	2021
Sale of goods	52	39
Other income	0	0
Accounts receivable	10	10

ACCOUNTING POLICIES

Transactions with related parties

Transactions with related parties have taken place on terms equal to those which apply for transactions on business terms.

The internal prices of transactions between Group companies are based on the "arm's-length" principle, i.e. between parties that are independent of each other and well informed and that have an interest in the transactions.

NOTE 39 EVENTS AFTER THE BALANCE SHEET DATE

There are no other significant events to report after the closing day.

PARENT COMPANY'S INCOME STATEMENT

SEK MILLION	NOTE	2022	2021
Net sales	2	20	18
Gross profit		20	18
Administrative expenses	3.4	-40	-42
Operating profit		-20	-24
Interest income		–	0
Interest expenses and similar profit/loss items	5	-5	-4
Earnings after net financial items		-25	-28
Appropriations	6	26	37
Profit before tax		1	9
Tax on profit for the year	7	-0	-2
Profit after tax		1	7

PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	2022	2021
Earnings for the year	1	7
Other comprehensive income	–	–
Total comprehensive income for the year	1	7

PARENT COMPANY'S CASH FLOW STATEMENT

SEK MILLION	2022	2021
Operating activities		
Profit after financial items	-25	-28
Adjustments for items not included in cash flow	5	-3
Taxes paid	-5	-1
Cash flow from operating activities before changes in working capital	-25	-32
Cash flow from changes in working capital		
Increase(-)/Decrease(+) in operating receivables	-1	27
Increase(+)/Decrease(-) in operating liabilities	-0	5
Cash flow from operating activities	-26	0
Investing activities		
Investment in property, plant and equipment	-0	–
Cash flow from investing activities	-0	–
Financing activities		
Repayment	–	-100
Changes in financial receivables/liabilities, Group companies	73	142
Dividend to Parent Company shareholders	-47	-42
Cash flow from financing activities	26	–
Cash flow for the year	0	0
Cash and cash equivalents as of beginning of the financial year	0	–
Cash and cash equivalents at year-end	0	0

PARENT COMPANY'S BALANCE SHEET

SEK MILLION	NOTE	12/31/2022	12/31/2021
ASSETS			
Fixed assets			
Intangible fixed assets		0	0
Property, plant and equipment		0	1
Total intangible assets and property, plant and equipment		1	1
Financial fixed assets			
Participations in Group companies	8, 10	1,450	1,450
Other long-term receivables		0	1
Total financial fixed assets		1,450	1,451
Deferred tax assets		1	–
Total fixed assets		1,452	1,452
Current assets			
Current receivables			
Receivables from Group companies		26	37
Current tax assets		3	1
Prepaid expenses and accrued income		3	2
Total current receivables		32	40
Cash and cash equivalents		0	0
Total current assets		32	40
Total assets		1,484	1,492

SEK MILLION	NOTE	12/31/2022	12/31/2021
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	9	11	11
Statutory reserve		99	99
Total restricted equity		110	110
Stock premium reserve		1,133	1,133
Profit/loss brought forward		-200	-153
Total unrestricted equity		933	980
Total equity		1,043	1,090
Liabilities			
Non-current liabilities			
Liabilities to Group companies		424	383
Total non-current liabilities		424	383
Current liabilities			
Accounts payable		2	1
Liabilities to Group companies		0	0
Current tax liabilities		3	–
Other liabilities		1	6
Accrued expenses and deferred income		11	12
Total current liabilities		17	19
Total equity and liabilities		1,484	1,492

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY	RESTRICTED EQUITY		NON-RESTRICTED EQUITY		TOTAL EQUITY
	SHARE CAPITAL	STATUTORY RESERVE	STOCK PREMIUM RESERVE	PROFIT/LOSS BROUGHT FORWARD	
Opening balance, January 1, 2021	11	99	1,133	-118	1,125
Comprehensive income					
Earnings for the year	–	–	–	7	7
Total comprehensive income	–	–	–	7	7
Transactions with shareholders					
Dividend to Parent Company shareholders (SEK 2.00 per share)	–	–	–	-42	-42
Total transactions with shareholders	–	–	–	-42	-42
Closing balance as of December 31, 2021	11	99	1,133	-153	1,090
Comprehensive income					
Earnings for the year	–	–	–	1	1
Total comprehensive income	–	–	–	1	1
Transactions with shareholders					
Dividend to Parent Company shareholders (SEK 2.25 per share)	–	–	–	-47	-47
Total transactions with shareholders	–	–	–	-47	-47
Closing balance as of December 31, 2022	11	99	1,133	-200	1,043

NOTES FOR THE PARENT COMPANY

All amounts in SEK million unless otherwise stated. Figures in parentheses refer to the previous year. Some figures are rounded, so amounts might not always appear to match when added up.

NOTE 1 ACCOUNTING POLICIES

The Parent Company applies standard RFR 2 Accounting for legal entities, issued by the Swedish Financial Reporting Board. Financial reporting for legal entities. RFR 2 states that parent companies of groups that voluntarily choose to apply IAS/IFRS in their consolidated accounts shall, as a rule, also apply the same IAS/IFRS. The Parent Company therefore applies the policies used for the consolidated accounts and which have been described above in Note 4 to the consolidated accounts, with the exceptions stated below. The policies have been applied consistently for all years presented, unless otherwise stated. Stock units and participations in subsidiary companies are recognized at cost less any write-down.

Dividends received are recognized as financial income. Dividends that exceed the subsidiary's comprehensive income for the period or which mean that the book value of the participation's net assets in the consolidated financial statements are lower than the book value of the participations are an indication of an impairment requirement.

When there is an indication that shares and participations in subsidiaries have fallen in value, an estimate is made of the recoverable value. If this is lower than the carrying amount, impairment is carried out. Impairment is recognized under 'Profit from participations in Group companies'.

Shareholders' contributions are entered directly against equity on behalf of the recipient and capitalized as shares and participations on behalf of the issuer, to the extent that write-downs are not required.

Group contributions are recognized by applying the so-called alternative rule in accordance with RFR 2, IAS 27, p.2. The alternative rule means that contributions both received and paid are recognized as an appropriation in the income statement.

The parent applies the points set out in RFR 2 (IFRS 9 Financial Instruments, pp. 3-10) whereby financial instruments are valued at acquisition cost. During subsequent periods, financial assets that were acquired with the intention of being held in the short-term will be recognized at the lower of the acquisition value or the fair market value, in accordance with the lowest value principle.

When calculating the net sales value of receivables that are recognized as current assets, the principles of impairment testing and loss risk reserves in IFRS 9 shall be applied.

The Parent Company only has intra-Group receivables, where the loss risk is considered negligible. The Parent Company's income consists solely of intra-Group invoicing. The income is recognized over time as the services are used.

The Parent Company does not apply IFRS 16 to legal persons in accordance with the exception in RFR 2.

NOTE 2 NET SALES

	2022	2021
Intra-Group services	20	18
Other income	–	–
Total net sales	20	18

Intra-Group services include management, IT services and administrative support. Debiting took place on market terms.

NOTE 3 EMPLOYEES, EMPLOYEE BENEFIT EXPENSES AND REMUNERATION TO THE BOARD OF DIRECTORS

The company has 8 (8) employees. Note 8 to the consolidated accounts presents total remuneration paid to Board members and senior executives.

AVERAGE NUMBER OF EMPLOYEES	2022	2021
Women	5	5
Men	3	3
Total	8	8

SALARIES, REMUNERATION, SOCIAL SECURITY COSTS AND PENSION EXPENSES	2022	2021
Salaries and remuneration to the Board of Directors, the President and CEO	11	8
Salaries and remuneration to other employees	6	9
Total salaries and remuneration	17	17
Social security costs in accordance with legislation and agreements	6	6
Pension costs for the Board of Directors, President and CEO	2	2
Pension costs for other employees	2	2
Total social security costs and pension expenses	10	10
Total	27	27

NO. OF BOARD MEMBERS ON BALANCE SHEET DATE	2022	2021
Women	2	2
Men	6	6
Total	8	8

NUMBER OF PRESIDENTS AND OTHER SENIOR EXECUTIVES	2022	2021
Women	3	3
Men	1	1
Total	4	4

NOTE 4 REMUNERATION TO AND REIMBURSEMENT OF AUDITORS

PWC	2022	2021
Audit	1	2
Other auditing assignments	0	0
Tax advice	0	1
Other services	0	0
Total remuneration to and reimbursement of auditors	1	3

"Audit engagement" refers to the examination of the financial statements and accounting records and the Board's and President and CEO's administration, other tasks that might be incumbent on the company's auditors, and advice or other assistance as a result of observations during the audit or the implementation of the other duties referred to.

'Other audit activities' in addition to the audit engagement mainly comprises a general review of interim reports. "Tax advice" includes advice on income tax, including internal pricing issues, and VAT. "Other services" refers to advice not related any of the above categories of services.

NOTE 5 INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

	2022	2021
Interest expenses, external	–	-0
Interest expenses, Group companies	-4	-3
Other	-1	-1
Total interest expenses and similar profit/loss items	-5	-4

NOTE 6 APPROPRIATIONS

	2022	2021
Group contributions received	26	37
Group contributions paid	–	–
Total appropriations	26	37

NOTE 7 TAX ON PROFIT FOR THE YEAR

REPORTED TAX	2022	2021
Current tax		
Current tax for the year	-1	-2
Total current tax	-1	-2
Deferred tax expense (-)/ tax income (+)		
Deferred tax in respect of temporary differences	1	–
Total deferred tax	1	–
Total reported tax	-0	-2

RECONCILIATION OF EFFECTIVE TAX	2022	2021
Profit before tax	1	9
Tax according to applicable tax rate	-0	-2
Tax effect of:		
Non-deductible expenses	-0	-0
Tax on income for the year according to income statement	-0	-2

NOTE 8 PARTICIPATIONS IN GROUP COMPANIES

	12/31/2022	12/31/2021
At beginning of year	1,450	1,450
Shareholders' contribution	–	–
At year-end	1,450	1,450

SPECIFICATION OF PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

SUBSIDIARY/CORP. REG. NO./ REGISTERED OFFICE	PARTICIPATION, %	RECOGNIZED VALUE
	12/31/2022	12/31/2022
Bulten Holding AB, 556224-0894, Gothenburg	100%	1,450
At year-end		1,450

The share of capital in the above holding is equivalent to the share of voting rights.

NOTE 9 SHARE CAPITAL

	ORDINARY SHARES	TOTAL NUMBER OF SHARES
Number of shares outstanding as of December 31, 2021	20,987,992	20,987,992
Number of shares outstanding as of December 31, 2022	20,987,992	20,987,992

The total number of ordinary shares as of December 31, 2022 amounts to 21,040,207. The quotient value per share is SEK 0.50. All issued shares are fully paid up.

NOTE 10 PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTIONS

	12/31/2022	12/31/2021
Shares in subsidiaries	1,450	1,450
Total pledged assets for liabilities to credit institutions	1,450	1,450

NOTE 11 CONTINGENT LIABILITIES

	12/31/2022	12/31/2021
Guarantees on behalf of Group companies	7	7
Other contingent liabilities	2	1
Total contingent liabilities	9	8

NOTE 12 TRANSACTIONS WITH RELATED PARTIES

Intra-Group sales and services are conducted between the Parent Company and Group companies. See Note 2 (Net sales). Other transactions with related parties during the year are shown in Note 3 (Employees, employee benefit expenses and remuneration to the Board of Directors) as well as interest expenses which appear in Note 5 (Interest expenses and similar items). Transactions with related parties have taken place on terms equal to those which apply for transactions on business terms.

DECLARATION AND SIGNATURES

The Board of Directors and the President and CEO confirm that the annual accounts have been prepared in accordance with accepted accounting standards in Sweden, and that the consolidated financial statements have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards. The annual accounts and the consolidated financial statements give a true and fair view of the Group's and Parent Company's financial position and profit. The Board of Directors' Report for the Group and the Parent Company gives a true and fair view of the Group's and the Parent Company's operations, position and profit, and describes significant risks and uncertainty factors that the Parent Company and Group companies face.

Gothenburg, March 27, 2023

Ulf Liljedahl
Chair of the Board

Karin Gunnarsson
Board member

Hans Gustavsson
Board member

Christina Hallin
Board member

Hans Peter Havdal
Board member

Peter Karlsten
Board member

Joakim Stenberg
Employee representative

Harri Åman
Employee representative

Anders Nyström
President and CEO

Our auditor's report was submitted on March 27, 2023
PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of the shareholders of Bulten AB (publ), organization registration number 556668-2141

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

Opinions

We have audited the annual accounts and consolidated financial statements of Bulten AB (publ) for the year 2022. The annual accounts and consolidated financial statements of the company are presented on pages 67-105 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of December 31, 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2022 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The Board of Directors' Report is consistent with other parts of the annual accounts and consolidated financial statements.

We therefore recommend that the general meeting adopt the income statement and balance sheet for the Parent Company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the supplementary report that has been submitted to the audit committee of the Parent Company and the Group in accordance with Article 11 of the Audit Regulation (537/2014).

Basis for opinions

We have conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the section 'Auditor's Responsibilities'. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements. This means that, based on our best knowledge and belief, no prohibited services as referred to in Article 5.1 of the Auditors Regulations (537/2014) have been provided to the audited company or, as the case may be, its Parent Company or its controlled companies in the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit work

The focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where the President and CEO and Board of Directors have made subjective judgments such as in respect of significant accounting estimates that involved making assumptions and forecasts with regard to future events that are inherently uncertain. As in all of our audits, we also addressed the risk of the Board of Directors and the President and CEO overriding internal controls, which included assessing whether there was evidence of systematic deviations that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform an appropriate review to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls and the industry in which the Group operates.

When we designed our audit strategy and audit plan for the Group, we assessed the degree of audit that had to be carried out by the Group audit team and the component auditors from the PwC network. As a consequence of Bulten's decentralized financial organization, large parts of the Group's financial reporting are performed in units outside Sweden. This means that a significant portion of the audit must be performed by component auditors operating in the PwC network in other countries. When we assessed the extent of the audit that needed to be performed in each unit, we considered the Group's geographical spread and the size of each unit, as well as the specific risk profile that each unit represents. Against this background, we estimated that a full audit should be performed on, in addition to the Parent Company in Sweden, the financial information prepared by the six main subsidiaries (based in a total of four different countries).

For two units that we did not consider it appropriate to conduct a full audit for, we instructed our component auditor to perform overview review procedures. For other units, which were assessed as individually immaterial to the Group audit, the Group audit team performed analytical review procedures at Group level.

In cases where the component auditors carry out work that is essential to our audit of the Group, we evaluate, in our capacity as Group auditors, the need for, and degree of, involvement in the component auditors' work in order to determine whether sufficient audit evidence has been obtained to form the basis for our opinion on the Group audit report. The Group Audit Team holds regular meetings with the unit auditors for that purpose.

Materiality

The scope of our audit was influenced by our assessment of materiality. An audit is designed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions users make on the basis of the financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the focus and scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are the matters which, in our professional opinion, were of most significance in our audit of the annual accounts and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the annual accounts and consolidated accounts as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

Key audit matter

Inventory obsolescence

As of December 31, 2022, the Group recognizes inventories of SEK 959 million. The executive management determines the value of inventories based on estimates of the cost of acquisition less estimated obsolescence. The valuation of inventories is essential for our audit because it comprises a number of estimates and assumptions and also because the value of inventory is a significant proportion of the Group's total assets. A key assessment that the executive management needs to undertake in the valuation of inventories is the Group's ability to sell the products it has in stock at a price in excess of their cost of acquisition, and in this context to consider the risk of obsolescence.

In order to identify and consistently calculate the risk of obsolescence, the executive management has established Group-wide guidelines for calculating obsolescence. The guidelines take into account individual articles' inventory time (slow-moving inventory), which together with actual and estimated future sales volumes give the executive management a basis to establish a reasonable obsolescence reserve.

In order to identify and consistently calculate the risk of obsolescence, the executive management has established Group-wide guidelines for calculating obsolescence. The guidelines take into account individual articles' inventory time (slow-moving inventory), which together with actual and estimated future sales volumes give the executive management a basis to establish a reasonable obsolescence reserve.

The Group's policies for the valuation of inventories and recognition of inventory obsolescence are described in Note 21.

How our audit addressed this key audit matter

Our audit procedures included an evaluation of the Group's policies for determining inventory obsolescence.

We have examined the application of the Group's guidelines for calculating obsolescence in reporting units. We have tested mathematical correctness in the company's reports of items that have not moved in the inventory for an extended period, both by taking random samples and by way of data analysis of inventory transactions. We have used analytical procedures to identify inventory items that are sold with a negative margin.

We have discussed the minutes of board meetings and other important management meetings with management and reviewed the same to identify projected changes in sales that could result in inventory items becoming obsolete.

We have finally verified that the Group described its policies in a satisfactory manner for the valuation of inventories in the annual accounts, including the estimates and assumptions made for valuing the inventory as of December 31, 2022

Information other than the annual accounts and consolidated financial statements

This document also contains information other than the annual accounts and consolidated financial statements, which is presented on pages 1-35 and 110-114 and the Sustainability Report on pages 36-56 and 115-117. The other information also consists of the remuneration report that we have accessed prior to the date of this audit report. The Board of Directors and the President and CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated financial statements does not cover this other information and we do not express any form of assurance regarding this other information.

In connection with our audit of the annual accounts and consolidated financial statements, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated financial statements. In this procedure we also take into account the knowledge we have obtained in our audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report the same. We have nothing to report in this regard.

Responsibility of the Board of Directors and of the President and CEO

The Board of Directors and the President and CEO are responsible for the preparation of the annual accounts and consolidated financial statements such that they give a true and fair view in accordance with the Annual Accounts Act and, concerning the consolidated financial statements, in accordance with IFRS as adopted by the EU, and the Swedish Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they deem necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated financial statements, the Board of Directors and the President and CEO are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters that may affect the ability to continue as a going concern and the use of the going concern assumption. The going concern assumption is, however, not applied if the Board of Directors and the President and CEO intend to liquidate the company, cease operations or have no realistic alternative but to do so.

The Board's audit committee shall, among other things and without prejudice to the Board of Director's responsibilities and tasks in general, oversee the company's financial reporting.

The auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions users make on the basis of these annual accounts and consolidated financial statements.

A further description of our responsibility for the audit of the annual accounts and consolidated financial statements is available in Swedish on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar This description forms part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated financial statements, we have also audited the administration of the Board of Directors and the President and CEO of Bulten AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting that the profit be appropriated in accordance with the proposal in the Board of Director's Report and that the members of the Board of Directors and the President and CEO be discharged from liability for the financial year.

Basis for opinions

We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under the same are further described in the section 'Auditor's Responsibilities'. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibility of the Board of Directors and of the President and CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. A dividend proposal includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity and their consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes the continuous assessment of the company's and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, the management of assets and the company's financial affairs in general are controlled in a reassuring manner. The President and CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and, among other things, take measures as necessary for ensuring the compliance of the company's accounting with the law and for ensuring the management of assets in a reassuring manner.

The auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the President and CEO in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability for the company; or
- has in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.
- Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability for the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

	INTRODUCTION	STRATEGY	AREA OF OPERATION	SUSTAINABILITY INFORMATION	CORPORATE GOVERNANCE	FINANCIAL INFORMATION
	THE AUDITOR’S EXAMINATION OF THE ESEF REPORTOPINIONS In addition to our audit of the annual accounts and the consolidated accounts, we have also examined that the Board of Directors and the President and CEO have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Bulten AB (publ) for 2022. Our examination and our opinion relate only to the statutory requirements. In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting. Basis for opinions We have performed the examination in accordance with FAR’s Recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the section ‘Auditor’s responsibility’. We are independent of Bulten AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.	Responsibility of the Board of Directors and of the President and CEO The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.	The auditor’s responsibility Our responsibility is to form an opinion with reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements. Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report. The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements. The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls.	The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director. The audit measures mainly include validating that the ESEF report has been prepared in a valid XHTML format and checking that the ESEF report is consistent with the audited annual financial statements and consolidated financial statements. Furthermore, the review also includes an assessment of whether the Group’s income statement, balance sheet and equity accounts, cash flow statement and notes to the ESEF report have been iXBRL tagged in accordance with the ESEF Regulation. PricewaterhouseCoopers AB, 113 21 Stockholm was appointed as auditor of Bulten AB by the general meeting on April 28, 2022 and has been the company’s auditor since September 8, 2004. Bulten AB (publ) has been a company of public interest since May 20, 2011. Gothenburg, March 27, 2023 PricewaterhouseCoopers AB Johan Palmgren <i>Authorized Public Accountant</i>		
109	BULTEN ANNUAL AND SUSTAINABILITY REPORT 2022					

KEY FIGURES FOR THE GROUP

GROUP	2022	2021	2020	2019	2018
Margins					
EBITDA margin, %	7.9	10.7	8.7	7.7	9.6
Adjusted EBITDA margin, %	10.3	10.7	8.6	9.3	9.6
EBIT margin (operating margin), %	4.0	6.2	3.6	3.2	6.7
Adjusted EBIT margin (operating margin), %	6.3	6.2	3.5	4.8	6.7
Net margin, %	1.7	4.1	1.6	1.8	4.6
Adjusted net margin, %	3.9	4.1	1.5	3.1	4.6
Profitability ratios					
Return on capital employed, %	6.3	9.7	5.4	5.5	12.8
Adjusted return on capital employed, %	9.9	9.7	5.2	8.1	12.9
Return on capital employed, excluding goodwill, %	6.8	10.7	5.9	6.2	14.6
Adjusted return on capital employed, excluding goodwill, %	10.7	10.7	5.8	9.0	14.7
Return on equity, %	3.2	9.1	3.7	3.5	9.9
Adjusted return on equity, %	9.1	9.1	3.5	6.4	10.0
Capital structure					
Capital turnover rate, times	1.5	1.6	1.5	1.6	1.9
Debt/equity ratio, times	-0.5	-0.4	-0.3	-0.4	-0.1
Interest coverage ratio, times	6.8	10.1	3.9	7.6	18.2
Equity/assets ratio, %	41.9	49.3	49.4	55.2	64.8
Personnel					
Net sales per employee, SEK 000	2,841	2,230	1,977	2,171	2,186
Operating profit per employee, SEK 000	114	139	72	69	146
Number of employees	1,575	1,673	1,616	1,425	1,433
Other					
Net debt (-), SEK million	-925	-655	-458	-565	-181
Adjusted net debt (-), SEK million ²⁾	-411	-323	-112	-299	-145
Earnings per share attributable to Parent Company shareholders					
Earnings per share, SEK ^{*)}	2.65	6.85	2.66	2.62	7.19
Earnings per share (SEK) adjusted for non-recurring items ^{*)}	7.48	6.85	2.53	4.73	7.24
Number of shares outstanding					
Weighted number of outstanding ordinary shares, thousands ^{*)}	20,988.0	20,988.0	20,829.5	20,030.8	20,323.7

*) Refers to before dilution

1) Earnings per share adjusted for non-recurring items. Earnings after tax adjusted for non-recurring items. All adjusted items take current tax and deferred tax into account.

Divided by weighted number of outstanding shares at the balance sheet date.

2) Adjusted net cash/net debt. Interest-bearing liabilities excluding interest-bearing liabilities attributable to finance leases, less interest-bearing assets.

QUARTERLY DATA FOR THE GROUP

GROUP	2022				2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Orders received	1,437	1,033	1,289	1,134	871	830	947	1,010	1,188	1,322	409	688
Income statement												
Net sales	1,339	1,095	1,006	1,034	953	764	910	1,103	1,080	853	441	821
Gross profit	245	187	189	205	168	140	176	226	212	161	40	154
Adjusted gross profit	254	187	189	205	168	140	176	226	212	161	40	154
Earnings before depreciation and amortization (EBITDA)	148	91	84	32	90	74	96	140	132	80	-18	83
EBITDA margin, %	11.0	8.3	8.3	3.1	9.4	9.7	10.6	12.7	12.2	9.4	-4.1	10.1
Adjusted earnings before depreciation and amortization (EBITDA)	159	91	94	115	90	74	96	140	125	80	-18	83
Adjusted EBITDA margin, %	11.9	8.3	9.3	11.1	9.4	9.7	10.6	12.7	11.6	9.4	-4.1	10.1
Operating earnings (EBIT)	103	47	41	-11	48	31	55	98	92	40	-59	43
EBIT margin (operating margin), %	7.6	4.3	4.1	-1.1	5.0	4.1	6.0	8.9	8.5	4.7	-13.3	5.2
Adjusted operating profit (EBIT)	114	47	51	72	48	31	55	98	85	40	-59	43
Adjusted EBIT margin (operating margin), %	8.5	4.3	5.0	7.0	5.0	4.1	6.0	8.9	7.8	4.7	-13.3	5.2
Profit after tax	73	18	22	-39	32	16	38	68	63	17	-39	9
Net margin, %	5.5	1.6	2.2	-3.8	3.3	2.2	4.2	6.1	5.8	2.1	-8.8	1.1
Adjusted profit after tax	82	18	32	44	32	16	38	68	57	17	-39	9
Adjusted net margin, %	6.2	1.6	3.1	4.3	3.3	2.2	4.2	6.1	5.3	2.1	-8.8	1.1
Cash flow from												
operating activities	250	-27	-19	94	45	-122	32	93	176	157	51	63
investing activities	-72	-69	-50	-75	-69	-55	-25	-16	-19	-12	-17	-71
financing activities	-9	145	131	-100	71	171	3	-136	-66	-144	-28	84
Cash flow for the period	169	49	62	-81	47	-6	10	-59	91	1	6	76
Earnings per share attributable to Parent Company shareholders												
Earnings per share (SEK) before dilution *)	3.01	0.65	0.88	-1.90	1.16	0.68	1.80	3.21	2.96	0.91	-1.85	0.63
Basic earnings per share (SEK) adjusted for non-recurring items *)	3.45	0.65	1.32	2.07	1.16	0.68	1.80	3.21	2.67	0.91	-1.85	0.63
Number of outstanding ordinary shares												
Weighted number of outstanding ordinary shares before dilution, thousands *)	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,350.6

QUARTERLY DATA FOR THE GROUP, BALANCE SHEET

GROUP	12/31/2022	09/30/2022	06/30/2022	03/31/2022	12/31/2021	09/30/2021	06/30/2021	03/31/2021	12/31/2020	09/30/2020	06/30/2020	03/31/2020
Balance sheet												
Fixed assets	1,768	1,706	1,472	1,421	1,446	1,380	1,348	1,358	1,354	1,394	1,323	1,373
Current assets	2,588	2,369	2,124	1,988	1,973	1,836	1,772	1,803	1,717	1,649	1,449	1,776
Shareholders' equity	1,825	1,749	1,699	1,650	1,687	1,637	1,608	1,619	1,517	1,512	1,508	1,622
Non-current liabilities	880	878	607	506	641	608	504	476	574	587	715	741
Current liabilities	1,651	1,448	1,290	1,253	1,091	971	1,008	1,066	980	944	549	786
Other												
Net debt (-)	-925	-1,081	-777	-648	-655	-623	-438	-392	-458	-605	-634	-679
Adjusted net cash(+)/net debt (-)	-411	-569	-446	-319	-323	-285	-94	-42	-112	-238	-371	-391
Equity per share attributable to Parent Company shareholders												
Equity per share, SEK *)	85.72	82.11	79.96	77.45	79.09	77.11	75.88	76.41	71.62	71.36	70.98	76.41
Number of outstanding ordinary shares												
Weighted number of outstanding ordinary shares, thousands *)	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0
Share price												
Share price at end of period (SEK)	59.50	53.20	64.00	65.10	93.00	84.40	102.80	104.60	89.80	71.60	53.40	39.50

GROUP, 12-MONTH ROLLING

GROUP, 12-MONTH ROLLING	JANUARY 2022– DECEMBER 2022	OCTOBER 2021– SEPTEMBER 2022	JULY 2021– JUNE 2022	APRIL 2021– MARCH 2022	JANUARY 2021– DECEMBER 2021	OCTOBER 2020– SEPTEMBER 2021	JULY 2020– JUNE 2021	APRIL 2020– MARCH 2021	JANUARY 2020– DECEMBER 2020	OCTOBER 2019– SEPTEMBER 2020	JULY 2019– JUNE 2020	APRIL 2019– MARCH 2020
Income statement												
Net sales	4,474	4,088	3,757	3,661	3,730	3,857	3,946	3,477	3,195	2,899	2,764	3,104
Gross profit	826	749	702	689	710	754	775	639	567	504	449	538
Adjusted gross profit	835	749	702	689	710	754	775	639	567	504	460	552
Earnings before depreciation and amortization (EBITDA)	355	297	280	292	400	442	448	334	277	210	159	231
EBITDA margin, %	7.9	7.3	7.4	8.0	10.7	11.5	11.4	9.6	8.7	7.2	5.8	7.5
Adjusted earnings before depreciation and amortization (EBITDA)	459	390	372	375	400	439	445	331	274	225	201	279
Adjusted EBITDA margin, %	10.3	9.5	9.9	10.2	10.7	11.4	11.3	9.5	8.6	7.7	7.3	9.0
Operating earnings (EBIT)	180	125	109	122	232	276	285	171	116	51	4	83
EBIT margin (operating margin), %	4.0	3.1	2.9	3.3	6.2	7.1	7.2	4.9	3.6	1.8	0.2	2.7
Adjusted operating profit (EBIT)	284	218	201	206	232	273	282	168	113	67	46	131
Adjusted EBIT margin (operating margin), %	6.3	5.3	5.4	5.6	6.2	7.1	7.1	4.9	3.5	2.3	1.7	4.2
Profit after tax	74	33	32	47	154	185	186	109	50	-2	-33	20
Net margin, %	1.7	0.8	0.9	1.3	4.1	4.8	4.7	3.1	1.6	-0.0	-1.2	0.6
Adjusted profit after tax	176	126	124	130	154	183	184	107	48	13	2	60
Adjusted net margin, %	3.9	3.1	3.3	3.5	4.1	4.7	4.7	3.1	1.5	0.5	0.1	1.9
Personnel												
Net sales per employee, SEK 000	2,841	2,600	2,361	2,220	2,230	2,295	2,384	2,121	1,977	1,808	1,761	2,133
Operating profit per employee, SEK 000	114	80	68	74	139	164	172	104	72	32	3	57
Number of employees at the balance sheet date	1,575	1,572	1,591	1,649	1,673	1,680	1,655	1,639	1,616	1,603	1,570	1,455
Profitability ratios												
Return on capital employed, %	6.3	4.5	4.4	5.3	9.7	11.7	12.6	7.4	5.4	2.5	0.2	3.9
Adjusted return on capital employed, % ¹⁾	9.9	7.9	8.1	8.7	9.7	11.6	12.5	7.3	5.2	3.1	2.1	5.9
Return on capital employed, excluding lease liabilities, %	7.0	5.0	4.9	6.0	11.0	13.5	14.2	8.3	5.9	2.6	0.0	5.1
Return on capital employed, excluding goodwill, %	6.8	4.9	4.8	5.9	10.7	12.9	13.9	8.2	5.9	2.7	0.2	4.2
Adjusted return on capital employed, excluding goodwill, % ¹⁾	10.7	8.5	9.0	9.8	10.7	12.7	13.8	8.0	5.8	3.5	2.3	6.5
Return on equity, %	3.2	1.0	1.1	2.3	9.1	11.7	12.1	6.9	3.7	0.3	-2.0	1.4
Adjusted return on equity, % ²⁾	9.1	6.5	6.7	7.4	9.1	11.5	11.9	6.7	3.5	1.2	0.3	4.0
Other												
Net debt(-)/EBITDA	-2.6	-3.6	-2.8	-2.2	-1.6	-1.4	-1.0	-1.2	-1.7	-2.9	-4.0	-2.9
Adjusted net debt(-)/EBITDA	-1.2	-1.9	-1.6	-1.1	-0.8	-0.6	-0.2	-0.1	-0.4	-1.1	-2.3	-1.7
Adjusted net debt(-)/Adjusted EBITDA	-1.1	-1.8	-1.4	-1.0	-0.9	-0.7	-0.2	-0.2	0.5	-1.4	-2.4	-1.7

DEFINITIONS

Number of employees (headcount)

The actual number of employees, including absent employees and time-limited employees, regardless of working hours.

Return on equity

Profit/loss for the year excluding non-controlling interests in relation to average equity excluding non-controlling interests.

Return on adjusted equity

Profit/loss for the year excluding non-controlling interests in relation to average equity excluding non-controlling interests but including shareholder loans and preference shares.

Return on capital employed

ROCE is defined as profit/loss after net financial items plus financial expenses as a percentage of average capital employed.

Gross margin

Gross profit/loss as a percentage of net sales for the year.

EBITDA margin

Operating profit/loss before depreciation and amortization as a percentage of net sales for the year.

EBIT margin (operating margin)

Operating profit/loss after depreciation and amortization as a percentage of net sales for the year.

Shareholders' equity

Recognized equity including non-controlling interests.

Adjusted EBIT margin (operating margin)

Operating profit/loss after depreciation and amortization adjusted for non-recurring items as a percentage of sales for the year.

Adjusted net cash/net debt

Interest-bearing liabilities excluding interest-bearing liabilities attributable to finance leases, less interest-bearing assets.

Capital turnover

Net sales divided by average capital employed.

Inventory turnover

Cost of goods sold divided by average inventories.

LTIR (Lost Time Injury Rate)

Number of accidents leading to absence x 200,000/total number of hours worked.

Average number of employees (FTE)

The total number of hours worked divided by normal annual working hours, expressed as the number of full-time positions.

Net cash/net debt

Interest-bearing liabilities less interest-bearing assets, all calculated at year-end.

Net margin

Net profit as a percentage of net sales

Net sales per employee

Net sales divided by average number of FTEs.

Organic growth

Net sales for the year compared to the previous year's results, adjusted for currency and acquisitions.

Earnings per share after tax

Profit/loss for the year divided by the average number of shares.

Interest-coverage ratio

Profit/loss after net financial items, plus financial expenses, divided by financial expenses.

Working capital

Current assets less current non-interest-bearing liabilities.

Operating margin

Operating profit as a percentage of net sales

Operating profit per employee

Operating profit/loss divided by average number of employees.

Debt/equity ratio

Interest-bearing net liabilities divided by equity.

Equity ratio

Equity including non-controlling interests as a percentage of the balance sheet total.

Capital employed

Balance sheet total less non-interest-bearing liabilities, including deferred tax.

PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities				Substantial contribution criteria							DNSH CRITERIA (DO NO SIGNIFICANT HARM)							TAXONOMY-ALIGNED PROPORTION OF TURNOVER, YEAR 2022 %		TAXONOMY-ALIGNED PROPORTION OF TURNOVER, YEAR 2021 %		CATEGORY (ENABLING ACTIVITY) CATEGORY (TRANSITIONAL ACTIVITY)	
ECONOMIC ACTIVITIES	CODE(S)	ABSOLUTE TURNOVER MSEK	PROPORTION OF TURNOVER %	CLIMATE CHANGE MITIGATION %	CLIMATE CHANGE ADAPTATION %	WATER AND MARINE RESOURCES %	CIRCULAR ECONOMY %	POLLUTION %	BIODIVERSITY AND ECOSYSTEMS %	CLIMATE CHANGE MITIGATION J/N	CLIMATE CHANGE ADAPTATION Y/N	WATER AND MARINE RESOURCES Y/N	CIRCULAR ECONOMY Y/N	POLLUTION Y/N	BIODIVERSITY AND ECOSYSTEMS J/N	MINIMUM SAFEGUARDS J/N							
A. Taxonomy eligible activities																							
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						0	
Turnover of eligible Taxonomy-aligned activities (A.1)			0														0	0					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																							
Turnover of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			0															0	0				
Total (A.1 + A.2)		0	0	0														0	0				
B. Taxonomy non-eligible activities																							
Turnover of non-eligible activities (B)		4,474	100																				
Total (A + B)		4,474	100																				

CAPEX

Proportion of CAPEX from products or services associated with Taxonomy-aligned economic activities				SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH CRITERIA (DO NO SIGNIFICANT HARM)									TAXONOMY-ALIGNED PROPORTION OF CAPEX, YEAR 2022 %	TAXONOMY-ALIGNED PROPORTION OF CAPEX, YEAR 2021 %	CATEGORY (ENABLING ACTIVITY) J/N	CATEGORY (TRANSITIONAL ACTIVITY) J/N
ECONOMIC ACTIVITIES	CODE(S)	ABSOLUTE CAPEX MSEK	PROPORTION OF CAPEX %	CLIMATE CHANGE MITIGATION %	CLIMATE CHANGE ADAPTATION %	WATER AND MARINE RESOURCES %	CIRCULAR ECONOMY %	POLLUTION %	BIODIVERSITY AND ECOSYSTEMS %	CLIMATE CHANGE MITIGATION Y/N	CLIMATE CHANGE ADAPTATION Y/N	WATER AND MARINE RESOURCES Y/N	CIRCULAR ECONOMY Y/N	POLLUTION Y/N	BIODIVERSITY AND ECOSYSTEMS Y/N	MINIMUM SAFEGUARDS Y/N							
A.1 Environmentally sustainable activities (Taxonomy aligned)																							
CAPEX of eligible Taxonomy-aligned activities (A.1)		0	0																				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																							
Construction of new buildings		7.1	106	22%																			
Installation, maintenance and repair of renewable energy technologies		7.6	2	0%																			
Installation, maintenance and repair of energy efficient equipment		7.3	1,1	0%																			
Installation, maintenance and repair of charging stations for electrical vehicles in buildings (and parking spaces attached)		7.4	0,1	0%																			
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		7.5	0,1	0%																			
Acquisition and ownership of buildings		7.7	208	42%																			
Transport by motorbikes, passenger cars and light commercial vehicles		6.5	4	1%																			
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		322	65%																				
Total (A.1 + A.2)		0	322	65%																			
B. Taxonomy non-eligible activities																							
CAPEX of non-eligible activities (B)		170	35%																				
Total (A + B)		492	100%																				

OPEX

Proportion of OPEX from products or services associated with Taxonomy-aligned economic activities				SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH CRITERIA (DO NO SIGNIFICANT HARM)									TAXONOMY- ALIGNED PRO- PORTION OF OPEX, YEAR 2022	TAXONOMY- ALIGNED PROPORTION OF OPEX, YEAR 2021	CATEGORY (ENABLING ACTIVITY)	CATEGORY (TRANSITIONAL ACTIVITY)
ECONOMIC ACTIVITIES	CODE(S)	ABSOLUTE OPEX MSEK	PROPORTION OF OPEX %	CLIMATE CHANGE MITIGATION %	CLIMATE CHANGE ADAPTATION %	WATER AND MARINE RESOURCES %	CIRCULAR ECONOMY %	POLLUTION %	BIODIVERSITY AND ECOSYSTEMS %	CLIMATE CHANGE MITIGATION Y/N	CLIMATE CHANGE ADAPTATION Y/N	WATER AND MARINE RESOURCES Y/N	CIRCULAR ECONOMY Y/N	POLLUTION Y/N	BIODIVERSITY AND ECOSYSTEMS Y/N	MINIMUM SAFEGUARDS Y/N	%	%	Y/N	Y/N			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																							
OPEX of eligible Taxonomy-aligned activities (A.1)		0	0	0	0																		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																							
Installation, maintenance and repair of energy efficient equipment	7.3	0.051	0.054%																				
Installation, maintenance and repair of renewable energy technologies	7.6	0.05	0.053%																				
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.101	0.11%																				
Total (A.1 + A.2)	0	0.101	0.11%															0	0				
B. Taxonomy non-eligible activities																							
OPEX of non-eligible activities (B)	92,8	99.89%																					
Total (A + B)	92,9	100%																					



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