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BULTEN IN BRIEF

Bulten was founded in 1873, and has since developed into one of the largest suppliers of fasteners to the international automotive industry. Today, we have around 1,600 employees worldwide and are headquartered in Gothenburg, Sweden. Our offering extends from a wide range of standard products, to bespoke fasteners manufactured to the customers' specific needs. With our Full Service Provider concept, our customers can either leave total responsibility for fasteners to us, which means that we take care of development, sourcing, logistics and service, or choose just certain parts of the concept. The share (BULTEN) is listed on Nasdaq Stockholm.

VISION

We create and supply the most innovative and sustainable fastening solutions.

MISSION

We draw from Bulten's close to 150 years of fastener knowledge to deliver, not merely fasteners, but complete solutions. Our experienced and dedicated people help our customers around the globe succeed in everything from product design to production, procurement and service.

Our nature is to expand the boundaries of our business. By driving innovation, as well as seeking partnerships with other innovative companies, we integrate new functionality and new services into our offer.

Being committed to sustainability and cost-efficiency, we continuously improve our products and our value chain to maintain industry leadership in minimal carbon footprint and use of natural resources, and we are a positive contributor to the society, wherever we are present. Sustainability is an integral part of our business model and of who we are.

CORE VALUES

 **PROFESSIONAL**

 **INNOVATIVE**

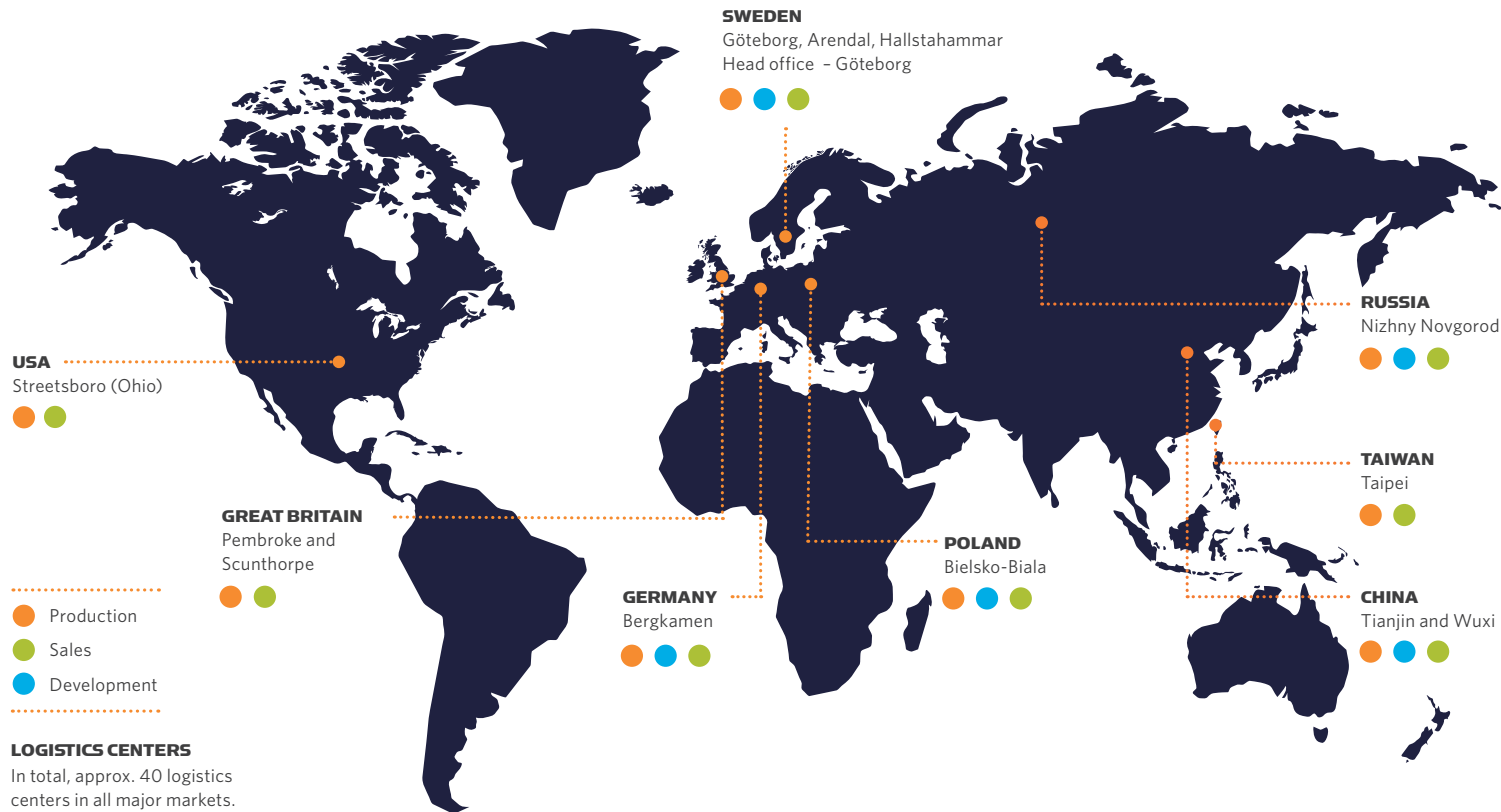
 **DEDICATED**

 **EMPOWERED**

BUSINESS CONCEPT

We continuously deliver market leading fastening solutions that meet customer requirements on efficiency, quality, price and sustainability.

With clear objectives, 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.

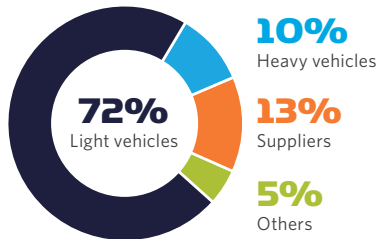


LOGISTICS CENTERS
In total, approx. 40 logistics centers in all major markets.

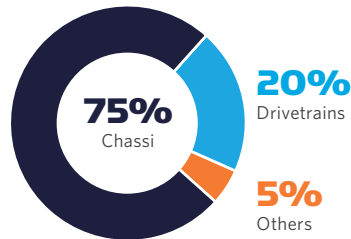
PARTLY-OWNED DISTRIBUTION COMPANIES
A total of 5 partly owned distribution companies in 5 countries.



INCOME BY CUSTOMER GROUP

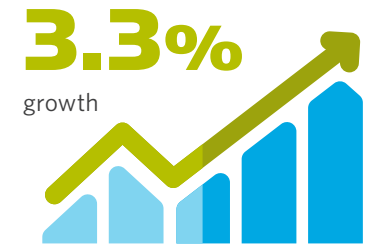


INCOME BY CHASSIS AND DRIVETRAINS



3,195
net sales 2020 (SEK M)

116 operating earnings (SEK M)
3.6% operating margin



SELECTION OF CUSTOMERS

Light vehicles: Audi, Avtovaz, BAIC, BMW, Fiat, Ford, Gaz, Geely, Jaguar, Land Rover, Lynk & Co, Nissan, Opel, Polestar, Porsche, Renault, Seat, Skoda, Tesla, UAZ, Volkswagen, Volvo

Heavy vehicles: AB Volvo, Mack, MAN, Renault, Scania, UD Trucks

Suppliers: Adient, Autoliv, Aisin, Bosch, CATL, Chassis Brake Intl., Delphi, Novares, Elring Klinger, Keihin, Magna, Facil, Faurecia, Hoerbiger, Lear Corporation, Magna, Mann + Hummel, Mahle, Optimas, Schaeffler, Takata, TRW, Trelleborg

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

THE YEAR IN BRIEF

NET SALES 2020

3,195
SEK M

OPERATING EARNINGS 2020

116
SEK M

OPERATING MARGIN 2020

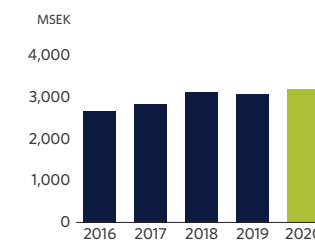
3.6%

FINANCIAL SUMMARY, SEK M

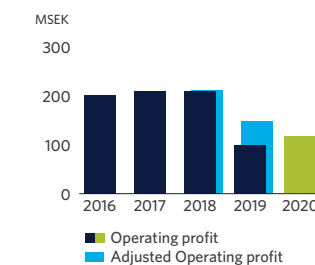
	2020	2019	2018	2017	2016
Net sales	3,195	3,093	3,132	2,856	2,676
Gross profit	567	543	600	558	531
Earnings before depreciation (EBITDA)	277	239	300	290	271
Operating earnings (EBIT)	116	98	210	210	200
Operating margin, %	3.6	3.2	6.7	7.4	7.5
Adjusted operating earnings (EBIT)*	113	147	211	210	200
Adjusted operating margin, % *	3.5	4.8	6.7	7.4	7.5
Earnings after tax	50	55	143	159	146
Adjusted earnings after tax *	48	97	144	159	146
Order bookings	3,607	3,103	3,098	3,015	2,717
Net debt/equity ratio, times	-0.3	-0.4	-0.1	0.0	0.0
Equity/assets ratio, %	49.4	55.2	64.8	66.8	68.9
Return on capital employed, %	5.4	5.5	12.8	14.4	13.9
Return on capital employed, (excluding leasing, IFRS 16), %	5.2	8.1	12.9	14.4	13.9

*) Adjusted for non-recurring items

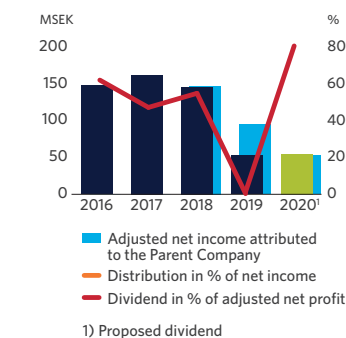
NET SALES, SEK M



OPERATING EARNINGS, SEK M



DIVIDEND IN % OF NET PROFIT



1) Proposed dividend

		NET SALES	GROWTH	OPERATING EARNINGS	OPERATING MARGIN
Q1	STRONG START TO Q1 SLOWED BY COVID-19 PANDEMIC – MEASURES TAKEN <ul style="list-style-type: none"> The global automotive industry was affected by COVID-19 and, as a result, Bulten had significantly lower production and sales during the first quarter. Measures to adapt the company's operations to the situation in each market were taken. All shares in PSM International Holdings Limited acquired. Bulten starts coordinating its business with PSM with a shared building in Ohio, USA. The new strategy, Stronger 24, new financial targets and the acquisition of PSM were presented at a Capital Markets Day. BUFOe, a new product family focused on energy efficiency was launched. 	821 SEK M	1.4%	43 SEK M	5.2%
Q2	NEW FSP CONTRACT SIGNED, QUARTER SEVERELY IMPAIRED BY COVID-19 EFFECTS <ul style="list-style-type: none"> A Full Service Provider (FSP) contract with an annual order value of approximately EUR 60 million a year at full pace was signed after the end of the quarter. A minority stake in TensionCam Systems AB at a purchase sum of SEK 6 million was acquired. The effects of COVID-19 continued to have had a serious impact on the global automotive industry, and by extension also on Bulten. Order bookings and net sales were negatively affected. Measures and adjustments to the company's operations were continued to be implemented in each market. The Board's dividend proposal was withdrawn from the 2020 AGM. 	441 SEK M	-43.5%	-59 SEK M	-13.3%
Q3	STRONG ORDER BOOKINGS AND INCREASED MARKET SHARES THANKS TO NEW CONTRACTS <ul style="list-style-type: none"> The quarter began cautiously following the pandemic, but there was a clear improvement towards the end of August and in September. New contracts and the favorable development of the acquired PSM Bulten resulted in continued market share wins. A new position of SVP Technology and Innovation was established in the Group Management team as an important part of Bulten's increased focus on technical leadership. A lease for a new production plant in Taipei, Taiwan, was signed. 	853 SEK M	18.8%	40 SEK M	4.7%
Q4	RECORD QUARTER ENDED 2020 <ul style="list-style-type: none"> Record quarter in Bulten's history, both as regards sales and profit. The rise in demand evident at the end of Q3 continued throughout the fourth quarter with a recovery in the market, phasing-in of new contracts according to plan, and good development in the acquired company, PSM. The relocations of the production units in Taiwan and the USA were finalized. Despite a very turbulent 2020, Bulten has succeeded well in our efforts to complete the 'Stronger 24' strategy plan. 	1,080 SEK M	37.6%	92 SEK M	8.5%

CEO'S STATEMENT


There is no doubt that 2020 as a whole was an extreme year for Bulten in several ways, with an automotive sector essentially closed down for several months due to the pandemic. In that perspective, it is not without a certain pride that we can sum up the Group's development during the year. We performed a strong recovery during the second half of the year thanks to the phasing in of both previously obtained and completely new contracts and a good development in acquired PSM. In addition, accelerated efficiency initiatives clearly had positive earnings effects and contributed to a strong cash flow. Despite market headwinds, we have also succeeded well in our efforts to complete our strategic plan "Stronger 24", which we presented at the beginning of 2020 with new progress in innovation and sustainability.

The full year 2020 brought abrupt changes and extreme shifts in conditions, unlike anything the industry has witnessed in many years. For Bulten the year began positively with the acquisition of PSM. This was one of the first stages in implementing our new 'Stronger 24' strategy, which we introduced in February – a five-year plan focusing on bolstering our position, driven by innovation and sustainability, along with more ambitious financial goals. Even then, we were starting to plan for various scenarios based on the effects a pandemic might have on Bulten. In March, the virus hit Europe hard and customers production was shut down in just a few weeks. Our preparations helped us to quickly slow down our production and our inflow of materials, and we were able to minimize the negative impact on costs and cash flow. Planned investments were also put on hold, including our planned new facility in Poland. In China, the industry started up again relatively quickly, but in Europe it took until the end of August before volumes began to return to normal levels.

NEW RECORD LEVELS AND LASTING ACTIONS FOR FUTURE PROFITABILITY

Despite months of very low activity in the industry, Bulten ended 2020 with a net sales of almost SEK 3.2 billion, which equates to growth of 3%, including the acquired PSM. This was thanks to a strong recovery during the second half-year, and a record fourth quarter in terms of sales, profit and cash flow. Our growth in the fourth quarter was 38%, which must be deemed a sign of strength in a market where demand is still burdened by COVID-19 and has yet to fully recover. The operating margin in the quarter rose to 8.5 percent, which is clear proof that we used the months of limited volumes in a good way. Much of the organic growth we saw in the fourth quarter can be attributed to the significant contract we won in the middle of the year. The contract was a takeover of an existing FSP business from one of our competitors and was started up only three weeks after the contract was entered into.

Already in 2019, we begun measures in our value chain, in the form of further optimization



Anders Nyström
President and CEO

“ Our ambition is to be the only supplier of fasteners that customers can afford to choose if they want to build a sustainable value chain.

of material flows and processes. In the spring of 2020, we took the opportunity to accelerate these measures significantly. This had a clear effect during the second half of the year and are efficiency actions that will have a lasting effect and boost our profitability moving forward.

STRENGTHENED PRODUCTION STRUCTURE

Two important parts of our strategy plan “Stronger 24” are growth and strengthened profitability. A key component here is an optimized production structure, with closer geographical proximity to our customers – particularly in China and the USA. In 2019, we moved to a new production unit in China. During the second half of 2020, Bulten’s and PSM’s respective operations in the USA were moved to a newly built, shared facility in Streetsboro, Ohio. The purpose is to facilitate expansion on the local North American market and to capitalize on synergies. In addition, production in our subsidiary, PSM Fasteners (Asia) Ltd, Taiwan, has been relocated to a new plant in Taipei. The new facility enables a more efficient and sustainable operation and forms a basis for further expansion. The relocations in both the USA and Taiwan have gone to plan, and there is still potential in synergies with our acquired company PSM, which has now been fully integrated in the Bulten organization.

A PIONEER IN THE INDUSTRY

During the year, we established a new vision: We create and supply the most innovative and sustainable fastening solutions. Sustainability is

far from a buzzword for Bulten. On the contrary, Bulten has developed into a pioneer in the industry, and sustainability aspects have long been integral parts of our business strategy, and the importance of sustainability continues to change the automotive industry at a rapid pace. The economic consequences of high CO2 emissions for OEMs are very clear, and are driving the sector towards hybrids and electric vehicles. OEMs are also placing ever clearer demands on the production and supply chains, with regard to sustainability. Our ambition is to be the only supplier of fasteners that customers can afford to choose if they want to build a sustainable value chain. We are well on our way, but it will require increased focus on innovation, and require that every part of the company recognizes this.

MAJOR LEAPS IN INNOVATION AND SUSTAINABILITY

Despite the pandemic, we have in 2020 taken a number of new steps in our innovation and sustainability work that will contribute to better solutions for customers and for future generations. At the beginning of 2020, FSP 2.0 was launched - an upgrade of our offering with an increased sustainability profile. Another launch was our new BUFOe product family - fasteners produced with a 30% smaller carbon footprint and 50% less energy consumption than the average fastener in Europe. We will extend the BUFOe family during 2021 to include more geometries and specifications.

In March, we opened the Bulten Innovation Center in Poland, where we have recruited

engineers to design prototypes and special solutions, with a particular focus on lower CO2 emissions and better functionality.

We also acquired a holding in the company TensionCam, which is developing very interesting solutions for sensors in fasteners. In the longer run, we will therefore be able to offer customers also outside of the automotive industry, even more unique and sustainable fastener technology, with additional functions.

Furthermore, we have invested in, for example, fossil-free electricity for all production units in the EU. We have continued to develop our sustainability assessments of suppliers of direct materials, transportation and packaging materials, all to ensure that our supply chain lives up to our demands and expectations. We have also introduced a supplier ranking system which forms the basis for future decisions.

In 2020, we also updated and implemented our code of conduct that all Bulten’s employees must follow, including our new colleagues at PSM.

Since 2017, we have reported our sustainability efforts and strategy in line with the guidelines of the GRI Standards, Core level. As members of the UN Global Compact, we have chosen to support and work according to the ten principles of human rights, employment rights, environmental issues and anti-corruption. In our Annual Report with Sustainability Report for 2020 we report on how we have worked according to these principles during the year, and we express our ongoing ambition in facing the challenges and opportunities ahead.

FOCUS 2021

- › Closely monitor and adapt to volatile industry volume development
- › Continue margin improvement initiatives, including PSM synergies
- › Win incremental business to secure further organic growth
- › Accelerate innovation and sustainability activities

GOOD PLATFORM FOR 2021, DESPITE SOME UNCERTAINTY

Despite a very strong end to 2020, we do see some challenges in the short-term. COVID-19 has continued to create uncertainty in the wider world. A lack of microprocessors has also caused disruptions to our customers’ production, and this is expected to continue during the first half of 2021. We have maintained our flexibility and have good opportunities to adapt our operations to the situation, and are also continuing the anti-infection measures introduced at our plants to maintain health and safety.

In summary, we have created a strong platform for 2021 - a year in which forecasting institutes predict that the market is facing a recovery. We see excellent opportunities to consolidate our position and continue to take market share. Strategically, we have taken great steps in the past year. Bulten is a different company today than it was a year ago. But we are not done. We will continue to develop and refine this company of amazing people. The executive management team has been strengthened and is partly new, and this means for example a stronger focus on sales to new customers and on technology development. We will continue to grow in all regions, but it is particularly important for us to accelerate growth in North America and Asia and to extend our customer base, both in and beyond the automotive industry.

Anders Nyström, President and CEO

STRATEGY: "STRONGER 24"

BULTEN STRATEGY

STRONGER 24

STRONG POSITION

FSP concept 2.0, geographic proximity to important customers, forefront of innovation and sustainability.

STRONG OFFER INCLUDING
SUSTAINABILITY AND
INNOVATION LEADERSHIP

GROWTH

Organic and acquisition growth.

SALES 5 SEK B
CAGR 10%

MARGIN EXPANSION

Synergies, economy of scale, production efficiency, technology.

EBIT MARGIN > 8%

STRONG FINANCIAL PLATFORM

Financial leverage, investments in efficiency, solid equity/asset ratio, dividends.

ROCE > 15%

STRONG POSITION

The FSP concept

Bulten is one of few companies to offer a Full Service Provider (FSP) concept along the entire value chain for fasteners. The concept is developed continuously, with an extended element of production, innovation and sustainability, and increased responsibility for product and process development in the supply chain.

Geographic proximity to key customers

To achieve success and strengthen customer relations, Bulten's production has to be close to where customers manufacture their products. This provides logistical and environmental benefits, and reduces the risk of being affected by geopolitical changes and exchange rate fluctuations. It entails continued globalization and optimization of Bulten's production structure.

At the forefront of sustainable solutions

The automotive industry's focus on sustainable, climate-smart products, deliveries and services is increasing rapidly. Bulten has been at the forefront in these areas for many years, giving it a distinct competitive advantage. The company will continue to invest and be a pioneer in sustainable solutions.

TARGET: STRONG OFFER INCLUDING LEADERSHIP IN SUSTAINABILITY AND INNOVATION

Activities 2020

- Launch of FSP 2.0 – an evolution of the full-service concept, with a greater focus on sustainability and innovation.
- Continued optimization of the production structure, including relocation of production and logistics units in the USA, and to a new production unit in Taipei, Taiwan.
- Launch of BUFOe – fasteners produced with a 30% smaller carbon footprint and 50% less energy consumption.

Priorities 2021

- Continued focus on winning new FSP contracts, with Bulten's sustainability focus offering a competitive edge.
- Further expansion of the customer base, also assessment of new customer segments in and beyond automotive.
- Continued commercialization of BUFOe with the aim of winning new business.
- Ongoing work with partly owned TensionCam to develop sensorized fasteners for monitoring clamping force.
- Assessment on resuming plans for a new production unit in Poland, which were put on hold in 2020.

GROWTH

Organic growth

Bulten can see ongoing opportunities to take market share and business among existing and new customers, on all markets.

Acquired growth

From 2020, Bulten's strategy places more emphasis on making complementary acquisitions that strengthen the customer base, technology, offering, geographical proximity, and diversification towards related segments.

TARGET: NET SALES OF SEK 5 BILLION BY 2024, EQUATING TO A CAGR OF 10%

Activities 2020

- Several new FSP contracts won, the biggest with an annual value of EUR 60 million at full production – a production volume essentially reached in the second half of 2020.
- Phasing in of previously won contracts.
- Acquisition of PSM, strengthening Bulten both strategically and geographically with sales of over SEK 400 million.
- Investment in a minority holding in TensionCam for SEK 6 million, a company that develops sensor monitored fasteners.

Priorities 2021

- Capitalize on the market recovery that started in the second half of 2020 and is expected to continue in 2021.
- Cultivation of new and related customer segments in and beyond automotive.
- Continuously evaluate strategic acquisitions.

MARGIN EXPANSION

Acquisition synergies

Since Bulten's strategy now clearly includes complementary acquisitions, acquisition synergies offer a clear opportunity to boost profitability. As the company grows, both organically and through acquisitions, scale benefits are achieved in all parts of the operation.

Stronger position in China and USA

Relative to Bulten's market position in Europe, the Group has huge growth potential in primarily the USA and China. Bulten already has strong growth in China, and the acquisition of PSM has further strengthened growth opportunities. Bulten's establishment in the USA is in an early phase, with a clear focus on growth to achieve critical mass.

Efficiency

Bulten is working constantly to optimize its production, supplier base and logistics. Efficiency will be further improved in the years to come. Bulten will also digitize working methods and processes in production, logistics, product development, and administration to become even more efficient.

Technology

Through innovation and product development, Bulten will create concepts, products and services with clear added value for the customers, and thereby with pricing that allows scope for higher margins.

TARGET: OPERATING MARGIN >8%

Activities 2020

- Fostering of synergies from the acquisition of PSM.
- Accelerated efficiency measures in the production/logistics supply chain.
- Optimization of production structure in the USA, China and Taiwan.

Priorities 2021

- Opportunities for further synergies linked to the acquisition of PSM.
- Continued optimization of the new contracts phased in during the second half of 2020.
- Achieve benefits of scale through growth mainly in the USA and China.
- Focus on innovation and technology that create products with higher margins.
- Continued efforts to streamline production, supplier base and logistics chain.

STRONG FINANCIAL PLATFORM

Financial strength and continued shareholder dividends

Bulten aims to retain its strong financial position, which provides a competitive edge and security for customers and for other stakeholders. The company's policy is to pay out a dividend of at least one third of net earnings after tax over time.

Secured financing with stable equity/assets ratio

The company will maintain its good relations with banks and credit institutions, in order to secure flexible access to capital. A stable equity/assets ratio is a vital precondition.

Investments in growth and efficiency

Bulten will continue to invest in increased growth and more profitable production. This includes ongoing maintenance, as well as long-term initiatives.

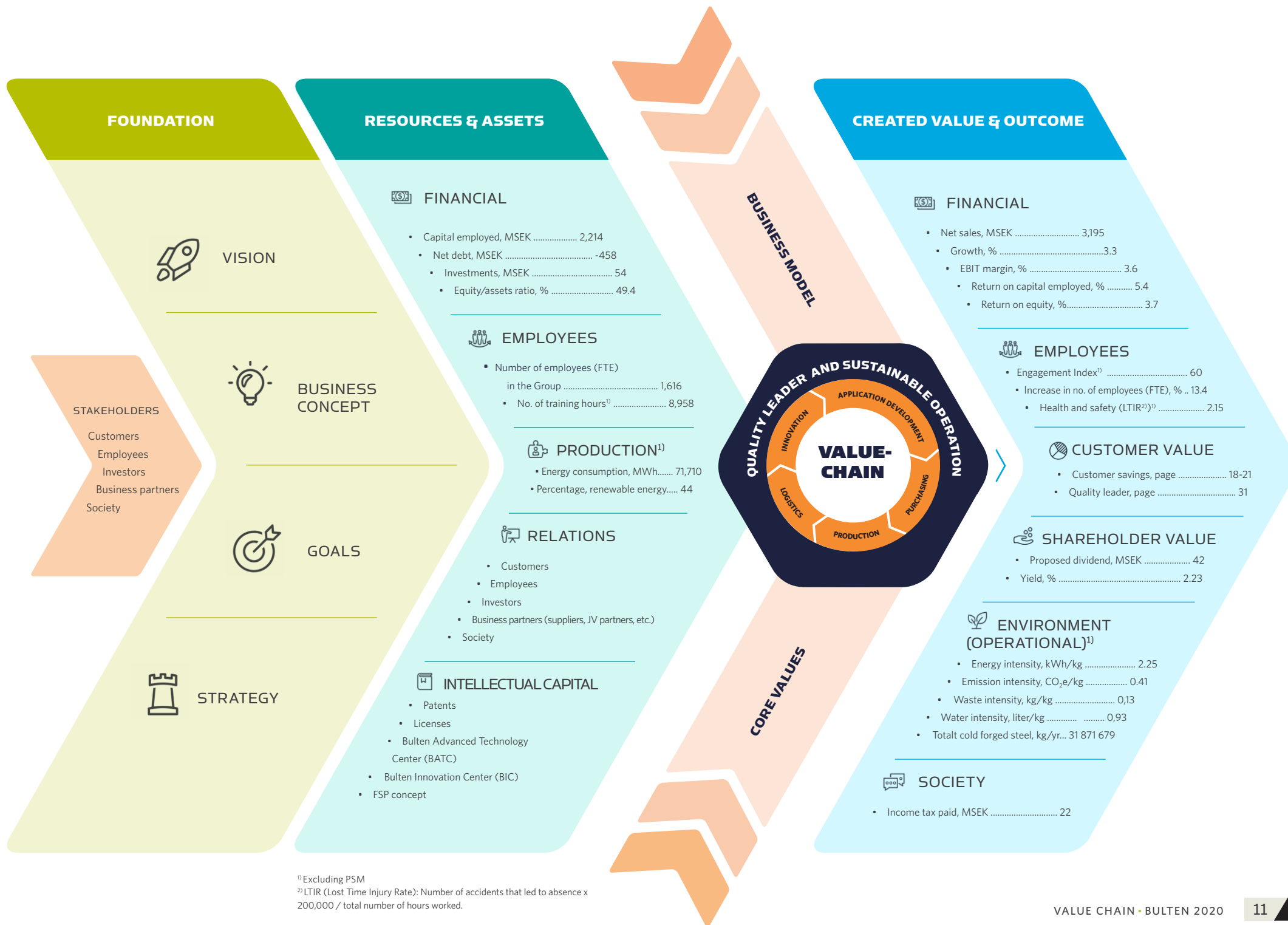
TARGET: ROCE > 15%

Activities 2020

- With the outbreak of the pandemic, Bulten focused even more on cash flow, and put planned investments on hold.
- The AGM approved the proposal not to pay a dividend due to the uncertain situation.
- A financing agreement was signed, with an operating and real estate credit facility totaling SEK 750 million up to June 2024, as well as a separate financing agreement primarily for the Polish operation.
- All covenant conditions with financiers were met during the year.

Priorities 2021

- Continued cost consciousness and focus on cash flow.
- Through growth, profitability and good capital management, to improve financial key ratios.



FOUNDATION



VISION



BUSINESS CONCEPT



GOALS



STRATEGY

STAKEHOLDERS

- Customers
- Employees
- Investors
- Business partners
- Society

RESOURCES & ASSETS

FINANCIAL

- Capital employed, MSEK 2,214
- Net debt, MSEK -458
- Investments, MSEK 54
- Equity/assets ratio, % 49.4

EMPLOYEES

- Number of employees (FTE) in the Group 1,616
- No. of training hours¹⁾ 8,958

PRODUCTION¹⁾

- Energy consumption, MWh..... 71,710
- Percentage, renewable energy..... 44

RELATIONS

- Customers
- Employees
- Investors
- Business partners (suppliers, JV partners, etc.)
- Society

INTELLECTUAL CAPITAL

- Patents
- Licenses
- Bulten Advanced Technology Center (BATC)
- Bulten Innovation Center (BIC)
- FSP concept

CREATED VALUE & OUTCOME

FINANCIAL

- Net sales, MSEK 3,195
- Growth, % 3.3
- EBIT margin, % 3.6
- Return on capital employed, % 5.4
- Return on equity, %..... 3.7

EMPLOYEES

- Engagement Index¹⁾ 60
- Increase in no. of employees (FTE), % .. 13.4
- Health and safety (LTIR²⁾) 2.15

CUSTOMER VALUE

- Customer savings, page 18-21
- Quality leader, page 31

SHAREHOLDER VALUE

- Proposed dividend, MSEK 42
- Yield, % 2.23

ENVIRONMENT (OPERATIONAL)¹⁾

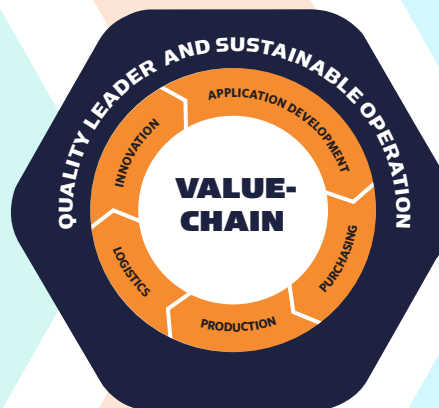
- Energy intensity, kWh/kg 2.25
- Emission intensity, CO₂e/kg 0.41
- Waste intensity, kg/kg 0.13
- Water intensity, liter/kg 0.93
- Total cold forged steel, kg/yr... 31 871 679

SOCIETY

- Income tax paid, MSEK 22

BUSINESS MODEL

CORE VALUES



¹⁾Excluding PSM
²⁾LTIR (Lost Time Injury Rate): Number of accidents that led to absence x 200,000 / total number of hours worked.

GLOBALIZED MARKET

Over the years, Bulten has become a leading European supplier of fasteners to the global automotive industry, and is constantly developing its customer offering and its FSP offering in particular.

In Europe, there are several hundred manufacturers of different types of fasteners, many of which are small and target other customer groups than the automotive industry. There are also a few major producers operating on several continents. Most of them are privately owned, such as Nedschroef and Kamax, while a few are listed, such as Lisi (Euronext Paris). In the Full Service Provider segment, our competitors are the ones offering similar concepts. In that category are the above-mentioned Nedschroef but also the distribution companies Facil and Optimas.

RE-GROWING MARKET AFTER COVID-19

According to the Global Automotive Fasteners Market Research Report 2020, the value of fasteners for the automotive industry is expected to total approximately USD 22 billion in 2020, and to rise to just over USD 26 billion by 2026, which equates to annual growth of 2.6% in 2021-2026.

It is hard at this point in time to foresee how the future will develop and how COVID-19, along with global and macroeconomic factors, will affect Bulten's customers' production. The lack of microprocessors that has caused disruptions to customers' production is

expected to continue during the first half of 2021. Bulten has continued good flexibility and the ability to adapt its operation to prevailing circumstances. Brexit also entails additional handling costs, although these are negligible in terms of the company's earnings.

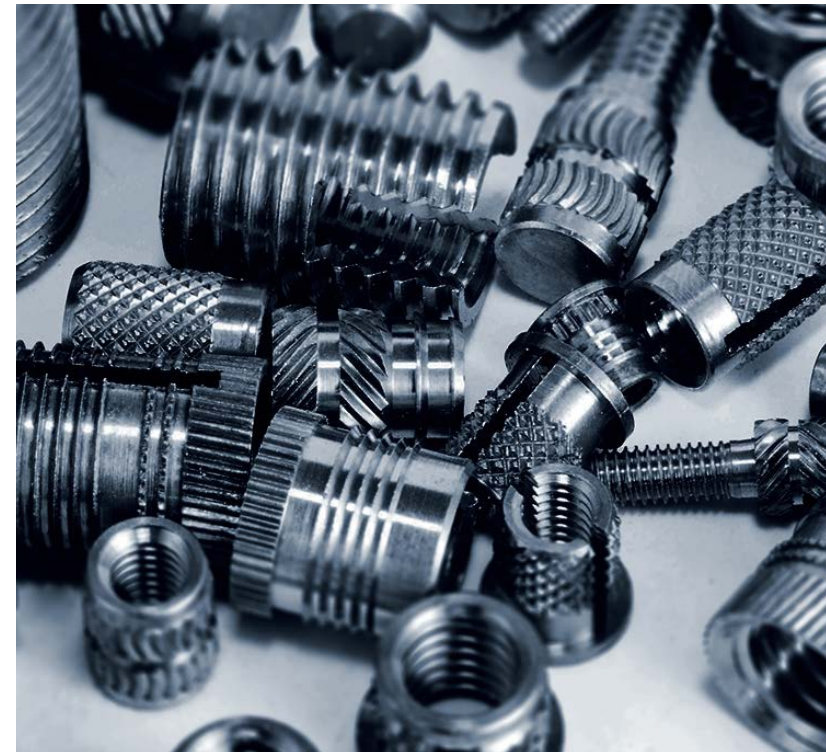
Higher establishment of production on emerging markets

One clear trend in the automotive industry is that the position of emerging markets is growing stronger. China, for instance, has surpassed both North America and Europe in the number of cars and light trucks produced. See the production statistics charts on the next page.

In the last twenty years, European vehicle production has to great extent relocated from Western Europe to Central and Eastern Europe. Bulten is already a part of this shift with production plants in Poland and Russia.

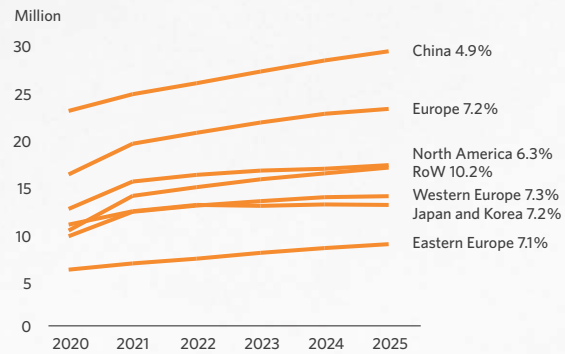
Forecast for the European automotive market

Bulten's products are mainly distributed to Europe, but demand is governed by the production of vehicles for the global market. At the end of 2020, the management judged that Bulten had increased its market share compared with the previous year, and the focus moving forward is continued global growth.



Product mix from PSM.

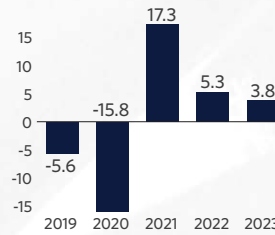
FORECAST, CARS PRODUCED PER REGION, AVERAGE ANNUAL GROWTH



As a result of the effects of COVID-19, global production of light vehicles is expected to have decreased by 15.8% and heavy commercial vehicles by 7.0% during 2020, compared with 2019. Weighted for Bulten's business exposure to the automotive industry, this means a decline of 14.9% for the corresponding period.

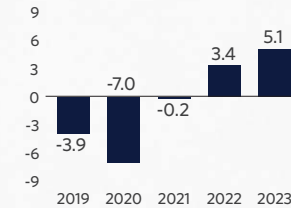
FORECAST FOR GLOBAL VEHICLE PRODUCTION

Light vehicles growth, %



Source: LMC Automotive Q4 2020

Heavy commercial vehicles (>15t) growth, %



Source: LMC Automotive Q4 2020

Bulten's growth 2020



Source: Bulten

Global market growth for Bulten's customer structure, 2020



Source: LMC Automotive estimate, Q4 2020

Forecast market growth for Bulten's customer structure, 2021



Source: LMC Automotive estimate, Q4 2020

Forecast global market growth for Bulten's customer structure, 2022



Source: LMC Automotive estimate, Q4 2020

TRENDS IN THE AUTOMOTIVE INDUSTRY

The automotive industry is undergoing great change, related to hardware and increased complexity in software, new business models and regional changes in legislation. In many respects, this and the industry's development have a direct impact on Bulten's business, especially in terms of markets and volumes.

According to KPMG's Global Automotive Executive Survey 2020 report, opinions on which technologies will dominate the future drive system in the automotive industry vary by region, in turn depending on the regional availability of raw materials in a smaller global world. The study shows that different driving techniques will exist at the same time. The expectation of the type of driveline that will apply in 2040 is that battery-powered electric vehicles are believed to have the largest share of 29%, followed by hybrids (25%), fuel cell vehicles (24%) and internal combustion engines (22%). In the shorter term, until 2030, the distribution is even more even, where consumers are primarily expected to choose a battery-electric car (26%) as their next car, closely followed by a car with a hybrid or internal combustion engine. It is interesting to note that the fuel cell car is predicted to have a nearly equal share of demand. The outcome is judged to be affected by the political control followed by the cost level.

WHAT DO THE TRENDS MEAN FOR BULTEN?

The conclusion of the particular trends in the fastener industry is that customers will place increasingly high demands on suppliers. Customer relations and delivery quality will be more and more important, which is why we are taking a more integrated total responsibility for the product. We believe there is great potential for streamlining in the segment, through our strategy and FSP concept.

Trends that affect Bulten	Implications for Bulten	Bulten actions
Globalization	OEMs increase production in emerging economies and new markets.	Bulten is following customers and establishing on selected markets.
Sustainability	Expectations and higher demands on Bulten actively contributing to increased sustainability relating to its customer offering, its own production and the supplier stage.	Bulten is working systematically to increase sustainability in the parts of processes and deliveries that the company can influence. Sustainability is an integral part of the company's strategy.
Continued competition in automotive industry	Disruptive new technology could lead to greater elimination and brand new manufacturers.	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.
Consolidation	Large-scale production leads to consolidation, i.e. fewer suppliers are expected to be more involved in the customer's development.	With the FSP offering, Bulten can be involved already from the development stage to delivery on the customer's assembly line.
Electrification	Hybrid vehicles, i.e. vehicles with combined combustion and electric engine, are already on the market. Electric cars, which are battery powered, are on the increase and are expected to make a commercial breakthrough once prices are on a par with established combustion-engine vehicles, and when their range increases. The KPMG study of 2020 indicates a relatively even distribution between battery-powered electric vehicles (29%), hybrids (25%), fuel cell vehicles (24%) and combustion engines (22%) in 2040 – but with battery-powered electric vehicles in the lead.	Bulten is collaborating with several customers on the development of fasteners for hybrid and electric vehicles. When manufacturing hybrid vehicles primarily, more fasteners are required. Bulten does not believe the fuel cell trend will have any impact on its business in the immediate future, and it is hard to judge when commercialization will take off.
Mobility	The way people and goods are transported will change, driven by new technology and social trends. The result is the emergence of a brand new ecosystem, which can offer means of travel that are faster, cheaper, cleaner and safer. This is driving a shift from personal ownership and driving, to autonomous driving and fractional vehicle ownership.	Bulten is working systematically to identify how value can be created in this new environment.
Digitalization	Digitalization with greater computerization, e.g. driverless cars, entails an increasing number of electronics boxes, sensors, transmitters, etc. This in turn requires more fasteners for installation.	Bulten is increasing its offering and supplying bespoke fasteners for in-vehicle installation. Bulten has e.g. acquired a minority stake in TensionCam, a company specializing in the development of sensors for clamping force monitoring in screw joints. Several industries can benefit from TensionCam and Bulten runs several pilot projects where clamping force is critical for the function.
Stricter EU norms for CO2 emissions	Customer demands are increasing in terms of finding solutions that reduce CO2 emissions in the long-term. Bulten can become even more involved in the technical design stage.	Bulten's approach is to integrate sustainability aspects and reduce CO2 emissions in its value chain, and to help customers do the same.

TECHNOLOGY AND INNOVATION – INCREASED FOCUS ON DEVELOPING SUSTAINABLE PRODUCTS

As an industrial company and in particular as a supplier to the automotive industry, it is necessary for Bulten to constantly develop solutions with more functionality, energy efficiency and sustainability. To further strengthen our ability and continue to be at the forefront, we increased our focus on technology and development during the year, where BUFOe, among other things, is now part of our offering.

Our business is product-focused and the requirements from the automotive industry as well as other customer segments are changing. For Bulten, this is an opportunity that we are determined to capitalize on. We are sincere in our endeavor to be the leader in sustainable fastening solutions with superior functionality.

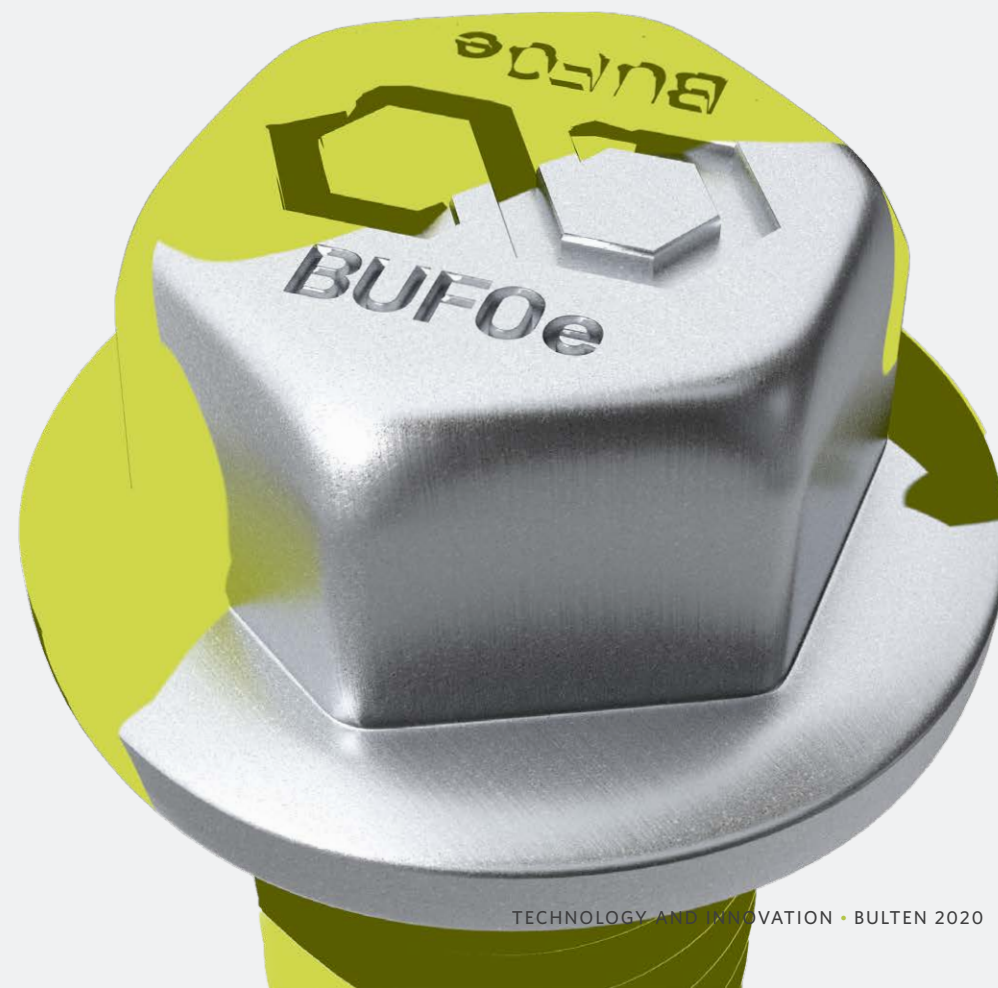
For more than 100 years, the Bulten brand BUFO, has represented innovation and quality. Similarly, the bolt and nut have long been established as functional machine elements, and this will continue in the future. For a few years now, the automotive industry has been undergoing dramatic changes in terms of new technology, but also new players and even new business models. The fundamental driving force is increased sustainability and not least for this reason the screw is believed to last as an important fastening element. Unlike welding, soldering, gluing or riveting, a bolt enables disassembly, which facilitates material recycling in a world where circular economy and circular thinking wins land.

The sustainability perspective is important in what products are developed and constitutes a unique profile for Bulten. One example is our proprietary green product family, BUFOe, in which the same strength properties can be achieved, without heat treatment, at 30% lower CO2 emissions. Read more about BUFOe on page 20-21.

IMPROVED COORDINATION AND COMPETENCE DISSEMINATION

To better meet the customer's needs and challenges, in 2020 a global development function called Technology and Innovation was established to coordinate technological development within Bulten. The core is two development centers: Bulten Advanced Technology Center (BATC) in Gothenburg, Sweden, and Bulten Innovation Centre (BIC) in Bielsko-Biala, Poland, with particular expertise in fastener technology. Development moving forward takes a holistic approach and focuses on collaboration between everyone involved, from the technology developers at the various plants, to application engineers, and not least the sales function that is the direct interface with customers.

The development work is focused on customer projects, development of new products but also more long-term research. It encompasses materials – from traditional steel compositions to new alloys and other materials – as well as production methods, tool design, and new functions and solutions. Technology and Innovation also has its ear to the ground, monitoring the wider market now and in the future.



BUSINESS MODEL – STRONG CUSTOMER OFFERING

With a broad customer base among the world's leading OEMs, Bulten today is a strong brand on the market. With our flexible FSP concept, we meet our customers' needs.

WELL-KNOWN CUSTOMER BASE

Our customers are mainly in the automotive industry in Europe, Asia and the USA, and include some of the world's leading OEMs such as AB Volvo, Ford, Jaguar Land Rover, Scania and Volvo Cars. They are primarily producers of cars but also heavy vehicles, and there are some automotive subcontractors too, known as 'tiers'.

Of total sales, 72% relates to cars, 13% to suppliers (Tiers) and 10% to heavy commercial vehicles, where the main delivery is critical fasteners for the engines, and 5% to others. All in all, around 73% of sales relate to chassis, around 20% to powertrains and around 5% to others.

The major part of sales goes to production of vehicles in Europe, of which a portion is exported by customers to other markets globally.

RELATIONS AND COMPETENCE

A vital component of our business model is a sales process that meets customer demands regarding the right product and quality, delivery time, and optimization of stock levels. This is made possible by competence, long experience, and safeguarding of new knowledge.

Another important part of our sales model is to establish and preserve relations with existing and prospective customers. We have an extensive network in the global automotive industry, and we believe that a personal approach is the key to greater awareness of and confidence in Bulten, and is the factor that eventually leads to business.

GLOBAL PRESENCE WITH LOCAL CONTENT

All employees with customer contact have a customer relations responsibility based on our core values, and also on receptiveness and clear communication, and our technical sales engineers provide customers with advice and support. To ensure a personal approach in everything from the executive to the regulatory and implementation levels, we have made sure to create contact interfaces through several functions.

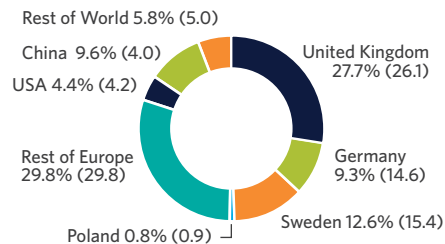
Direct customer responsibility lies with our dedicated Key Account Managers (KAMs), who are linked to our global customers. Close cooperation between KAMs and our local employees is important, so that we can meet the expectations and requirements of local customers in the best way.

STRONG CUSTOMER OFFERING

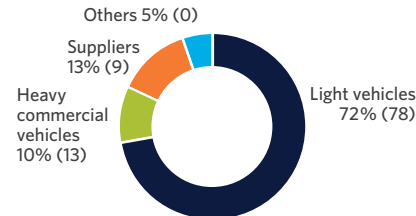
Bulten's customer offering is characterized by the following strengths and sales arguments:

- The market has high awareness of Bulten
- Good knowledge and expertise
- Professional in its conduct
- Proactive and supportive – curious, wants to understand customer needs
- The company's core values
- The FSP concept

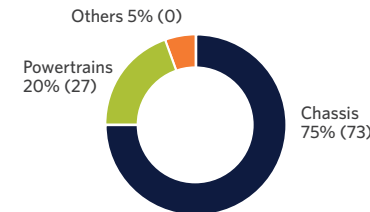
Income by geographic market



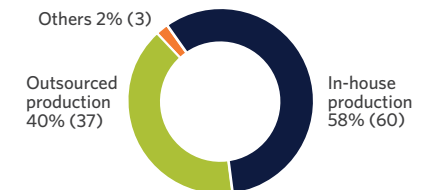
Income by customer group



Income distributed between chassis and powertrains



Income distributed by income category



Bolts produced in Bielsko-Biala, Poland.



Another customer-focused function can be found in our Resident Engineers, i.e. Bulten engineers who work at a customer's site. When we start up a project, they are involved and contribute their knowledge and experience. This is highly reassuring for customers, and also means we can be proactive even in the pre-development and technical design stage, an advantage for both the customer and ourselves. Our Resident Engineers can then be involved throughout the entire life cycle and work on continuous improvement.

Our Bulten Advanced Technology Center (BATC) and Bulten Innovation Centre (BIC) are other contact interfaces where relations are built

and consolidated. Based in Gothenburg, the BATC runs development projects in collaboration with customers and therefore serves as a natural meeting place. Moreover, our training at the Bulten Fastener Application Academy (BFAA) is an important relationship-building channel.

We place great emphasis on meeting customers in their arenas with tech days and presentations. These opportunities are important as they give us the opportunity to present our offer and know-how at a number of different levels of responsibility at the vehicle manufacturers.

In 2020, however, this type of event has been canceled due to Covid-19 and we have instead met our customers via digital events.

RESPONSIBLE BUSINESS RELATIONS

Having many business relations on a global level makes it important for us to take responsibility. We therefore have a code of conduct and an anti-corruption policy to guide us in our relations with customers and suppliers alike. The code encompasses aspects such as social conditions, respect for human rights, and environmental issues. We also have a policy that counteracts anti-competitive activities. In addition, we have conducted a risk assessment, which is reported under sustainability risks on pages 39-40.

AGREEMENTS

Agreements are generally based on a platform, car model or factory. Order agreements take place continuously depending on the customers' production rate. When the company communicates orders to the market, they refer to future business and are entered as an expected earning in annual value. Bulten is, however, always bound by confidentiality, which often prevents a specific customer being named in new agreements.

EARNINGS FOR DELIVERED VOLUMES

When an order is delivered to a customer from one of our warehouses, an invoice is issued and an earning thus arises. Earnings are divided into produced in-house, outsourced production, and others.

IN PLACE COST – IPC

The IPC is the total cost of a fastener, from development to assembly and subsequent product life span. The cost of the physical fastener amounts on average to roughly 15% of the total cost. Thanks to our innovative solutions and services, the customer can achieve reductions in IPC while retaining, and in many cases improving, performance. Cost reduction is achieved for example through standardization, the right dimensioning, simplified assembly, and a decrease in indirect related costs such as development and logistics.

15% 85%



Cost of fastener

- Product development
- Procurement
- Inspection/quality
- Warehousing
- Internal logistics
- Pre-assembly
- Assembly

FULL SERVICE PROVIDER (FSP) – A SOLID OFFERING THAT CREATES ADDED VALUE

Replacing the conventional purchasing model and assigning total responsibility for fasteners to an experienced, well-established company can save OEMs money and resources, while also contributing to environmental benefits. The flexible Full Service Provider concept developed and refined by Bulten for over 20 years offers many benefits, and can be adapted to meet customer requirements. In recent years, we have integrated the sustainability aspects more clearly.

CUSTOMIZED SOLUTIONS FOR ALL CUSTOMER NEEDS

Bulten is one of few companies in Europe to offer a Full Service Provider concept, whereby we assume total responsibility for all fasteners for an entire platform, vehicle model or factory. Our application engineers optimize fastener solutions based on the principle of In Place Cost. We take a customer-oriented approach, and because we have established long-standing relations with our customers we have an in-depth understanding of their business. We can therefore offer support with application-driven innovation, and development of new technology and new solutions based on our customers' application requirements.

Bulten's FSP proposition is not a static system, but is dynamically adapted to each customer's unique requirements – a flexible, modular system in which the customer's needs are met based on a portfolio of different services. Whether a customer chooses the entire concept or just individual parts, Bulten always delivers sustainable solutions with the right quality in each interaction. We assure quality along the whole value chain, from development to sourcing, and on to the customer's production line.

COMPLEX LOGISTICS AND PURCHASING

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, time-consuming process.

Today, we still see a traditional purchasing model among many OEMs, with the purchasing department coordinating relations with the supplier base – an approach that drains both resources and capital. Our FSP concept streamlines the process, as we act as the single point of contact with total responsibility for all fasteners.

As part of our sustainability strategy, we assume responsibility for the entire value chain, as our suppliers follow our code of conduct and share our values. Customers can also count on quality-assured delivery of the right volume, at the right time.

KNOW-HOW THAT GUARANTEES QUALITY

Our responsibility and offering go far beyond stock-keeping and delivery of products. We know fasteners. For us, this means possessing the right knowledge and an understanding of the fastener's function in its application. We coordinate the logistics between different suppliers, process stages, warehouse hubs and customer recipients.

We manufacture many of the fasteners under our own auspices, and have a wide network of skilled suppliers to enable us to offer a full service solution. With almost 150 years of experience, we know about the manufacturing process and its quality assurance.

We strive continuously to minimize our environmental impact by reducing non-renewable energy use and carbon dioxide emissions in the production process. Combined with our global presence and long experience, we are familiar with the global supplier base and know which suppliers to call to meet our customers' requirements on outsourced fasteners. In our FSP offering, total responsibility for fasteners is handed over to an experienced, well-established company, enabling the customer to focus on other business-critical systems. We simplify and streamline a complex part of the process with a reliable, profitable, sustainable service.

We are convinced that our FSP concept adds value, and we continue to increase awareness on the market.

RELIABLE, MORE LONG-TERM BUSINESS FOR BULTEN

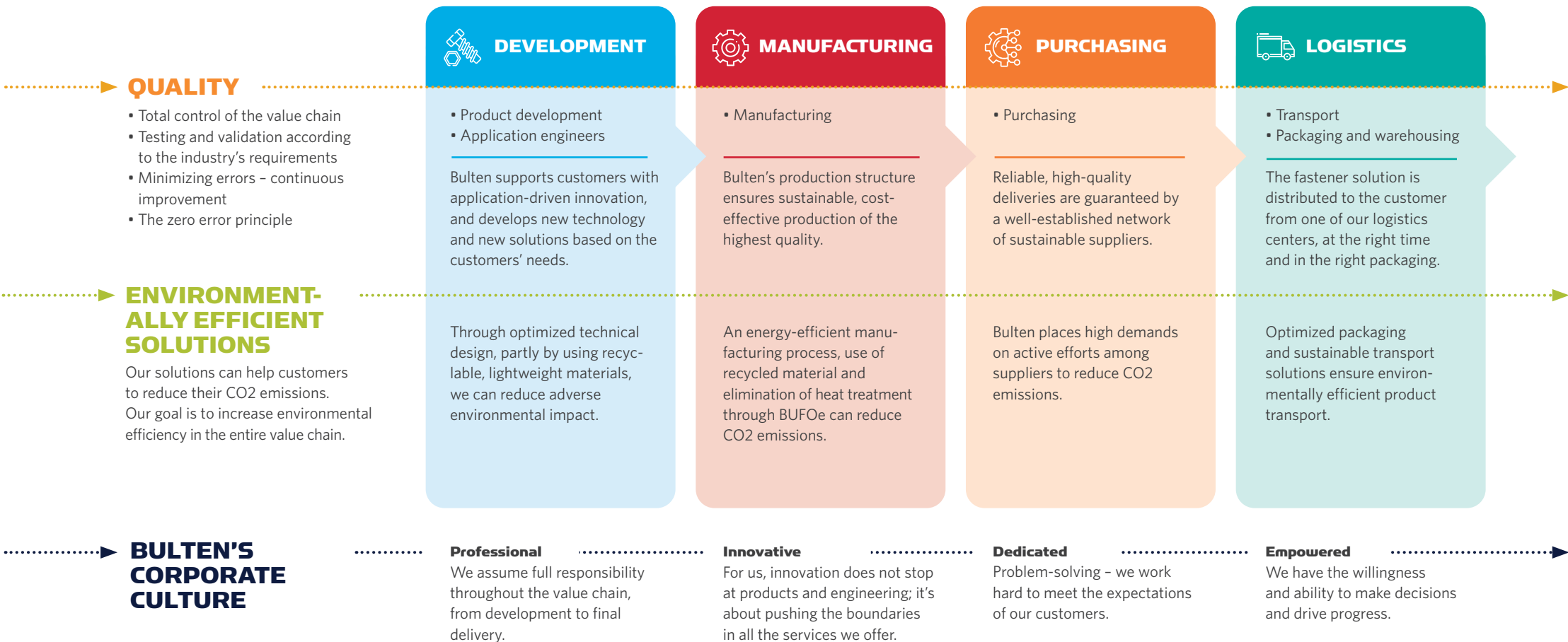
The FSP concept offers many benefits, both for Bulten and for our customers. We consolidate our position through close, solid customer relations, where our role is an integral part of the customer's technical development. In the long run, this lays the foundation for a stable cash flow over time.



ADDED VALUE FOR THE CUSTOMER

- One contact 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



SUSTAINABLE SOLUTIONS

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

The screw is the most important part of a fastening application, since it creates the force that holds together the components, i.e. the clamping force. The screw must expand or contract exactly as calculated depending on heat, cold or vibrations. Also, a screw must never be too strong. If it does not break under certain circumstances, something else far more critical, expensive or harder to replace might be disabled instead.

Surface treatment is another important part of the process where consideration must be taken to what extent the fastening application is exposed to the weather, wind, moisture, extreme heat and friction. Besides the obvious, that the screw must not rust, it must also be visible inside the vehicle, which means it must also be pleasing to the eye and harmonize with its surroundings.

Surface treatment is also a decisive parameter in achieving optimal clamping force. This is important because deviant clamping force contributes to an increased risk that the joint may loosen or break.

COMBINED MATERIALS

Today's fastening applications often consist of mixed materials like steel, aluminum or composite, providing new opportunities to streamline both joints and assembly methods. These com-

binations place even greater demands on both manufacturers and suppliers. The requirements for a screw to exactly live up to the demands placed on it are extremely high. To design and manufacture a screw for high-volume production in the automotive industry places demands on technology, quality, logistics and expertise at the highest level – something that Bulten masters fully.

STRICTER ENVIRONMENTAL REQUIREMENTS

The automotive market today is facing stricter environmental requirements, and this means that Bulten too has to adapt to future conditions. The electrification of vehicles is perhaps the strongest trend, and it also brings with it great opportunities. In certain cases, more fasteners will be needed to hold the vehicles together. Hybrid cars contain two drivetrains which both need mounting.

Strict emissions regulations are forcing OEMs to develop alternatives to combustion engines and consider environmental aspects for the car's entire life cycle. Developing products with a focus on energy efficiency is also a part of Bulten's sustainability strategy.

CAN A SCREW MAKE A DIFFERENCE?

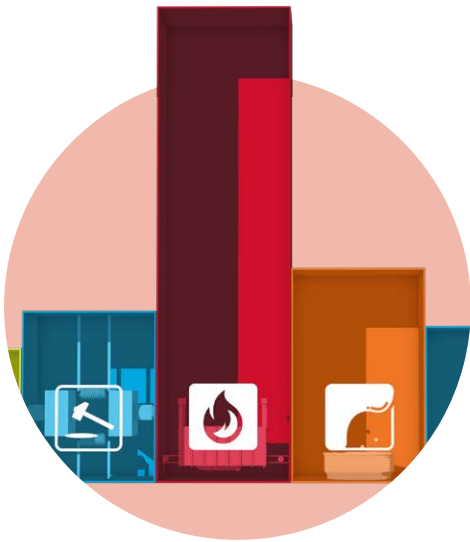
It is easy to ignore the environmental impact of a screw. But considering that the average car contains thousands of them, it soon becomes clear that even the smallest component can make a difference. Even a little screw.



THE TOTAL PERSPECTIVE

If we can help the automotive industry to reduce annual CO2 emissions by just half a percent, we would reduce greenhouse gases equivalent to the amount that could be sequestered by a forest twice the size of Shanghai – every year.



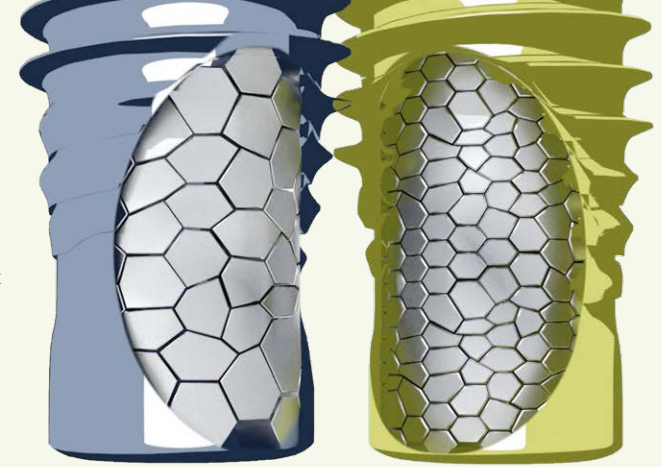


HEAT TREATMENT CAN MAKE A DIFFERENCE

Breaking production down into stages, it is clear that heat treatment accounts for one third of the carbon footprint in manufacturing. In energy consumption, removing heat treatment makes a surprisingly big difference.

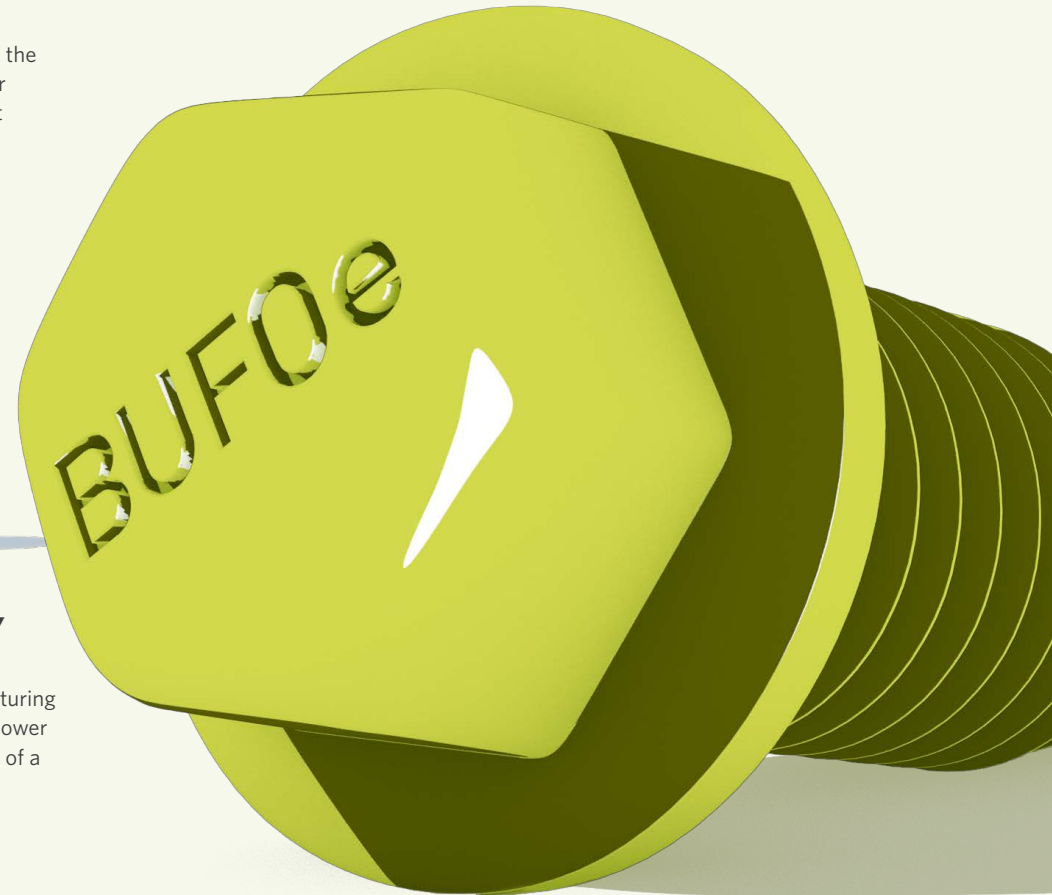
ENVIRONMENTALLY EFFICIENT COLD FORMING

Production of BUFOe uses a combination of material and process that makes heat treatment superfluous. The requirements for the material to exactly live up to the demands are extremely high and require vast knowledge about both metallurgy and the manufacturing process.



THIS IS BUFOe

Are you ready to make a difference in the tiniest detail? We proudly present our new, environmentally efficient product family: BUFOe.



TRUE ECO-EFFICIENCY

Thanks to the material properties of BUFOe and our eco-efficient manufacturing process, our carbon footprint is 30% lower using BUFOe compared to production of a conventional fastener.

SUSTAINABLE DEVELOPMENT

Bulten has developed into a leader in our industry, and sustainability aspects have been made integral parts of our business strategy. Our ambition is to manage our operations in a sustainable way for the long-term. We aim to be a reliable, stable partner to our customers and suppliers, to create value for society and our owners, and to be an attractive Employer. 2020 was a year like no other due to the COVID-19 pandemic, nevertheless we managed to drive our sustainability work forward as planned. At Bulten, we are continuing our work to contribute to better solutions for customers and future generations.

SUSTAINABILITY REPORTING

The aim of the reporting is to provide an overview of our sustainability work. It is an integral part of the Annual Report and is prepared in line with the GRI Standards, Core level, as summarized in a GRI Index on page 44.

Bulten launched its new vision during 2020: We create and supply the most innovative and sustainable fastener solutions.

Based on the company's vision, stakeholder dialogue and value chain, we identified five focus areas for sustainable development: governance and business ethics, sustainable supply chain, sustainable own production, sustainable product offering, and diversity and inclusion.

Our strategy is that sustainability shall be integrated into everything we do, governed by the following aspects:

- corporate governance and ethics
- environmental principles
- social responsibility

See the illustration on the next page.

LONG-TERM SUSTAINABLE VALUE

By working systematically with our sustainable development we build a good foundation for higher long-term sustainable value for all our stakeholders. Our employees are highly dedicated and, alongside experts and our stakeholders, we work concertedly towards finding the most sustainable solutions in all areas.

We want to reduce our own and our customers' environmental impact and, with this as our goal, we focus on the areas where we can impact. Our sustainable development strategy is based on our materiality analysis, stakeholder model, risk assessment, and business strategy. The focus areas guide us in all business decisions, and are the basis of Bulten's objectives for the years to come.

CODE OF CONDUCT AND SUSTAINABILITY ASSESSMENTS

In 2020, we updated and implemented our new code of conduct (the code) and all of Bulten's employees were informed about the new code via e-learning. All of the new colleagues from PSM have also signed the code.

Bulten assesses suppliers of direct materials, transport and packaging materials from a sustainability perspective to ensure that they fulfill the expectations we set out in the code of conduct for suppliers. We also apply a supplier ranking system which forms the basis for dialogue and future decisions. Furthermore, all of Bulten's plants in EU purchase fossil-free electricity since 2020.

During the year, two of Bulten's European plants were also certified to ISO 45001 – the new management system for occupational health and safety during the year.



OUR VIEW OF SUSTAINABLE DEVELOPMENT

ENVIRONMENTAL PRINCIPLES

- To conduct business that has as little environmental impact as practicable, while being economically viable.



CORPORATE GOVERNANCE

- Strong business ethics, good risk management and a strong corporate culture
- Code of conduct and other policies
- Compliance with rules and regulations



SOCIAL RESPONSIBILITY

- Observance of human rights
- Treating people with respect and good ethics
- Working methods based on our core values

EMPLOYEE SURVEY

In January 2020, we conducted our global, Group-wide employee survey for the second time. In it, we asked what areas Bulten should focus more on to be perceived as an attractive, sustainable employer. The focus areas can be found in the stakeholder analysis on page 25. See the Employees section for more information.

INTERNATIONAL SUSTAINABILITY PRINCIPLES

In 2020, we published our third 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.

RESPONSIBILITY AND IMPLEMENTATION

To ensure that our sustainability efforts are realized, we have made them 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 driven and coordinated by the Senior Vice President for HR and Sustainability. The Sustainability Committee drafts, develops and assesses the company's sustainability work.

The various activities are then implemented by the people in charge of different areas of the operation.

We manage and monitor our sustainability work using a management system comprising shared policies and guidelines, measurable goals, and action plans. Responsibility is delegated to each function, which in turn manages implementation and ensures that the agreed measures are taken and carried out locally in each subsidiary. Goal attainment and action plans are followed up and reported regularly to the executive management, which also conduct regular management reviews accordingly. The sustainable development is also reported out to the Board. The management carry out a regular management review of the work.

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

CODE OF CONDUCT WITH CLEAR DEFINED REQUIREMENTS

All employees shall be familiar with and follow Bulten's code of conduct which, alongside the

company's other policies, outlines the fundamental principles for how the Group works. Examples include policies on anti-corruption, anti-competition and conflict minerals, as well as REACH (Registration, Evaluation, Authorisation and restriction of Chemicals).

As a further step in Bulten's strategy to support human rights, we have formulated a separate policy against forced labour. The policy is called Statement against Modern Slavery and Human Trafficking. It describes how Bulten's companies are working to ensure that modern slavery and trafficking, i.e. forced labor, do not occur in our value chain or in any other activity related to our business.

GLOBAL HR STRATEGY AND POLICY

Our Group-wide HR strategy and policy aim to ensure a long-term sustainable HR policy and competence supply. It is also important that our current and future employees view Bulten as an attractive, inclusive employer. The global HR policy is a communication tool that guides the organization in its implementation of the HR strategy and in the company's development.

HUMAN RIGHTS

Bulten supports and respects the international conventions on human rights, and we work actively to ensure that all universally recognized human rights are respected throughout our value chain. As part of this, we have increased the dialogue with and monitoring of our suppliers.

Through our code of conduct, we communicate our stance and encourage transparency by urging employees and other stakeholders to come to us to report serious deviations from our code of conduct, without the risk of reprisal. In 2020, Bulten introduced an IT-based reporting system that is available to all employees, and to internal and external stakeholders who need to report any deviations, violations or similar.

FORCED LABOUR AND TRAFFICKING

We reject all forms of forced labor and so-called trafficking, and actively strive not to be involved in it, whether directly or indirectly in the supplier stage, for example. Each employee is entitled to end their employment after a reasonable notice period in accordance with applicable laws and agreements, and needless to say we never require any form of deposit, nor do we confiscate ID documents from our employees. We always check the ID and, where appropriate, relevant work permits of all new employees or contracted personnel.

During the year, we have established an even more comprehensive process for minimizing risks in our supply chain. We have introduced an evaluation process for suppliers and further developed the qualification process for choosing suppliers. One of the aims of this is to clarify our requirements and to follow up that our suppliers are actively working on their own sustainable development. In countries where independent unions are banned or opposed, we attempt, for example, to create forums for dialogue in order to ensure a sustainable cooperation between employer and employees.

ENVIRONMENTAL POLICY AND ENVIRONMENTAL WORK AT BULTEN

To reduce our environmental impact, we systematically assess and work on all aspects of our operation. Our work is led by the Group's Environmental Manager, who oversees and develops our environmental efforts and makes sure they continually improve. In all of the Group's units, environmental management and quality management are integrated into the management system. Our environmental policy clarifies which areas are important and how we should set priorities moving forward.

As a system supplier, we contribute to the environmental benefit of customers, end users, and society at large by integrating environmental aspects into several parts of the value chain – from development to assembly and use. This is part of our offering as a Full Service Provider (FSP).

In 2020, Bulten launched a new product that reduces CO2 emissions by up to 30–50%. For further information, see page 20-21.

REPORTING VIOLATIONS OF THE CODE OF CONDUCT AND OTHER ETHICAL POLICIES

Our values describe the open culture and the professional, responsible attitude we represent. Everyone who works at or with Bulten should feel that there is scope to raise issues and report violations against our ethical guidelines and policies, without the fear of reprisal.

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 his/her superior, or to HR or another designated management function. All stakeholders, both internal and external, can report suspected infringements anonymously via Bulten's special reporting channel. A link can be found on the Bulten website and intranet.

Any questions on reporting 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 it does not accept anyone being subjected to reprisals for reports made in good faith.

STANDARDS

Bulten's units are certified to ISO 9001 and ISO 14001, and the production units are also certified to IATF 16949. In the USA we are certified via our JV company and our JV partner, with the ambition that Bulten's operations will be ISO 9001 certified in 2021. In 2021, all of our other subsidiaries will be certified to ISO 45001.

FIRST IMPRESSION AS A NEW EMPLOYEE "SAFETY IS TAKEN VERY SERIOUSLY."



Mårten Andersson is a new employee at Bulten in Hallstahammar where he works with environmental and energy issues. From day one, Mårten learned how to follow up incidents, possible accidents and important events around the production. Shortly afterwards, he underwent internal security training in a purpose-built room (Dojo), which ended with an advanced test on the intranet.

"I immediately noticed that safety is taken very seriously here. I have not experienced such a solid training together

with a professional test at any other company. Bulten clearly shows their commitment in safety work."

As a first impression as a new employee, Mårten also wants to highlight that Bulten really cares about its employees.

"I have previously worked as a production manager and know how tough that role can be. At Bulten, there is an understanding of that, and they care."

PARTNER TO SVAE THE CHILDREN SWEDEN

In collaboration with



Save the Children

Over the last 100 years, the international organization Save the Children has helped to ensure that the world's most vulnerable children survive, learn and are protected. Every year, they reach tens of millions of children in 120 countries through their work. Bulten wants to be involved and support, and has therefore entered into an annual partnership with Save the Children Sweden.

Bulten has chosen the focus area Education. Millions of children are being robbed of an education simply because of who they are or where they live. They are deprived of learning because they are caught up in emergencies, face extreme poverty, or are discriminated against because of their gender, disability or ethnicity.

Save the Children trains teachers, fills school bags with exercise books and pens and gives children space in a safe classroom. They do what is required here and now for a brighter future - for children with knowledge to become wise adults.

NEW FACTORY IN TAIWAN CREATES THE BEST POSSIBLE CONDITIONS FOR A SUSTAINABLE AND SAFE OPERATION

Bulten has, through its subsidiary PSM Fasteners (Asia) Ltd, moved its operations in Taiwan to a completely new factory in Taipei. We have thus strengthened our position as an international supplier of fastener solutions and created very good conditions to manage future growth.

The new facility offers not only more efficient and sustainable operation, but also completely different conditions for our employees, both in terms of environment and safety.

“I am very happy about the move and that all our employees now have the opportunity to work in a modern and safe work environment,” says Nancy Yang, factory manager and CEO, PSM Taiwan.



SPONSOR OF TEAM RYNKEBY



Bulten is a proud sponsor of Team Rynkeby, a charity cycling team that raises money to support children suffering from critical illnesses. Despite Covid-19 and many cancelled fundraising events, the team still donated a fantastic sum of SEK 37.7 million in 2020, which is very close to last year's record donation of SEK 41.1 million.

“Team Rynkeby does a fantastic job raising money for a very good cause and I am happy that Bulten once again has been able to participate and contribute as Gold sponsor,” says Kamilla Oresvärd, SVP Corporate Communications who received a diploma from Kent Persson, Technical Specialist at Bulten, and also one of the participants in Team Rynkeby.



STAKEHOLDER ANALYSIS

Bulten's main stakeholders are defined as those that are affected by our operations to a large extent, and that in turn affect us to a large extent. We have identified these through workshops attended by all departments and subsidiaries, as well as the company management. Having an insight into the issues that are relevant to Bulten's stakeholders is crucial in prioritizing the right activities.

STAKEHOLDER	CHANNEL FOR DIALOGUE	EXPECTATION/MAIN ISSUE
 Customers	From initial sales contact to ongoing contact. Bulten presents its vision and strategy for sustainable development at meetings with customers. Sustainability assessments and customers' sustainability seminars.	Life cycle emissions of CO2. Contribute to making customers' products and processes more sustainable. Sustainable in-house production and in the supplier chain. Examples of how we handle these issues on pages 7, 12-13, 22, 24-26. Bulten's new vision and strategy have been developed to take care of customers' expectations of the company's sustainability work.
 Employees and their representatives	Through questions in Bulten's global employee survey. Regular dialogue with union representatives and employee talks in Bulten's so called annual development dialogue.	Attractive employer: Health and safety, working conditions/fair pay, employee-manager dialogue and career development. Examples of how we handle these issues on pages 22-27, 32-33, 51-54. One of Bulten's focus areas regarding sustainable development is Diversity and Inclusion as a result of evaluations and strategy work.
 Business partners (JV partners, suppliers, etc.)	Bulten's process for selecting suppliers. Sustainability is reported, discussed and followed up at JV board meetings. Dialogue in connection with audits. Supplier meetings.	Bulten has developed a process for dialogue with and evaluation of suppliers regarding the sustainability aspects. Bulten's business partners demand clarity and direction. Responsible Business Practice/ Business Ethics and Compliance (eg long-term relationships). Examples on how we handle these issues on pages 23, 26, 30, 37. One of Bulten's focus areas in the sustainability strategy is a sustainable supply chain and we have introduced a so-called SAQ (self assessment questionnaire).
 Owners, investors, analysts, etc.)	Owners represented on the board with regular dialogue, reporting and follow-up. In 2020, 27 board meetings were held. Bulten held a capital markets day in February 2020 and investor meetings, and interviews are ongoing. Bulten reports its work in, e.g. quarterly reports and at the Annual General Meeting.	The sustainability aspects are integrated into the business strategy. This stakeholder group has shown greater and greater interest in and need for information regarding Bulten's strategy for sustainable development. Their requirements are e.g. transparency and information, responsible profitability, business ethics and compliance. A major focus is Bulten's climate footprint. Examples of how we handle these issues on pages 2, 6-7, 8-10, 16-17, 20-21, 22-30. An example of how the company has improved clarity is Bulten's focus areas in the sustainability strategy. See page 46.
 Local community (residents, local management and authorities, etc.)	Dialogue and exchange mainly takes place through, e.g. student fairs, collaboration groups locally with other companies, collaboration with college / university, and in connection with the establishment of new operations, permit processes, etc.	Bulten's ambition is to be a good local "neighbor" regarding, e.g. environment (non-polluting, reducing noise, unnecessary traffic, etc.). By working to continuously improve ourselves in these areas, the company contributes to local development, e.g. by being an attractive employer that offers job opportunities. See pages 7, 22-30, 37, 48-55.
 Governments, legislators, authorities	Bulten receives information via, e.g. legislative texts and law enforcement. Direct contacts take place, e.g. in connection with establishment and permit processes, as well as via information from interest and industry organizations.	Bulten's corporate governance procedures, policies and management systems ensure that Bulten meets the set requirements. This also requires transparency and reporting. Examples of how we handle these issues is described in, for example, our GRI index, pages 42-55. As part of this, Bulten has decided that the company's Sustainability Report 2020 shall be reviewed by an external audit firm, see page 56.

IMPORTANT FOCUS AREAS BASED ON BULTEN'S VALUE CHAIN

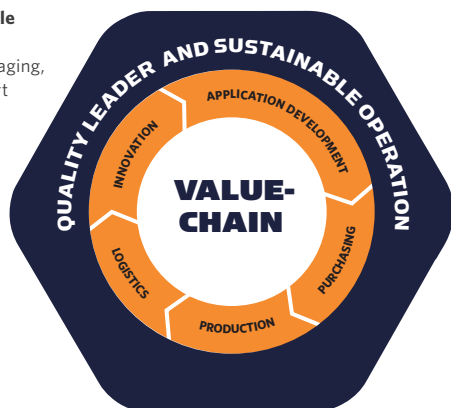
Stakeholder dialogues and other means of collecting information are fundamental in assessing Bulten's impact on the economy, society and environment. The materiality analysis below has been developed internally through workshops, and is a balance of the issues we consider to be of strategic importance.

New solutions

New solutions are represented by decisions that have an environmental and economic impact throughout the value chain, for example; choice of materials, waste generation, surface treatment, assembly, pollution, transport, recycling opportunities. See pages 18-21.

Delivering sustainable solutions

Product quality, packaging, logistics and transport emissions. See pages 18-21 and 50.



Continuous development of products, processes and technology

Bulten's products and services have an impact on, e.g. the environment. Enabling customers to improve the sustainability performance of their products and processes is an essential part of Bulten's offering (materials, weight, energy use during assembly, surface treatment). See pages 18-21.

Sustainable and responsible production

Bulten's consumption of energy, and waste/scrap and the use of chemicals etc. have an impact on greenhouse gas emissions, health and safety, employee well-being, etc. When it comes to Bulten as a workplace, we as employers have a great impact on our employees' development and commitment. It is important that we reduce the use of non-renewable energy sources and work with increased recycling, and a positive impact on the local community. See pages 30, 37, 32-33, 48-54.

Sustainable, responsible purchasing, and logistics

Bulten buys large quantities of raw materials and finished products. This means that Bulten's suppliers have a major impact on, e.g. choice of minerals, processes, human rights and working conditions in their own production, as well as supply chain and transport. See pages 28-30 and 55.

2021 AND BEYOND

A roadmap is being developed by Bulten's sustainability committee, which is well represented by all of our various functions and departments. We have bolstered the organization with an additional resource to continuously evolve both our environmental work and our social work. The focus moving forward will be on continued innovation, and collaborations in key strategic and sustainability-related areas.

BUSINESS ETHICS:

Bulten has created new training courses on the code of conduct and anti-corruption, for example, which will be launched during 2021.

THE ENVIRONMENTAL PERSPECTIVE:

We will continue to train employees and carry out activities that support Bulten's aim of reducing both our climate footprint and our negative environmental impact.

THE SOCIAL PERSPECTIVE:

We continuously invest in our employees' health and safety. We will also conduct our global employee survey to harness employees' dedication and ideas, and to track developments since the previous survey. One important focal point moving forward is to intensify monitoring and support to our suppliers regarding their sustainability work.

UN SUSTAINABLE DEVELOPMENT GOALS

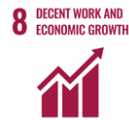
Through internal management discussions and the Sustainability Committee, Bulten has analyzed how the company contributes to achieving the UN's 17 global Sustainable Development Goals (SDGs). A company can have both a positive and a negative impact (see e.g. our risk analysis as regards sustainability on pages 37–39). Bulten can contribute positively above all to the SDGs outlined below.

Ensure access to affordable, reliable, sustainable and modern energy for all.



- Invest in renewable energy at our own plants. The first solar panels at a production unit were installed in 2019.
- Bulten is working on several levels to increase its energy efficiency, see page 26.
- Investments in energy efficiency in Bulten's production plants.
- ISO 50001 certification in Bergkamen and Bielsko-Biala (management system for energy efficiency).

Promote inclusive and long-term sustainable economic growth, employment and decent work conditions for all.



- Code of conduct both internally and externally.
- Bulten's global HR policy.
- Monitoring of health and safety, also company-wide coordination. ISO45001 certifications.
- Long-term employments (low percentage of contracted staff).

Build resilient infrastructure, promote sustainable, inclusive industrialization, and foster innovation.



- Investments in new and existing plants, e.g. investment in new PSM plant in Taiwan 2020.
- Support suppliers in their development, contributing to global trade.
- Own development and cooperation with external parties within sustainable technology.

Foster sustainable consumption and production patterns.



- All of Bulten's production units have environmental certification.
- Responsible consumption of transportation services.
- Wastewater treatment.
- Recycling.

Take urgent action to combat climate change and its impacts.



- Develop more eco-friendly products and services, such as BUFOe.
- Communication, as well as training of employees and suppliers, helps to raise awareness.
- Recycling.
- Water treatment.
- Increased assessment of the supply chain from an environmental perspective.
- See also SDG 7.

YET ANOTHER GOLD MEDAL TO BULTEN FOR ITS SUSTAINABILITY WORK

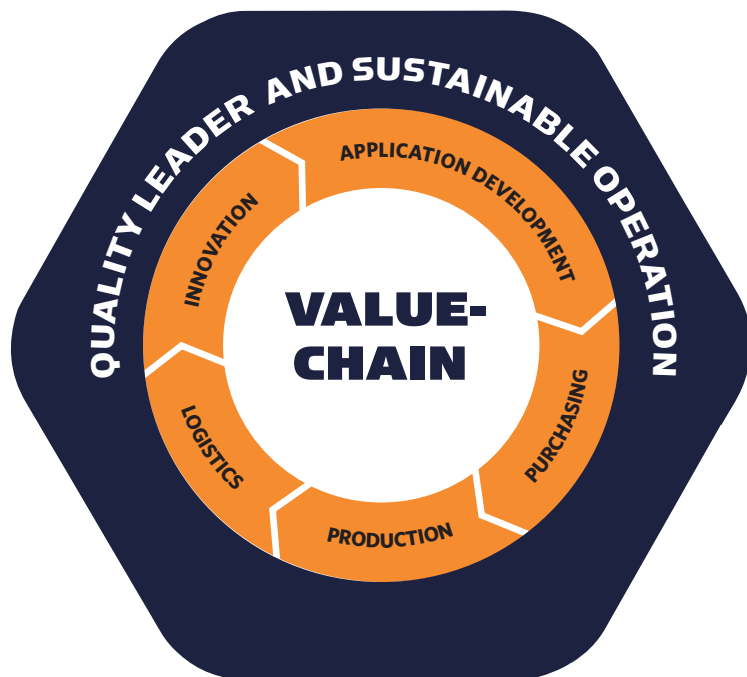


After the international organization EcoVadis conducted its annual evaluation, Bulten was once again awarded a gold medal for its sustainability work.

EcoVadis is an independent international organization that evaluates, scores, and ranks companies' integration of sustainability issues in their business activities. The assessment is based on 21 criteria in four areas: environment, fair working conditions, business ethics, and the supply chain. The method used is based on international CSR standards such as the Global Reporting Initiative (GRI), the UN Global Compact, and ISO 26000.

VALUE CHAIN THAT MAKES A DIFFERENCE

Bulten works consciously toward its goal of offering market-leading fastener solutions that meet customer requirements on efficiency, quality, price and sustainability. With clearly defined objectives, global presence, responsible conduct and the latest in technology and innovation, we are the company that can make a difference and create the greatest benefit for the customer.



› INNOVATION

By delivering the right screw for the right joint and ensuring they can be assembled efficiently, we reduce the customer's total cost. Development is more significant and the impact greater when that development takes place specifically on OEMs' global platforms. So that we can offer complete fastener solutions, we supplement proprietary production development with licensed manufacturing of fastener concepts, such as Taptite 2000®.

We create added value and benefit for the customer by being a proactive partner with full control through the whole value chain. The total cost of fasteners, known as the In-Place Cost or IPC (see fact box on page 17) can be optimized as we can influence every single parameter.

Our own development centers

We have two development centers: Bulten Advanced Technology Center (BATC) in Gothenburg, Sweden, and since 2019 Bulten Innovation Centre (BIC) in Bielsko-Biala, Poland, with particular expertise in fastener technology. The expertise in the two centers is used in product development, including mechanical testing, additive manufacture, and advanced assembly

methods. Verification and validation of new technology is conducted through detailed testing and structured documentation.

Development takes place in connection with each production unit.

› APPLICATION DEVELOPMENT

In new concepts and projects, we are proactive with Resident Engineers, development specialists stationed at the customer site. The objective is to find smart solutions and the right dimensioning, and to reduce the number of variations. We help the customer to design fasteners that meet critical specifications, designed to last for the entire product's lifetime.

Development for greater sustainability

We contribute to sustainable development by integrating environmental aspects in product development. We work with sustainable, recyclable materials. We work actively to audit and optimize our production processes in order to reduce energy use and emissions. Furthermore our main product, the screw, is made to increase reuse, repair and recycling of products, everything necessary for a circular economy and carbon neutrality in the long-term.

› PURCHASING

Our supplier base comprises a network with the potential to offer all types of fasteners to our OEM customers. Approximately 40% of our sales value relates to components from external suppliers. Our main purchasing categories are raw materials in steel (wire of different alloys and dimensions), components and outsourced production.

As Bulten increases its degree of refinement with more complex fasteners, so the need increases to maintain control over the supply chain and create economies of scale. Purchasing is managed at three levels: strategic, tactical, and operational.

Purchasing is based on a geographical perspective, and on the degree of value creation. The global purchasing strategy creates economies of scale, and ensures that our local units use the suppliers that meet Bulten's requirements. This level-based approach affords us the best possible local support, close to customers, backed by a global strategy.

With the Supplier Relation Management (SRM) system, Bulten has good opportunities for efficiently sharing data and information with our supplier base, from all Bulten units. This also gives us the opportunity to monitor supplier performance in real time.

› LOGISTICS

The logistical flow of our product range is complex and global, with many different products and components needing to be sent between the various production plants, suppliers and logistics centers. The end product, i.e. the fastener solution, is always distributed to the customer from one of our logistics centers, many of which are near customers' production plants. Being able to deliver on time in the right packaging is also crucial.

Greener transportation

All new road freight in Europe demands that only trucks with engines that meet Euro 5 and Euro 6 standards may be used, and that Bulten's code of conduct is adhered to. We also have an objective to increase the percentage of renewable fuels, and to shift consignments from road to rail as far as possible. In procurement of road transport in Europe, we have, among other things, demanded an annual reduction in CO2 emissions per tonne-kilometer transported.

For maritime transport, we have only used "green ships" since 2016, which has meant that we have succeeded in reducing our environmental impact significantly.

UNIQUE SENSOR SERVICE THAT CAN SAVE RESOURCES

In June 2020, Bulten acquired a minority holding in TensionCam, a Swedish company specialized in developing sensors measuring clamp loads in screw joints. The acquisition is in line with Bulten's strategy to be a technology leader in fasteners, and to be able to offer customers unique, sustainable functionality, while also facilitating profitable growth also beyond the automotive industry.

TensionCam's unique, patented solution, which has a sensor integrated into the fastener - on the screw head - now offers unique opportunities for continuous monitoring of the clamp load in the screw joint. A screw's clamping force can vary depending on changes in temperature, varying loads, vibrations, and other physical factors. To ensure that it functions as intended, above all under heavy loads, there is a choice between having a short distance between the fasteners, secure dimensioning, to continuously check that they are still tightened to the correct clamping force.

Data from the sensor in the screw head is transmitted wirelessly to a cloud server, where it is processed by algorithms to convey information. This enables remote monitoring of fasteners, which is not

possible using primarily ultrasound, which in some cases is used in production and lab environments.

Bulten can see a broad spectrum of applications for TensionCam and is currently working on creating benefit for installation owners. The first complete product including a sensor, cloud connection, software, and a presentation interface was completed in late 2020 and is now being tested.

Several industries can benefit from TensionCam, and Bulten is conducting several pilot projects in what are, for us, brand new sectors, such as wind and hydro power, and infrastructure, such as railways, bridges, pipe networks, goods handling in seaports, shipping, and more. The common denominator is that the fasteners are all of larger dimensions, from M16 and upward.

PILOT PROJECT ON WIND TURBINES

- 2.5 MW wind turbines, with 1,000 fasteners on average.
- Applied TensionCam sensors on a small percentage of elements.
- All clamp loads are calculated and stored in the TensionCam cloud service.
- This reduces the number of on-site physical controls.
- Creates a unique data bank to help the customer optimize their fasteners.

PRODUCTION

Bulten has its own production of fasteners in Sweden (Hallstahammar), Germany (Bergkamen), the USA (Streetsboro), Poland (Bielsko-Biala), Russia (Nizhny Novgorod), Great Britain (Pembroke), Taiwan (Taipei) and China (Tianjin and Wuxi).

The 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 plants, which means that the flexibility exists to spread production to optimize overall capacity.

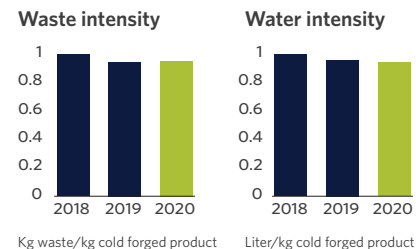
Further refinement is taking place to an increasing extent. As well as hardening and surface treatment, there are also other forms of refinement, such as lubricating coatings and assembly with washers and other parts. This is so that we can deliver a more complete, pre-assembled fastener, ready for direct application in vehicle assembly with no further interim stages.

One of the reasons our price structure is so competitive is that just over half of all our employees are based in low-cost countries. Having plants in low-cost countries – Poland, China and Russia – as well as units across the rest of Europe, Asia and the USA, which have an important geographical proximity to our customers, creates a beneficial symbiosis which enables us to continue competing for new automotive and other contracts while evolving the contracts we already have.

The environment in focus

Our business affects the environment and we must implement our commitments with as little environmental impact as is practically possible, financially defensible and always by fulfilling

our obligations. In our environmental policy, we define the areas we focus on in particular, and by prioritizing our efforts and continuously implementing improvement activities within these focus areas, we create maximum environmental benefit. We focus on our energy and water consumption, our greenhouse gas emissions and the waste from our operations, which has resulted in improvements in recent years with regard to waste and water use:



During the year, Bulten also significantly reduced its dependence on fossil based energy. Partly because the electricity supply now takes place through agreements that only allow renewable sources for all units within the EU but also through our continued efforts to constantly streamline our energy consumption. For example, we have invested in more efficient heat recovery equipment in the manufacturing processes.

This has resulted in a significant reduction in carbon dioxide emissions from our operations (direct emissions and emissions from purchased energy). In 2020, emissions per cold-forged tonne were 21% lower than in 2019, thus continuing the trend from the year before when the reduction was also just over 20% per cold-forged tonne.

Environmental aspects are measured at each facility and reported externally according to authorities' requests and internally for compila-

tion and follow-up. Energy mappings are carried out locally, as well as results against goals being followed up and reported. Bulten is not covered by emission rights programs and does not currently work with emission compensation.

The right processes

Production systems are a vital aspect of our endeavor to be the most cost-effective manufacturer of fasteners in the industry. Production is constantly being 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.

Optimized structure

Bulten strives for an optimized production structure, with closer geographical proximity to our customers – particularly in China and the USA. During 2019, we moved to a new production unit in China. During the second half of 2020, the Bulten and PSM operations in the USA were relocated to a newly built shared facility in Streetsboro, Ohio. The aim is to enable expansion on the local North American market, and also to capitalize on synergies. In addition, production in our subsidiary, PSM Fasteners (Asia) Ltd, Taiwan, has been relocated to a new plant in Taipei. The new plant enables more efficient, sustainable processes, and also provides a foundation for further expansion.

Production by forecast

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

SUSTAINABLE SUPPLY CHAIN

Bulten currently has around 200 suppliers who provide us with products, materials and finishing. The majority relates to wire for producing screws, surface treatment, and outsourced production to supplement in-house production. To deliver a market-leading offering, it is vital that we place equally high demands on our suppliers as we do on ourselves. They must live up to our standards in terms of commercial requirements, quality and logistics, as well as environmental consideration and social responsibility.

All our suppliers should be certified to ISO 9001 (IATF 16949), as well as ISO 14001. All Bulten's suppliers have requirements for an implemented code of conduct to ensure that we share the same values when it comes to our requirements on business ethics, health and safety, environmental requirements and social responsibility. To ensure compliance, the code of conduct is included in our agreement templates and is managed via our Supplier Relationship Management, or SRM, system.

Over the years we have established working methods to monitor and audit our main suppliers, and potential and new suppliers are carefully evaluated based on our code of conduct, including human rights, employment and working conditions, and health and safety. If we decide to proceed, an audit is performed on site which for example includes the management system, financial status, the purchasing process and flow of goods, as well as the supplier's follow-up systems. With our existing suppliers, we conduct regular assessments, and have dedicated employees who work with quality assurance and supplier development.

QUALITY LEADER

Maintaining high, consistent quality in processes and products is crucial in winning new orders and securing strong, profitable growth.

Vehicle designs and vehicle engines are constantly evolving and becoming more complex, resulting in increasing demands on components.

A passenger car consists of 25 to 50 kilos of fasteners, representing approximately 400 unique part numbers. Defective or faulty components may result in costly recalls of parts or all units sold of the vehicle model affected. For global OEMs with most of the world as their market, a recall can have dramatic consequences and result in considerable financial and goodwill losses. Our ability to deliver consistently high quality is therefore vital if we are to retain our customers, both in the automotive industry and with our other customers.

EXPECTATIONS, REQUIREMENTS AND CERTIFICATES

Bulten works systematically with continuous improvement of its processes and ways of working. Our production units have IATF 16949

certification and are all covered by our ISO 9001 certificate.

Making quality our highest priority ensures that not only our own expectations are met, but also those of customers and owners. We work systematically to improve quality at every stage of the value chain, and to a large extent this work focuses on preventing faults and non-compliance.

MEASURABLE QUALITY GOALS

One important aspect of our recipe for success is to set challenging goals and apply a structured work approach. Internally, we continually monitor key figures for production, markets and purchasing. We work together with our external suppliers to develop their quality results and processes. The choice of standardized working methods ensures continued improvement, continuity and a position as world class in the fastener industry.

REWARDS IN QUALITY AND EXCELLENCE

Our customers let us know when we achieve quality excellence in important areas such as systems, performance, manufacturing process, satisfied customers, etc by issuing rewards in quality and excellence.



FLAWLESS LAUNCH IN RECORD TIME THANKS TO WELL-ESTABLISHED FULL-SERVICE CONCEPT (FSP)

Since 2013, Bulten has been a full-service supplier for all fasteners to a number of factories of one of Europe's largest and most well-established car manufacturers. When the customer in 2020 decided to consolidate all of its fastener business with one main supplier, they chose Bulten. We managed to take over the additional business as supplier to all of the customer's main factories and models in record time and a contract with an annual value of approximately EUR 60 million at full rate.

The challenge for Bulten was to take over two flagship factories in different locations where seven different car models were manufactured and deliver within extremely tight time frames. In practice, we had five weeks after the agreement was signed. With a carefully designed and agreed plan, we started working to relocate and train existing and new staff, take over and adapt buildings and equipment, negotiate agreements with subcontractors and generally ensure that everything was in place so that we could deliver 1,300 different item numbers from day one.

Despite the great challenge, both with the project and in addition everything extra that 2020 meant for all parties, the

task was carried out flawlessly. From day one, Bulten delivered with exceptional delivery precision and quality to both the new and existing customer plants, thereby further consolidating our relationship.

Taking over a contract of this size in such a short time is completely unique in the fastener segment in the automotive industry. Thanks to our industry-leading experience of FSP, in combination with the Bulten team's expertise and commitment, we succeeded, and we continue to deepen our relationship with the customer as we launch new design solutions, new technology and sustainable working methods.

OUR EMPLOYEES

Bulten's dedicated employees are a strong contributing factor to its success. We aim to be a workplace for all, where all personnel feel included and involved. The basis for this is good relationships and open dialogue, which are also the keys to preserving and developing the knowledge and culture that has been built up in the company over many years.

The expertise and great dedication of our employees make Bulten's sustainable development possible. We therefore place great emphasis on creating a workplace where everyone can thrive and has the right opportunities to grow and develop.

SPECIAL CHALLENGES IN 2020

2020 was a year of major challenges, but with resilience and immense innovative ability we were able to cope with the difficult circumstances surrounding the COVID-19 pandemic. We made concerted efforts, identified new paths, and managed to fulfill our commitments to customers in an outstanding way. This was possible thanks to our employees and managers who shouldered a lot of responsibility and resolved all of the challenges together.

Naturally, we have focused on the safety of our employees during the year, and have worked hard to prevent and reduce the spread of COVID-19 in our workplaces. The need to switch a large part of the work normally done from the office to remote working has been another major challenge. On the other hand, it has contributed valuable knowledge and insight for the future.

One important success factor in handling the situation was frequent management check-ins, which make it possible to plan together and make decisions to minimize risks. The check-ins provide more in-depth understanding, and

create better opportunities to assess the consequences and make well-informed decisions. As a result we together as a team were able to adapt very quickly to new circumstances.

Having said that, the year finished on a more stable level. From having had to reduce the number of employees in the second quarter, we were able to strengthen the organization again in the fourth quarter through recruitments. We are delighted to welcome our new colleagues from PSM, a company Bulten acquired at the end of the first quarter. Towards the end of the year, we also relocated our PSM factory in Taiwan to new premises with a far better working environment for our operators.

REMOTE WORKING AND COMPETENCE DEVELOPMENT

Our employees' competence development is important. As it was not possible to travel or meet in groups at the workplace during the year, we switched to more e-learning as a tool for competence development.

New challenges have led to new ways of working, and travel restrictions and social distancing have not prevented Bulten and its employees from carrying out important projects. We have continued with development and continuous improvement, and have carried on introducing new colleagues to the workplace with efficiency and confidence.



Ibrahim Muse Abdifitah at Bulten Hallstahammar.

By being creative when it comes to working with, learning from and helping each other, we have achieved excellent results, and for large parts of the company the transition to a digital working method has exceeded expectations.

EMPLOYEE SURVEY

At the beginning of the year, we conducted our Group-wide employee survey. The results highlighted two particularly important focus areas: our annual development dialogue between managers and employees, and health and safety.

ANNUAL DEVELOPMENT DIALOGUE

It was a great achievement that our managers and employees were able to carry out their meetings at the same level as in previous years, despite all the challenges. It is very important to us to engage each of our employees in a dialogue about their current situation and the future, as well as the conditions for doing a good job, developing, and implementing the company's strategy.

HEALTH AND SAFETY

At Bulten, we are continuously working to promote well-being, and to prevent accidents and ill health in our workplaces. Our systematic health and safety work encompasses both the physical and organizational working environment. Bulten's Zero accidents vision for workplace accidents is a guiding principle for this work and includes all employees, as well as contractors and other people carrying out work in our workplaces.

GUIDELINES AND HEALTH AND SAFETY INSTRUCTIONS

In addition to the Group's working environment policy, each workplace shall have local policies/guidelines and health and safety instructions in place. They shall clearly set out responsibilities, roles, procedures, and goals. This includes mapping and planning of work to achieve a good working environment. Furthermore, risk assessments shall be carried out, and action plans for improvement measures shall be set up and implemented. One activity in the spotlight

during the year was health and safety training for management and employees. We also set the goal that all units must be certified to ISO 45001, which began with certification of two of Bulten's production units in the last quarter.

GOAL MONITORING

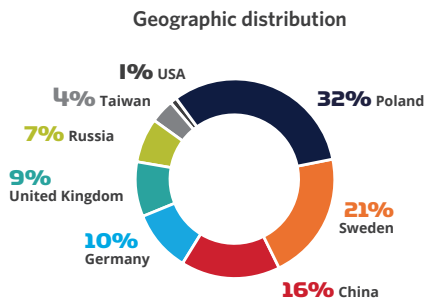
Action plans and the outcomes of local and Group-wide working environment goals are monitored regularly. At Group level, we follow up the outcomes, including sick leave, monthly. All accidents shall be reported to the CEO and Senior Vice President for HR and Sustainability within 24 hours, and documented in the Group's monitoring system for accidents. The outcomes are reported to the Board of Directors. For further information on goals and outcomes, see the GRI index on page 53.

To ensure that our investments support our sustainability strategy, we assess investment requests based on sustainability. Assessed aspects include working environment and environmental factors.

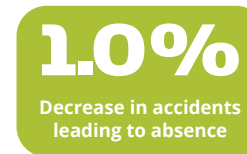
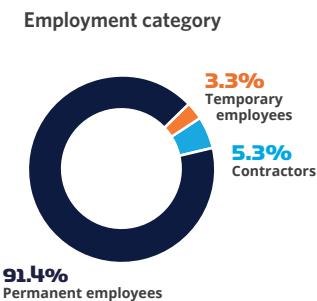
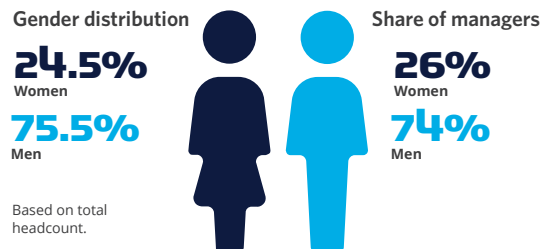
DIVERSITY AND INCLUSION

For Bulten, it is important to be an inclusive employer, and we have clarified our position on this as part of our strategy work. Our code of conduct, HR strategy and HR policy provide important support in our ongoing work against all types of harassment and discrimination, in all contexts.

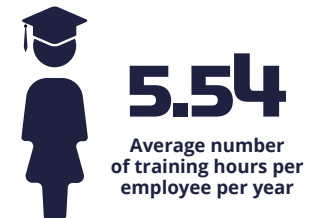
Bulten as a workplace shall welcome everyone, and everyone working at Bulten has a responsibility to combat discrimination and harassment, and to strive for greater equality. Leadership is pivotal in this process, while our policies and training of managers and personnel are important tools. These issues are also monitored in the employee engagement survey and in the annual performance review.



All data includes Bulten only, except for geographical distribution which includes PSM.



*) of max 100



STRONG FINANCES ALLOW MANEUVERABILITY

Bulten's strong balance sheet provides maneuverability and preparedness for the future, both when it comes to investments in increased capacity and for strategic acquisitions.

CLEAR FINANCIAL MANAGEMENT

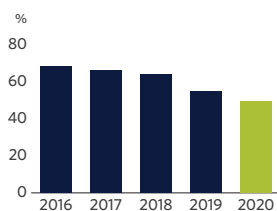
Our strong balance sheet, allows great maneuverability. We can manage the higher formation of capital that comes with growth, but can also take action should a strategic acquisition opportunity arise.

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.

High equity ratio and net debt

In 2020, our equity/assets ratio was 49.4% (55.2) and net debt SEK 458 million (565), which equates to a net debt in relation to EBITDA of -1.7 (-2.4). The net debt/ equity ratio is -0.3 (-0.4). The capital turnover rate is 1.5 (1.6). If the key figures above are adjusted for financial leasing according to IFRS 16, the equity /assets ratio amounts to 55.2% (60.5), net debt to SEK 112 million (299), which corresponds to net debt in relation to EBITDA -0.5 (-1.5). The debt/equity ratio is -0.1 (-0.2). The capital turnover rate is 1.7 (1.8). We monitor the capital structure closely.

Equity/assets ratio, %



Good liquidity

Access to capital allows flexibility. Our financial policy ensures that we always have an adequate level of disposable funds. At the end of 2020, there was an available liquidity reserve in the Group of SEK 851 (464) million, which corresponds to 26.6% (15.0) of net sales.

At the end of the second quarter, the company exercised the second extension option in an existing financing agreement with Svenska Handelsbanken of SEK 750 million, which expires June 2024. The company has entered into a financing agreement with Danske Bank, mainly for the Polish operations. The agreement with Danske Bank runs for one year and includes a credit of a total of EUR 12 million.

We focus on profitable growth and cash flow, and our actions are always based on the lowest possible risk at any given time.

TAX POLICY WITH RESPONSIBILITY

We have drawn up a tax policy which establishes how we can work responsibly as a tax payer on a global level. In the policy we promote and place demands on ethical, transparent business transactions and tax compliance, while also fulfilling OECD Transfer Pricing Guidelines.

We take great care to clarify that Bulten is a company that wants to do the right thing. We report and present our tax position in line with statutory standards and regulations.

In 2020, we paid SEK 22 million (67) in income tax and our tax expense was equivalent to 44.1% (41.7). The high tax cost is mainly due to negative results in certain jurisdictions, which have an overall impact on the Group's results.

We paid SEK 126 (129) million in social security contributions, of which SEK 22 (15) million related to pension costs. In addition, we paid withholding tax and value-added tax.

SUSTAINABLE PROFITABILITY BENEFITS STAKEHOLDERS

We actively run our organization to be profitable over time and to manage anticipated growth, and thanks to this we can create a sustainable business.

With a strong financial platform as a foundation, we create stability and security, both within the Group and for our owners, customers, employees, suppliers and society at large.

We work together to ensure the company's share yields a competitive total return in relation to risk. Consequently, all actions should be based on the long-term perspective, and we practice open, true and fair reporting to shareholders, the capital and credit market, and to the media, although without exposing individual business relations.

We may acquire and transfer our own shares to adapt our capital structure to the capital requirement or raise cash, or to finance investments or share savings programs. We may not trade our own shares, however, for the purposes of short-term profit.

With this sustainable approach, we create great benefit for all our stakeholders. Our ability to quickly increase our capacity makes us a dependable player, and also builds trust among suppliers and partners who invest in long-term collaborations. It also means our employees regard us as a long-term employer and invest

their time in developing with the company. Shareholders can enjoy a strong yield from a solid company with a valuation that is expected to continue rising. Last but not least, society benefits from our profitability through taxation.

NEW LONG-TERM FINANCIAL TARGETS AND A GENEROUS DIVIDEND POLICY

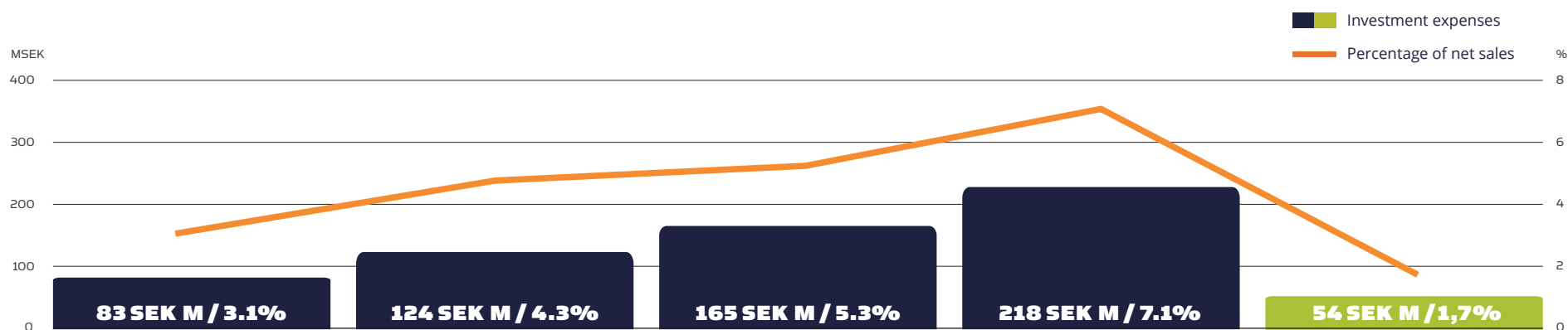
- Net sales SEK 5 billion in 2024 (equating to a compound annual growth rate (CAGR) of 10%, both organic and through acquisitions).
- Operating margin (EBIT) >8%
- Return on capital employed (ROCE) >15%.
- Dividend policy >1/3. Over time, to pay out a dividend of at least one third of net earnings after tax. Nevertheless, consideration should be given to Bulten's financial position, cash flow and outlook.

For target outcomes, see page 36.

Key financial indicators SEK M	2020	2019
Net sales	3,195	3,093
Gross profit	567	543
Earnings before depreciation (EBITDA)	277	239
Operating profit (EBIT)	116	98
Operating margin, %	3.6	3.2
Earnings after tax	50	55
Orders received	3,607	3,103
Net debt/equity ratio, times	-0.3	-0.4
Equity/assets ratio, %	49.4	55.2
Return on capital employed, %	5.4	5.5

INVESTMENTS FOR CONTINUED GROWTH

Bulten continuously invests in increased delivery capacity and efficiency, primarily with our own resources. Invested capital is generally between 2 and 3 percent of annual turnover, but may in the short-term be more when adapting to higher volumes or a higher degree of refinement. In 2020, the rate of investment excluding acquisitions corresponded to approximately 1.7 percent of sales, which is directly linked to the uncertainty prevailing during the year caused by Covid-19. Over the next three years, the percentage will be a bit higher as a result of already planned investments to raise capacity in line with anticipated growth. These investments will also improve our production efficiency even further. Our production units have a geographical distribution and a well-balanced spread of risk. Sustainability is a prerequisite for economic growth.



2016

SEK 83 million, 3.1% of turnover. Continued investments to become the most cost-effective manufacturer of fasteners in the industry. A decision was made to invest EUR 9 million in new surface treatment plants at the German and Polish units. Estimated payback of just over two years after production begins in 2018–2019. In addition to increased competitiveness and improved profitability, the result of these investments means fewer shipments, leading to a smaller environmental impact.

2017

SEK 124 million, 4.3% of turnover. Bulten increases its capacity in Europe to meet future volumes. A decision was made to invest in an additional plant for production and distribution in Poland, which is planned for completion during 2019, and in a new heat treatment plant in Sweden. During the year, Bulten grew by 6.7%.

2018

SEK 165 million, 5.3% of turnover. Bulten continues to increase its capacity to meet future volumes and opportunities. During 2018, Bulten invested in a new heat treatment line in Hallstahammar, which was ready to go online at the end of Q1 2019. The investment increases capacity by 25% in Hallstahammar, while also increasing energy efficiency. During the year, Bulten grew by 9.7%. The investment in a further facility in Poland was delayed due to construction and land use negotiations.

2019

SEK 218 million, 7.1% of turnover. Bulten continues to increase capacity, primarily in Sweden and Poland. The Chinese operation was relocated from Beijing to Tianjin during the year. The move also entailed investments in capacity and efficiency. The relocation went well and the new factory was opened in late November. During the year Bulten also acquired land in Poland, where a new production and logistics facility is to be built.

2020

SEK 54 million, 1.7% of turnover. During the year, Bulten mainly invested in efficiency-enhancing investments, but also in increased capacity in our Asian facilities. During the current situation with COVID-19, the planned production and logistics facility in Poland had to be postponed.

FINANCIAL TARGETS

Bulten's financial targets help to maintain and consolidate the company's leading position in the industry, while also contributing to a strong total return for Bulten's shareholders. From 2020, Bulten has revised its financial targets.

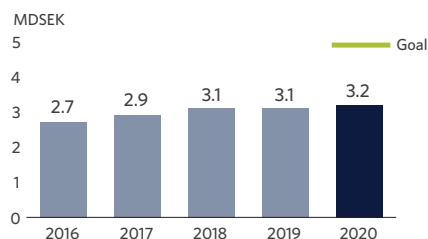
GROWTH

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

Comments

Growth in 2020 amounted to 3.3% (-1.2), of which SEK 369 million is attributable to the acquisition of PSM. Weighted for Bulten's customer structure, the average global growth in the industry* was -14.9% (-4.7). With our communicated contract portfolio and the acquisition of PSM, we are in a good position for 2021 to continue to take market shares in the future and thus achieve our goal of a CAGR of 10% by 2024. However, the effects of COVID-19 and continued shortage of microprocessors may make an impact in the future.

*) Average growth in the industry is defined as global production volume according to LMC Automotive's estimate, December 2020, weighted for Bulten's customer structure.

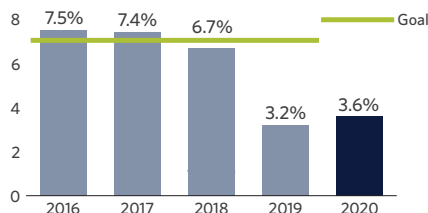


OPERATING MARGIN

The target is to achieve an operating margin of at least 8%.

Comments

The operating margin was 3.6% (3.2) in 2020 and we thus did not achieve the target of at least 8.0%. Our profitability was affected by the effects of COVID-19 and adjustments to production to demand during Q2 and parts of Q3, which had a negative effect on the company's earnings in the form of underabsorption of fixed costs.

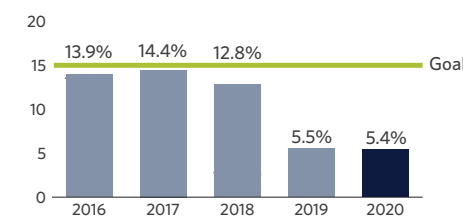


RETURN ON AVERAGE CAPITAL EMPLOYED (ROCE)

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

Comments

Return on average capital employed amounted to 5.4% (5.5) in 2020, so we did not achieve the target of at least 15%. This is lower than our target and is a direct result of a lower level of profitability due to COVID-19 and adjustments of production to demand during Q2 and parts of Q3, which had a negative effect on the company's earnings in the form of underabsorption of fixed costs.



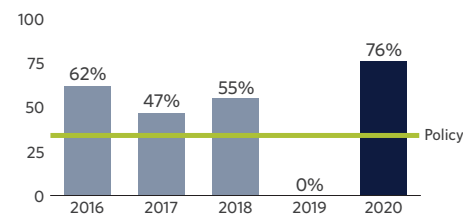
DIVIDEND POLICY

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.

Comments

The Board has proposed a dividend to the Annual General Meeting of SEK 2.00 per share for the financial year 2020, compared with SEK 0 per share in 2019*. The dividend corresponds to approximately 76% (0) of net profit after tax, which is in accordance with the dividend policy.

*) Due to the prevailing external climate with the uncertainty surrounding the possible future economic effects from COVID-19, no dividend was paid for the financial year 2019.

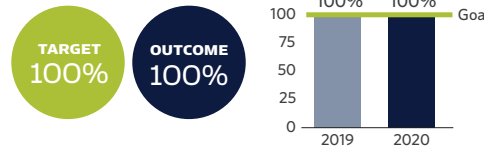


SUSTAINABILITY TARGETS

Our sustainability goals enable us to ensure we have the right focus and that we deliver higher value to all stakeholders in an environmentally, socially and economically sustainable way. The outcome does not include PSM.

CODE OF CONDUCT FOR EMPLOYEES

The target is that the code of conduct shall be signed by all employees, i.e. 100%.



Comments

Bulten launched its new code of conduct during 2020. All employees have carried out e-learning and confirmed completion, have their understanding of the content, and know how to report deviations from Bulten's policies. New employees sign the Bulten code of conduct when they sign their employment contract, and is followed up by the HR department.

SUSTAINABLE SUPPLY CHAIN

During 2020, Bulten introduced a so called sustainability self assessment questionnaire (SAQ) for all approved suppliers of direct materials.

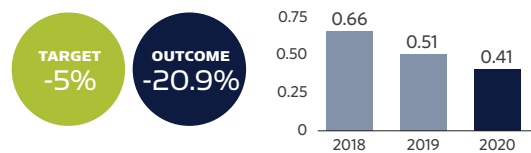


Comments

At the end of the year, suppliers corresponding to approximately 81% of the total purchasing volume had answered the survey and were assessed on a scale of 1-5. Efforts are continuing in 2021, with the target to achieve a 100% response rate and begin development procedures with suppliers who only achieve a rating of 1-2. In connection with implementing new FSP contracts, Bulten has taken over new suppliers from another supplier. None of them have yet been assessed.

CO2 INTENSITY

Bulten's vision is to strive for an annual reduction of the CO2 intensity by 5% per coldforged kg of steel.

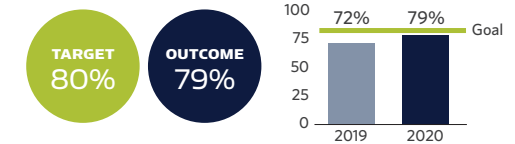


Comments

The data includes all of Bulten's product manufacturing units except the North American operation and the units acquired during 2020 (PSM). Definition can be found in the GRI index, information 305-4. The 2020 CO2 intensity consisted of 0.41 kg CO2/kg coldforged steel. A decrease of 20.9 % compared to 2019 and 38 % compared to 2018. The decrease is a result of reduced dependence on energy based on fossil fuels. Partly because the electricity supply now takes place through agreements that only allow renewable sources for all production units in the EU, but also through our continued efforts to constantly streamline our energy consumption.

ANNUAL DEVELOPMENT DIALOGUE

The aim is for all employees to have a development dialogue every year.

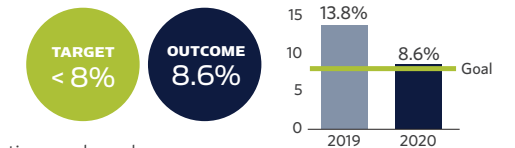


Comments

The annual development dialogue encompasses all employees and is registered in Bulten's global HR system. The 2019 results was based on the outcome of Bulten's employee survey. Compared with the 2019 outcome, an increase in 2020 has taken place by 9.7 %.

EMPLOYEE TURNOVER

The target is that the turnover of permanent employees should be less than 8%.

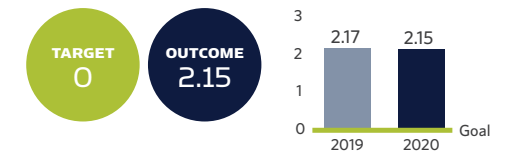


Comments

During 2020, COVID-19 had an impact on Bulten's operations and employees. For further information about employee turnover at Bulten, see GRI Index, disclosure 401-1.

WORKPLACE ACCIDENTS LEADING TO ABSENCE

Bulten's ambition is that no one should be injured at their place of work. One of the most important metrics is LTIR (Lost Time Injury Rate*).



Comments

The number of accidents in 2020 decreased by 49 compared to 2019, a decrease of 43%. The number of hours worked in 2020 decreased by 21% on 2019. Workplace accident statistics also include accidents on the way to and from work. Our vision is an LTIR of zero, and evolution of preventive work and investments in the workplace are continuing.

* Number of accidents leading to absence x 200,000/total number of hours worked.

HISTORY

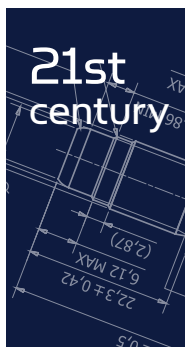


It has been 145 years since young Stockholm engineers, Nils Petersson and Gottfrid Rystedt, saw Bulten's potential. They went to wholesaler, Herman Friedländer, who wrote a prospectus and convinced some friends and acquaintances to guarantee the start-up capital of 225,000 old crowns. In February 1873, Bultfabriksaktiebolaget was instituted. Some suitable land for the new factory was found by the Kolbäck river in Hallstahammar, central Sweden, next door to the old iron works. To begin with, there were 20 employees.



In 1960, Bulten moves into new headquarters. In the early 1990s, crucial steps in the company's history were taken. Production in Sweden was streamlined and restructured, and Hallstahammar began focusing exclusively on the automotive industry.

New production units were acquired in Germany, Poland and China, and sales offices were established there and in the UK and France.



In 1997 Bulten was listed on the Stockholm Stock Exchange, but just four years later was acquired by Finnveden and delisted again. When Bulten was once again listed in the Nasdaq Stockholm Small Cap segment in 2011, it was as a division of the Finnveden-Bulten Group. In 2014, the board decided to focus exclusively on fasteners for the automotive industry, and the Finnveden Metal Structures division was divested. The company took on new management



and the name was changed back to Bulten; the next year, the company was moved up to the Mid Cap segment.

In recent years, Bulten has grown its business and major new contracts have been won, primarily as part of the Full Service Provider (FSP) concept.

In 2020, Bulten acquired PSM. The acquisition was an important part of Bulten's strategy and has broadened the company's customer base in emerging markets in Asia and North America. It also strengthened production capacity and product offering.

Bulten has approximately 1,600 employees and net sales in 2020 amounted to 3,195 MSEK. Breathtaking figures for Messrs. Petterson, Rystedt and Friedländer.

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 business cyclical and external risks, operational risks, sustainability risks and financial 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 71, Note 5.



FINANCIAL RISKS

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

SUSTAINABILITY RISKS

- F Fossil-free energy use
- G Emissions
- H Organization and competence supply
- I Shortcomings in equality and diversity, and discrimination
- J Shortcomings in health and safety
- K Violation of human rights
- L Corruption

BUSINESS CYCLE AND EXTERNAL RISKS

- M Market and macroeconomic 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 risks
- V IT-related risks

RISK AREA	DESCRIPTION	OPPOSING FACTORS	PROBABILITY	IMPACT	
FINANCIAL RISKS					
A	Currency risk	<ul style="list-style-type: none"> Bulten operates internationally and is exposed to currency risk in the form of currency exposure, mostly in EUR, PLN, GBP, USD, TWD, CNY and RUB. 	<ul style="list-style-type: none"> 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	Moderate
B	Liquidity risk	<ul style="list-style-type: none"> The risk that the Group cannot meet payment commitments due to insufficient liquidity or problems in raising credit from external creditors. 	<ul style="list-style-type: none"> Bulten's management team continually monitors the Group's liquidity reserves which comprise liquid funds and unutilized credit facilities. 	Unlikely	Moderate
C	Interest rate risk	<ul style="list-style-type: none"> The Group'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. 	<ul style="list-style-type: none"> Bulten's interest rate risk is deemed to be low due to the low level of borrowing. As of 31 December 2020 to SEK 458 million. Net debt (excluding leasing liabilities) amounted to SEK 112 million. 	Very unlikely	Low
D	Credit risk	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Group's accounts receivable are spread across a large number of customers and historically the Group's bad debts have been very low. Liquid funds are invested exclusively with credit institutions with high credit ratings. 	Very unlikely	Low
E	Capital risk	<ul style="list-style-type: none"> The risk that the Group does not have the right capital structure to keep costs and capital down. 	<ul style="list-style-type: none"> Bulten has a clear dividend policy and the management team continuously monitors refinancing requirements for operating activities. 	Negligible	Negligible
SUSTAINABILITY RISKS					
F	Fossil-free energy use	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Bulten continuously measures its energy use so as to rationalize and reduce its use of non-renewable energy. When procuring energy, Bulten strives to find an alternative from renewable sources. In investments, energy efficiency is a decision parameter. Ensuring fossil-free energy through own production, solar panels. 	Possible	Moderate
G	Emissions	<ul style="list-style-type: none"> Bulten's use of transport services entails the use of fossil fuels. 	<ul style="list-style-type: none"> Bulten is working to optimize its logistical flows. When procuring transport services, emission requirements of at least Euro 5/6 are set, along with a focus on sustainability. 	Unlikely	Low
H	Organization and competence supply	<ul style="list-style-type: none"> Bulten depends on being able to attract/recruit and retain the right staff and management to safeguard Bulten's core values. 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. 	<ul style="list-style-type: none"> Bulten's core values and leadership foundation. Bulten's global HR policy. HR system that helps the organization to implement and follow up HR policy and strategy. Employee surveys with firm action plans, and internal development and career opportunities. Clear vertical and horizontal communication as regards short-term goals and strategy. 	Possible	High
I	Shortcomings in equality and diversity, and discrimination	<ul style="list-style-type: none"> Bulten operates in a traditionally male-dominated industry. 	<ul style="list-style-type: none"> To counteract discrimination and harassment, and to achieve a more equal company, Bulten applies an HR policy and processes in recruitment, for example. Employee survey, measurement and follow-up. Transparency regarding policies via the intranet, staff manuals and reporting of violations as regards discrimination. 	Possible	Moderate
J	Shortcomings in health and safety	<ul style="list-style-type: none"> Working environment, health and safety are strategically important to Bulten. Shortcomings in the working environment and on health and safety entail a higher risk of illness. 	<ul style="list-style-type: none"> Bulten works systematically to secure and improve the working environment. Bulten measures and follows up important key ratios relating to health and safety. Improvement activities are identified and implemented. Bulten encourages wellness activities for its employees. Bulten has a readiness and plan to deal with a pandemic. 	Possible	Moderate
K	Violation of human rights	<ul style="list-style-type: none"> Bulten operates on a global market where insight into human rights may be limited. This entails a risk that Bulten could contribute to violations of human rights. 	<ul style="list-style-type: none"> 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	Moderate
L	Corruption	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Bulten trains employees in its code of conduct, anti-corruption and other policies. Along with the framework for internal control and monitoring, this forms the basis of a correct approach with regard to business ethics and accurate financial reporting. Bulten's application of global and local certification manuals. Procurement processes that ensure good business ethics. Supplier strategy including the qualification process, which includes all sustainability aspects. 	Unlikely	Moderate

RISK AREA	DESCRIPTION	OPPOSING FACTORS	PROBABILITY	IMPACT	
BUSINESS CYCLE, MARKET AND EXTERNAL RISKS					
M	Global market and macroeconomic risks	<ul style="list-style-type: none"> Bulten operates on a cyclical global market governed by macroeconomic factors. 	<ul style="list-style-type: none"> Bulten meets these risks by operating in different markets and segments, such as cars and commercial vehicles, consumer electronics and home appliances industries. 	Very likely	Moderate
N	Legal and political risks	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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, form the basis for its business ethics and accurate financial reporting. Political risk can also be limited somewhat through collaboration with locally based businesses. 	Very likely	Moderate
O	Trends and driving forces in the automotive industry	<ul style="list-style-type: none"> 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 of products and materials could change Bulten's competitiveness. The Paris Agreement and the automotive industry's demands on lower CO2 impact." 	<ul style="list-style-type: none"> 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, e.g. new applications and sustainable materials with lower CO2 impact, the risk of lost competitiveness is deemed to be lower. 	Very likely	Moderate
P	Force majeure	<ul style="list-style-type: none"> Global just-in-time logistics have made global trade more sensitive to disruptions such as pandemics, natural disasters and strikes. 	<ul style="list-style-type: none"> 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. 	Very likely	High
OPERATIONAL RISKS					
Q	Customer dependency	<ul style="list-style-type: none"> Bulten's customers include many OEMs in Western Europe, where a number of key customers account for a large share of the Group's sales. Bulten's turnover is dependent on customer's success with their range of models on the market. 	<ul style="list-style-type: none"> 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	Moderate
R	Global supply chain	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	Possible	Low
S	Product liability, warranty and recall	<ul style="list-style-type: none"> Bulten has product responsibility and can be exposed to warranty claims if products supplied by the Group cause damage to persons or property. 	<ul style="list-style-type: none"> 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. 	Possible	Low
T	Suspension of operations and property damage	<ul style="list-style-type: none"> Damage to production equipment could have a negative impact, both due to direct damage to property and in terms of down time. 	<ul style="list-style-type: none"> 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	High
U	Environmental risks	<ul style="list-style-type: none"> Bulten conducts activities requiring permits and reporting in several jurisdictions. 	<ul style="list-style-type: none"> 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. 	Unlikely	Low
V	IT-related risks	<ul style="list-style-type: none"> 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 the possibility of completing deliveries to the customer on time Cyber risks including the risk of unauthorized intrusion into systems 	<ul style="list-style-type: none"> 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. 	Possible	High

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 2020, Nasdaq Stockholm rose by 12.9% (29.6). Bulten's sector index, Stockholm Automobiles & Parts, rose by 3.0% (6.7). Bulten's share price rose by 14.0% (-10.7) from a rate at the start of the year of SEK 78.8 (88.20) to SEK 89.90

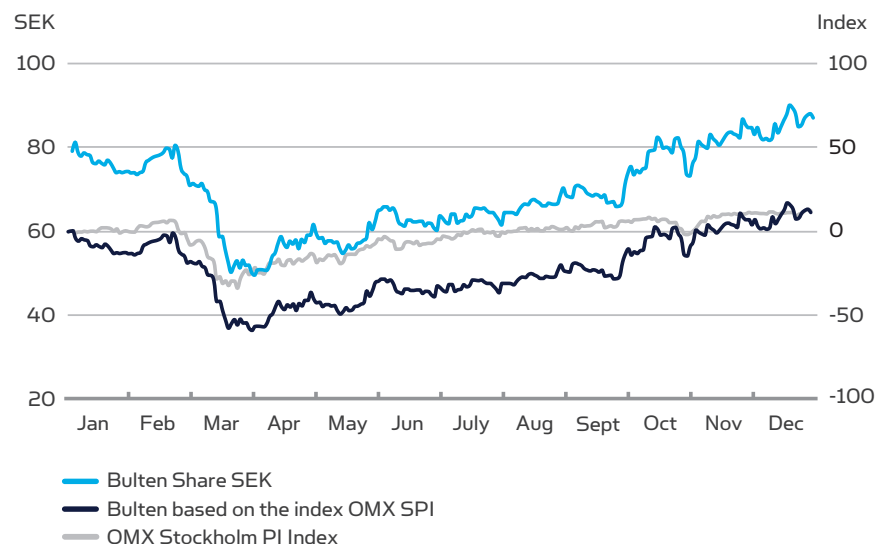
(78.80) at the end. The lowest closing price, SEK 37.60, was noted on 30 March 2020 and the highest, SEK 94.00, on 16 December 2020. The market value of Bulten at the end of 2020 was SEK 1,889 (1,658) million, an increase of SEK 231 (-198) million.

SHARE TURNOVER

Bulten's total share turnover in 2020 was 19.6 (7.4) million shares, corresponding to an average turnover of 77.9 (29.6) thousand shares per day over 252 (250) trading days.

The turnover rate, calculated as the number of traded shares in relation to the total number of shares in the company, was 93.3% (35.).

SHARE PERFORMANCE 2020



SHAREHOLDERS

As of December 31, 2020, Bulten had 7,583 (7,133) shareholders. Proportion of registered shares abroad amounted to 28.5% (18.4), of which owners in the USA 13.8% (8.5), Finland 6.8% (2.4), Great Britain 2.5% (1.7) and Luxembourg 1.9% (2.6).

The five largest shareholders on 31 December 2020 had a total of 49.8% (58.5) of the capital and votes, with the three largest holding 38.8% (49.0).

Bulten is the fourth largest shareholder and owned 5.0% at year-end. Senior management of the Group and elected board members' shareholdings were 0.9% (1.5) 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. Nevertheless, consideration should be given to Bulten's financial position, cash flow and outlook. For the 2020 financial year, the Board intends to propose the 2021 Annual General Meeting a dividend of SEK 2.00 per share. This corresponds to approximately 76 percent of net profit after tax.

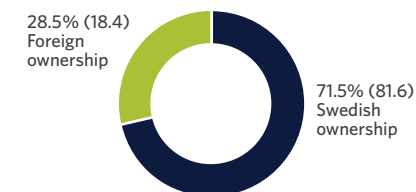
FINANCIAL INFORMATION

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.

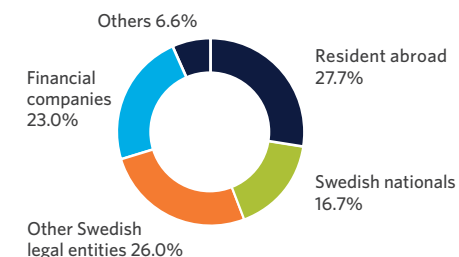
NOTICE TO ATTEND ANNUAL GENERAL MEETING 2020

Bulten AB (publ) will hold its Annual General Meeting on 23 April 2020 at 5 pm CET in Gothenburg, Sweden. Due to the ongoing pandemic, the AGM, with the support of temporary statutory rules, will be conducted only by postal votes.

Swedish and foreign ownership



Ownership structure



OWNERSHIP STRUCTURE, 31 DECEMBER 2020

SHARE INTERVAL	NO. OF OWNERS	NO. OF SHARES	SHARE-HOLDING, %
1-500	5,960	803,833	3.8
501-1,000	875	737,921	3.5
1,001-5,000	576	1,290,074	6.1
5,001-10,000	79	576,074	2.7
10,001-15,000	17	210,102	1.0
15,001-20,000	13	230,363	1.1
20,001-	63	17,191,840	81.8
Total	7,583	21,040,207	100.0

Source: Euroclear Sweden AB register, 31 December 2020.

BULTEN'S FIVE LARGEST SHAREHOLDERS, 31 DECEMBER 2020

SHAREHOLDERS	NO. OF SHARES	SHARE OF VOTES AND CAPITAL (%)
Volito AB	5,000,000	23.8
Lannebo fonder	1,637,140	7.8
Nordea Investment Funds	1,520,187	7.2
Handelsbankens fonder	1,326,772	6.3
Brown Brothers Harriman & Co	1,000,000	4.8
Five largest owners	10,484,099	49.8
Total other owners	10,556,108	50.2
Total	21,040,207	100.0

Source: Euroclear Sweden AB register, 31 December 2020.

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	2020	2019
Share price at year-end (closing price paid), SEK	89.80	78.80
Highest share price during the year (price paid), SEK	94.00	97.00
Lowest share price during the year (price paid), SEK	37.60	57.60
Market value at year-end, SEK M	1,889	1,658
P/E	33.82	30.03
Yield, %	2.23	-
Data per share		
Earnings before depreciation (EBITDA)	13.28	11.93
Operating profit (EBIT)	5.57	4.92
earnings after net financial items (EAFI)	4.16	4.61
Earnings for the year	2.66	2.62
Equity	71.62	74.09
Cash flow from operating activities	21.44	10.33
Cash flow for the year	8.35	2.25
Proposed dividend	2.00	-
Total outstanding ordinary shares, 000		
Weighted total	20,829.5	20,030.8
At year-end	20,988.0	19,988.0

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

COMPANY	ANALYST
Carnegie	Kenneth Toll Johansson
Danske Bank	Björn Enarson
Kepler Cheuvreux	Mats Liss

PRESS RELEASES

Q1

10 Jan	Invitation to Bulten's Capital Markets Day 2020
20 Jan	Invitation to presentation of Bulten's Q4 report 2019
6 Feb	Bulten's Q4 report 2019
17 Feb	Bulten launches BUFOe - a new energy efficient product line
20 Feb	Bulten presents a new vision, updated strategy, new financial targets and extended group management on capital markets day
28 Feb	Bulten completes the acquisition of PSM International
2 Mar	Bulten coordinates its business with PSM and relocates to a new joint building in Ohio, USA
24 Mar	Bulten's Board of Directors withdraws proposal for a dividend of SEK 4.00 per share and take measures to mitigate the impact of COVID-19
24 Mar	Notice to attend Annual General Meeting of Bulten AB (publ)
27 Mar	Notification of changed shareholding

Q2

1 April	Bulten publishes Annual Report with Sustainability Report for 2019
1 April	Bulten's Nomination Committee withdraws proposal for increased fee to the audit committee
1 April	Bulten's Executive Vice President and CFO Helena Wennerström has announced her resignation
8 April	Invitation to presentation of Bulten's Q1 report 2020
23 April	Bulten's Q1 report 2020
23 April	Press release from the Annual General Meeting of Bulten AB (publ) 23 April 2020
26 June	Bulten acquires minority post in TensionCam Systems AB
29 June	Invitation to presentation of Bulten's Q2 report 2020

Q3

2 July	Bulten is awarded a major FSP contract
3 July	New employee representative appointed to the Bulten AB (publ) board
6 July	Changes in Bulten's group management
7 July	Bulten announces delivery start and start-up costs for newly won FSP contract
10 Jul	Bulten's Q2 report 2020
4 Aug	Bulten moves and expands its manufacturing facility in Taiwan
27 Aug	New employee representative and deputy appointed to the Bulten AB (publ) board
14 Sep	Bulten appoints Emmy Pavlovic as Senior Vice President Technology and Innovation
30 Sep	Changes in Bulten's group management

Q4

7 Oct	Invitation to presentation of Bulten's Q3 report 2020
21 Oct	Bulten AB (publ):s Nomination Committee for 2021 AGM appointed
22 Oct	Bulten's Q3 report 2020
4 Nov	Bulten appoints Anna Åkerblad as new CFO

GRI-INDEX

DISCLOSURE	DESCRIPTION	COMMENTS	PAGE OR URL	DEPARTURES	GLOBAL COMPACT PRINCIPLE																																																																			
GRI 102: General Disclosures 2016 (Core level)																																																																								
Organization profile																																																																								
102-1	Name of the organization	Bulten AB	page 67, note 1																																																																					
102-2	Activities, brands, products and services	The company supplies fasteners under the Bulten and PSM brands primarily to the automotive industry. Bulten does not offer any services or products that are banned on any market.	pages 2-3, 16-21, 28-30	Bulten acquired PSM International Holding Ltd on February 28, 2020. PSM is not included in the sustainability report.																																																																				
102-3	Location of headquarters	Gothenburg	page 67, note 1, page 126 (rear cover of annual report)																																																																					
102-4	Location of operations		pages 3, 67, note 3																																																																					
102-5	Ownership and legal form		pages 42-43, 67, notes 1 and 3																																																																					
102-6	Markets served	Bulten's customers are represented primarily by the automotive industry. The company's customer groups are presented on page 3.	pages 3, 16, 76, note 6																																																																					
102-7	Scale of the organization	<p>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 by the end of 2020 was: 1321 (1425). A decrease of 104 (7.3%) compared with 2019.</p> <p>i. 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. Total number of employees, Headcount (HC): 1,363 (1,429), of whom permanent: 1,315 (96%) and temporary: 48 (4%). A decrease in the total Headcount (HC) of 66 (5%) compared with 2019. In addition to the number of employees there were 75 contractors. Total Headcount including contractors: 1438.</p> <p>ii. Number of operations reported, see page reference.</p> <p>iii. Sales, see page reference.</p> <p>iv. Capitalization, see page reference.</p> <p>v. Bulten's sales consist primarily of fasteners. For more information about volume and share, see page references.</p>	pages 3, 11, 16, 58-59, 63-64, 76, note 6, definitions page 110	Does not include employees in the acquired company PSM International Holding Ltd and its subsidiaries.																																																																				
102-8	Information on employees and other workers in the organization	<p>See 102-7. Bulten has no traditional seasonal variation, rather the year reflects the customers' production days, which vary between quarters. Generally speaking, the lowest net sales and operating profit are seen in the third quarter with the lowest number of production days. The other quarters are relatively even but may vary slightly. Bulten has a relatively high proportion of in-house employees. Contracted personnel account for a small proportion.</p> <p>Bulten gathers data on the number of employees (Headcount) via the local HR organization in each country. Total number of employees: 1,363 (1,429), of whom 334 (24.5%) women and 1,029 (75.5%) men.</p> <p>Percentage of employees by region (EU and Outside of EU):</p> <table border="1"> <thead> <tr> <th rowspan="2">NUMBER BY EMPLOYMENT FORM, SEX, REGION</th> <th colspan="2">PERMANENT EMPLOYEES</th> <th colspan="2">TEMPORARY EMPLOYEES</th> <th rowspan="2">TOTAL</th> </tr> <tr> <th>FULL-TIME</th> <th>PART-TIME</th> <th>FULL-TIME</th> <th>PART-TIME</th> </tr> </thead> <tbody> <tr> <td rowspan="3">EU</td> <td>Total</td> <td>80.0%</td> <td>0.9%</td> <td>2.8%</td> <td>0.6%</td> <td>84.2%</td> </tr> <tr> <td>Women</td> <td>17.4%</td> <td>0.7%</td> <td>0.4%</td> <td>0.5%</td> <td>19.0%</td> </tr> <tr> <td>Men</td> <td>62.6%</td> <td>0.1%</td> <td>2.4%</td> <td>0.1%</td> <td>65.2%</td> </tr> <tr> <td rowspan="3">Outside of EU</td> <td>Total</td> <td>15.5%</td> <td>0.1%</td> <td>0.1%</td> <td>0.0%</td> <td>15.8%</td> </tr> <tr> <td>Women</td> <td>5.4%</td> <td>0.0%</td> <td>0.1%</td> <td>0.0%</td> <td>5.5%</td> </tr> <tr> <td>Men</td> <td>10.1%</td> <td>0.1%</td> <td>0.1%</td> <td>0.0%</td> <td>10.3%</td> </tr> <tr> <td rowspan="3">All regions</td> <td>Total</td> <td>95.5%</td> <td>1.0%</td> <td>2.9%</td> <td>0.6%</td> <td>100%</td> </tr> <tr> <td>Women</td> <td>22.8%</td> <td>0.7%</td> <td>0.4%</td> <td>0.5%</td> <td>24.5%</td> </tr> <tr> <td>Men</td> <td>72.6%</td> <td>0.3%</td> <td>2.5%</td> <td>0.1%</td> <td>75.5%</td> </tr> </tbody> </table> <p>Some figures are rounded, which means that the totals might not always match when added up. Total number of contractors: 75, of whom in EU: 29, and outside of EU: 46. Contracted employees comprise 5.2% of the total number of employees.</p>	NUMBER BY EMPLOYMENT FORM, SEX, REGION	PERMANENT EMPLOYEES		TEMPORARY EMPLOYEES		TOTAL	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME	EU	Total	80.0%	0.9%	2.8%	0.6%	84.2%	Women	17.4%	0.7%	0.4%	0.5%	19.0%	Men	62.6%	0.1%	2.4%	0.1%	65.2%	Outside of EU	Total	15.5%	0.1%	0.1%	0.0%	15.8%	Women	5.4%	0.0%	0.1%	0.0%	5.5%	Men	10.1%	0.1%	0.1%	0.0%	10.3%	All regions	Total	95.5%	1.0%	2.9%	0.6%	100%	Women	22.8%	0.7%	0.4%	0.5%	24.5%	Men	72.6%	0.3%	2.5%	0.1%	75.5%	pages 32-33		
NUMBER BY EMPLOYMENT FORM, SEX, REGION	PERMANENT EMPLOYEES			TEMPORARY EMPLOYEES		TOTAL																																																																		
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DISCLOSURE	DESCRIPTION	COMMENTS	PAGE OR URL	DEPARTURES	GLOBAL COMPACT PRINCIPLE
102-9	Supply chain	See page reference for a description of how supplier selection and evaluation is made.	page 30		
102-10	Significant changes to the organization and the supply chain	The company acquired PSM International Holding Ltd during 2020. See page reference for more information. Financial position and profit/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. There is only a small overlap between this supplier base and Bulten's. Introduction and integration of their suppliers and procedures for integration, development and phasing out will be started up in 2021. The company also took over suppliers from another company producing fasteners in connection with a major FSP contract in 2020. This supplier base is now the subject of consolidation and restructuring on the basis of Bulten's supplier base.	pages 58-59, 67, note 2, page 99, note 39	PSM International Holding Ltd and its subsidiaries are not included in the report.	
102-11	Precautionary principle	The company governs its work based on laws, through its policies and instructions/management system and decision-making procedure. 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, e.g. the Swedish Environmental Code and permit processes, etc. 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. Bulten strives to continuously reduce the company's negative impact on the environment and has appointed a new function to take charge of environmental work within the Group.	pages 17, 22-27, 30, 34, 39-41, 60, 71-75		Principles 1, 2 and 7
102-12	External sustainability initiatives that the organization supports/ is covered by	Bulten supports, for example, Global Compact, the automotive industry's common requirements for its subcontractors (Drive Sustainability). Bulten regularly undergoes various so-called third-party assessments, e.g. Ecovadis, CDP.	pages 7, 22, 24, 27		
102-13	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: a trade association in the field of material supply. Bulten is represented through a position on the board of directors.			
Strategy					
102-14	Statement from senior executives		pages 6-7		
102-15	Key impacts, risks, and opportunities		pages 8-10, 13, 25, 39-41, 71-75, note 5		
Ethics and integrity					
102-16	Values, principles and ethical guidelines	Core values, CEO's statement, success factors, Sustainability work, Dedicated employees, Financial management	pages 2, 23-27, 34		Principles 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10
Governance					
102-18	Governance structure	Corporate Governance Report	pages 23, 111-117		
Stakeholder dialog					
102-40	List of stakeholder groups		page 25		
102-41	Collective bargaining agreements	The majority of employees at Bulten's European factories are covered by collective bargaining agreements. Bulten also operates in countries where collective bargaining agreements are not permitted. Bulten expresses its view in its global HR policy. Around 70-75% of Bulten's employees are covered by collective bargaining agreements.			Principle 3
102-42	Identifying and selecting stakeholders	Workshops have been held regularly in management teams involving all departments and subsidiaries including the company management, and also on strategy days. The sustainability committee regularly reviews the results of surveys, self-assessment forms, feedback from stakeholders, etc.	page 25		
102-43	Approaches to stakeholder engagement	a. Bulten has identified its stakeholders, see page reference. Dialogs take place with each group in different ways and at different frequencies/intervals. This is described in more detail in Bulten's description of stakeholders with associated analysis and information about frequency, etc. See table	page 25		
102-44	Key issues raised	The issues and areas of importance to our stakeholders are described in the stakeholder model, see table.	page 25		

DISCLOSURE	DESCRIPTION	COMMENTS	PAGE OR URL	DEPARTURES
Accounting practices				
102-45	Entities included in the consolidated financial statements	The 2020 sustainability report encompasses the whole Bulten Group excluding the acquired company PSM International Holding Ltd and its subsidiaries. In instances where all of Bulten's subsidiaries are not included in a set of supporting data, this is described for the disclosure in question.	page 67, note 3	
102-46	Defining report content and topic boundaries	a, b and c). Bulten carries out structured work regularly with management functions and the sustainability committee in order to define stakeholders and significant focus areas. In this work, Bulten starts from its strategy and value chain in order to define impacts and to prioritize focus areas. Material topics are identified by the sustainability committee and management and are integrated into Bulten's strategic work. In 2020, Bulten launched its new vision, which clearly integrates sustainability aspects into the business strategy. In 2020, strategic work and the materiality analysis, along with stakeholder dialogs and a risk assessment, have formed the basis of a clearer focus in the form of five focus areas: Governance and Business Ethics, Sustainable Supply Chain, Sustainable own Production, Sustainable Customer Offering/Products, Diversity & Inclusion. Prioritized target areas, activities and process improvements have been identified for these focus areas. The sustainability report intends to describe the process, boundaries and goals.	pages 22-27	
102-47	List of material topics	Through its materiality analysis, Bulten identified five focus areas in which Bulten has its biggest impact and through which it can make the biggest difference. The list of material topics is: Governance and Business Ethics: Business ethics and corporate social responsibility. Measured in the form of the code of conduct and training programs completed within the area. Sustainable Supply Chain: Evaluation of suppliers. Measured in the form of acceptance of the supplier code combined with self-assessments of suppliers and with a ranking. Sustainable own Production: Health and Safety, CO2 and the impact of waste and water. Measured in the form of H&S key indicators, energy intensity and the proportion of fossil-free electricity, and water and waste intensity. Sustainable Customer Offering/Products: Bulten strives to ensure that customers rank Bulten's offering as the most sustainable in the industry. Measured in the form of launches of more sustainable products/solutions. Diversity and Inclusion. Women/men distribution, recruitment, employee turnover, training hours. These are presented in the GRI index.	pages 25-26	
102-48	Restatements of information	IFRS 16 was introduced from January 1, 2019. Bulten has implemented changes in the information in the GRI index in respect of environmental and social aspects based on changes in the GRI framework, Core level. Information provided does not, however, mean that any of the data in the 2019 sustainability report might be incorrect.	pages 60, 67, note 2, 68, 85-89, GRI-303, GRI-403	
102-49	Changes in reporting		pages 60, 67, note 2, 68, 85-89	
102-50	Reporting period	Financial year: January 1-December 31, 2020	page 67, note 1	
102-51	Date of publication for the most recent report	April 1, 2020		
102-52	Reporting cycle	Annual (calendar year)	page 67, note 1	
102-53	Contact point for questions regarding the report	Financial data, CFO & IT, sustainability report: SVP HR & Sustainability	pages 121, 126	
102-54	Reporting in accordance with the GRI Standards	This report has been prepared in accordance with GRI Standards: Core level	pages 7, 22	
102-55	GRI-index		pages 44-55	
102-56	External review	PWC has conducted a review of the sustainability report.	page 56	
Bulten's own disclosures	Sustainability report in accordance with Sections 10-14 of the Swedish Annual Accounts Act (1995:1554)	Index for Bulten's Sustainability Report in accordance with Swedish law and the auditor's opinion.	page 55	

DISCLOSURE	DESCRIPTION	COMMENTS	PAGE OR URL	DEPARTURES	GLOBAL COMPACT PRINCIPLE
Information about the governance of material topics					
103-1	Explanation of the material topic and its boundary.	Based on its value chain, Bulten has conducted analyses of which factors/areas the company has an impact on and thereby identified five so-called focus areas: Governance and Business Ethics, Sustainable Supply Chain, Sustainable In-house Production, Sustainable Customer Product Offering, Diversity and Inclusion. For each focus area, target areas are described, together with specific metrics with goals in one and five years' time. Based on these target areas, there are actions plans with descriptions of which activities are to be undertaken. Additional information about the background to each material topic is specified for each heading. All of Bulten's operations are included in the value chain. The company PSM, which was acquired in 2020, is not included in the report. If any subsidiary is not included in the supporting data, this is specified for each disclosure.		PSM International Holding Ltd and its subsidiaries are not included in this disclosure	
103-2	Management approach disclosure	<p>Economic standards: Bulten describes in its policies how the operation is to be governed on the basis of commercial, financial and governance principles such as, for example, the code of conduct and anti-corruption policies, the finance manual, authorization rules, etc.</p> <p>Environmental standards: In its environmental policy, Bulten has described which areas are covered and what the goals are. Bulten has also in its sustainability work based on the materiality analysis, identified focus areas in which Bulten has the greatest impact. See also 103-1. For more information, please refer to the GRI index: Energy standards and Environmental standard.</p> <p>Social standards: In its code of conduct and associated policies such as, for example, the HR policy, Bulten describes the company's standpoint regarding, for example, human rights, working conditions, health and safety, development and learning, diversity & inclusion, and requirements for the social responsibility of subcontractors.</p> <p>The purpose is to create clarity around regulations, Bulten's standpoint as well as roles, responsibilities and procedures. It must be easy to do the right thing. For more information, please refer to the relevant disclosure and page references.</p> <p>Bulten updated its code of conduct and launched it during 2020. All policies are revised and updated on the basis of new legal requirements, changes and the development of processes, procedures, etc.</p> <p>As a result of its sustainability work and strategy, Bulten has formulated goals and tangible metrics linked to its focus areas for sustainable development. See, for example, page 11.</p> <p>Bulten has a clear governance structure and organizational structure. Roles and responsibilities are defined in policies and job descriptions.</p> <p>Bulten has organized its management work through its organizational structure and strategy. Each area has a clear organization and resources at its disposal. Work is led by the relevant department head.</p> <p>Bulten's reporting procedure for deviations from/breaches of policies is as follows: employees must in the first instance contact their manager, or their manager's manager. Or another designated managerial function, e.g. HR or Finance. With regard to social aspects, trade union representatives, for example, can also be contacted. It is naturally possible to report anonymously via Bulten's IT-based whistleblower system. This whistleblower system can also be used by all stakeholders or anyone else who has something to report. There is a link to Bulten's whistleblower center on the intranet and at www.bulten.com. Bulten communicates clearly in all policies that a person who reports something in good faith must not be punished.</p> <p>Bulten's vision and strategy provide guidance and together with the outcome of stakeholder dialogs and the materiality analysis, the sustainability committee identifies prioritized areas and suggested activities, along with the resource allocation and schedule. Each function takes part in this work and within each focus area. There are action plans with specific improvement activities, projects, etc.</p>		PSM International Holding Ltd and its subsidiaries are not included in this disclosure	Principles 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10
103-3	Evaluation of the management approach	Bulten follows up on the work monthly or quarterly, depending on the area. This is done in so-called monthly reports, which are also presented to the Board of Directors. Bulten also conducts what is known as a management review, and 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. This work is carried out in accordance with the PDCA (plan, do, check, act) method. A decision was made in 2020 to create a new managerial position to focus on Bulten's health, safety and environment work.		PSM International Holding Ltd and its subsidiaries are not included in this disclosure	
Material topics					
GRI 200: Economic disclosures 2016 (Core level)					
Economic standards					
GRI 205: Anti-corruption 2016					
103-1-103-3	Management approach disclosure	<p>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 In-house Production, Sustainable Customer Product Offering, Diversity & Inclusion.</p> <p>Corruption is a global problem and has a very negative impact on business and society if it occurs. Bulten has therefore identified this as a significant area on which to focus.</p>	pages 17, 22-24, 29-30, 37, 39-41, 114-115	PSM International Holding Ltd and its subsidiaries are not included in the disclosure on environmental standards	Principle 10
205-1	Operations assessed for risks relating to corruption	Own operation and to some extent the supply chain. Bulten conducts a Group-wide risk assessment, which includes all of the company's operations, i.e. all countries where Bulten has its own manufacturing.	pages 25, 30, 39-41, 67-68	PSM International Holding Ltd and its subsidiaries are not included in this disclosure	Principle 10

DISCLOSURE	DESCRIPTION	COMMENTS	PAGE OR URL	DEPARTURES	GLOBAL COMPACT PRINCIPLE
205-2	Communication and training in anti-corruption policies and procedures	The company has clear policies for preventing corruption, such as its finance manual, authorization rules, code of conduct, anti-corruption policy, anti-competition policy and guidelines. All Board members have signed Bulten's code of conduct. They have also been involved and specified requirements in its production. Board members did not undergo any specific anti-corruption training organized by Bulten during 2020. All employees throughout Bulten have signed to acknowledge that they have studied the code. When a Group-wide policy is updated, amended or added, this is communicated via what is known as the company's policy deployment process (management system), which means that all local Presidents acknowledge that they have received the policy and will comply with it within each operation. An e-learning campaign was carried out in 2020 in order to introduce the company's new code of conduct, including anti-corruption, which encompassed all employees within the Group. New employees sign the code of conduct in connection with their appointment/induction. All employees within the acquired company PSM signed Bulten's code of conduct during 2020. New e-learning courses in the code and in business ethics and corporate social responsibility were developed during 2020 for implementation during 2021. 100% of Bulten's strategic, prioritized and approved suppliers have been informed about Bulten's code of conduct for business partners and suppliers. This group of suppliers represents around 95.4% of Bulten's total purchase volume in 2020.	pages 22-23, 37	Information not available by sex per region.	Principle 10
205-3	Confirmed incidents of corruption and actions taken	One case was reported during 2020 via the company's whistleblower service. The investigation was conducted by external legal experts, and no evidence could be found that corruption had occurred.			
Environmental standards					
GRI 302: Energy 2016					
103-1-103-3	Management approach disclosure	Bulten has identified the environmental aspects and climate impact as significant areas on which to focus. The company uses resources to manufacture its products. Production results in energy consumption in the form of, for example, fossil-based energy sources. By focusing on energy consumption and the use of fossil-free energy sources, Bulten can contribute to reducing its climate impact, thereby supporting international and national climate goals.	pages 11, 23-24, 30, 37, 39-41	PSM International Holding Ltd and its subsidiaries are not included in the disclosure on environmental standards	Principle 8
302-1	Energy consumption within the organization	a) Fuel consumption from non-renewable sources*: 28,568,201 kWh b) Fuel consumption from renewable sources: 0 kWh c) Total consumption i) electricity: 39,856,262 kWh ii) heating: 3,285,347 kWh iii) cooling: 0 kWh iv) steam: 0 kWh, not applicable d) Not applicable, Bulten does not sell electricity, heating, cooling or steam and therefore does not report this. e) Total energy consumption: 71,709,810 kWh f) The information includes all production units apart from those in North America. The consumption figures (kWh) presented in this section come from Bulten's energy suppliers. A combination of technical equipment and theoretical indices for distributing overheads are used for an internal breakdown of consumption, but at an overall level only the suppliers' consumption figures are used. g) The conversion data comes from Bulten's energy providers. * mainly natural gas for direct consumption in the production processes.	page 11		
302-3	Energy intensity	The information includes all production units apart from those in North America. a) Energy intensity: 2.25 kWh/kg b) Produced (cold forged) kg c) All consumption is included, i.e. fuel consumption and purchased electricity, heating and steam. d) Only energy consumption within Bulten's production units, excluding the North American operation.	page 11		
Bulten's own disclosure	Percentage of renewable energy	The information includes all manufacturing units except the North American operation. Of the energy purchased, see GRI 302-1, of 71.7 GWh (scope 1 and 2) in total, 31.7 GWh originates from renewable energy sources, which corresponds to just over 44% of total consumption. The renewable energy comes exclusively from purchased electricity, primarily via 'green' contracts for our European units. The proportion of renewable energy is measured as the total purchased renewable electricity, heating and fuel divided by total energy purchased (electricity, heating and fuel). Information about consumption and type of energy is reported by each product unit, which in turn obtains this information from suppliers.			
GRI 303: Water and emissions 2018					
103-1-103-3	Management approach disclosure	The Bulten Group stipulates the long-term goals according to the focus areas in the current environmental policy; the goal for water is currently defined as an improvement in the efficiency of water intensity per cold forged metric ton. The local units link in to these goals and have individual contributions to the Group's results, based on the operation and the machinery that there is at each unit. Each unit reports the outcome quarterly, and this is followed up in the company's management team.	page 30	PSM International Holding Ltd and its subsidiaries are not included in the disclosure on water and emissions.	

DISCLOSURE	DESCRIPTION	COMMENTS	PAGE OR URL	DEPARTURES
303-1	Interactions with water as a shared resource	<p>The information includes all production units apart from those in China and North America.</p> <p>a) Bulten's units interact with water in different ways, sharing in common that we consume relatively small amounts of water. Where it is used, it is primarily via evaporation in industrial washing plants and fresh water for sanitation purposes. Water that we pollute is treated and reused to the extent that our units have such facilities. Contaminated water including concentrate is collected by contracted specialist companies.</p> <p>b) Bulten's units identify their own water impact based on the local conditions. What they share in common is that the quality of returned water is defined in each unit's environmental permit, including how local monitoring is to take place.</p> <p>c) Each unit risk-assesses its water impact and interacts independently with authorities in accordance with each unit's environmental permit. The primary interest for the supervisory authorities is water consumption and the results of samples that are taken. Primary stakeholders are the company's management team and Board of Directors as approvers of our environmental policy and environmental goals, the local management teams, supervisory authorities and water suppliers.</p> <p>d) The Bulten Group stipulates the long-term goals according to the focus areas in the current environmental policy; the goal for water is currently defined as an improvement in the efficiency of water intensity, with weight produced as the denominator. The local units link in to these goals and have a different contribution to the Group's results, linked to the operation and the machinery that there is at each unit.</p>		
303-2	Management of effects relating to water emissions	<p>The information includes all production units apart from those in China and North America.</p> <p>i) The quality of returned water is determined for each unit, either together with the local supervisory authority in an environmental permit or based on legal requirements.*</p> <p>ii) None.</p> <p>iii) None.</p> <p>iv) If applicable, this is reflected in each unit's environmental permit.</p> <p>* At Bulten Hallstahammar, large volumes of water are taken from and returned to the nearby river; the quality of the water being returned is regulated in the local environmental permit.</p>		
303-5	Water consumption	<p>The information includes all production units apart from those in China and North America.</p> <p>a) Total water consumption: 29.7 megaliters</p> <p>b) Total water extracted from areas with water shortage: 0 megaliters</p> <p>c) Not applicable. We do not store water*.</p> <p>d) Information on consumption was collected via own water meters or suppliers' water meters.</p> <p>* Bulten Bergkamen has a pond used for fire-fighting; it is filled with rainwater.</p>		
GRI 305: Emissions 2016				
103-1-103-3	Management approach disclosure	<p>The Bulten Group stipulates the long-term goals according to the focus areas in the current environmental policy; the goal for CO2 is currently defined as a reduction in the CO2 intensity per cold forged metric ton. The local units link in to these goals and have a different contribution to the Group's results, linked to the operation and the machinery that there is at each unit. Each unit reports the outcome quarterly, and this is followed up in the company's management team.</p>	page 30	PSM International Holding Ltd and its subsidiaries are not included in the disclosure on emissions.
305-1	Direct GHG emissions (Scope 1)	<p>The information includes all production units apart from those in North America.</p> <p>a) Gross GHG emissions: 5,798,885 kg</p> <p>b) All GHG gases are included</p> <p>c) CO2 emissions from biogenic sources: 0 kg</p> <p>d) Calendar year 2019</p> <p>i) 2019 was the first full year of reporting in accordance with GRI</p> <p>ii) GHG emissions 2019 (base year): 7,455,892 kg</p> <p>iii) No changes made, this year's figures are directly comparable with the base year's figures.</p> <p>e) Conversion data comes primarily from Bulten's energy providers; other sources are used where this is not possible, e.g. IINAS GEMIS 4.95 and KOBIZE in Poland.</p> <p>f) Bulten uses the 'Operational control' consolidation method, as we have operational responsibility and can introduce activities/measures for the units for which we are reporting, even though we do not own the plant/company 100%.</p> <p>g) The vast majority of emissions come from the consumption of natural gas in the heat treatment furnaces used in the production process. No special standards or assumptions have been used by Bulten, the emission calculations are made using consumption figures and conversion factors provided as described in e).</p>		

DISCLOSURE	DESCRIPTION	COMMENTS	PAGE OR URL	DEPARTURES
305-2	Indirect GHG emissions (Scope 2)	<p>The information includes all production units apart from those in North America.</p> <p>a) Gross emissions (location-based): 12,125 tons b) Gross emissions (market-based): 7,164 tons c) All GHG gases are included d) Calendar year 2019 i) 2019 was the first full year of reporting in accordance with GRI ii) GHG emissions 2019 (base year): 14,038 tons (market-based) and 14,946 tons (location-based) iii) No changes made, this year's figures are directly comparable with the base year's figures. e) The conversion data comes from Bulten's energy providers and from www.electricitymap.org for the calculation of 'location-based' emissions. f) Bulten uses the 'Operational control' consolidation method, as we have operational responsibility and can introduce activities/measures for the units for which we are reporting, even though we do not own the plant/company 100%. g) The vast majority of the emissions come from electricity purchased for our non-European plants and from heating purchased for our Russian plant. No special standards or assumptions have been used by Bulten, the emission calculations are made using consumption figures and conversion factors provided as described in e).</p>		
305-3	Other indirect GHG emissions (Scope 3)	<p>The information mainly includes two upstream categories: purchased raw materials and purchased upstream transport, see d) below.</p> <p>a) Gross GHG emissions: 30,725,981 kg of which cat 1) 29,434,031 kg (data for 2019) cat 4) 1,291,950 kg b) GHG gases including: cat 1) Not known. cat 4) CO₂ + NO_x + PM + SO₂ from sea and air transport. CO₂ for road transport. c) CO₂ emissions from biogenic sources: 0 kg d) The information mainly includes two upstream categories: GRI category 1) purchased raw materials (steel wire), encompassing nearly 45% of the annual volume GRI category 4) purchased transport, encompassing approximately 24% of land transport and 100% of sea transport. e) The calendar year 2019, except for category 1, where the base year is set at 2018. i) 2019 was the first full year of reporting in accordance with GRI. Category 1 uses 2018 as a base year, as the providers' figures for the year recently ended are not available at the time of this report's production. ii) Gross emissions: 49,325,995 kg cat 1) 47,772,150 kg (2018) cat 4) 1,499,150 kg (2019) iii) GRI category 1) The proportion of raw material purchased from suppliers included in the data has fallen from approximately 50% to nearly 45%; the calculation of emissions for the base year has not changed, however. GRI category 4) The model used to calculate the extent of emissions has been refined, as the previous model proved to be far too imprecise for road transport. Using the new model, the level for the base year has been calculated at approximately 16% for road transport and not approximately 55% as previously reported. f) cat 1) The suppliers' data, all supplier reports are calculated in accordance with ISO 1406 cat 4) For road transport, CO₂e has been approximated by calculating 1CO₂e=1.013026*CO₂ (Source: UK Government GHG Conversion Factors for Company Reporting) g) cat 1) The suppliers' data is provided in certain cases per steel quality; these have been used to calculate Bulten's average. cat 4) The calculation is based on a European truck at 70% capacity (57g CO₂/ton-km)</p>		
305-4	GHG emissions intensity	<p>The information includes all production units apart from those in North America.</p> <p>a) GHG emissions intensity: 0.41 kg CO₂e/kg b) Produced (cold forged) kg c) Scope 1 (direct, from fuel consumption) and scope 2 (indirect, from the purchase of electricity and heating) are included d) All GHG gases are included</p>		
GRI 306: Waste 2016				
103-1-103-3	Management approach disclosure	<p>The Bulten Group stipulates the long-term goals according to the focus areas in the current environmental policy; the goal for waste is currently defined as a reduction in the waste intensity per cold forged ton. The local units link in to these goals and have a different contribution to the Group's results, linked to the operation and the machinery that there is at each unit. Each unit reports the outcome quarterly, and this is followed up in the company's management team.</p>	page. 30	PSM International Holding Ltd and its subsidiaries are not included in the disclosure on waste.

DISCLOSURE	DESCRIPTION	COMMENTS	PAGE OR URL	DEPARTURES	GLOBAL COMPACT PRINCIPLE
306-2	Waste	<p>The information includes all production units apart from those in North America.</p> <p>a) hazardous waste</p> <ul style="list-style-type: none"> i) 0 kg ii) 286,726 kg iii) 0 kg iv) 274,525 kg v) 93,244 kg vi) 0 kg vii) 112,593 kg viii) 6,000 kg ix) 245,117 kg <p>b) non-hazardous waste</p> <ul style="list-style-type: none"> i) 132,551 kg ii) 2,698,402 kg iii) 0 kg iv) 126,913 kg v) 49,207 kg vi) 0 kg vii) 40,409 kg viii) 0 kg ix) 300 kg <p>c) ii) recycling: the absolute majority has been dealt with by a contracted party</p>			

Social standards

GRI 401: Employment 2016

103-1-103-3	Management approach disclosure	<p>Bulten takes care to be a sustainable and attractive employer. It is important for the company that its employees thrive and develop in accordance with the company's strategy, based on applicable laws and policies. A high level of recruitment and/or employee turnover can indicate that this is not the case, although it can also be because the company has been forced to restructure or, on the positive side, has needed to hire more and more employees. It is therefore important to follow up on levels of recruitment and employee turnover in order to obtain base data for in-depth analyses. Please refer to the page references for information about governance of this issue.</p>	pages 32-33, 37	PSM International Holding Ltd and its subsidiaries are not included in this disclosure	Principle 6																																																																																																		
401-1	Recruiting new employees and employee turnover	<p>Bulten's new recruits and employee turnover includes all units and departments. To calculate the recruitment percentage and employee turnover, an average of the total number of employees at the end of 2019 and 2020 was used.</p> <p>Total number of permanent employees and temporary employees recruited in 2020: 138 (104), recruitment level 9.9% (7.3), of whom 32 (36) women equating to 23.2% (34.6) and 106 (68) men equating to 76.8% (65.4).</p> <p>Recruited employees by age group and by sex within the age group per region 2020:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3"><30 YEARS</th> <th colspan="3">30-50 YEARS</th> <th colspan="3">>50 YEARS</th> </tr> <tr> <th>MEN</th> <th>WOMEN</th> <th>TOTAL</th> <th>MEN</th> <th>WOMEN</th> <th>TOTAL</th> <th>MEN</th> <th>WOMEN</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Total:</td> <td>76.2%</td> <td>23.8%</td> <td>30.4%</td> <td>74.1%</td> <td>25.9%</td> <td>58.7%</td> <td>93.3%</td> <td>6.7%</td> <td>10.9%</td> </tr> <tr> <td>of whom: EU</td> <td>64.3%</td> <td>11.9%</td> <td>76.2%</td> <td>51.9%</td> <td>7.4%</td> <td>59.3%</td> <td>80.0%</td> <td>6.7%</td> <td>86.7%</td> </tr> <tr> <td>Outside of EU</td> <td>11.9%</td> <td>11.9%</td> <td>23.8%</td> <td>22.2%</td> <td>18.5%</td> <td>40.7%</td> <td>13.3%</td> <td>0.0%</td> <td>13.3%</td> </tr> </tbody> </table> <p>Employee turnover. Total turnover 13.1% (19.0) during 2020 corresponding to 183 (283) employees, of whom 50 (82) women, corresponding to 27.3% (29.0), and 133 (201) men, corresponding to 72.7% (71.0). Of the total employee turnover, 8.6% (13.8) comprises permanent employees and 4.5% (7.8) temporary employees.</p> <p>The number of retirements equates to 12% (6) and the percentage of involuntary employee turnover approximately 26.2% (31). Employee turnover by age group and by sex within the age group per region 2020. Some figures are rounded, which means that the totals might not always match when added up:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3"><30 YEARS</th> <th colspan="3">30-50 YEARS</th> <th colspan="3">>50 YEARS</th> </tr> <tr> <th>MEN</th> <th>WOMEN</th> <th>TOTAL</th> <th>MEN</th> <th>WOMEN</th> <th>TOTAL</th> <th>MEN</th> <th>WOMEN</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Total:</td> <td>81.8%</td> <td>18.2%</td> <td>30.1%</td> <td>70.8%</td> <td>29.2%</td> <td>48.6%</td> <td>64.1%</td> <td>35.9%</td> <td>21.3%</td> </tr> <tr> <td>of whom: EU</td> <td>70.9%</td> <td>9.1%</td> <td>80.0%</td> <td>51.7%</td> <td>20.2%</td> <td>71.9%</td> <td>61.5%</td> <td>35.9%</td> <td>97.4%</td> </tr> <tr> <td>Outside of EU</td> <td>10.9%</td> <td>9.1%</td> <td>20.0%</td> <td>19.1%</td> <td>9.0%</td> <td>28.1%</td> <td>2.6%</td> <td>0.0%</td> <td>2.6%</td> </tr> </tbody> </table> <p>In 2020, Bulten took over a group of employees from another company in accordance with so-called TUPE rules. This group of employees is not included in the base data for this disclosure.</p>		<30 YEARS			30-50 YEARS			>50 YEARS			MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	Total:	76.2%	23.8%	30.4%	74.1%	25.9%	58.7%	93.3%	6.7%	10.9%	of whom: EU	64.3%	11.9%	76.2%	51.9%	7.4%	59.3%	80.0%	6.7%	86.7%	Outside of EU	11.9%	11.9%	23.8%	22.2%	18.5%	40.7%	13.3%	0.0%	13.3%		<30 YEARS			30-50 YEARS			>50 YEARS			MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	Total:	81.8%	18.2%	30.1%	70.8%	29.2%	48.6%	64.1%	35.9%	21.3%	of whom: EU	70.9%	9.1%	80.0%	51.7%	20.2%	71.9%	61.5%	35.9%	97.4%	Outside of EU	10.9%	9.1%	20.0%	19.1%	9.0%	28.1%	2.6%	0.0%	2.6%		PSM International Holding Ltd and its subsidiaries are not included in this disclosure.	
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DISCLOSURE	DESCRIPTION	COMMENTS	PAGE OR URL	DEPARTURES	GLOBAL COMPACT PRINCIPLE
GRI 403: Health and safety at work 2018					
103-1-103-3	Management approach disclosure		pages 23, 33, 40, GRI 103-2	PSM International Holding Ltd and its subsidiaries are not included in this disclosure. Bulten does not follow up on any individual minority or vulnerable groups. This is because there is different legislation in different countries.	
403-1	Health and safety management system	<p>We work continuously within Bulten to develop our workplaces in order to promote well-being and to prevent accidents occurring or ill health arising because of work. This encompasses both the physical and organizational working environment and is based on systematically organized health and safety work. One guiding principle for this work is Bulten's zero vision with regard to accidents caused by work, which also includes contracted employees or others who perform work at our workplaces. Bulten describes the health and safety requirements in its code of conduct and in the global HR policy. Each workplace works to fulfill these goals in accordance with locally adapted plans. Goals are adopted every year to drive this work towards Bulten's strategy for good health and well-being at the workplace.</p> <p>Bulten's management of health and safety work is governed by both national laws and other agreements or policies, which are based on the Group's working environment policy, goals and/or collective bargaining agreements, where relevant. Bulten makes the assessment that it is not reasonable to list all legal requirements and regulations in force in the various countries.</p> <p>Bulten's health and safety work takes the former OHSAS 1800 standard as its starting point, but will make the transition to ISO 45001 during 2021. Two of Bulten's production units, Bulten Polska S. A and Bulten GmbH, achieved certification under ISO 45001 during 2020.</p> <p>Bulten's health and safety responsibilities encompass all employees. We also include contractors and others who may be performing work at our workplaces. We do not include employees in outsourced operations.</p>			
403-2	Risk identification, risk assessment and incident investigation	<p>a) Every workplace must have a working environment policy in which roles and responsibilities, procedures and goals, etc. are clearly set out, and must map out and plan work in order to achieve a good working environment. In addition to this, risk assessments must be conducted and action plans drawn up for the improvement measures to be undertaken.</p> <p>i) Bulten follows up regularly on the results of different H&S KPIs. All units must report all accidents to the CEO and SVP HR & Sustainability within 24 hours. They also document all accidents in Bulten's monitoring tool for accidents, including an analysis and description of the initial action plan. The Group maintains a regular dialog with local Presidents and H&S representatives in order to make sure that processes and reporting take place correctly. The company organizes regular training programs for managers, health and safety officers and employees.</p> <p>ii) By focusing on establishing work methods and/or encouraging employees also to report incidents that do not result in injury, units acquire important information which is used for preventive purposes. This, combined with risk analyses, monitoring and input, e.g. from the annual development dialog, results and feedback in the employee survey, provides base data for prioritization and action plans.</p> <p>b) Employees must immediately inform their manager, or a superior manager, or the health and safety officer or other management function, such as HR for example, if a situation involving a risk occurs and/or an incident or accident has occurred at the workplace, or on the way to/from work. Employees are also obliged to inform about such situations, even if they do not directly affect their own work. All situations must be documented by the employee's manager or other designated person in accordance with local procedures, which must be described in the local management system, and be communicated regularly by the manager. Regular training is carried out, encompassing the company's policies and procedures, roles and responsibilities. The code of conduct and the HR policy state clearly that no employee may be punished for making the company aware of any irregularities at the workplace.</p> <p>c) Every employee has signed the code of conduct, which clearly states that any irregularities must be reported and that no employee may be punished for making the company aware of any irregularities at the workplace. Bulten also has a system for reporting, where employees can choose to remain anonymous. Each unit/country must also have a local working environment policy in accordance with local legal requirements and Bulten's ambitions. There must also be procedures describing how risks and incidents are to be reported and what to do if a hazardous situation arises. It is also stated that employees have an obligation to stop work immediately if a hazardous situation arises and to report this to management.</p> <p>d) All accidents must be reported to the CEO and SVP for HR and Sustainability within 24 hours, and documented in the Group's monitoring system for accidents. Action plans and the outcomes of local and Group-wide health and safety goals are monitored regularly. The outcomes of Bulten's H&S goals are also reported to the Board of Directors every month. Incidents and corrective measures are analyzed through the Group's monitoring system. The units are requested to report their analyses and prioritized measures and action plans.</p> <p>Investment Governance (CAPEX): By evaluating the effect of the working environment in investment requests, we can make sure our investments result in an improved working environment.</p>	page 33	Bulten does not monitor/report non work-related illnesses and accidents by sex and per region.	

DISCLOSURE	DESCRIPTION	COMMENTS	PAGE OR URL	DEPARTURES
403-3	Occupational healthcare	Bulten's units are subject to local laws and rules, which means that healthcare services are provided in different ways. In most cases and countries there are regulations governing who may offer occupational healthcare services, and Bulten's units have agreements with occupational healthcare providers or equivalent to offer expertise in the area of health and safety (physical work environment, ergonomics, organizational working environment, health checks, health and safety inspections, etc.). In some countries there are agreements with local healthcare institutions and/or H&S experts on a consultancy basis.		
403-4	Employees' participation, consultation and communication about health and safety	<p>a) It is Bulten's ambition that all workplaces shall have some form of health and safety committees or similar, depending on local conditions and regulations. This is governed by legal requirements in certain countries, e.g. Sweden, Poland and Germany. In all of Bulten's operations there is a dialog between employee and manager, known as the annual development dialog, in which H&S forms an important part and in which the employee is asked to give feedback on how they perceive their workplace, their working environment and enjoyment/well-being at the workplace.</p> <p>b) This takes a different form in each country. In Sweden, this is regulated in the Swedish Work Environment Act and the Swedish Working Hours Act. All employees should be included in the work of the health and safety committee if possible.</p>		
403-5	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.		
403-6	Promoting the health of employees	<p>a) Bulten operates primarily in countries where employees are covered by a public healthcare service.</p> <p>b) Bulten's units can offer their employees different opportunities, keep-fit offers based on local conditions and legislation. These can involve, for example, exercise passes, stop smoking campaigns, team activities, massage, training.</p>		
403-7	Prevention and limitation of health and safety risks directly associated with business relationships	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.		
403-9	Work-related accidents	<p>a. For all employees:</p> <ol style="list-style-type: none"> Number of deaths resulting from work-related injuries: 0 Number of high-consequence work-related injuries (excluding deaths): 0 Number of work-related accidents: 59 and the frequency is 5.77 (IR). LTIR: 1.86 The most common accidents occur in the cold forging operation and involve cuts, bruises and occasional fractures. Number of hours worked 2020: 2,044,318 hours. <p>b. Employees who are not employed, but whose work and/or workplace is controlled by the organization:</p> <ol style="list-style-type: none"> Number of deaths resulting from work-related injuries: 0 Number of high-consequence work-related injuries (excluding deaths): 0 Number of reportable occupational injuries, 2020: 1. There was one accident, which did not result in absence. IR: 0.1 There was one injury caused by a cut that occurred in a warehouse. Number of hours worked. Not reported separately. These are included in total number of hours worked. <p>c. Surface treatment and heat treatment represent a high risk, followed by the cold forging operation.</p> <ol style="list-style-type: none"> The risks/hazards have been confirmed through risk assessments and inspections. If a risk is deemed to be high, we make sure that activities take place to minimize the risk. Which of these hazards has caused or contributed to high-consequence injuries during the reporting period: No high-consequence injury occurred during 2020. Risk assessments take place regularly for all processes, and there are special action plans based on where risk exists in the Group. <p>d. All measures taken or under way to eliminate other work-related risks and to minimize risks with the aid of the control hierarchy. We work in the same way with all risks. The risk assessment results in activity plans, which are monitored.</p> <p>e. Bulten uses 200,000 hours as a basis for calculating frequency.</p> <p>f. No employees have been excluded from monitoring.</p> <p>g. Every company/factory reports all accidents in a reporting tool. Every month, all data is also reported, and this is reported in the disclosure. KPIs for accidents and sick leave are reported in a monthly report, which is also distributed to the Board of Directors. The SVP HR & Sustainability monitors the previous year incl. conclusions from risk assessments, activities completed and activity plans for the future.</p>		<p>The Parent Company, Bulten AB, is not included in the report.</p> <p>The acquired company PSM International Holding Ltd and its subsidiaries are not included in this disclosure.</p>

DISCLOSURE	DESCRIPTION	COMMENTS	PAGE OR URL	DEPARTURES	GLOBAL COMPACT PRINCIPLE
cont. 403-9	Accidents, lost work days, absences and work-related fatalities	All units excluding the Parent Company (Bulten AB) are included in the summary below. The number includes everybody, i.e. employees and contractors: Figures for last year are shown in parentheses. Total number of registered accidents: 64 (113). Total number of registered accidents that led to sick leave of more than one (1) day: 22 (28), of which 3 were not work-related and occurred on the way to or from the workplace. IR, Incident rate (number of accidents * 200,000/total number of working hours): 6.26 (8.77). A reduction of 29%. LDR, Lost work day rate (number of days absent due to accidents * 200,000/total number of hours worked): 37.37 (47.45). A reduction of 21%. LTIR = Lost time injury rate (number of accidents that led to an absence * 200,000/total number of hours worked): 2.15 (2.17). A reduction of 1%. SR, Severity Rate (number of days off work due to accidents/ number of accidents with at least one day off work): 17.36 (21.84). A reduction of 20%. FAR, Fatal accident rate (number of fatalities * 200,000/total number of hours worked): 0 (0). NM, Near miss (number of near misses * 200,000/total number of hours worked): 11.84 (12.34). A reduction of 4%. The total amount of time worked in 2020 fell by 21% compared with 2019. This was largely caused by Covid-19. SLT (Sick leave rate total): Total sick leave in 2020 (permanent and temporary): 5.29 (4.84). An increase of 9% compared with the previous year. The increase was largely caused by absence due to Covid-19 restrictions, such as rules on quarantine.		The Parent Company, Bulten AB, is not included in the report. The acquired company PSM International Holding Ltd and its subsidiaries are not included in this disclosure.	

GRI 404: Training and development 2016

103-1-103-3	Management approach disclosure	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 what they need to do a good job, and for regularly monitoring performance and development. Each employee has a responsibility for acquiring the expertise that is necessary in order to be able to perform their work tasks fully and correctly. Bulten's HR policy is designed to create insights, compliance and equal treatment of Bulten employees regardless of sex or employment.	pages 32-33	PSM International Holding Ltd and its subsidiaries are not included in this disclosure																					
404-1	Average number of training hours per employee	Total number of training hours in 2020: 8,958 (21,638). Training hours for temporary employees include trainee courses. Average number of training hours by sex and employment type in 2020: <table border="1"> <thead> <tr> <th>AVERAGE NUMBER OF TRAINING HOURS</th> <th>PERMANENT EMPLOYEE</th> <th>TEMPORARY</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Men</td> <td>9.0 hours</td> <td>14.4 hours</td> <td>9.2 hours</td> </tr> <tr> <td>Women</td> <td>6.9 hours</td> <td>2.2 hours</td> <td>6.7 hours</td> </tr> <tr> <td>Total</td> <td>8.5 hours</td> <td>11.7 hours</td> <td>8.6 hours</td> </tr> </tbody> </table>	AVERAGE NUMBER OF TRAINING HOURS	PERMANENT EMPLOYEE	TEMPORARY	TOTAL	Men	9.0 hours	14.4 hours	9.2 hours	Women	6.9 hours	2.2 hours	6.7 hours	Total	8.5 hours	11.7 hours	8.6 hours	pages 32-33	PSM International Holding Ltd and its subsidiaries are not included in this disclosure	Principle 6				
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404-2	Program for upgrading employees' knowledge and for transferring knowledge	The Bulten Academy 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. It was not possible to hold any classroom-based courses in 2020 due to Covid-19. During the year, the Bulten Academy has taken the next step and digitalized and developed more courses. This has made it easier for participants to take part if they are unable to attend physically. It also creates the conditions to reach out to more participants, both internal and external, starting in 2021.			Principle 6																				
404-3	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 dialog' (ADD). Every year, the company launches a campaign in the global HR system, and managers and employees carry out the dialog and document completed dialogs in the system. In the 2020 campaign, approximately 79.4% (1,007) of all planned dialogs took place (1,268), distributed as shown below: 2020 campaign: Annual development dialog <table border="1"> <thead> <tr> <th>TOTAL</th> <th colspan="2">OF WHOM MALE</th> <th colspan="2">OF WHOM FEMALE</th> </tr> <tr> <th>% DIALOGS COMPLETED(ADD)</th> <th>% MEN OF TOTAL ADDS COMPLETED</th> <th>OF WHOM PERMANENTLY EMPLOYED MEN</th> <th>% WOMEN OF TOTAL ADDS COMPLETED</th> <th>OF WHOM TEMPORARILY EMPLOYED WOMEN</th> </tr> </thead> <tbody> <tr> <td>79.4%</td> <td>76.1%</td> <td>96.3%</td> <td>23.9%</td> <td>99.6%</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>0.4%</td> </tr> </tbody> </table>	TOTAL	OF WHOM MALE		OF WHOM FEMALE		% DIALOGS COMPLETED(ADD)	% MEN OF TOTAL ADDS COMPLETED	OF WHOM PERMANENTLY EMPLOYED MEN	% WOMEN OF TOTAL ADDS COMPLETED	OF WHOM TEMPORARILY EMPLOYED WOMEN	79.4%	76.1%	96.3%	23.9%	99.6%					0.4%	pages 32-33, 37	PSM International Holding Ltd and its subsidiaries are not included in this disclosure.	
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GRI 405: Diversity and equal treatment 2016

103-1-103-3	Management approach disclosure		pages 23-27, 33, GRI 103-2																		
405-1	Diversity among Board of Directors, management and employees	Distribution between women and men of total number of employees (Headcount): Women 24.5% (24.4), Men 75.5% (75.6). <table border="1"> <thead> <tr> <th>DISTRIBUTION BY AGE GROUP</th> <th>YOUNGER THAN 30 YEARS OF AGE</th> <th>BETWEEN 30 AND 50 YEARS OF AGE</th> <th>OLDER THAN 50 YEARS OF AGE</th> </tr> </thead> <tbody> <tr> <td>% Men</td> <td>81.6 (87.8)</td> <td>72.9 (73.0)</td> <td>77.6 (76.9)</td> </tr> <tr> <td>% Women</td> <td>18.4 (18.2)</td> <td>27.1 (27.0)</td> <td>22.4 (23.1)</td> </tr> <tr> <td>Age group as % of total employees</td> <td>13.9 (17.3)</td> <td>56.6 (54.2)</td> <td>29.5 (28.5)</td> </tr> </tbody> </table> <p>The company's (Bulten AB, publ) Board, members elected at the general meeting (6): Women 33%. Men 67%. Total number of Board members including 3 ordinary employee representatives: 9, of whom total women: 22% and men 78%. Age group Younger than 30: 0, Aged 30-50: 1. Older than 50: 8. Bulten's executive management (April 1, 2021): Total 8 members, of whom women 50%, men 50%. Age group Younger than 30: 0, Aged 30-50: 3 (37,5%), Older than 50: 5 (62,5%).</p>	DISTRIBUTION BY AGE GROUP	YOUNGER THAN 30 YEARS OF AGE	BETWEEN 30 AND 50 YEARS OF AGE	OLDER THAN 50 YEARS OF AGE	% Men	81.6 (87.8)	72.9 (73.0)	77.6 (76.9)	% Women	18.4 (18.2)	27.1 (27.0)	22.4 (23.1)	Age group as % of total employees	13.9 (17.3)	56.6 (54.2)	29.5 (28.5)	pages 39-40, 78, 118-121	Bulten has not reported sex by age group for different personnel categories and no data is available. Therefore unable to report personnel categories separately.	Principle 6
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DISCLOSURE	DESCRIPTION	COMMENTS	PAGE OR URL	DEPARTURES	GLOBAL COMPACT PRINCIPLE
GRI 406: Non-discrimination 2016					
103-1-103-3	Management approach disclosure	The company works consciously to prevent discrimination and this is expressed, for example, in the code of conduct, the HR policy, the working environment policy and in communication. Bulten follows up on the area in the annual development dialog between manager and employee, and in the company's employee survey.	pages 39-40		
406-1	Incidents of discrimination and corrective actions taken	No reported incidents of discrimination in 2020.			Principle 6
GRI 414: Assessment of suppliers based on social criteria					
103-1-103-3	Management approach disclosure	When interacting with a new supplier, Bulten's requirements are communicated through: General terms and conditions, Bulten's code of conduct for suppliers and business partners, and the company's business strategy. A decision to reach an agreement with a new supplier is made jointly by the SVP Purchasing, VP Quality and Environment and VP MP & L. The criteria that are described above are included as an integral part of the decision. For more information about the qualification process, refer to the page references. In 2020, 95,4% of Bulten's total purchases came from approved suppliers. In 2020, Bulten took over suppliers from another company in connection with a new FSP contract. See disclosure 414-1.	pages 29-30, 37	PSM International Holding Ltd and its subsidiaries are not included in this disclosure.	Principles 1-10
414-1	New suppliers that have been screened based on social criteria	In 2020, Bulten introduced 29 new suppliers of direct materials. 4 of these were referred directly from one of our customers. 15 of the new suppliers originate from a new FSP contract that was implemented in 2020. The suppliers taken over are undergoing evaluation in order to evaluate consolidation opportunities with Bulten's own production and to guarantee full compliance with Bulten's requirements. Approval of Bulten's general terms and conditions also includes social (human rights, working conditions, etc.) and environmental criteria, as well as acceptance of Bulten's code of conduct for suppliers and business partners.		PSM International Holding Ltd and its subsidiaries are not included in this disclosure.	Principles 1-10
Other information: Human rights					
Child labor		Bulten's code of conduct, global comprehensive HR Policy, code of conduct for suppliers, monitoring of suppliers, working conditions and human rights.	pages 22-23, 29-30		Principles 1, 2, 5
Forced labor		Bulten has drawn up guidelines to combat forced labor/slavery and trafficking. page 30,	www.bulten.com/sv-SE/About-Bulten/Sustainability/Statement-Modern-Slavery		Principles 1, 2, 4
Other information:					
The UN's 17 Sustainable Development Goals		Bulten has audited its impact/contribution regarding the UN's 17 Sustainable Development Goals.	page 27		Principles 1, 2, 7, 8, 9

Index Bulten's Sustainability Report in accordance with the Swedish Annual Accounts Act (1995:1554)

DISCLOSURE	PAGE REFERENCE
The company's business model	2-4, 8-12, 16-19, 20-21, 28-30, 39-41, 71-75
Environmental issues	7, 11, 20-21, 22-27, 29-30, 37, 39-41, 48-51, 73-75
Social issues	22-27, 32-33, 34, 37, 39-41, 73
Personnel issues	2-3, 11, 15, 23-27, 32-33, 37, 39-41, 44-48, 51-55
Human rights	7, 22-27, 30, 37, 39-41, 45-46, 54-55, 73
Anti-corruption	7, 17, 22-27, 30, 37, 39-41, 45, 47-48, 73-75

Sustainability reporting encompasses the Group and all subsidiaries covered by the requirement for sustainability reporting, with the exception of the company acquired during 2020, PSM International Holding Ltd and its subsidiaries.

Auditor's Limited Assurance Report on Bulten AB (publ)'s Sustainability Report and statement on the Statutory Sustainability Report

For Bulten AB (publ), corp. reg. no. 556668-2141

Introduction

We have been commissioned by the Board of Directors and executive management of Bulten AB (publ) to review the company's sustainability report for the year 2020. The sustainability report is also Bulten AB's (publ) statutory sustainability report for the year 2020. The company has defined the scope of the sustainability report on page 55 of this document, which is also 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 46 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 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 ISQC 1 (International Standard on Quality Control) 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.

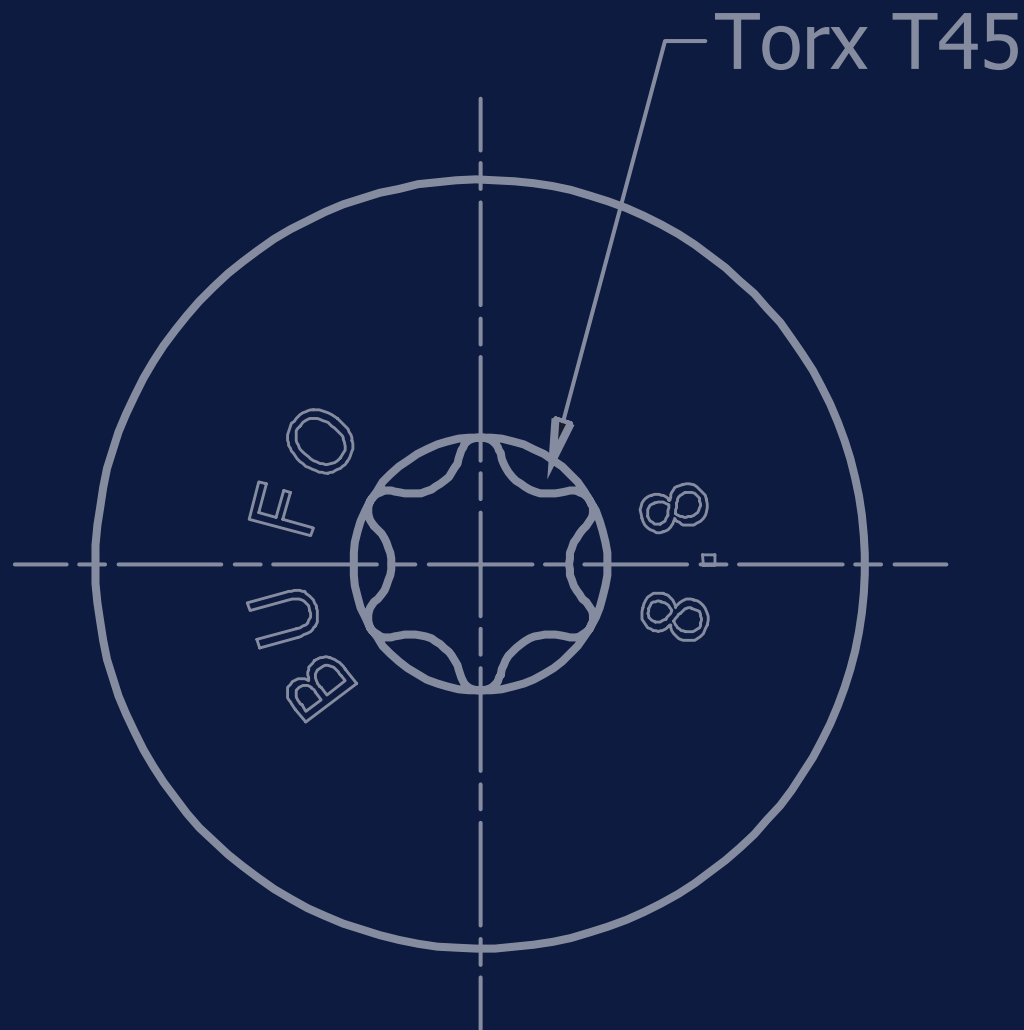
A Statutory Sustainability Report has been prepared.

Gothenburg, March 23, 2021
PricewaterhouseCoopers AB

Johan Palmgren Erik Sellergren
Authorised Public Accountant Specialist member of FAR

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BOARD OF DIRECTORS' REPORT

The Board of Directors and the Chief Executive Officer hereby submit the annual report and consolidated financial statements for Bulten AB (publ), corporate registration number 556668-2141, for the 2020 financial year.

Ownership structure

Bulten (publ) is listed on Nasdaq Stockholm. The largest shareholders at year-end were Volito AB 23.8% (22.8), Lannebo Fonder 7.8% (12.4), and Nordea Investment Funds 7.2% (-).

THE GROUP'S BUSINESS

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

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, Russia and the USA.

At the end of 2020, Bulten had business in eight countries, averaging 1,616 (1,425) employees, an increase of 13.4% from the end of 2019. The Group's invoiced sales in 2020 were SEK 3,195 (3,093) million, an increase of 3.3% compared with the previous year.

The year in brief

The whole of 2020 brought abrupt changes and extreme shifts in conditions, unlike anything the industry has witnessed in many years. For Bulten the year began positively with the acquisition of PSM. This was one of the first stages in implementing the new 'Stronger 24' strategy – a five-year plan focusing on bolstering our position, driven by innovation and sustainability, along with more ambitious financial goals.

In March the virus also hit Europe and customers closed their production within the space of a week or so. Bulten's preparations helped to quickly slow down its production and supply of materials, and were thus able to minimize the adverse impact on costs and cash flow. Planned investments were also put on hold, including the plans for a new facility in Poland. In China the wheels of industry started up again relatively quickly, but in Europe it was not until late August that volumes began to return to normal.

Despite months of very low activity in industry, Bulten ended 2020 with net sales of almost SEK 3.2 billion, which equates to growth of 3% including the acquisition of PSM. This was thanks to a strong recovery during the second half-year, and a record fourth quarter in terms of sales, profit and cash flow. Growth in the fourth quarter was 38%, which must be deemed a sign of strength in a market where demand is still burdened by COVID-19 and has yet to fully recover. The operating margin in Q4 was 8.5%, clear proof that Bulten did the right thing during the months of limited volume. A large part of the organic growth in the fourth quarter can be attributed to the significant contract Bulten received in the middle of the year. The contract was a takeover of an existing FSP business from one of our competitors and was started only three weeks after the contract was entered into.

During 2019 measures had commenced in Bulten's value chain, in the form of further optimization of material flows and processes. In spring 2020, these measures were rapidly accelerated. This produced clear results during the second half of the year, and the streamlining actions will have a lasting effect and boost Bulten's profitability moving forward.

Important aspects of the 'Stronger 24' strategy plan are growth and stronger profitability. A key component here is an optimized production structure, with closer geographical proximity to customers – particularly in China and the USA. During 2019, Bulten moved to a new production unit in China. During the second half of 2020, the Bulten and PSM operations in the USA were relocated to a newly built shared facility in Streetsboro, Ohio. The aim is to enable expansion on the local North American market, and also to capitalize on synergies. In addition, production in the subsidiary PSM Fasteners (Asia) Ltd, Taiwan, has been relocated to a new plant in Taipei. The new plant enables more efficient, sustainable processes, and also provides a foundation for further expansion. The relocations in both the USA and Taiwan have gone to plan, and there is still potential in synergies with the acquired company PSM, which has now been fully integrated in the Bulten organization.

During the year, a new vision was established: We create and deliver the most innovative and sustainable fastener solutions. Bulten has developed into a pioneer in the industry, and sustainability aspects have long been integral parts of its business

Key financial indicators

	2020	2019	2018	2017	2016
Net sales, MSEK	3,195	3,093	3,132	2,856	2,676
EBITDA margin, %	8.7	7.7	9.6	10.1	10.1
EBIT margin (operating margin), %	3.6	3.2	6.7	7.4	7.5
Adjusted EBIT margin (operating margin), % *	3.5	4.8	6.7	7.4	7.5
Capital turnover rate, times	1.5	1.6	1.9	1.9	1.8
Return on capital employed, %	5.4	5.5	12.8	14.4	13.9
Return on equity, %	3.7	3.5	9.9	11.7	11.5
Net debt/equity ratio, times	-0.3	-0.4	-0.1	-0.0	0.0
Interest coverage ratio, times	3.9	7.6	18.2	38.8	30.6
Equity/assets ratio, %	49.4	55.2	64.8	66.8	68.9
Average no. of employees	1,616	1,425	1,433	1,305	1,264

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

strategy. The importance of sustainability continues to bring rapid changes to the automotive industry. The economic consequences of high CO2 emissions for OEMs are very clear to see, and are driving the sector towards hybrids and electric vehicles. OEMs are also placing ever clearer demands on the production and supply chains with regard to sustainability.

Bulten's ambition is to be the only supplier of fasteners that customers can afford to choose if they want to build a viable value chain. We are well on the way, but it will call for a sharper focus on innovation, and require that every part of the company recognizes this. The strategy work has also resulted in new financial targets. The ambition is for Bulten to achieve a strong global position with good profitability. The targets entail sales of SEK 5 billion, an operating margin of 8% and a return on capital employed of 15% in 2024.

Operating profit for the year totaled SEK 116 million, equating to an operating margin of 3.6%. During the year, government grants totaling SEK 36 million have been entered in the income statement as a reduction of operating payroll costs. The Group's profit before tax amounted to SEK 87 million and profit after tax was SEK 50 million.

Profit per share rose by 1.5% from SEK 2.62 to SEK 2.66. The return on capital employed (ROCE) dropped to 5.4%. The capital turnover rate is 1.5 times, slightly lower than in 2019.

An operating cash flow of SEK 447 million was generated during the year, with net debt amounting to SEK 458 million at the end of the year. The rate of investment in 2020 of 1.7% of sales has been lower than Bulten's average rate of investment due to the COVID-19 situation. Bulten's strong financial position serves as a sound basis for continued investment in future growth.

Despite the pandemic, various new steps in our innovation and sustainability work have been taken in 2020, which will contribute to better solutions for customers and for coming generations.

Early 2020 saw the launch of FSP 2.0 – an upgrade of Bulten's offering with an increased sustainability profile. Another launch was the new BUFOe product family – fasteners produced with a 30% smaller carbon footprint and 50% less energy consumption than the average fastener in Europe. Bulten will extend the BUFOe family during 2021 to include more geometries and specifications. In March, Bulten opened an Innovation Center in Poland, where

engineers have been recruited to design prototypes and special solutions, with a particular focus on lower CO2 emissions and better functionality.

In 2020 Bulten acquired a 27% holding in the company TensionCam Systems AB, which develops solutions for sensors in fasteners. In the longer run Bulten will therefore be able to offer customers, also outside of the automotive industry, even more unique and sustainable fastener technology, with additional functions.

Furthermore, Bulten has for example invested in fossil-free electricity for all of its factories in Europe and its operation in North America. This includes buying renewable electricity and investing in solar panels. Bulten has continued to develop its sustainability assessments of suppliers of direct materials, transportation and packaging materials, all to ensure that the supply chain lives up to Bulten's demands and expectations. A supplier ranking system has also been introduced which forms the basis for future decisions.

Despite a very strong end to 2020, some challenges remain in the short term. COVID-19 has continued to create uncertainty in the wider world. A lack of microprocessors has also caused disruptions to customers' production, and this is expected to continue during the first half of 2021. Bulten has maintained its flexibility and has good opportunities to adapt the operation to the situation, and is also continuing the anti-infection measures introduced at Bulten's plants to maintain health and safety.

To sum up, Bulten has built a strong platform ahead of 2021 – a year for which forecasting agencies predict a market recovery. We see excellent opportunities to consolidate our position and continue to take market share. Strategically speaking, great steps have been taken in the past year. Bulten is a different company today than it was a year ago. But that's not to say we're done. Bulten will continue to develop and refine this company of amazing people. The executive management team has been expanded and has some new members, and this means for example a stronger focus on sales to new customers and on technology development. Bulten will continue to grow in all regions, but it is particularly important to accelerate growth in North America and Asia, and to extend the customer base, both in and beyond the automotive industry.

Orders received and net sales

Orders received for the full year were SEK 3,607 million (3,103), 16.2% higher than in the previous year.

Net sales for the full year totaled SEK 3,195 (3,093) million, which is an increase of 3.3%.

According to LMC Automotive (LMC), production of light vehicles globally decreased by -15.8%. Also according to LMC Automotive (LMC), production of heavy vehicles globally decreased by -7.0% during all of 2020 compared with 2019. Weighted for Bulten's exposure, this means that average growth in the sector was -14.9% in 2020.

Earnings and profitability

The Group's gross profit was SEK 567 (543) million, corresponding to a gross margin of 17.7% (17.5).

Earnings before depreciation and amortization (EBITDA) amounted to SEK 277 (239) million, corresponding to an EBITDA margin of 8.7% (7.7).

Operating profit (EBIT) amounted to SEK 116 (98) million, corresponding to an operating margin of 3.6% (3.2).

Adaptation of production to demand during Q2 and parts of Q3 has had an adverse impact on the company's figures, relating to under-absorption of fixed costs. During the year, government grants totaling SEK 36 million have been entered in the income statement as a reduction of operating payroll costs. The operating earnings adjusted for restructuring in Germany and relocation in China totaled SEK 113 (147) million. This equates to an adjusted operating margin of 3.5% (4.8).

Operating profit was affected by exchange rate fluctuations of SEK -21 (0) million net when converting working capital at the closing day rate.

The Group's net financial items were SEK -29 (-6) million. Financial income totaled SEK 0 (8) million. The previous year included a foreign exchange gain of SEK 8 million. Financial expenses amounted to SEK -29 (-14) million and include interest expenses of SEK -18 (-11) million, of which interest expenses for lease liabilities total SEK -8 (-7) million. Foreign exchange losses amounted to SEK -7 (-) million. Other financial expenses amounted to SEK -4 (-3) million.

The Group's profit before tax amounted to SEK 87 (92) million and profit after tax was SEK 50 (55) million.

Cash flow, working capital, investments and financial position

Cash flow from operating activities before changes in working capital totaled SEK 234 (177) million, which equates to 7.3% (5.7) of net sales. The effect on cash flow of the change in working capital amounted to SEK 213 (30) million. Inventories changed by SEK 51 (-57) million, while current receivables changed by SEK 64 (19) million. Current liabilities changed by SEK 269 (-23) million. At the end of the period, working capital had increased by SEK 70 million with the acquisition of PSM.

Accounts receivable during the past year averaged SEK 623 (570) million, which equates to 19.5% (18.4) of net sales. Average inventories amounted to SEK 677 (680) million, corresponding to an inventory turnover of 3.9 (3.7) times.

Investments in intangible assets and property, plant and equipment amounted to SEK 54 (218) million. Investments of SEK 54 (218) million relate to property, plant and equipment. The corresponding amount for intangible assets is SEK 0 (0) million. Depreciation/amortization amounted to SEK -161 (-141) million.

Consolidated cash and cash equivalents amounted to SEK 236 (64) million at the year-end. In addition, the Group had approved but unused overdraft facilities of SEK 615 (400) million, which means that the Group's disposable cash and cash equivalents amounted to SEK 851 (464) million. Consequently, disposable cash and cash equivalents amounted to 26.6% (15.0) of net sales.

The Group's balance sheet total at year-end was SEK 3,071 (2,710) million. Equity in the Group was SEK 1,517 (1,497) million at the end of the financial year. Net profit for the year of SEK 50 (55) million, other comprehensive income totaling SEK -106 (19) million, and transactions with shareholders totaling SEK 76 (-91) million have had an impact on equity.

On the closing date, net debt amounted to SEK 458 million. Net debt for the previous year amounted to SEK 565 million. Net debt adjusted for lease liabilities amounted to SEK 112 million. Adjusted net debt for the previous year amounted to SEK 299 million.

The equity/assets ratio was 49.4% (55.2). Group goodwill at the end of the financial year was SEK 228 (204) million, or 7.4% (7.5) of the balance sheet total.

New and revised standards applied by the Group

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 2020 have had any material effect on the Group's reporting.

New standards and interpretations not yet applied

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.

Risks and risk management

Exposure to risk is a natural part of running a business and this is reflected in Bulten's approach to risk management. It 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 eight facilities, located in Sweden, Germany, the UK, Poland, China, Taiwan, Russia and the USA.

At the end of 2020, the Swedish plant in Hallstahammar was subject to permit requirements under the Swedish Environmental Code. The permit requirements are due to the nature of the operations, which principally comprise activities involving cold work processing, heat and surface treatment. The primary environmental impact derives from manufacturing processes in the form of emissions to water and air, waste generation, resource utilization, noise and transportation.

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.

Outlook for 2021

85% of Bulten's net sales in 2020 were attributable to light vehicles, 10% to commercial vehicles, and 5% to other. 82% of total sales were attributable to direct deliveries to vehicle manufacturers (OEMs) and the remainder to their suppliers and other actors.

Bulten's products are mainly distributed to Europe, but demand is governed by the production of vehicles for the global market. At the end of 2020, the management judged that Bulten's market share had increased compared with the previous year, and the focus moving forward is to continue growing globally in line with the 'Stronger 24' strategy. For 2020 as a whole, in its latest report from Q4, 2020, LMC Automotive has adjusted its forecast upward on its previous assessment in Q3, 2020. As a result of the effects of COVID-19, global production of light vehicles is expected to have decreased by -15.8% and heavy commercial vehicles by -7.0% during 2020, compared with 2019. Weighted for Bulten's business exposure, this means a decline of -14.9% for the corresponding period. In 2021, global production of light vehicles is expected to increase by 17.3% and heavy commercial vehicles to decrease by -0.2%. Weighted for Bulten's business exposure, this means an increase of 15.5% for the corresponding period.

Bulten's strong contract portfolio, which has previously been reported and has now been virtually fully phased in, is a major asset once customers' production volumes start picking up again.

It is hard at this point in time to foresee how the future will develop regarding the effects of COVID-19, along with global and macroeconomic factors, will affect Bulten's customers' production. The lack of microprocessors that caused disruptions to customers' production is expected to continue during the first half of 2021. Bulten has continued good flexibility and the ability to adapt its operation to prevailing circumstances.

Bulten is standing by its long-term strategy, 'Stronger 24'. During 2020, the focus has been on strengthening Bulten for the future, and continuing to maintain the anti-infection measures introduced at the company's plants in order to maintain health and safety.

Bulten holds a strong position on its market, and will get through these times with a focus on health, as well as cash flow, profitability and growth.

Significant events after the end of the financial year

Anna Åkerblad took up the role of Chief Financial Officer (CFO) on March 4, 2021.

There are no 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 73.8% (63.9). Equity amounted to SEK 1,125 (1,048) million.

There were no cash or cash equivalents on the closing date. 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, 2020 was 20,987,992. As of December 31, 2020, 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, instructions and a number of policies that define the allocation of responsibilities between the Board on one hand and the President and CEO, committees appointed by the Board and executive management on the other. The Board has ultimate responsibility for the Group's operations and organization and ensures that the duties of the President and CEO as well as financial operations are carried out in compliance with established principles. The Board held 23 minuted meetings during the year, including one strategy meeting, and one budget and business-planning meeting.

From its membership, the Board has appointed an audit committee and a remuneration committee. During the year, the audit committee held seven meetings and the remuneration committee eleven meetings.

Guidelines for remuneration to senior executives

The 2020 Annual General Meeting adopted 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 Bulten can always attract and retain skilled senior executives 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. The salaries of senior executives consist of a fixed salary, variable remuneration, pension and other benefits. Every senior executive shall be offered a fixed salary in line with market conditions and based on the senior executive's responsibility, expertise and performance. In addition, the AGM may decide to offer long-term incentive programs such as share and share price-related incentive programs.

These incentive programs are intended to contribute to long-term value growth and provide a joint interest in share value growth for shareholders and employees.

All senior executives may, from time to time, be offered cash bonuses. In the case of the President and CEO such bonuses may amount to a maximum of 60% of their annual fixed salary. In the case of the other senior executives, bonuses may not exceed 40% of their annual fixed salaries. Bonuses shall be based primarily on developments in the Group as a whole or developments in the division or unit for which the person in question is responsible. For further information about remuneration to senior executives, see Note 8 to this annual report.

Prior to the 2021 AGM, the Board is proposing to maintain essentially the same guidelines for remuneration to senior executives for 2021, but adapted to the new rules in the Swedish Companies Act and the Code of Corporate Governance.

Appropriation of earnings

Bulten's goal over time is to appropriate at least one-third of its net profit after tax. Nevertheless, consideration should be given to Bulten's financial position, cash flow and outlook.

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

Premium reserve	1,132,950,039
Profit/loss brought forward	-118,195,256
	1,014,754,783

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

Board's proposed dividend (SEK 2.00 per share)	41,975,984
To be carried forward	972,778,799
Total	1,014,754,783

It is proposed that April 30, 2021 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 5, 2021. As of March 23, 2021, 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 41,975,984 shall 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, 2020 was 73.8% for the Parent Company and 49.4% 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 41,975,984 means that the Parent Company's equity/assets ratio will fall to 73.0% and the Group's equity/assets ratio will fall to 48.7%.

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 111-117.

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 55 for more information.

CONSOLIDATED INCOME STATEMENT

SEK MILLION	NOTE	2020	2019
Net sales	6	3,195	3,093
Cost of goods sold	7	-2,628	-2,550
Gross profit		567	543
Other operating income	11	8	15
Selling expenses	7	-248	-252
Administrative expenses	7	-192	-203
Other operating expenses	11	-24	-7
Share of profit in joint ventures and associated companies	35	5	2
Operating profit/loss	8, 9, 10, 12	116	98
Financial income	13	0	8
Financial expenses	13	-29	-14
Profit before tax	14	87	92
Tax on profit for the year	15	-37	-37
Earnings after tax		50	55
Attributable to			
Parent Company shareholders		55	53
Non-controlling interests		-5	2
Earnings after tax		50	55
Earnings per share (SEK) attributable to Parent Company shareholders			
Basic earnings per share (SEK)	16	2.66	2.62
Diluted earnings per share (SEK)	16	2.66	2.62

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	NOTE	2020	2019
Earnings for the year		50	55
Other comprehensive income			
Items not to be reversed in the income statement			
Revaluation of defined-benefit pension plans, net after tax		-2	0
Items that may later be reversed in the income statement			
Exchange differences		-100	19
Other comprehensive income attributable to joint venture	35	-4	0
Total other comprehensive income		-106	19
Total comprehensive income for the year		-56	74
Attributable to			
Parent Company shareholders		-46	70
Non-controlling interests	28	-10	4
Total comprehensive income for the year		-56	74

Comments on the consolidated income statement

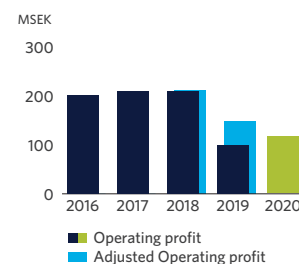
Net sales for the full year totaled SEK 3,195 (3,093) million, which is an increase of 3.3%. The Group's gross profit amounted to SEK 567 (543) million, corresponding to a gross margin of 17.7% (17.5).

Earnings before depreciation and amortization (EBITDA) amounted to SEK 277 (239) million, corresponding to an EBITDA margin of 8.7% (7.7).

Operating profit (EBIT) amounted to SEK 116 (98) million, corresponding to an operating margin of 3.6% (3.2). Adaptation of production to demand during Q2 and parts of Q3 has had an adverse impact on the company's figures, relating to under-absorption of fixed costs. During the year, government grants totaling SEK 36 million have been entered in the income statement as a reduction of operating payroll costs. The operating earnings adjusted for restructuring in Germany and relocation in China totaled SEK 113 (147) million. This equates to an adjusted operating margin of 3.5% (4.8). Operating profit was affected by exchange rate fluctuations of SEK -21 (0) million net when converting working capital at the closing day rate.

The Group's net financial items were SEK -29 (-6) million. Financial income totaled SEK 0 (8) million. The previous year included a foreign exchange gain of SEK 8 million. Financial expenses were SEK -29 (-14) million, mainly comprising interest expenses of SEK -18 (-11) million, of which interest expenses for lease liabilities totaled SEK -8 (-7) million. Foreign exchange losses amount to SEK -7 (-) million. Other financial expenses amount to SEK -4 (-3) million. The Group's profit before tax amounted to SEK 87 (92) million and profit after tax was SEK 50 (55) million.

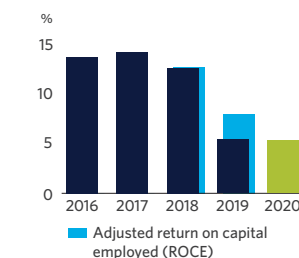
Operating profit, SEK million operating margin, %



Operating profit amounted to SEK 116 million, which is higher compared to the previous year. Adjusted operating profit totaled SEK 113 million.

The operating margin was 3.6% for 2020. This is 0.4 percentage points higher than in the previous year. The adjusted operating margin was 3.5% for 2020.

Return on capital employed (ROCE), %



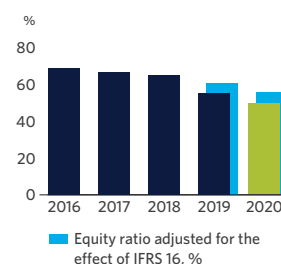
The return on capital employed (ROCE) amounts to 5.4% (5.5). The adjusted return on capital employed (ROCE) amounts to 5.2% (8.1).

CONSOLIDATED BALANCE SHEET

SEK MILLION	NOTE	DEC 31, 2020	DEC 31, 2019
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	17	228	204
Other intangible assets	17	4	4
Total intangible assets		232	208
Property, plant and equipment			
Land and buildings	18	192	192
Plant and machinery	18	423	465
Equipment, tools, fixtures and fittings	18	63	59
Construction in progress and advance payments for property, plant and equipment	18	45	74
Total property, plant and equipment		723	790
Right-of-use assets			
Buildings	19	321	249
Equipment	19	16	16
Total right-of-use assets		337	265
Financial non-current assets			
Investments in joint ventures and associated companies	35	50	3
Other long-term receivables	20, 25	3	3
Total financial assets		53	6
Deferred tax assets	15	9	5
Total non-current assets		1,354	1,274
Current assets			
Inventories	21	702	652
Current receivables			
Accounts receivable	22, 25	675	571
Current tax receivables		9	15
Other receivables	23	31	54
Prepaid expenses and accrued income	24	64	80
Total current receivables		779	720
Cash and cash equivalents	25, 36	236	64
Total current assets		1,717	1,436
Total assets		3,071	2,710

SEK MILLION	NOTE	DEC 31, 2020	DEC 31, 2019
EQUITY AND LIABILITIES			
Equity			
Share capital	26	11	11
Other contributed capital	26	1,263	1,263
Other reserves	27	-25	74
Profit brought forward		254	133
Equity attributable to Parent Company shareholders		1,503	1,481
Non-controlling interests	28	14	16
Total equity		1,517	1,497
Liabilities			
Non-current liabilities			
Deferred tax liabilities	15	7	5
Provisions for pensions and similar obligations	29	20	15
Interest-bearing lease liabilities	19	300	225
Other interest-bearing liabilities	25, 30, 31	247	334
Total long-term liabilities		574	579
Current liabilities			
Interest-bearing lease liabilities	19	47	42
Other interest-bearing liabilities	25, 30, 31	83	17
Accounts payable	25	593	375
Current tax liabilities		16	11
Other liabilities		103	62
Accrued expenses and deferred income	32	138	119
Other provisions	33	-	8
Total current liabilities		980	634
Total equity and liabilities		3,071	2,710

Equity/assets ratio, %



Comments to the balance sheet

Average working capital amounted to SEK 714 (790) million, which corresponds to 22.3% (25.5) of net sales.

The Group's balance sheet total at year-end was SEK 3,071 (2,710) million. Equity in the Group was SEK 1,517 (1,497) million at the end of the financial year. The equity/assets ratio was 49.4% (55.2). The equity/assets ratio (excluding lease liabilities, IFRS 16) totaled SEK 55.2% (60.5).

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⁾	RETAINED EARNINGS	TOTAL		
Opening balance, January 1, 2019		11	1,263	57	173	1,504	10	1,514
Comprehensive income								
Profit for the year		–	–	–	53	53	2	55
Other comprehensive income								
Items not to be reversed in the income statement								
Revaluation of defined-benefit pension plans, net after tax ²⁾		–	–	–	0	0	–	0
Items that may later be reversed in the income statement								
Exchange differences		–	–	17	–	17	2	19
Other comprehensive income attributable to joint ventures	35	–	–	0	–	0	–	0
Total comprehensive income		–	–	17	53	70	4	74
Transactions with shareholders								
Transactions with non-controlling interests		–	–	–	–	–	3	3
Share-based remuneration to employees	8	–	–	–	0	0	–	0
Buy-back of own shares		–	–	–	-14	-14	–	-14
Dividend to Parent Company shareholders (SEK 3.75 per share)		–	–	–	-80	-80	–	-80
Total transactions with shareholders		–	–	–	-94	-94	3	-91
Closing balance as of December 31, 2019		11	1,263	74	133	1,481	16	1,497
Comprehensive income								
Profit for the year		–	–	–	55	55	-5	50
Other comprehensive income								
Items not to be reversed in the income statement								
Revaluation of defined-benefit pension plans, net after tax ²⁾		–	–	–	-2	-2	–	-2
Items that may later be reversed in the income statement								
Exchange differences		–	–	-95	–	-95	-5	-100
Other comprehensive income attributable to joint ventures and associated companies	35	–	–	-4	–	-4	–	-4
Total comprehensive income		–	–	-99	53	-46	-10	-56
Transactions with shareholders								
Transactions with non-controlling interests		–	–	–	–	–	8	8
Issue of ordinary shares during a business combination ³⁾		–	–	–	68	68	–	68
Total transactions with shareholders		–	–	–	68	68	8	76
Closing balance as of December 31, 2020		11	1,263	-25	254	1,503	14	1,517

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

2) Tax effects are explained in Note 15.

3) Refers to shares in own custody used as payment in business combinations.

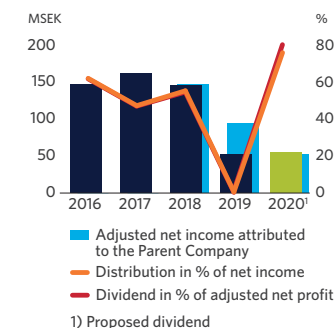
Comments on changes in equity

Net profit for the year of SEK 50 (55) million, other comprehensive income totaling SEK -106 (19) million and transactions with shareholders totaling SEK 76 (-91) million have had an impact on equity.

Dividends to Parent Company shareholders during the year amounted to SEK - (80) million, which corresponds to - (55%) 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 -104 (19) million.

Dividend as a percentage of net profit



CONSOLIDATED CASH FLOW STATEMENT

SEK MILLION	NOTE	2020	2019
Operating activities			
Profit after financial items		87	92
Adjustments for items not included in cash flow	36	169	152
Taxes paid		-22	-67
Cash flow from operating activities before changes in working capital		234	177
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		19	63
Increase(-)/Decrease(+) in operating receivables		30	-8
Increase(+)/Decrease(-) in operating liabilities		164	-25
Cash flow from operating activities		447	207
Investing activities			
Acquisition of intangible assets		0	0
Acquisition of property, plant and equipment		-54	-218
Divestment of property, plant and equipment		1	0
Acquisition of subsidiaries less acquired cash equivalents		-60	-
Acquisition of participations in associated companies		-6	-
Cash flow from investing activities		-119	-218
Financing activities			
Change in bank overdraft facilities	36	21	-64
Borrowing	36	-	255
Repayment of borrowings	36	-128	-
Repayment of lease liabilities	36	-55	-44
Dividend to Parent Company shareholders		-	-80
Buy-back of own shares		-	-14
Transactions with non-controlling interests		8	3
Cash flow from financing activities		-154	56
Cash flow for the year		174	45
Reconciliation of cash and cash equivalents			
Cash and cash equivalents as of beginning of the financial year		64	18
Cash flow for the year		174	45
Exchange rate difference in cash and cash equivalents		-2	1
Cash and cash equivalents at year-end	36	236	64

CONSOLIDATED NET DEBT COMPOSITION

SEK MILLION	NOTE	DEC 31, 2020	DEC 31, 2019
Long-term interest-bearing liabilities		-547	-559
Provision for pensions		-20	-15
Current interest-bearing liabilities		-130	-59
Financial interest-bearing receivables		3	4
Cash and cash equivalents		236	64
Net debt (-)	36	-458	-565
Less interest-bearing liabilities attributable to finance leases		347	267
Adjusted net debt (-)		-112	-299

Comments on the cash flow statement

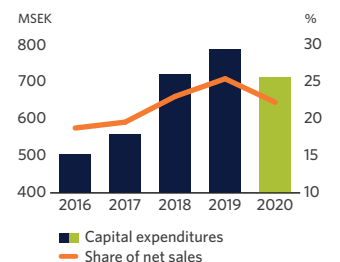
Cash flow from operating activities before changes in working capital totaled SEK 234 (177) million, which equates to 7.3% (5.7) of net sales. The effect on cash flow of the change in working capital amounted to SEK 213 (30) million. Inventories changed by SEK 51 (-57) million, while current receivables increased by SEK 64 (19) million. Current liabilities changed by SEK 269 (-27) million. Average working capital corresponds to 22.3% (25.5) of net sales.

Investments in intangible assets and property, plant and equipment amounted to SEK 54 (218) million. Investments of SEK 54 (218) million relate to property, plant and equipment. The corresponding amount for intangible assets is SEK 0 (0) million. Depreciation/amortization amounted to SEK -161 (-141) million. Capital expenditures correspond to 1.7% (7.1) of sales.

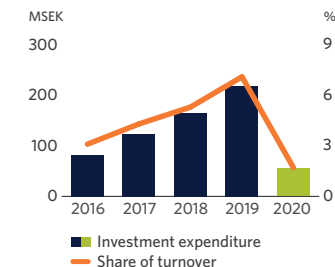
Consolidated cash and cash equivalents amounted to SEK 236 (64) million at the year-end. In addition, the Group had approved but unused overdraft facilities of SEK 615 (400) million, which means that the Group's disposable cash and cash equivalents amounted to SEK 851 (464) million. Consequently, disposable cash and cash equivalents amounted to 26.6% (15.0) of net sales.

Net debt amounted to SEK -458 (-565) million, which is a change of SEK 107 million compared with the previous year, SEK 347 (267) million of which relates to lease liabilities.

Working capital as a percentage of net sales



Investment expenses as a percentage of net sales



NOTES FOR THE GROUP

All amounts are 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 Gothenburg, Sweden. The company's postal address is Bulten AB, Box 9148, SE-400 93 Gothenburg, Sweden.

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 23, 2021 and will be presented to the Annual General Meeting of shareholders on April 28, 2021.

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

On February 28, 2020, Bulten completed its acquisition of the shares in PSM International Holdings Limited ('PSM').

At the end of the year Bulten started a new company in Turkey, Bulten Turkey Bağlantı Malzemeleri Ticaret Limited Şirekti.

On June 26, 2020 Bulten acquired 27% of the shares in TensionCam Systems AB.

Other changes during the reporting period

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	PERCENTAGE %
		DEC 31, 2020
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, Radziejoway	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 Romania S.R.L, 42096458, Bucharest	Romania	100.0
BBB Services Ltd, 880 6643 02, Scunthorpe	United Kingdom	60.0
BBB Fasteners Craiova S.R.L, 381312, Bucharest	Romania	60.0
RUS Fasteners B.V., 59227419, Amsterdam	The Netherlands	63.0

SUBSIDIARY/CORP. REG. NO./REGISTERED OFFICE	COUNTRY	PERCENTAGE %
		DEC 31, 2020
Bulten Rus LLC, 1145256000064, Nizhny Novgorod	Russia	63.0
Bulten Industrifastighet AB, 556872-5534, Gothenburg	Sweden	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, Milano	Italy	50.0
PSM Fasteners AB, 556264-5670, Järfälla	Sweden	50.0
Japan PSM Company Ltd, 6010801009051, Tokyo	Japan	50.0
PSM Fasteners (Pty) Ltd, 002 918 854, Marrickville	Australia	50.0
PSM IP Ltd, 1377768, Road Town, Tortola	British Virgin Islands	100.0
TensionCam Systems AB, 559196-4738, Gothenburg	Sweden	27.0
Bulten Turkey Bağlantı Malzemeleri Ticaret Limited Şirekti, 256555-5, Istanbul	Turkey	100.0

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 Swedish Financial Reporting Board's 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 Swedish 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 tax	15 Tax	IAS 12
Earnings per share	16 Earnings per share	IAS 33
Intangible assets	17 Intangible 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, compensation demands	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 date when the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date the 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 prices. 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 the consistent application of the Group's policies.

Translation of foreign currencies

Items in the financial statements for the various Group units are measured 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 the settlement of such transactions and the recalculation of monetary assets and liabilities in foreign currencies at the rate on the balance sheet date are recognized 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 rate on the balance sheet date, income and expenses are translated at the average rate and any resulting exchange rate 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 translated at the rate on the balance sheet date.

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

	AVERAGE RATE		CLOSING DAY RATE	
	2020	2019	2020	2019
CNY	1.33	1.37	1.25	1.33
EUR	10.49	10.59	10.04	10.43
GBP	11.80	12.07	11.09	12.21
PLN	2.36	2.46	2.22	2.44
RUB	0.13	0.15	0.11	0.15
USD	9.20	9.46	8.19	9.32

Classification

Non-current 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 essentially consist 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' 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 2020

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 2020 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

In its operations, the business is exposed to various financial risks. 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 Group as a whole by the Parent Company. The Group's overall risk management focuses on the unpredictability of 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 the EUR, PLN, GBP, USD, CNY, RUB 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 competitiveness of the Group or its customers and, indirectly, Group sales and profit. The Group is exposed to changes in multiple currencies, where fluctuations in the EUR have the greatest impact on the Group's profit.

The Group's policy for managing currency risks is focused on transaction-related currency risks. Currency risks are primarily managed by trying to change the operational conditions in the business by matching income and expenses in currencies other than the SEK. Nevertheless, hedging may be used in special circumstances. Currency flows shall be hedged only if this fulfils 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 83 (52) million. An equivalent weakening against the PLN would adversely affect operating profit by around SEK -19 (-20) million. An equivalent weakening against the GBP would amount to around SEK -20 (1) million, against the USD to around SEK 13 (4) million, against the CNY to around SEK -4 (-5) million and against the RUB to around SEK -1 (-1) million. Given current exposure the net effect would have been an improvement in operating profit of around SEK 52 (31) million if the SEK had weakened in value by 10% against the

EUR, PLN, GBP, USD, CNY and RUB. The corresponding effect on equity is around SEK 175 (115) million.

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

CURRENCY*	2020			2019		
	INCOME	EXPENSES	NET EXPOSURE	INCOME	EXPENSES	NET EXPOSURE
SEK	287	-616	-329	358	-568	-210
EUR	2,274	-1,436	838	2,347	-1,832	515
PLN	13	-208	-195	17	-214	-197
GBP	145	-347	-202	184	-175	9
USD	181	-53	128	76	-38	38
CNY	238	-279	-41	55	-102	-47
RUB	46	-55	-9	56	-66	-10
Others	11	-85	-74	-	-	-
Total	3,195	-3,079	116	3,093	-2,995	98

* Expressed in SEK million.

The Group has holdings in foreign businesses whose net assets are exposed to currency changes. Currency exposure that results from assets in the Group's foreign activities is primarily managed by way of borrowing in the relevant foreign currencies.

Distribution of financial liabilities per currency:

CURRENCY*	2020			2019		
	INTEREST-BEARING LIABILITIES ¹⁾	ACCOUNTS PAYABLE	TOTAL	INTEREST-BEARING LIABILITIES ¹⁾	ACCOUNTS PAYABLE	TOTAL
SEK	300	37	337	283	39	322
EUR	82	335	417	190	263	453
PLN	156	15	171	108	17	125
GBP	11	75	86	19	29	48
USD	79	5	84	-	4	4
CNY	24	103	127	17	14	31
RUB	0	7	7	-	8	8
TWD	23	15	38	-	-	-
Others	-	1	1	-	1	1
Total	675	593	1,268	617	375	992

* 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 a financing agreement with total credit of SEK 750 million covering the period up to June 2024. In addition, the company has entered into a credit agreement, primarily for the Polish operation, for a total of 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 2020 the value of transferred accounts receivable amounted to SEK 44 (50) million. The total capacity of the agreement covering the sale of accounts receivable is SEK 66 (66) million.

At the end of 2020, the available liquidity reserve for the Group amounted to SEK 851 (468) million, which corresponds to 26.6% (15.1) of net sales. The Group's financial 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 according to the time remaining until the contractual maturity date at the balance sheet date (including any interest payments if these can be determined). The amounts indicated in the table are the contractual, non-discounted cash flows.

AS OF DECEMBER 31, 2020 (INCLUDING INTEREST PAYMENTS)	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS
Bank loans and overdrafts ¹⁾	83	253	–
Accounts payable and other liabilities	850	–	–
Lease liabilities	60	201	174
Total	993	454	174

1) The company is primarily financed through a financing agreement with total credit of SEK 750 million covering the period up to June 2024.

AS OF DECEMBER 31, 2019 (INCLUDING INTEREST PAYMENTS)	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS
Bank loans and overdrafts	16	343	–
Accounts payable and other liabilities	576	–	–
Lease liabilities	49	156	100
Total	641	499	100

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 2020 and 2019 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 2020 and 2019 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 2020 with all other variables remaining constant, profit before tax for the financial year would have been SEK 7 (4) million lower or higher respectively.

Credit risk

Credit risk arises from cash and cash equivalents and balances with banks and financial institutions, as well as credit exposures including outstanding receivables and agreed 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 beyond 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 2,172 (1,924) million in 2020. Return, defined as profit after financial items plus financial expenses, on average capital employed amounted to 5.4% in 2020 and 5.5% in 2019.

The equity/assets ratio amounted to 49.4% as of December 31, 2020 and 55.2% as of December 31, 2019, as shown in the table below.

EQUITY RATIO	2020	2019
Equity	1,517	1,497
Balance sheet total	3,071	2,710
Equity/assets ratio, %	49.4	55.2

The debt/equity ratio as of December 31, 2020 and December 31, 2019 was as follows in the table below:

DEBT/EQUITY RATIO	2020	2019
Interest-bearing lease liabilities	-347	-267
Other interest-bearing liabilities	-350	-366
Minus: interest-bearing assets	3	4
Minus: cash and cash equivalents	236	64
Net debt (-)	-458	-565
Total equity	1,517	1,497
Net debt/equity ratio, times	-0.3	-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 2.8% (2.6).

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

Non-renewable natural resources are used within the framework of Bulten's operations, and this has a negative future impact on the environment. 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 carried out 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. In addition, Bulten 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 and other steering documents provide guidance for all decisions made in the business.

BUSINESS CYCLE AND EXTERNAL RISKS

Global market and macroeconomic risks

Bulten operates in cyclical global markets 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, 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 reduces volatility due to 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 new 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 111-117, 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, geo-political 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 in the automotive industry

The automotive industry is in the midst of major changes. In many respects its development has a direct impact on Bulten's business, especially in terms of markets and volumes. The trends and driving forces that affect and are deemed to affect Bulten come in the form of: globalization, as vehicle manufacturers increase production in emerging and new markets; increased demands for sustainability with regard to what Bulten offers its customers within its in-house production and in the supply chain; continued competition in the automotive industry with new disruptive technology can result in increased failures and new manufacturers; the increased large-scale production, which is expected to lead to consolidation, with fewer suppliers expected to be involved in customer development; electrification; mobility and digitalization. Bulten is addressing increased globalization by tracking their customers and creating production opportunities in new markets. 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. Through the FSP concept and close cooperation with its customers, Bulten can offer cost-effective solutions by way of, for example, fewer fastener variants and the creation of volume synergies. Furthermore, this creates greater opportunities for Bulten to be involved from the development stage right through to delivery to the customer's production line.

Bulten is working with several customers in the development of fasteners for hybrid and electric vehicles and believes that the fuel cell trend will have no impact on the company's business in the near future. Furthermore, it is difficult to determine when commercialization will take off. Digitalization will require more components in vehicles, which in turn will result in increased demand for fasteners, enabling Bulten to expand its range and provide custom fasteners.

Force majeure

As global warming increases, natural disasters may increase. 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.

COVID-19, the coronavirus, remains an uncertainty factor that could affect automotive sales and production. 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.

It is hard at this point in time to foresee how the future will develop and how the second and third waves of COVID-19, along with global and macroeconomic factors, will affect Bulten's customers' production. The lack of microprocessors that caused disruptions to customers' production is expected to continue during the first half of 2021. Bulten has continued 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 is insured up to a specific amount against damages applicable to product liability and recalls. 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, as a result of factors such as fire, may have a negative impact, in terms of both direct material damage and the suspension of operations, which could complicate the Group's ability to fulfill delivery commitments to its customers. This in turn could encourage customers to reconsider their choice of supplier. The effect of such damage to production equipment has been assessed to have a moderate impact. Ongoing efforts are underway to improve the Group's forward planning and preventative safety measures. 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.

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 fulfil 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 32 (31) 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 20 (19) 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 profit before tax by SEK 6 (6) million.
- A percentage point change in interest rates on average net debt with variable interest rates affects profit before tax by SEK 7 (4) 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 71.

NOTE 6 INCOME

The Group manufactures and sells fasteners. Income from product sales are listed at the point when the control of the product is given over 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	2020	2019
Sweden	752	921
Germany	375	519
United Kingdom	1,568	1,464
Poland	38	48
China	260	59
USA	102	28
Other countries	100	54
Total income	3,195	3,093

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	2020	2019
Sweden	401	476
Germany	298	452
United Kingdom	885	806
Poland	26	29
Rest of Europe	953	922
China	307	123
USA	139	131
Other countries	186	154
Total income	3,195	3,093

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, by customer group.

SEK MILLION	2020	2019
OEM Light vehicles	2,309	2,411
OEM Heavy commercial vehicles	310	407
Suppliers (Tiers)	409	273
Other	167	2
Total income	3,195	3,093

Income distributed between chassis and drivetrains

The Group receives most of its income from chassis/body. Other income refers to income from outside of the automotive industry. The table below shows the Group's income distributed by chassis, drivetrains and other.

SEK MILLION	2020	2019
Chassis/body	2,402	2,253
Powertrain	624	838
Other	169	2
Total income	3,195	3,093

Income distributed by income category

Income comes primarily from own production and outsourced production. The table below shows the Group's income distributed by income category.

SEK MILLION	2020	2019
Owv production	1,829	1,848
Outsourced production	1,284	1,157
Other	82	88
Total income	3,195	3,093

The Group's customers

The Group's customers are almost exclusively in the automotive industry. The Group has three external customers each of which generates income greater than 10% of the Group's sales. Income from these customers amounted to SEK 1,087 (848) million, SEK 593 (808) million and SEK 413 (464) million, which together constitute 65.5% (68.5) of sales. Underlying agreements with customers 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 material 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	2020	2019
Changes in stock, cost of goods sold	-2,173	-2,095
Costs for remuneration to employees and directors (Note 8)	-599	-584
- State subsidies received (furlough support)	36	-
Depreciation/amortization (Note 10)	-161	-141
Other costs	-171	-186
Total costs for goods sold, sales and administration	-3,068	-3,006

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.

IAS 20 Accounting for Government Grants and Disclosure of Government Assistance.

Government grants relating to covering costs are distributed and recognized as income in the income statement over the same periods as the costs the grants are intended to cover. During 2020, state subsidies totaling SEK 36 million have been entered in the income statement as a reduction of operating payroll costs.

NOTE 8 EMPLOYEES, EMPLOYEE BENEFIT EXPENSES AND REMUNERATION TO THE BOARD OF DIRECTORS

AVERAGE NUMBER OF EMPLOYEES	NUMBER OF PEOPLE		OF WHOM MEN, %	
	2020	2019	2020	2019
Parent Company	8	9	38	33
Subsidiaries				
Sweden	325	356	80	80
Germany	159	191	81	81
Poland	523	560	79	78
United Kingdom	149	99	73	68
Romania	2	–	50	–
China	253	83	67	71
Hong Kong	1	–	–	–
Taiwan	58	–	69	–
Singapore	5	–	60	–
Russia	118	120	71	68
USA	15	7	73	86
Total for subsidiaries	1,608	1,416	76	77
Total average number of employees	1,616	1,425	76	77

GENDER DISTRIBUTION ON THE BOARD AND IN EXECUTIVE MANAGEMENT	NUMBER OF PEOPLE		OF WHOM WOMEN, %	
	2020	2019	2020	2019
Board of Directors*)	8	8	25	13
Executive management	9	9	33	33

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES	SALARIES AND REMUNERATION		SOCIAL SECURITY EXPENSES	
	2020	2019	2020	2019
Parent Company	13	15	8	9
(of which pension costs)	–	–	3	4
Subsidiaries	460	440	118	120
(of which pension costs)	–	–	19	11
Total salaries, other remuneration and social security expenses	473	455	126	129
(of which pension costs)	–	–	22	15

SALARIES AND OTHER REMUNERATION ACCORDING TO COUNTRY, AND BETWEEN MANAGEMENT STAFF AND OTHER EMPLOYEES	MANAGEMENT STAFF ¹⁾		OTHER EMPLOYEES	
	2020	2019	2020	2019
Parent Company in Sweden	7	9	5	6
(of which bonus and similar)	–	1	–	0
Subsidiaries in Sweden	3	3	132	147
(of which bonus and similar)	–	0	–	1
Subsidiaries overseas				
Other countries in the EU	8	9	237	248
(of which bonus and similar)	0	0	1	1
Other countries	11	4	70	29
(of which bonus and similar)	1	0	4	0
Total	29	25	444	430
(of which bonus and similar)	1	1	5	2

Pension costs for the Board and the President and CEO amount to SEK 5 (5) million in the Group.

¹⁾ Includes current and former Board members and their deputies, the President and CEO, and the Executive Vice 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 a basic salary, variable remuneration, other benefits and pension. Senior executives are defined as those individuals who are members of the executive management. In 2020, this group was comprised of a total of 13 people, including the CEO. For the President and CEO and other senior executives, the salary 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 basic salary and the variable long-term incentive

(LTI) is no more than 30% of their basic salary. For other senior executives, the variable STI is no more than 40% of their basic salary and the variable LTI is no more than 25% of their basic salary. Variable remuneration is based on performance in relation to established targets. In accordance with current guidelines for remuneration to senior executives, the Board decided to award two senior executives a special project bonus of one (1) monthly salary each for their extraordinary work. The decision was made on the basis of the company's long-term interests and was prepared in the usual way by the Remuneration Committee.

The President and CEO was paid a basic salary of SEK 3.5 (3.7) million for the year. Other senior executives received a basic salary totaling SEK 17.9 (13.5) million for the year.

For 2020, the President and CEO earned variable remuneration of SEK - (0.4) million. Other senior executives earned variable remuneration in 2020 only in the form of allowances amounting to SEK 0.1 million. In the previous year, variable remuneration totaled SEK 0.6 million.

Senior executives domiciled in Sweden have been offered a defined-contribution pension agreement based on premiums which amount to a maximum of 35% 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, preferably 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	2020					2019				
	REMUNERATION ¹⁾ / BASIC SALARY	VARIABLE REMUNERATION	OTHER BENEFITS	SHARE-BASED REMUNERATION	PENSION	REMUNERATION ¹⁾ / BASIC SALARY	VARIABLE REMUNERATION	OTHER BENEFITS	SHARE-BASED REMUNERATION	PENSION
The Group										
The Board										
Ulf Liljedahl	0.6	–	–	–	–	0.6	–	–	–	–
Karin Gunnarsson (from April 23, 2020)	0.3	–	–	–	–	–	–	–	–	–
Hans Gustavsson	0.4	–	–	–	–	0.4	–	–	–	–
Christina Hallin (from April 23, 2020)	0.3	–	–	–	–	–	–	–	–	–
Hans Peter Havdal	0.3	–	–	–	–	0.3	–	–	–	–
Peter Karlsten	0.3	–	–	–	–	0.3	–	–	–	–
Anne-Lie Lind (to April 23, 2020)	–	–	–	–	–	0.3	–	–	–	–
Nicklas Paulson (to April 23, 2020)	–	–	–	–	–	0.3	–	–	–	–
Senior executives										
Tommy Andersson, President and CEO (until February 7, 2019)	–	–	–	–	–	0.4	0.4	0.0	–	0.1
Anders Nyström, President and CEO (as of February 8, 2019)	3.5	–	0.1	–	1.1	3.3	–	0.1	–	1.0
Other senior executives ²⁾ , 8 (8)	17.9	0.4	0.9	–	3.6	13.5	0.7	0.9	–	2.7

1) Refers to remuneration to the Board and committees.

2) At year-end.

With regard to termination of employment for other senior executives, generally there is a mutual notice period of six months, but of no more than 12 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 18 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 2019–2021 (LTI)

The Annual General Meeting held on April 25, 2019 resolved to establish a new recurring variable, long-term incentive (LTI) program that provides approximately 20 senior executives and key employees the opportunity to receive a bonus where the net amount of the bonus, after deductions for taxes, shall be used to acquire shares in Bulten. 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 for three years from April 2019 to March 31, 2022. The cost of the program for the 2020 financial year is estimated to be a maximum of approximately SEK 7 million, excluding social security costs. The maximum award is 30% of basic salary for the President and CEO, and 25% of basic salary for the rest of the executive management. As the performance targets have not been met, no LTI bonus has been paid for the 2019 and 2020 financial years. 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	2020	2019
Audit engagement	5	3
<i>of which to PricewaterhouseCoopers AB</i>	2	2
Other audit activities	0	0
<i>of which to PricewaterhouseCoopers AB</i>	0	0
Tax advice	2	1
<i>of which to PricewaterhouseCoopers AB</i>	1	1
Other services	0	4
<i>of which to PricewaterhouseCoopers AB</i>	0	4
Total PwC	7	8
<i>of which to PricewaterhouseCoopers AB</i>	3	6

'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 comprise 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 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	2020	2019
Intangible assets	-1	-1
Property, plant and equipment		
- Buildings	-12	-9
- Plant and machinery	-77	-75
- Equipment, tools, fixtures and fittings	-19	-13
Right-of-use assets		
- Buildings	-44	-36
- Equipment	-8	-7
Total amortization/depreciation	-161	-141

AMORTIZATION/DEPRECIATION ACCORDING TO PLAN BY FUNCTION	2020	2019
Cost of goods sold	-124	-107
Selling expenses	-28	-25
Administrative expenses	-9	-9
Total amortization/depreciation	-161	-141

The assets are primarily machinery and other technical equipment.

NOTE 11 OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME	2020	2019
Gain on sale of non-current assets	0	0
Exchange gains on receivables/liabilities relating to operations	-	0
Government grant for relocation of factory in China	2	-
Income from administrative services	-	11
Other operating income	6	4
Total other operating income	8	15

OTHER OPERATING EXPENSES	2020	2019
Loss from sale of non-current assets	-1	-5
Exchange losses on receivables/liabilities relating to operations	-21	-
Other operating expenses	-2	-2
Total other operating expenses	-24	-7

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

	2020	2019
Short-term leases and low-value leases	9	11
Depreciation	52	43
Interest expenses, leasing	8	7
Variable lease fees paid	–	–
Total lease expenses	69	61

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	2020	2019
Interest income	0	0
Exchange rate differences on loans	–	8
Other	0	0
Total financial income	0	8
FINANCIAL EXPENSES	2020	2019
Interest expenses	-18	-11
Exchange rate differences on loans	-7	–
Other	-4	-3
Total financial expenses	-29	-14

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

	2020	2019
Exchange differences affecting operating profit/loss	-21	0
Exchange differences on financial items	-7	8
Total exchange rate differences	-28	8

NOTE 15 TAX

REPORTED TAX	2020	2019
Current tax		
Current tax for the year	-35	-31
Current tax related to earlier years	1	-1
Total current tax	-34	-32
Deferred tax expense (-)/tax income (+)		
Change in deferred tax	-3	-5
Total deferred tax	-3	-5
Total reported tax	-37	-37

Income tax relating to components of other comprehensive income amounts to SEK 0.1 (-0.0) million and relates entirely to the revaluation of pension plans.

RECONCILIATION OF EFFECTIVE TAX	2020	2019
Profit before tax	87	92
Tax according to applicable tax rate for the Parent Company, 21.4% (21.4%)	-19	-20
Tax effect of:		
Differences in tax rates for foreign subsidiaries	-2	1
Non-taxable income	6	2
Non-deductible expenses	-8	-8
Deferred tax for previous years' non-recognized temporary differences	-2	-1
Tax losses for which non-deferred tax is recognized	-12	-12
Utilization of loss carry-forwards not previously recognized	1	1
Adjustment for current tax related to earlier years	1	-1
Revaluation effect of change in tax rate	-0	-
Profit from joint ventures and associated companies after tax	1	1
Other	-3	-
Tax on profit for the year according to the income statement	-37	-37

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	DEC 31, 2020	DEC 31, 2019	DEC 31, 2020	DEC 31, 2019
Machinery and equipment	0	0	16	15
Right-of-use assets	2	1	-	-
Inventories	4	4	-	-
Accounts receivable	0	0	-	-
Loss carry-forwards	2	-	-	-
Pensions	8	9	-	-
Other	2	1	-	-
Net recognition of receivables/liabilities in the same jurisdiction	-9	-10	-9	-10
Total	9	5	7	5

Deferred tax assets are recognized for tax loss carry-forwards to the extent that it is likely they can be benefited from through future taxable surpluses. As of December 31, 2020, the accumulated tax loss carry-forwards amount to SEK 2 (-) million. The Group has also calculated tax loss carry-forwards amounting to SEK 165 (138) million, of which SEK 81 (62) million attributable to China, SEK 48 (50) million to Russia, SEK 6 (-) million to the UK and SEK 31 (22) million to the USA, for which deferred tax assets are not recognized as of December 31, 2020. Of the total loss carry-forwards, SEK 6 million falls due in 2021, SEK 0 million in 2022, SEK 13 million in 2023, SEK 20 million in 2024, SEK 10 million in 2026, SEK 10 million in 2027, SEK 3 million in 2028, SEK 7 million in 2029, SEK 7 million in 2030 and SEK 89 million falls due in 2031 or later.

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 are 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 value 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 will be available against which the temporary differences may be utilized.

Untaxed reserves, including the deferred tax liability, are recognized 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 policies 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 of December 31, 2020, 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 2020 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 165 (138) 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, 2020, the Group is recognizing a deferred tax asset attributable to loss carry-forwards and other temporary tax differences amounting to SEK 9 (5) million.

NOTE 16 EARNINGS PER SHARE

EARNINGS PER SHARE	2020	2019
Profit for the year attributable to shareholders of Bulten AB (publ), SEK million	55	53
Weighted average number of outstanding shares before dilution	20,829,522	20,030,845
Weighted average number of outstanding shares after dilution	20,829,522	20,044,149
Basic earnings per share (SEK)	2.66	2.62
Diluted earnings per share (SEK)	2.66	2.62

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

	DEC 31, 2020			DEC 31, 2019		
	GOODWILL	OTHER INTANGIBLE ASSETS ¹⁾	TOTAL	GOODWILL	OTHER INTANGIBLE ASSETS ¹⁾	TOTAL
Accumulated cost of acquisition						
At the start of the year	324	9	333	321	9	330
Business combinations	33	1	34	–	–	–
Acquisitions during the year	–	0	0	–	0	–
Reclassifications during the year	–	–	–	–	0	0
Divestments and disposals	–	0	0	–	–	–
Exchange differences during the year	-9	-1	-10	3	0	3
At year-end	348	9	357	324	9	333
Accumulated amortization according to plan						
At beginning of year	–	-6	-6	–	-5	-5
Divestments and disposals	–	0	0	–	–	–
Amortization according to plan	–	-1	-1	–	-1	-1
Exchange differences during the year	–	1	1	–	0	0
At year-end	–	-5	-5	–	-6	-6
Accumulated impairment						
At beginning of year	-120	–	-120	-120	–	-120
At year-end	-120	–	-120	-120	–	-120
Recognized value						
At the start of the year	204	4	208	201	4	205
At year-end	228	4	232	204	4	208

1) Relates primarily to license fees.

PROPERTY, PLANT AND EQUIPMENT BY COUNTRY

	DEC 31, 2020	DEC 31, 2019
Sweden	183	183
Poland	1	2
China	31	–
Russia	17	23
Others	0	–
Total intangible assets	232	208

Impairment requirement testing for goodwill

Recognized consolidated goodwill amounts to SEK 228 (204) million. Each year, the Group tests whether there is an impairment requirement with regard to 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 that have been 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 7.8% (7.8) before tax. The discount rate has been determined by calculating a weighted cost of own and borrowed capital.

In both 2020 and 2019 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 discount interest rate, growth rate and sustainable operating margin. A change in any of 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 the planned start of production.

Goodwill

Goodwill consists of the amount by which the cost of acquisition exceeds the fair value of the Group's proportion of the acquired subsidiary's/associated company's/joint venture's identifiable net assets at the time of 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. Gains or losses from the divestment of a unit include the remaining carrying amount of the goodwill pertaining to the divested unit.

Goodwill is distributed between cash generating units upon testing to determine any impairment requirement. For business acquisitions where the cost of acquisition is less than the net of the 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. Expenditures for internally generated goodwill and trademarks are recognized in the income statement as an expense as it is incurred. The Group's other 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 cost of acquisition less any residual value. Amortization is applied on a straight-line basis over the useful life of the asset and is recognized 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 228 (204) million as of the end of 2020 and 2019, no impairment requirement was identified.

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

	DEC 31, 2020					DEC 31, 2019				
	LAND AND BUILDINGS ¹⁾	PLANT AND MACHINERY ¹⁾	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS ¹⁾	CONSTRUCTION IN PROGRESS AND ADVANCES	TOTAL ¹⁾	LAND AND BUILDINGS ¹⁾	PLANT AND MACHINERY ¹⁾	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS ¹⁾	CONSTRUCTION IN PROGRESS AND ADVANCES	TOTAL ¹⁾
Accumulated cost of acquisition										
At beginning of year	236	952	123	74	1,385	220	761	111	111	1,203
Business combinations	–	18	4	4	26	–	–	–	–	–
Acquisitions during the year	23	14	3	20	60	11	20	4	174	209
Reclassifications during the year	-3	29	19	-45	–	2	159	10	-213	-42
Divestments and disposals	–	-49	-9	0	-58	–	-10	-5	–	-15
Exchange rate differences for the year	-9	-73	-10	-8	-100	3	22	3	2	30
At year-end	247	891	130	45	1,313	236	952	123	74	1,385
Accumulated depreciation according to plan										
At beginning of year	-44	-443	-64	–	-551	-42	-362	-53	–	-457
Reclassifications during the year	-1	1	–	–	–	9	–	–	–	9
Divestments and disposals	–	48	9	–	57	–	6	4	–	10
Depreciation according to plan	-12	-77	-19	–	-108	-9	-75	-13	–	-97
Exchange rate differences for the year	2	47	7	–	56	-2	-12	-2	–	-16
At year-end	-55	-424	-67	–	-546	-44	-443	-64	–	-551
Accumulated impairment										
At beginning of year	–	-44	–	–	-44	–	-44	–	–	-44
At year-end	–	-44	–	–	-44	–	-44	–	–	-44
Recognized value										
At beginning of year	192	465	59	74	790	178	355	58	111	702
At year-end	192	423	63	45	723	192	465	59	74	790

1) Of which land, SEK 50 (53) million.

PROPERTY, PLANT AND EQUIPMENT BY COUNTRY

	DEC 31, 2020	DEC 31, 2019
Sweden	276	304
Germany	86	93
United Kingdom	18	14
Poland	196	247
Russia	43	56
China	72	52
USA	24	25
Taiwan	8	–
Total property, plant and equipment	723	790

ACCOUNTING POLICIES

Property, plant and equipment 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 their possession will pass to the Group, and the asset's cost of acquisition 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 of acquisition includes the purchase price and costs directly attributable to bringing the asset to the location and the condition necessary for it to be utilized for its intended purpose. 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 may also include transfers from equity for possible gains/losses in cash flow hedging that meets hedge accounting requirements.

The cost of acquisition of non-current 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 of 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 property, plant and equipment is derecognized from the balance sheet upon its disposal or divestment, or when no future economic benefits are expected from its use. Profit from the divestment or disposal consists of 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 acquisition value less the 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 that are depreciated are assessed for a reduction in value when events or changes in conditions indicate that the carrying amount may not be recoverable. A write-down is carried out for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling costs and value in use. When assessing impairment requirements, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units).

NOTE 19 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	DEC 31, 2020			DEC 31, 2019		
	BUILDINGS	EQUIPMENT	TOTAL	BUILDINGS ¹⁾	EQUIPMENT ¹⁾	TOTAL ¹⁾
Accumulated cost of acquisition						
At beginning of year	293	22	315	209	14	223
Acquisitions during the year	129	8	137	39	9	48
Reclassifications during the year	–	–	–	42	–	42
Divestments and disposals	-1	-3	-4	–	-1	-1
Exchange differences during the year	-17	0	-17	3	0	3
At year-end	404	27	431	293	22	315
Accumulated depreciation according to plan						
At beginning of year	-44	-6	-50	–	–	–
Reclassifications during the year	–	–	–	-9	–	-9
Divestments and disposals	1	3	4	–	1	1
Depreciation according to plan	-44	-8	-52	-36	-7	-43
Exchange differences during the year	4	0	4	1	0	1
At year-end	-83	-11	-94	-44	-6	-50
Recognized value						
At beginning of year	249	16	265	208	14	222
At year-end	321	16	337	249	16	265

1) Right-of-use assets also include lease assets previously recognized as finance leases in the item property, plant and equipment.

RIGHT-OF-USE ASSETS PER COUNTRY

	DEC 31, 2020	DEC 31, 2019
Sweden	32	35
Germany	64	84
United Kingdom	29	24
Poland	89	106
China	23	16
USA	77	–
Taiwan	23	–
Total right-of-use assets	337	265

LEASE LIABILITIES

	DEC 31, 2020	DEC 31, 2019
Long-term interest-bearing lease liabilities	300	225
Current interest-bearing lease liabilities	47	42
Total interest-bearing lease liabilities	347	267

Lease expenses, see Note 12.

CASH OUTFLOW FOR LEASES

Total cash outflow for leases in 2020 amounts to SEK 70 (60) 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 2.62% (2.0). 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 of acquisition 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

Right-of-use assets are 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 COST	DEC 31, 2020	DEC 31, 2019
At beginning of year	3	5
Repayments, outgoing receivables	-2	-2
Other additional receivables	2	0
Translation differences	0	0
Carrying amount at year-end	3	3

NOTE 21 INVENTORIES

	DEC 31, 2020	DEC 31, 2019
Raw materials and consumables	55	51
Products in progress	132	155
Finished products and goods for resale	515	446
Total inventories	702	652

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 40 (9) million. The impairment has been recognized in the income statement as the cost of goods sold. During the year, the Group reversed SEK -4 (-5) million of previous impairments of inventories. The amount is included in the cost of goods sold. The carrying amount at year-end was SEK 59 (27) million.

ACCOUNTING POLICIES

Inventories are stated at the lower of their cost of acquisition 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. The net selling price is the estimated selling price in the ordinary course of business, less estimated costs for completion and effecting a sale. The valuation thereby takes into account the risk of obsolescence. For manufactured goods and work in progress, the cost of acquisition includes a reasonable proportion of indirect production costs. The valuation takes into account normal capacity utilization.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group is reporting a total inventory value of SEK 702 (652) 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	DEC 31, 2020	DEC 31, 2019
Accounts receivable	681	576
Minus credit reserve	-6	-5
Total accounts receivable	675	571

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 therefore values them at the amortized cost 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	DEC 31, 2020	DEC 31, 2019
SEK	41	34
EUR	436	466
USD	46	16
GBP	35	27
PLN	1	1
CNY	104	18
Others	12	9
Total accounts receivable	675	571

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 2020. The age analysis of accounts receivable is as below.

AGE ANALYSIS, ACCOUNTS RECEIVABLE	DEC 31, 2020	DEC 31, 2019
Less than 3 months	64	30
3 to 6 months	1	1
More than 6 months	4	4
Total accounts receivable due	69	35

Change in credit reserve receivables is listed below.

CHANGE IN CREDIT RESERVE	DEC 31, 2020	DEC 31, 2019
At beginning of year	-5	-4
Change in credit reserve	-3	-1
Receivables written off during the year as non-recoverable	1	0
Reversal of unutilized amounts	0	0
Exchange differences during the year	1	-0
At year-end	-6	-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 a share 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 IAS 9 - Financial Instruments. As of December 31, 2020, the value of transferred accounts receivable amounted to SEK 44 (50) million.

NOTE 23 OTHER RECEIVABLES

	DEC 31, 2020	DEC 31, 2019
Receivable attributable to VAT	22	42
Other receivables	9	12
Total other receivables	31	54

NOTE 24 PREPAID EXPENSES AND ACCRUED INCOME

	DEC 31, 2020	DEC 31, 2019
Prepaid rent	2	0
Prepaid licenses	4	2
Prepaid insurance	5	3
Other prepaid expenses	15	11
Other accrued income	38	64
Total prepaid expenses and accrued income	64	80

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 the 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 the 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 included in financial income. The Group's financial assets that are valued at the amortized cost are made up of the items accounts receivable, other long-term receivables, and cash and cash equivalents.

FINANCIAL ASSETS	AMORTIZED COST DEC 31, 2020	AMORTIZED COST DEC 31, 2019
Other long-term receivables	3	3
Accounts receivable	675	571
Cash and cash equivalents	236	64
Total	914	638

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 date, they are reported at the 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 costs. The Group recognizes a credit reserve for anticipated credit losses at each reporting date. The loss reserve regarding financial assets is based on assumptions about the risk of default 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 DEC 31, 2020	AMORTIZED COST DEC 31, 2019
Long-term interest-bearing liabilities	547	559
Current interest-bearing liabilities	130	59
Accounts payable	593	375
Total other financial liabilities	1,270	993

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 long-term liabilities.

Derivative instruments and hedging instruments

At the end of 2020 and 2019 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. On the balance sheet dates in 2020 and 2019 there were no financial assets and liabilities recognized at fair value.

NOTE 26 SHARE CAPITAL AND OTHER CONTRIBUTED CAPITAL

	ORDINARY SHARES	TOTAL NUMBER OF SHARES
Number of shares outstanding as of December 31, 2019	19,987,992	19,987,992
Issue of ordinary shares during a business combination, 2020	1,000,000	1,000,000
Number of shares outstanding as of December 31, 2020	20,987,992	20,987,992

The total number of ordinary shares as of December 31, 2020 amounts to 21,040,207. The quotient value per share is SEK 0.50.

All issued shares are fully paid. As of December 31, 2020, 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 options 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	
	2020	2019
Opening balance	74	57
Exchange differences	-95	17
Other comprehensive income attributable to joint venture	-4	0
Closing balance	-25	74

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 for the owner company (Rus Fasteners B.V.) and the underlying operating company (Bulten Rus LLC) is presented as one consolidated unit.

SUMMARIZED INCOME STATEMENT	2020	2019
Profit/loss items		
Income	55	72
Earnings after tax	-13	6
Other comprehensive income		
Exchange differences	-14	4
Total comprehensive income	-27	10
Attributable to		
Parent Company shareholders	-17	6
Non-controlling interests (37%)	-10	4
Total comprehensive income	-27	10

SUMMARIZED BALANCE SHEET	DEC 31, 2020	DEC 31, 2019
Assets		
Non-current assets	43	56
Current assets	39	43
Total assets	82	99
Liabilities		
Non-current liabilities	9	23
Current liabilities	34	33
Total liabilities	43	56
Net assets	39	43
Total net assets attributable to non-controlling interests (37%)	14	16

SUMMARIZED CASH FLOW	2020	2019
Cash flow from operating activities	-6	7
Cash flow from investing activities	-5	-9
Cash flow from financing activities	13	2
Cash flow for the year	2	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 primarily made by way of payments to insurance companies or authorities, which thereby assume the obligations in relation to the employees, known as 'defined-contribution pensions'. The largest defined-benefit plans are in Sweden (FPG/PRI). For defined-benefit plans the company's costs and the value of the outstanding obligation are calculated using actuarial calculations, which aim to determine the present value of the obligations issued. Interest is classified as a financial expense. Other expense items are distributed in operating profit under the cost of goods sold, selling expenses or administrative expenses, depending on the employee's position. The Group also has pension obligations of SEK 21 (28) 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	DEC 31, 2020	DEC 31, 2019
FPG/PRI	10	11
Other retirement pensions in Swedish companies	1	1
Retirement pensions in foreign companies	8	1
Other long-term remuneration to employees	2	3
Total defined-benefit pension plans and similar obligations	21	16

Pension commitments relating to defined-benefit pension plans are valued-based on the assumptions shown in the table below.

PENSION COMMITMENTS	SWEDEN	
	2020	2019
Discount rate, %	0.5	0.8
Inflation, %	1.5	1.7

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 (seven years). A reduction in the interest rate on corporate bonds of 0.5 percentage points will mean an increase of SEK 0.3 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	DEC 31, 2020	DEC 31, 2019
Present value of defined-benefit obligations	21	16
Fair value of plan assets	-	-
The Group's net obligation in respect of defined-benefit pension plans	21	16
- of which, provisions for pensions	20	15
- of which, current interest-bearing liabilities	1	1

RECONCILIATION OF NET OBLIGATION RELATING TO DEFINED-BENEFIT OBLIGATIONS	DEC 31, 2020	DEC 31, 2019
Opening net debt	16	17
Acquired pension provision	5	-
Pension expense (+)/income (-) for the period	4	4
Pension payments	-3	-3
Revaluation effect of changed assumptions after tax	-0	-2
Translation difference	-1	0
Closing net debt	21	16

SPECIFICATION OF TOTAL EXPENSES FOR REMUNERATION AFTER TERMINATION OF EMPLOYMENT AS RECOGNIZED IN THE INCOME STATEMENT	2020	2019
Costs relating to defined-benefit plans		
Costs for service during current year	-4	-4
Interest expenses	0	0
Total costs relating to defined-benefit plans	-4	-4
Costs relating to defined contribution plans	-18	-11
Total costs recognized in the income statement	-22	-15
Revaluation effect recognized in 'Other comprehensive income (before tax)'	-2	0
ASSETS PLEDGED FOR PENSION COMMITMENTS	DEC 31, 2020	DEC 31, 2019
Capital insurance - Direct pensions ¹⁾	21	28
Total	21	28
Amount of the provision item expected to be paid after more than 12 months	20	27

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 34.

ACCOUNTING POLICIES

Pension obligations

The Group's companies have different pension systems in accordance with local terms and generally accepted practice in the countries in which 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.

Conversely, pension plans that are based on an agreed future pension entitlement, known as defined-benefit pension plans, mean that the company has a greater responsibility in which, for instance, assumptions about the future have an impact on the company's recognized cost. The Group's net obligation is calculated separately for each plan by estimating the future remuneration that 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 employment 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 required for defined-benefit pension obligations, revaluations of the obligation are recognized in the income statement and not in other comprehensive income.

Bulten Polska 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	DEC 31, 2020	DEC 31, 2019
Bank overdraft facilities	–	38
Other interest-bearing liabilities	247	296
Long-term interest-bearing liabilities	247	334
Which mature between 1 and 5 years	247	334
Which mature after more than five years	–	–
Total	247	334

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 and encompass ratios such as EBITDA, net debt/equity and financial expenses. All covenants were met in both 2020 and 2019.

Long-term liabilities to credit institutions and the portion of bank overdraft facilities classified as long-term are covered by a credit facility that runs until the end of June 2024. The financing agreement covers a period of 4+1+1 years, i.e. with two extension periods of one year each. Both extension periods have been utilized.

BANK OVERDRAFT FACILITIES	DEC 31, 2020	DEC 31, 2019
Approved overdraft facilities	152	152
Unutilized portion	-152	-114
Utilized credit ¹⁾	0	38

1) Of which SEK 0 (38) million is recognized as a long-term liability as the Group is entitled to extend the credit within the framework of existing credit arrangements.

ACCOUNTING POLICIES

Borrowing

Borrowing is initially recognized at fair value. Borrowing is subsequently recognized at its amortized cost of acquisition, and any difference between the amount received and the repayment amount is recognized in the income statement over the loan period using the effective interest method.

Borrowing, including bank overdraft facilities, is classified under current liabilities unless the Group has an unconditional right to defer the payment of the liability for at least 12 months after the balance sheet date.

NOTE 31 PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTIONS

	DEC 31, 2020	DEC 31, 2019
Shares in subsidiaries	1,510	1,486
Chattel mortgages	135	–
Other long-term receivables	1	1
Total pledged assets for liabilities to credit institutions	1,646	1,487

NOTE 32 ACCRUED EXPENSES AND PREPAID INCOME

	DEC 31, 2020	DEC 31, 2019
Accrued salaries, including holiday pay	46	39
Accrued social security costs	26	25
Other accrued expenses	53	48
Prepaid income	13	7
Total accrued expenses and prepaid income	138	119

NOTE 33 OTHER PROVISIONS

	DEC 31, 2020	DEC 31, 2019
Costs for restructuring measures	–	8
Total other provisions	–	8
RESTRUCTURING MEASURES		
Carrying amount at start of period	8	1
Assigned during the year	–	20
Utilized during the year	-8	-13
Carrying amount at end of period	–	8

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 of significance, the provision is 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 the money and, if applicable, the risks associated with the liability.

A provision for restructuring is recognized once a detailed, formal restructuring plan has been established and the restructuring has either begun or 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. As of 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

	DEC 31, 2020	DEC 31, 2019
Pension obligations in addition to those accounted for as liabilities or provisions ¹⁾	21	28
Other contingent liabilities	7	7
Total contingent liabilities	28	35

¹⁾ Of which SEK 21 (28) million in pension obligations is secured by way of capital insurance, which means that any changes to the pension obligation is 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 has a shareholding of 60% in a joint venture, BBB Services Ltd, which supplies fasteners to major projects primarily relating to engines. The company is based in Scunthorpe, UK. BBB Services Ltd also has a wholly owned subsidiary in Romania. The holding is recognized according to the equity method as an investment in a joint venture as there is a joint controlling interest according to shareholder agreements. In 2020, the operations of BBB Services Ltd. have been limited. The Group's share of net assets amounts to SEK 2 (2) million.

Ram-Bul LLC in USA did not conduct any significant activities in 2020 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 0 (0) million.

Through the acquisition of PSM, the Group has become a part-owner in a number of new 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 44 (0) million.

During the year, the Group acquired an associated company holding in TensionCam 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 (-) million and the carrying amount is SEK 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	DEC 31, 2020	DEC 31, 2019
Opening balance	3	0
Holdings in joint ventures acquired during the year	44	–
Holdings in associated companies acquired during the year	6	–
Share of profit for the year	5	2
Dividends during the year	-3	–
Other comprehensive income	-4	0
Closing balance	50	3

The Group has no contingent liabilities relating to joint ventures other than the responsibility of the Group for the quality of items supplied by Bulten to the companies 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	2020	2019
Depreciation/amortization of non-current assets	161	141
Unrealized currency gains/losses	13	-1
Profit from participations in joint ventures	-5	-2
Gain on sale of non-current assets	1	5
Other non-cash-affecting items	-1	9
Total adjustments for items not included in cash flow	169	152

INTEREST PAID AND RECEIVED	2020	2019
Interest paid	-18	-11
Interest received	-	-

CASH AND CASH EQUIVALENTS	DEC 31, 2020	DEC 31, 2019
Cash and bank accounts	236	64
Total cash and bank accounts	236	64

'Cash and cash equivalents' in the balance sheet and cash flow statement refers solely to cash and bank accounts. Outstanding bank funds of SEK 236 (64) million are, in their entirety, placed in banks with the highest credit rating from leading credit institutions.

CHANGE IN NET CASH/NET DEBT	2020	2019
Net debt (-) at the start of the year	-565	-181
Change in bank overdraft facilities and other financial liabilities	21	-198
Change in lease liabilities	-80	-232
Changes in provisions for pensions	-5	1
Change in interest-bearing receivables	-1	-2
Change in cash and cash equivalents	172	46
Net debt (-)	-458	-565
Less interest-bearing liabilities attributable to lease liabilities	347	267
Adjusted net debt (-)	-112	-299

REPORT ON CASH FLOW	JAN 1, 2020	CASH FLOW	CHANGES NOT AFFECTING CASH FLOW				EXCHANGE RATE DIFFERENCES	DEC 31, 2020
			LEASING	PENSION	OTHER			
Long-term interest-bearing lease liabilities	-225	-	-53	-	-	-22	-300	
Other long-term interest-bearing liabilities	-334	148	-	-	-55	-6	-247	
Provision for pensions	-15	-3	-	-3	-	1	-20	
Current interest-bearing lease liabilities	-42	55	-60	-	-	-	-47	
Other current interest-bearing liabilities	-17	-38	-	-	-27	-1	-83	
Total	-633	162	-113	-3	-82	-28	-697	
Financial interest-bearing receivables	4	-2	-	1	-	0	3	
Cash and cash equivalents	64	174	-	-	-	-2	236	
Total	68	172	-	1	-	-2	239	
Total change in cash flow	-565	334	-113	-2	-82	-30	-458	

REPORT ON CASH FLOW	JAN 1, 2019	CASH FLOW	CHANGES NOT AFFECTING CASH FLOW				EXCHANGE RATE DIFFERENCES	DEC 31, 2019
			LEASING	PENSION	OTHER			
Long-term interest-bearing lease liabilities	-33	-	-189	-	-	-3	-225	
Other long-term interest-bearing liabilities	-152	-170	-	-	-	-12	-334	
Provision for pensions	-16	-3	-	4	-	-	-15	
Current interest-bearing lease liabilities	-2	-44	-	-	-	4	-42	
Other current interest-bearing liabilities	-1	-16	-	-	-	-	-17	
Total	-204	-233	-189	4	-	-11	-633	
Financial interest-bearing receivables	5	-2	-	1	-	-	4	
Cash and cash equivalents	18	45	-	-	-	1	64	
Total	23	43	-	1	-	1	68	
Total change in cash flow	-181	-190	-189	5	-	-10	-565	

ACCOUNTING POLICIES

Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. The recognized cash flow covers only transactions resulting in receipts or disbursements.

In addition to cash and bank balances, cash and cash equivalents also include short-term financial investments that are subject to only a negligible risk of value fluctuation and which can be traded on an open market in known amounts or which have a remaining term of less than three months from the acquisition date.

NOTE 37 RECONCILIATION BETWEEN IFRS AND KEY INDICATORS USED

ADJUSTED NET SALES, ORGANIC GROWTH	2020	2019
Net sales	3,195	3,093
Acquisitions	-369	–
Currency effect, current year	107	-92
Adjusted net sales	2,933	3,001

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 item is an expression of comparable net sales from the previous year.

OPERATING PROFIT, EXCLUDING DEPRECIATION/AMORTIZATION, EBITDA	2020	2019
Operating profit (EBIT)	116	98
Depreciation/amortization and impairments	161	141
Operating profit excl. depreciation/amortization (EBITDA)	277	239

In calculating operating profit, excluding depreciation/amortization (EBITDA), depreciation/amortization and impairment are added to operating profit (EBIT). This item is an expression of operating profit cleared of depreciation/amortization, which in turn is based on investments.

ADJUSTED OPERATING PROFIT, EXCLUDING DEPRECIATION/AMORTIZATION, ADJUSTED EBITDA	2020	2019
Operating profit, excluding depreciation/amortization (EBITDA)	277	239
Relocation costs	-2	17
Restructuring costs	-1	20
Acquisition costs	–	12
Adjusted operating profit excluding depreciation/amortization (EBITDA)	274	288

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	2020	2019
Operating profit (EBIT)	116	98
Relocation costs	-2	17
Restructuring costs	-1	20
Acquisition costs	–	12
Adjusted operating profit (EBIT)	113	147

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	2020	2019
Net profit	50	55
Relocation costs	-2	17
Restructuring costs	-0	13
Acquisition costs	–	12
Adjusted net profit	48	97

When calculating the 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	DEC 31, 2020	DEC 31, 2019
Net debt (-)	-458	-565
Less interest-bearing liabilities attributable to finance leases	347	267
Adjusted net debt (-)	-112	-299

In calculating adjusted net debt, interest-bearing liabilities attributable to finance leases of SEK 347 (267) million are deducted from net debt, of which SEK 316 (233) million is attributable to IFRS 16 Leases. 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.

TRANSACTIONS WITH JOINT VENTURES	2020	2019
Sale of goods	43	246
Other income	–	11
Accounts receivable	11	36

ACCOUNTING POLICIES

Transactions with related parties

Transactions have been made with related parties on terms equivalent to those that prevail in commercial transactions.

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 ACQUISITION OF SUBSIDIARIES

Acquisition of PSM

On February 28, 2020, Bulten completed its acquisition of the shares in PSM International Holdings Limited ('PSM').

PSM, founded in 1931, develops, produces and supplies fasteners to international markets, primarily in the automotive industry. The company has around 350 employees, production units in China, Taiwan and the UK as well as distribution centers in 22 countries. Asia/the Pacific region is the largest market and accounts for approximately 50% of PSM's sales, followed by the USA, which accounts for around 30%. PSM's customer base includes many large, well-known brands in the automotive, consumer electronics and domestic appliances industries, among others. In the 2019 financial year, PSM's sales totaled USD 42 (SEK 406) million. Since the acquisition, PSM has had sales of SEK 369 million and net profit of SEK 39 million.

If the acquisition had been made on January 1, 2020, the pro forma consolidated income and net sales on December 31, 2020 would be SEK 3,260 million and SEK 56 million respectively.

Purchase sum as of February 28, 2020

The purchase sum amounted to USD 24.5 (SEK 230) million on a cash-free and debt-free basis, and was financed through a vendor note of USD 8.5 (SEK 80) million, a transfer of 1,000,000 own shares in Bulten and a cash payment of USD 7.5 (SEK 71) million which is included in the existing financing agreement. The transfer of own shares to the seller of PSM includes a 12-month lock-up. Bulten's transaction costs in relation to the acquisition amounted to SEK 12 million, which burdened the 2019 figures.

SEK MILLION	PURCHASE SUM NOT AFFECTING CASH FLOW	PURCHASE SUM AFFECTING CASH FLOW	TOTAL
Shares in Bulten AB (SEK 79/share)	79	–	79
Vendor loan	80	–	80
Cash	–	71	71
Purchase sum on a debt-free basis	159	71	230
Payment for net cash received	–	68	68
Adjustment to market price for shares on admission (SEK 67.50/share)	-11	–	-11
Translation differences	3	–	3
Total purchase sum	151	139	290
Minus acquired cash and cash equivalents	–	-79	–
Net outflow of cash and cash equivalents	–	60	–

Acquisition balance on February 28, 2020

As of March 1, 2020, PSM is included in Bulten's consolidated financial statements. The final acquisition balance on February 28, 2020 amounted to the following:

SEK M	PRELIMINARY VALUE	ADJUSTED VALUE	FINAL VALUE
Intangible assets	6	-5	1
Machinery and equipment	29	–	29
Joint ventures	55	-11	44
Deferred tax assets	6	-1	5
Inventories	86	-7	79
Accounts receivable	100	-1	99
Other receivables	29	-13	16
Cash and cash equivalents	79	–	79
Total assets	390	-38	352
Equity	293	-36	257
Deferred tax liabilities	2	-2	–
Accounts payable	68	–	68
Other liabilities	27	–	27
Total equity and liabilities	390	-38	352

The final acquisition balance has brought goodwill of approximately SEK 33 million. Goodwill is attributable to future synergy effects and profitability. No part of the goodwill is expected to be deductible for tax purposes.

Acquisition of TensionCam Systems AB

On June 26, 2020 Bulten acquired 27% of the shares in TensionCam Systems AB.

TensionCam develops sensors for measuring clamp loads in screw joints, and following a new share issue it is 73% owned by G-Coder Systems AB. Individually and alongside industry partners and research institutes, the company conducts research and development in the field and already owns several patents. At the present time, TensionCam's technology has not been commercialized or industrialized. The aim of the more in-depth partnership is to accelerate the preparation of firm, tangible customer offerings.

The purchase sum comprised an SEK 6 million cash payment.

NOTE 40 EVENTS AFTER THE BALANCE SHEET DATE

How the future will develop regarding the effects of Covid-19 and how global and macroeconomic factors will affect Bulten's customers' production is difficult to assess. The shortage of micro-processors that caused disruptions in customers' production is expected to continue during the first half of 2021. Bulten continues to have good flexibility and the ability to adapt operations to the situation.

Anna Åkerblad took up the role of Chief Financial Officer (CFO) on March 4, 2021.

There are no further significant events after the balance sheet date to report.

PARENT COMPANY'S INCOME STATEMENT

SEK MILLION	NOTE	2020	2019
Net sales	2	23	33
Cost of goods sold		–	–
Gross profit		23	33
Administrative expenses	3,4	-38	-52
Operating earnings		-15	-19
Interest income		1	1
Interest expenses and similar loss items	5	-7	-5
Profit after net financial items		-21	-23
Appropriations	6	33	60
Profit before tax		12	37
Tax on profit for the year	7	-3	-9
Earnings after tax		9	28

PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	2020	2019
Earnings for the year	9	28
Other comprehensive income	–	–
Total comprehensive income for the year	9	28

PARENT COMPANY'S CASH FLOW STATEMENT

SEK MILLION	2020	2019
Operating activities		
Profit after financial items	-21	-23
Adjustments for items not included in cash flow	-4	-2
Taxes paid	–	-33
Cash flow from operating activities before changes in working capital	-25	-58
Cash flow from changes in working capital		
Increase(-)/Decrease(+) in operating receivables	-14	-12
Increase(+)/Decrease(-) in operating liabilities	-15	12
Cash flow from operating activities	-54	-58
Investing activities		
Acquisition of intangible assets	–	0
Change in financial non-current assets	1	0
Cash flow from investing activities	1	0
Financing activities		
Borrowing	–	200
Repayment	-150	–
Changes in financial receivables/liabilities, Group companies	203	-48
Buy-back of own shares	–	-14
Dividend to Parent Company shareholders	–	-80
Cash flow from financing activities	53	58
Cash flow for the year	0	–
Cash and cash equivalents as of beginning of the financial year	–	–
Cash and cash equivalents at the end of the year	0	–

PARENT COMPANY'S BALANCE SHEET

SEK MILLION	NOTE	DEC 31, 2020	DEC 31, 2019
ASSETS			
Non-current assets			
Intangible assets		0	1
Property, plant and equipment		1	1
Total intangible assets and property, plant and equipment		1	2
Financial non-current assets			
Participations in Group companies	8, 10	1,450	1,382
Other long-term receivables		1	1
Total financial non-current assets		1,451	1,383
Total non-current assets		1,452	1,385
Current assets			
Current receivables			
Receivables from Group companies		69	209
Current tax receivables		1	3
Prepaid expenses and accrued income		3	13
Total current receivables		73	225
Cash and cash equivalents		0	–
Total current assets		73	225
Total assets		1,525	1,610

SEK MILLION	NOTE	DEC 31, 2020	DEC 31, 2019
EQUITY AND LIABILITIES			
Equity			
Share capital	9	11	11
Statutory reserve		99	99
Total restricted equity		110	110
Premium reserve		1,133	1,133
Profit brought forward		-118	-195
Total unrestricted equity		1,015	938
Total equity		1,125	1,048
Liabilities			
Non-current liabilities			
Liabilities to credit institutions	10	100	250
Liabilities to Group companies		287	287
Total long-term liabilities		387	537
Current liabilities			
Accounts payable		2	3
Liabilities to Group companies		0	0
Other liabilities		4	1
Accrued expenses and pre-paid income		7	21
Total current liabilities		13	25
Total equity and liabilities		1,525	1,610

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY	RESTRICTED EQUITY		UNRESTRICTED EQUITY		TOTAL EQUITY
	SHARE CAPITAL	STATUTORY RESERVE	PREMIUM RESERVE	RETAINED EARNINGS	
Opening balance, January 1, 2019	11	99	1,133	-128	1,115
Comprehensive income					
Profit for the year	-	-	-	28	28
Total comprehensive income	-	-	-	28	28
Transactions with shareholders					
Share-based remuneration to employees	-	-	-	0	0
Buy-back of own shares	-	-	-	-14	-14
Dividend to Parent Company shareholders (SEK 3.75 per share)	-	-	-	-80	-80
Total transactions with shareholders	-	-	-	-95	-95
Closing balance as of December 31, 2019	11	99	1,133	-195	1,048
Comprehensive income					
Profit for the year	-	-	-	9	9
Total comprehensive income	-	-	-	9	9
Transactions with shareholders					
Issue of ordinary shares during a business combination ¹⁾	-	-	-	68	68
Total transactions with shareholders	-	-	-	68	68
Closing balance as of December 31, 2020	11	99	1,133	-118	1,125

1) Refers to shares in own custody used as payment in business combinations.

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 financial statements shall, as a rule, also apply the same IAS/IFRS. The Parent Company therefore applies the policies used for the consolidated financial statements and which have been described above in Note 4 of the consolidated financial statements, with the exceptions stated below. The policies have been applied consistently for all years presented, unless otherwise stated. Shares and participations in subsidiaries are recognized at their cost of acquisition after deductions for impairment where relevant.

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'.

Shareholder contributions are reported directly under equity by the recipient and are activated as shares and participations by the contributor to the extent that impairment is not necessary.

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 Company applies the items that are specified in RFR 2 (IFRS 9 Financial Instruments, pp. 3-10), whereby financial instruments are valued at their cost of acquisition. 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 cost of acquisition 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

	2020	2019
Intra-Group services	23	33
Other income	–	–
Total net sales	23	33

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

The company has 8 (9) employees. Note 8 to the consolidated financial statements presents total remuneration paid to Board members and senior executives.

AVERAGE NUMBER OF EMPLOYEES	2020	2019
Women	5	6
Men	3	3
Total	8	9

SALARIES, REMUNERATION, SOCIAL SECURITY COSTS AND PENSION EXPENSES	2020	2019
Salaries and remuneration to Board members, the President and CEO and the Executive Vice President	7	9
Salaries and remuneration to other employees	6	6
Total salaries and remuneration	13	15
Social security costs in accordance with legislation and agreements	5	5
Pension expenses for Board members, the President and CEO and the Executive Vice President	2	2
Pension costs, other employees	2	2
Total social security costs and pension expenses	8	9
Total	21	24

NUMBER OF BOARD MEMBERS ON THE BALANCE SHEET DATE	2020	2019
Women	2	1
Men	6	7
Total	8	8

NUMBER OF PRESIDENTS AND OTHER SENIOR EXECUTIVES	2020	2019
Women	2	3
Men	1	1
Total	3	4

NOTE 4 REMUNERATION TO AND REIMBURSEMENT OF AUDITORS

PWC	2020	2019
Audit engagement	2	1
Other audit activities	0	0
Tax advice	1	1
Other services	0	4
Total remuneration to and reimbursement of auditors	3	6

'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 tasks 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 to any of the above categories of services.

NOTE 5 INTEREST EXPENSES AND SIMILAR LOSS ITEMS

	2020	2019
Interest expenses, external	-4	-2
Interest expenses, Group companies	-2	-2
Other	-1	-1
Total interest expenses and similar profit/loss items	-7	-5

NOTE 6 APPROPRIATIONS

	2020	2019
Group contributions received	33	60
Group contributions paid	-	-
Total appropriations	33	60

NOTE 7 TAX ON PROFIT FOR THE YEAR

REPORTED TAX	2020	2019
Current tax		
Current tax for the year	-3	-9
Total current tax	-3	-9
Deferred tax expense (-)/ tax income (+)		
Deferred tax on temporary differences	-	-0
Total deferred tax	-	-0
Total reported tax	-3	-9

RECONCILIATION OF EFFECTIVE TAX	2020	2019
Profit before tax	12	37
Tax according to applicable tax rate	-3	-8
Tax effect of:		
Non-deductible expenses	-0	-1
Tax on profit for the year according to the income statement	-3	-9

NOTE 8 PARTICIPATIONS IN GROUP COMPANIES

	DEC 31, 2020	DEC 31, 2019
At beginning of year	1,382	1,382
Shareholders' contribution	68	-
At year-end	1,450	1,382

SPECIFICATION OF PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

SUBSIDIARY/CORP. REG. NO./REGISTERED OFFICE	PARTICIPATION, %	RECOGNIZED VALUE
	DEC 31, 2020	DEC 31, 2020
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, 2019	19,987,992	19,987,992
Issue of ordinary shares during a business combination	1,000,000	1,000,000
Number of shares outstanding as of December 31, 2020	20,987,992	20,987,992

The total number of ordinary shares as of December 31, 2020 amounts to 21,040,207. The quotient value per share is SEK 0.50. All issued shares are fully paid.

NOTE 10 PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTIONS

	DEC 31, 2020	DEC 31, 2019
Shares in subsidiaries	1,450	1,382
Total pledged assets for liabilities to credit institutions	1,450	1,382

NOTE 11 CONTINGENT LIABILITIES

	DEC 31, 2020	DEC 31, 2019
Guarantees in favor of Group companies	5	5
Other contingent liabilities	1	1
Total contingent liabilities	6	6

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 23, 2021

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 23, 2021
PricewaterhouseCoopers AB

Johan Palmgren
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of the shareholders of Bulten AB (publ), corporate 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 2020. The annual accounts and consolidated financial statements of the company are presented on pages 58-105 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, 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated financial statements 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, 2020 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 financial statements are consistent with the content of the supplementary report that has been submitted to the Board of Directors of the Parent Company and the Group in accordance with Article 11 of the Auditors Ordinance (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 judgements 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 six units that we did not consider it appropriate to conduct a full audit for, we instructed our component auditors to perform specified procedures and limited 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. To this end, the Group audit team regularly visits the component auditors and significant subsidiaries.

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 judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole (see table below). 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 are the matters which, in our professional opinion, were of most significance in our audit of the annual accounts and consolidated financial statements for the current period. These matters were addressed in the context of our audit of the annual accounts and consolidated financial statements 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, 2020, the Group recognizes inventories of SEK 702 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 (23%) 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.

The risk of obsolescence arises especially in the event that the Group's customers stop making a vehicle model and/or in situations where the Group's sales volumes fall sharply due to reduced demand from customers.

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 of the annual report.

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, for some entities and in other entities 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 with management and reviewed minutes of board meetings and other important management meetings to identify projected changes in sales that could result in inventory items becoming obsolete.

Finally, we have checked whether the Group in a satisfactory manner described its policies for the valuation of inventories in the annual accounts, including the estimates and assumptions made for valuing the inventory as of December 31, 2020.

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 1-57, page 110 and pages 117-125. The other information also comprise the remuneration report which we received before the date of this auditor's 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 President and CEO are also responsible for such internal control as they deem necessary to enable the preparation of annual accounts and consolidated financial statements 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.

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 the Swedish Inspectorate of Auditors' 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 2020 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.

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 in Swedish on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisorns-ansvar This description forms part of the auditor's report.

PricewaterhouseCoopers AB, SE-113 21 Stockholm was appointed as auditor of Bulten AB (publ) by the general meeting on April 23, 2020 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 23, 2021
PricewaterhouseCoopers AB

Johan Palmgren
Authorised Public Accountant

DEFINITIONS

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

Profit/loss after net financial items plus financial expenses as a percentage of the 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.

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.

Equity

Recognized equity including non-controlling interests.

Full Service Provider (FSP) concept

An offer to take complete responsibility throughout the entire value chain, from product development to delivery to the customer's production line.

Number of employees (headcount)

The actual number of employees, including absent employees and temporary employees, regardless of working hours.

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.

Pre-development

Preparatory product development to identify and secure future technology needs.

Information Technology General Controls (ITGC)

ITGCs are policies and processes for IT applications in the business that aim to support functions and ultimately to secure the Group's financial reporting.

Inventory turnover

Cost of goods sold divided by average inventories.

LTIR (Lost Time Injury Rate)

Number of accidents that led to absence x 200,000/total number hours worked.

Capital turnover

Net sales divided by average capital employed.

Net cash/net debt

Interest-bearing liabilities less interest-bearing assets, all calculated at year-end.

Adjusted net cash/net debt

Interest-bearing liabilities excluding interest-bearing liabilities attributable to finance leases, less interest-bearing assets.

Net margin

Net profit/loss for the year as a percentage of net sales.

Debt/equity ratio

Interest-bearing net liabilities divided by equity.

OEM

Original Equipment Manufacturer, vehicle manufacturer.

Organic growth

Net sales compared to the previous year's results, adjusted by currency.

Net sales per employee

Net sales divided by average number of FTEs.

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/loss as a percentage of net sales.

Operating profit per employee

Operating profit/loss divided by average number of employees.

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.

Tiers

A company that directly or indirectly supplies components to vehicle manufacturers.

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 with 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.

Composition of the Board in 2020

The table below provides an overview of the composition of the Board in 2020. Additional information about Board members can be found on pages 118–119.

NAME	BOARD ROLE	ELECTED/ APPOINTED	RESIGNED	AUDIT COMMITTEE	REMUNERATION COMMITTEE	INDEPENDENT OF THE COMPANY AND 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
Anne-Lie Lind	Member	2016	2020	–	–	Yes	Yes
Nicklas Paulson	Member	2018	2020	Member	–	Yes	No
Joakim Stenberg	Employee representative	2020	–	–	–	–	–
Harri Aman	Employee representative	2020	–	–	–	–	–
Niklas Malmberg *	Employee representative	2020	–	–	–	–	–
Mikael Jansson	Employee representative	2018	2020	–	–	–	–
Lars Jonsson	Employee representative	2018	2020	–	–	–	–

*) Deputy

The company does not need to obey 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.

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 2020 AGM resolved to authorize the Board 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 meetings shall be convened through announcements in Post- och Inrikes Tidningar and by posting the convening notice on the company's website. An announcement shall be placed in Dagens Industri announcing that the meeting has been convened.

Right to attend AGMs

All shareholders who are directly registered in the share register kept by Euroclear Sweden AB five weekdays before the Annual General Meeting have the right to vote for the number of shares they hold. Due to the ongoing pandemic, the Annual General Meeting, with the support of temporary statutory rules, will be conducted only by postal ballot.

Initiatives from shareholders

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

Major shareholders

At the end of 2020 the company had a total of 7,583 (7,133) shareholders. The five largest shareholders controlled 49.9% (58.5) 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 23.8% (22.8) of the capital and votes.

Annual General Meeting 2021

The regular Annual General Meeting for 2021 will be held on April 28 at 5:00 PM at the company's headquarters in Gothenburg.

NOMINATION COMMITTEE

The nomination committee shall comprise four members: one representative for each of the three largest shareholders on the final banking day in September who wish to appoint a member to the committee and the Chairman 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 nomination committee were adopted at the AGM held on April 23, 2020. The nomination 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, fees and other remuneration for each of the Board members elected by the AGM and for the members of the Board's committees, the appointment of auditors and the remuneration to auditors. Claes Murander was appointed Chair of the nomination committee.

NOMINATION COMMITTEE	COMPANY
Claes Murander	Lannebo Fonder
Maria Rengefors	Nordea Fonder
Viktor Henriksson	Carnegie Fonder
Ulf Liljedahl, Chair of the Board	Bulten AB

With regard to the composition of the Board, the provisions of paragraph 4.1 of the Code on Diversity Policy apply. The aim is for the Board 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 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 and for evaluating the operational management.

In addition, the Board of Directors is responsible for ensuring that the annual accounts and the consolidated financial statements 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. In addition, 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's 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 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'.

Board meetings in 2020

Attendance of Board members at Board meetings in 2020.

NAMES OF THE BOARD MEMBERS	ATTENDANCE/ TOTAL NUMBER OF MEETINGS
Ulf Liljedahl	23/23
Karin Gunnarsson (elected April 23, 2020)	14/23
Hans Gustavsson	23/23
Christina Hallin (elected April 23, 2020)	14/23
Hans Peter Havdal	20/23
Peter Karlsten	21/23
Anne-Lie Lind (stepped down April 23, 2020)	8/23
Nicklas Paulson (stepped down April 23, 2020)	9/23
Joakim Stenberg (elected August 27, 2020)	4/23
Harri Aman (elected July 30, 2020)	10/23
Mikael Jansson (stepped down April 23, 2020)	7/23
Lars Jonsson (stepped down April 23, 2020)	9/23

Evaluation of Board activities in 2020

Each year the Board 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 consultants and is based on a survey. The results and an analysis of the survey are reported to the Board and this is followed by a discussion and then an identification of focus areas for future work.

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

AUDIT COMMITTEE

Bulten has an audit committee consisting of three members: Ulf Liljedahl (Chair), Karin Gunnarsson (elected April 23, 2020) and Peter Karlsten. Nicklas Paulson stepped down on April 23, 2020.

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 reporting; monitor the efficiency of the company's internal controls, internal auditing and risk management; inform itself of the auditing of the annual report 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 special decision-making powers.

NAMES OF THE BOARD MEMBERS	ATTENDANCE/TOTAL NUMBER OF MEETINGS
Ulf Liljedahl	7/7
Karin Gunnarsson (elected April 23, 2020)	4/7
Peter Karlsten	7/7
Nicklas Paulson (stepped down April 23, 2020)	3/7

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 corporate management. In addition, the remuneration committee shall monitor and evaluate programs for variable remuneration to the corporate management that are ongoing and were 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 remuneration committee shall be independent of the company and the corporate 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 special decision-making powers.

NAMES OF THE BOARD MEMBERS	ATTENDANCE/TOTAL NUMBER OF MEETINGS
Hans Gustavsson	11/11
Ulf Liljedahl	11/11
Hans Peter Havdal	10/11

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 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. The President and CEO is therefore required to continuously inform the Board of the company's development, sales volume, profit and financial position, liquidity and credit situation, important business events and any other events or circumstances the 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 are determined by the AGM. The AGM on April 23, 2020 decided that a total fixed remuneration of SEK 2,050,000 shall be paid to the Board of Directors for the period until the next AGM, of which SEK 475,000 shall be paid to the Chair and SEK 315,000 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 75,000 should be paid to the Chair of the audit committee and SEK 25,000 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 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.

Remuneration for senior executives

Pursuant to the decision of the AGM on April 23, 2020, 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 always attract and retain skilled 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. Remuneration for senior executives comprises a fixed salary, variable remuneration, pension and other benefits. Every senior executive shall be offered a fixed salary in line with market conditions and based on their responsibility, expertise and performance. In addition, the AGM may decide to offer long-term incentive programs such as share and share price-related incentive programs. These incentive programs are intended to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees.

All senior executives may, from time to time, be offered cash bonuses. For the CEO and other senior executives, the salary is prepared by the Remuneration Committee and approved by the Board. For the President and CEO, the variable short-term incentive (STI) is no more than 60% of their basic salary and the variable long-term incentive (LTI) is no more than 30% of their basic salary. For other senior executives, the variable STI is no more than 40% of their basic salary and the variable LTI is no more than 25% of their basic salary. Variable remuneration is based on performance in relation to established targets.

For further information about remuneration to senior executives, see Note 8 to this annual report.

EXECUTIVE MANAGEMENT

In 2020, the executive management consisted of nine members: the President and CEO, Chief Financial Officer (CFO), Chief Commercial Officer, Chief Operating Officer, Senior Vice President HR and Sustainability, Senior Vice President Supply Chain, Senior Vice President Corporate Communications, Senior Vice President Technology and Innovation, and Executive Advisor. 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 pages 120-121.

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 special function for internal auditing. In 2020 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 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 reported 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 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 authorised 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 2020, in addition to the audit assignment, Bulten mainly consulted PwC on taxes, transfer price matters and accounting matters. The remuneration paid to PwC in 2020 is shown in Note 9 on page 80.

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.

SIGNATURES

Gothenburg, March 23, 2021

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

AUDITOR'S STATEMENT ON THE CORPORATE GOVERNANCE REPORT

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

Engagement and responsibility

It is the Board of Directors that is responsible for the corporate governance report for the year 2020 presented on pages 111-116 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.

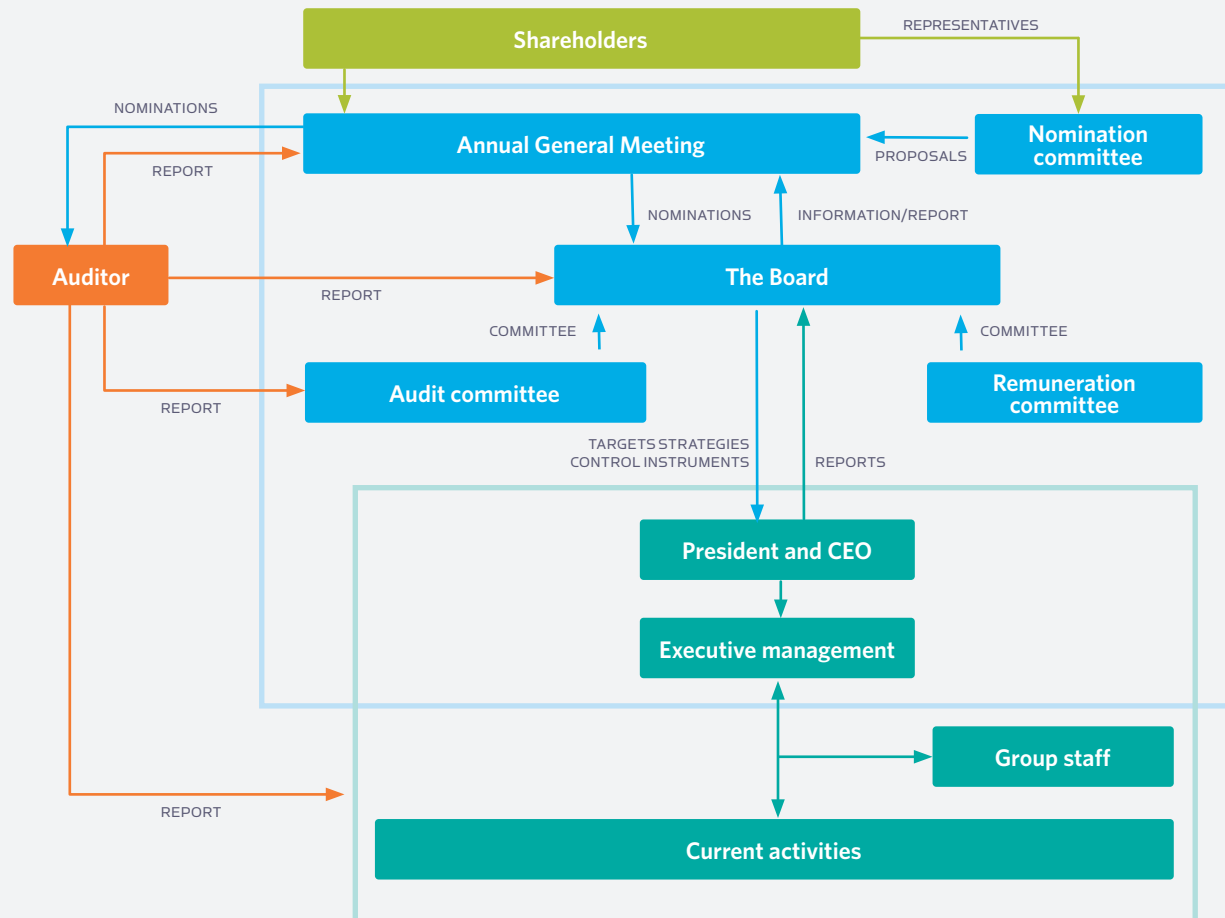
Statement

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 is consistent with the annual report and the consolidated financial statements and are in accordance with the Annual Accounts Act.

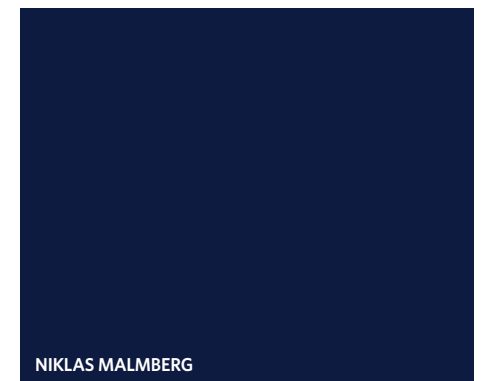
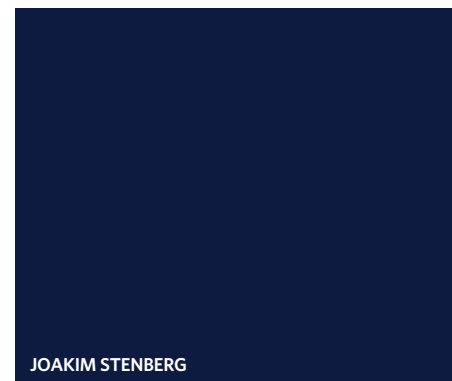
Gothenburg, March 23, 2021
PricewaterhouseCoopers AB

Johan Palmgren
Authorised Public Accountant

OVERVIEW OF CORPORATE GOVERNANCE



THE BOARD



	ULF LILJEDAHL	KARIN GUNNARSSON	HANS GUSTAVSSON	CHRISTINA HALLIN	HANS PETER HAVDAL	PETER KARLSTEN	HARRI ÅMAN	JOAKIM STENBERG	NIKLAS MALMBERG
	Chair of the Board	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	Division Manager Semcon International	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	None	Board member of Alimak, SEM AB and SensysGatso	Board member of Yeti Move AS and Hexagon Composites ASA	Chair of the Board for 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	-	-	-
Previous experience	Executive positions in 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	Senior positions at the Kongsberg Automotive Group	Executive positions at AB Volvo and ABB, among others	-	-	-
Shareholding as of February 28, 2021	-	3,000	126,268	1,500	2,650	6,000	-	-	-
Number of Board meetings Attendance/total number of meetings*	23/23	14/23	23/23	14/23	20/23	21/23	10/23	4/23	-
Audit committee Attendance/total number of meetings*	Yes 7/7	Yes 4/7	No -	No -	No -	Yes 7/7	-	-	-
Remuneration committee Attendance/total number of meetings*	Yes 11/11	No -	Yes 11/11	No -	Yes 10/11	No -	-	-	-
Remuneration in 2020	550,000	-	380,000	-	325,000	340,000	-	-	-
of which remuneration to the Board	475,000	-	315,000	-	315,000	315,000	-	-	-
of which committee work	75,000	-	65,000	-	10,000	25,000	-	-	-

EXECUTIVE MANAGEMENT AND AUDITORS



	ANDERS NYSTRÖM	ANNA ÅKERBLAD	MARKUS BAUM	FREDRIK BÄCKSTRÖM	MARLENE DYBECK	CLAES LINDROTH	KAMILLA ORESVÄRD	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 Supply Chain	Senior Vice President Corporate Communications	Senior Vice President Technology and Innovation
In current position/ Employed in the company:	2019/2019	4 March 2021/ 4 March 2021	2020/2020	2020/2019	2016/2016	2017	2014/2005	2020/2020
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	Mechanical engineer	Degree in the humanities	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 industry such as Group CFO in Absolent Group and Axel Christiernsson International. Several years as a consultant and accountant 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, Hultafors Group and Gunnebo, among others.	Previous positions at Shiloh, Volvo Cars, Norsk Hydro and Raufoss.	Head of communications at FinnvedenBulten since 2011. Previous positions at Finnveden and SCA, among others.	From Nedschroef, Aston Harald, Arcam and Volvo, which together provides broad experience of development for the automotive industry and other industries.
Born	1965	1975	1978	1965	1966	1962	1967	1980
Nationality	Swedish	Swedish	German	Swedish	Swedish	Swedish	Swedish	Swedish
Other duties	None	None	None	None	None	Member of SAMS (Swedish Association for Material Sourcing)	None	None
Shareholding as of February 28, 2021	8,720	-	2,400	8,000	4,824	8,000	3,516	-

JOHAN PALMGREN

PricewaterhouseCoopers AB,
Auditor in charge.

In current position/Employed in the company: Auditor of the company since 2020.

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

Other duties: Auditor in charge for Hexatronic Group AB (publ) and Troax Group AB (publ), among others.

KEY FIGURES FOR THE GROUP

GROUP	2020	2019	2018	2017	2016
Margins					
EBITDA margin, %	8.7	7.7	9.6	10.1	10.1
Adjusted EBITDA margin, %	8.6	9.3	9.6	10.1	10.1
EBIT margin (operating margin), %	3.6	3.2	6.7	7.4	7.5
Adjusted EBIT margin (operating margin), %	3.5	4.8	6.7	7.4	7.5
Net margin, %	1.6	1.8	4.6	5.6	5.5
Adjusted net margin, %	1.5	3.1	4.6	5.6	5.5
Profitability ratios					
Return on capital employed, %	5.4	5.5	12.8	14.4	13.9
Adjusted return on capital employed, %	5.2	8.1	12.9	14.4	13.9
Return on capital employed, excluding goodwill, %	5.9	6.2	14.6	16.7	16.2
Adjusted return on capital employed, excluding goodwill, %	5.8	9.0	14.7	16.7	16.2
Return on equity, %	3.7	3.5	9.9	11.7	11.5
Adjusted return on equity, %	3.5	6.4	10.0	11.7	11.5
Capital structure					
Capital turnover rate, times	1.5	1.6	1.9	1.9	1.8
Net debt/equity ratio, times	-0.3	-0.4	-0.1	-0.0	0.0
Interest coverage ratio, times	3.9	7.6	18.2	38.8	30.6
Equity/assets ratio, %	49.4	55.2	64.8	66.8	68.9
Employees					
Net sales per employee, SEK 000	1,977	2,171	2,186	2,189	2,117
Operating profit per employee, SEK 000	72	69	146	161	158
Number of employees	1,616	1,425	1,433	1,305	1,264
Other					
Net cash (+)/net debt (-), SEK million	-458	-565	-181	-49	30
Adjusted net cash (+)/net debt (-), SEK million ²⁾	-112	-299	-145	-12	68
Earnings per share attributable to Parent Company shareholders					
Earnings per share, SEK ¹⁾	2.66	2.62	7.19	7.98	7.27
Earnings per share (SEK) adjusted for non-recurring items ^{*1)}	2.53	4.73	7.24	7.98	7.27
Number of shares outstanding					
Weighted number of outstanding ordinary shares, thousands ¹⁾	20,829.5	20,030.8	20,323.7	20,359.7	20,359.7

¹⁾ 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	2020				2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Orders received	1,188	1,322	409	688	842	776	752	733	741	723	855	779
Income statement												
Net sales	1,080	853	441	821	784	718	781	810	747	722	810	853
Gross profit	212	161	40	154	149	106	129	159	139	132	156	159
Earnings before depreciation and amortization (EBITDA)	132	80	-18	83	65	29	54	91	71	61	80	88
EBITDA margin, %	12.2	9.4	-4.1	10.1	8.3	4.1	6.9	11.2	9.6	8.4	9.8	10.4
Adjusted earnings before depreciation and amortization (EBITDA)	125	80	-18	83	80	56	60	92	72	61	80	88
Adjusted EBITDA margin, %	11.6	9.4	-4.1	10.1	10.2	6.8	7.6	11.4	9.7	8.4	9.8	10.4
Operating profit (EBIT)	92	40	-59	43	27	-8	21	58	48	38	57	67
EBIT margin (operating margin), %	8.5	4.7	-13.3	5.2	3.5	-1.0	2.7	7.1	6.4	5.2	7.1	7.8
Adjusted operating profit (EBIT)	85	40	-59	43	42	19	27	59	49	38	57	67
Adjusted EBIT margin (operating margin), %	7.8	4.7	-13.3	5.2	5.4	2.8	3.4	7.3	6.6	5.2	7.1	7.8
Earnings after tax	63	17	-39	9	11	-14	14	44	30	25	40	48
Net margin, %	5.8	2.1	-8.8	1.1	1.4	-2.1	1.8	5.4	4.0	3.5	4.9	5.7
Adjusted earnings after tax	57	17	-39	9	26	6	20	45	31	25	40	48
Adjusted net margin, %	5.3	2.1	-8.8	1.1	3.3	0.8	2.5	5.6	4.1	3.5	4.9	5.7
Cash flow from												
operating activities	176	157	51	63	98	114	52	-57	60	-15	54	26
investing activities	-19	-12	-17	-71	-50	-84	-49	-35	-51	-34	-36	-39
financing activities	-66	-144	-28	84	-23	-57	34	102	-16	48	-35	6
Cash flow for the period	91	1	6	76	25	-27	37	10	-7	-1	-17	-7
Earnings per share attributable to Parent Company shareholders												
Basic earnings per share (SEK) *)	2.96	0.91	-1.85	0.63	0.54	-0.75	0.71	2.12	1.50	1.26	1.99	2.43
Basic earnings per share (SEK) adjusted for non-recurring items *)	2.67	0.91	-1.85	0.63	1.27	0.28	0.98	2.20	1.55	1.26	1.98	2.42
Number of outstanding ordinary shares												
Weighted number of outstanding ordinary shares before dilution, thousands *)	20,988.0	20,988.0	20,988.0	20,350.6	19,988.0	19,989.5	20,044.2	20,103.4	20,216.9	20,359.7	20,359.7	20,359.7

QUARTERLY DATA FOR THE GROUP, BALANCE SHEET

GROUP	DEC 31, 2020	SEP 30, 2020	JUN 30, 2020	MAR 31, 2020	DEC 31, 2019	SEP 30, 2019	JUN 30, 2019	MAR 31, 2019	DEC 31, 2018	SEP 30, 2018	JUN 30, 2018	MAR 31, 2018
Balance sheet												
Non-current assets	1,354	1,394	1,323	1,373	1,274	1,268	1,198	1,160	918	895	886	877
Current assets	1,717	1,649	1,449	1,776	1,436	1,483	1,558	1,551	1,420	1,433	1,386	1,428
Equity	1,517	1,512	1,508	1,622	1,497	1,507	1,511	1,572	1,514	1,515	1,498	1,533
Non-current liabilities	574	587	715	741	579	581	626	494	201	191	145	104
Current liabilities	980	944	549	786	634	663	619	646	623	622	629	668
Other												
Net cash (+)/net debt (-)	-458	-605	-634	-679	-565	-596	-595	-501	-181	-164	-118	-60
Adjusted net cash(+)/net debt (-)	-112	-238	-371	-391	-299	-328	-347	-252	-145	-128	-80	-22
Equity per share attributable to Parent Company shareholders												
Equity per share, SEK *)	71.62	71.36	70.98	76.41	74.09	74.60	74.79	77.70	74.73	73.86	73.01	74.66
Number of outstanding ordinary shares												
Weighted number of outstanding ordinary shares, thousands *)	20,988.0	20,988.0	20,988.0	20,988.0	19,988.0	19,988.0	19,999.5	20,075.9	20,323.7	20,359.7	20,359.7	20,359.7
Share price												
Share price at end of period (SEK)	89.80	71.60	53.40	39.50	78.80	62.30	73.00	79.50	88.20	107.20	104.40	112.00

GROUP, 12-MONTH ROLLING DATA

GROUP, 12-MONTH ROLLING	JANUARY 2020 TO DECEMBER 2020	OCTOBER 2019 TO SEPTEMBER 2020	JULY 2019– JUNE 2020	APRIL 2019 TO MARCH 2020	JANUARY 2019 TO DECEMBER 2019	OCTOBER 2018 TO SEPTEMBER 2019	JULY 2018 TO JUNE 2019	APRIL 2018 TO MARCH 2019	JANUARY 2018 TO DECEMBER 2018	OCTOBER 2017 TO SEPTEMBER 2018	JULY 2017 TO JUNE 2018	APRIL 2017 TO MARCH 2018
Orders received	3,607	3,261	2,715	3,058	3,103	3,002	2,949	3,052	3,098	3,196	3,164	3,074
Income statement												
Net sales	3,195	2,899	2,764	3,104	3,093	3,056	3,060	3,089	3,132	3,125	3,033	2,931
Gross profit	567	504	449	538	543	536	565	586	600	604	594	610
Adjusted gross profit	567	504	460	552	558	551	570	587	600	604	594	610
Earnings before depreciation and amortization (EBITDA)	277	210	159	231	239	245	277	303	300	304	299	295
EBITDA margin, %	8.7	7.2	5.8	7.5	7.7	8.0	9.1	9.8	9.6	9.7	9.8	10.1
Adjusted earnings before depreciation and amortization (EBITDA)	274	225	201	279	288	281	285	305	301	304	299	295
Adjusted EBITDA margin, %	8.6	7.7	7.3	9.0	9.3	9.2	9.3	9.9	9.6	9.7	9.8	10.1
Operating profit (EBIT)	116	51	4	83	98	119	165	201	210	217	214	214
EBIT margin (operating margin), %	3.6	1.8	0.2	2.7	3.2	3.9	5.4	6.5	6.7	7.0	7.1	7.3
Adjusted operating profit (EBIT)	113	67	46	131	147	154	173	203	211	217	214	214
Adjusted EBIT margin (operating margin), %	3.5	2.3	1.7	4.2	4.8	5.1	5.6	6.6	6.7	7.0	7.1	7.3
Earnings after tax	50	-2	-33	20	55	74	113	139	143	160	157	156
Net margin, %	1.6	-0.0	-1.2	0.6	1.8	2.4	3.7	4.5	4.6	5.1	5.2	5.3
Adjusted earnings after tax	48	13	2	60	97	102	121	140	144	160	157	156
Adjusted net margin, %	1.5	0.5	0.1	1.9	3.1	3.3	4.0	4.6	4.6	5.1	5.2	5.3
Employees												
Net sales per employee, SEK 000	1,977	1,808	1,761	2,133	2,171	2,119	2,103	2,107	2,186	2,185	2,139	2,111
Operating profit per employee, SEK 000	72	32	3	57	69	83	113	137	146	152	151	154
Number of employees on closing date	1,616	1,603	1,570	1,455	1,425	1,442	1,455	1,466	1,433	1,430	1,418	1,388
Profitability ratios												
Return on capital employed, %	5.4	2.5	0.2	3.9	5.5	6.4	9.0	10.9	12.8	14.0	14.1	13.7
Adjusted return on capital employed, % ¹⁾	5.2	3.1	2.1	5.9	8.1	8.3	9.5	11.0	12.9	14.0	14.1	13.7
Return on capital employed, excluding lease liabilities, %	5.9	2.6	0.0	5.1	5.8	6.8	9.5	11.5	12.8	14.0	14.1	13.7
Return on capital employed, excluding goodwill, %	5.9	2.7	0.2	4.2	6.2	7.2	10.1	12.2	14.6	16.0	16.2	15.8
Adjusted return on capital employed, excluding goodwill, % ¹⁾	5.8	3.5	2.3	6.5	9.0	9.3	10.6	12.3	14.7	16.0	16.2	15.8
Return on equity, %	3.7	0.3	-2.0	1.4	3.5	4.8	7.6	9.0	9.9	11.3	11.2	10.9
Adjusted return on equity, % ²⁾	3.5	1.2	0.3	4.0	6.4	6.7	8.1	9.2	10.0	11.3	11.2	10.9
Other												
Net cash(+)/net debt(-)/EBITDA	-1.7	-2.9	-4.0	-2.9	-2.4	-2.4	-2.1	-1.7	-0.6	-0.5	-0.4	-0.2
Adjusted net cash(+)/net debt(-)/EBITDA	-0.4	-1.1	-2.3	-1.7	-1.3	-1.3	-1.3	-0.8	-0.5	-0.4	-0.3	-0.1



A STRONGER SOLUTION

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