

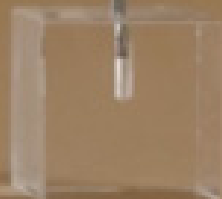
BOXON

Boxon Group AB



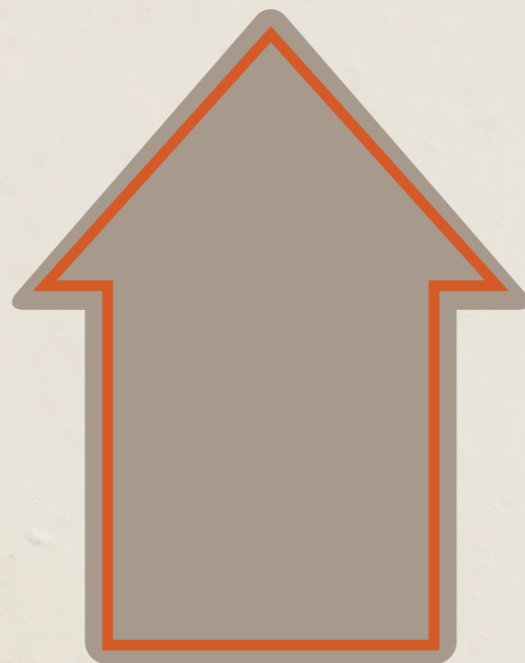
Year End Report

2022



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Boxon in brief

established

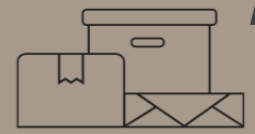
1932

270
employees



Our Promise
Protector of things

7
countries



- Sweden
- Germany
- France
- Denmark
- Norway
- Finland
- China


Boxon Group Turnover **1 892 193** KSEK

About us

- We are a packaging partner who adds value to our customers through innovative and sustainable solutions.

Our offer...

- is based on four elements; Packaging Solutions, Labels & Traceability, Machines & Equipment and Services.



- **12000** customers
- **3000** articles
- 500 deliveries per day
- **10** distribution centers
- 245 suppliers



Timeline

The history of Boxon

• 1930-1940

Olof Andersson sells his box manufacturing company Ramlösa Lådfabrik to Arvid Jonasson. Ernst Johansson joins as a partner.

• 1989-1995

The company moves to new premises at Grustagsgatan in Helsingborg. In 1995, the company introduces a new business area organization and is established in Germany.

• 1950-1960

Ernst Johansson becomes the sole owner in 1956. At the dawn of the 1960s, Helsingborgs Emballage has a turnover of approximately SEK 1 million. Ten years later the company is making ten times that amount.

• 1997-1998

Ingmar Yllfors retires and his son Anders takes over the CEO position. In 1998 the company gets its new name and identity "Boxon".

• 1965

Corrugated cardboard starts to enter the market and the company starts wholeselling craft paper, paper bags, paper towels and twine.

• 2000-

Boxon expands in several cities in the Nordics and in 2011 Boxon is established in China. In 2014, the company launches a webshop for more digitally oriented customers.

• 1969

Ernst Johansson hands over the CEO position to his son Ingemar Yllfors.

• 2022

Boxon turns ninety and faces the future stronger than ever.



Our vision, mission and promise

Our vision is to be the most innovative and sustainable packaging company with the best customer experience. The sustainability strategy is grounded on this vision and sustainability is integrated in all strategic focus areas as growth, customers experience, people and

innovation. Our promise is to be the Protector of things, which is not only about protecting with packaging, but also about how we can do this in the most sustainable way for people and the planet.

Our strategy

Innovation

Be at the forefront with solutions that add value to our customers and our organisation.

Growth

Expand local and global business with our complete offer with focus on international customers.

People

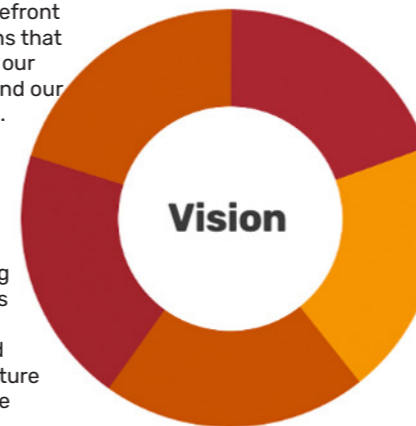
Keep building on our values to create a dynamic and inclusive culture where people can grow.

Customer experience

Offer an optimized packaging solution, through a secure and intelligent supply chain.

Sustainability

Become circular, climate neutral and inclusive throughout the value chain.



Our promise

Protector of things

Our vision

To be the most innovative and sustainable packaging company with the best customer experience.

Our mission

We are a packaging partner who adds value to our customers through innovative and sustainable solutions.



Declaration of the CEO and the Board

To our stakeholders

Boxon Group is a global player within the packaging industry.

The Boxon AB business unit, with subsidiaries, operates in the Nordic region and offers complete sustainable packaging solutions, labels, and packaging as well as solutions for automation of the packing process. Boxon GmbH and Boxon SARL operates in Central and Southern Europe where we offer packaging solutions within bulk handling and complete packaging solutions to industrial companies. Boxon Tech AB offers unique and efficient sustainable packaging solutions to the European automotive industry, constantly challenging the traditional systems and packaging solutions (see more on page 12). Boxon (Shanghai) Packaging Ltd. Co. provides packaging solutions to the Chinese market with focus on European companies and subcontractors.

The sub-group Boxes & Labels International AB is active in design and production of labels and packaging products.

Significant events during the year

2022 has developed very positively. In connection with the Covid-19 restrictions having ended, travelling to visit customers and suppliers has once again been possible to implement and challenges with material short-

ages in the world have gradually decreased. The Group is following the global development closely and has taken measures to secure deliveries to our customers and continuously update them with clear information.

The streamlining work that has been underway in recent years within all the Group's subsidiaries has continued in 2022. The work is done to better adapt to changes in society, among both customers and suppliers. Digital solutions are made possible and accessible for customers, suppliers, and our own organization. The long-term investments and investments that have been made continue to create earning improvements. The Group's efforts to add value to customers continue. The work has had a positive impact on the company's earnings and position.

The Group's strength is to be a complete packaging company in all seven markets where the Group operates. The Group's total packaging concept is unique in the market.

The Group has acquired additional shares in the former associated company Boxon Oy, Finland, which as of July 1, 2022, is a wholly owned subsidiary of Boxon AB. The Group's work with Sustainability continues with high intensity. The work is broad and covers many

areas, where the work is based on the 10 principles of the UN Global Compact. Follow-up and measurements take place with the help of Ecovadis, My Climate and through an annual evaluation of suppliers. During the year, the company was also FSC certified. The work has resulted in that the Group now achieved Ecovadis Gold status. Since May 2022, Pia Jeppsson has been acting CEO of the Boxon Group. During the

year, the work of recruiting a new CEO, for the company and the Boxon Group was completed, who will take over as CEO during the first half of 2023.

The Board's assurance

The financial information in this report is a summary from the audited annual report for Boxon Group. The Board of Directors certify that this report provides a fair review of the Boxon Group operations, financial positions and result and describe the significant risks and uncertainties faced by the Parent Company.

Helsingborg 2023-03-23

Board of directors

Pia Jeppsson
CEO

Anders Yllfors
Chairman

Jan-Erik Bergström

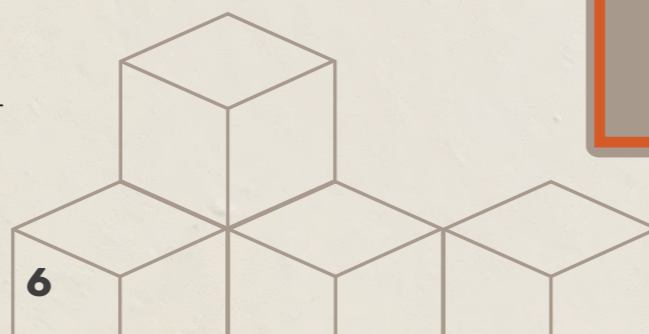
Håkan Olofsson

Per Yllfors

Anders Rosberg

Sussan Sandberg

To be the most innovative and sustainable packaging company with the best customer experience



Trend Section

Trends and challenges in the packaging industry



From waste to circular solutions

The packaging industry is facing a serious challenge of waste. During the COVID-19 pandemic - where people had to stay home - packaging from online shopping increased immensely, and the habit seem to be here to stay.

Hence, innovations around circular packaging and systems for closed material loops has accelerated and will be critical for the industry going forward. Within the EU, many companies are preparing for a Plastic Packaging Tax on all plastic packaging that does not contain at least 30% post consumer recycled content. The EU Circular Economy Action Plan sets a binding landfill target to a maximum 10% of municipal waste by 2035, meaning there is a high focus on developing packaging that is reusable and recyclable.

Demand for smart and sustainable packaging

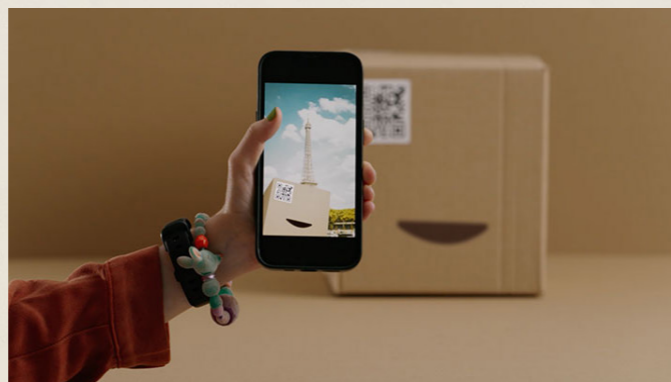
The packaging industry is adopting sustainable solutions to make product packaging more consumer- brand-, and environmentally

friendly. Packaging also becomes smarter, connected, and interactive through QR-codes and the internet of things (IoT).

This gives sustainability advantages in products and materials. Increasing consumer awareness encourages companies to adopt circular packaging solutions by using biobased, renewable and recyclable materials. At the same time, the deployment of 3D-printing and robotic packaging simplifies packaging processes and reduces costs for the packaging industry. This means that facility locations closely connected to customers, raw material and infrastructure will be even more critical factors for packaging suppliers in the future.

Traceability throughout the value chain

Another trend within the industry is the increased demand for traceability and responsible sourcing. Raw materials must be produced mindfully with respect for biodiversity, responsible forestry and water management,



labour practise and employee health and safety. This makes it even more important for the industry to follow established, third-party standards and certifications, such as the Ten Principles of the UN Global Compact, the ILO convention and FSC. All to ensure responsible sourcing throughout the value chain.

Turning challenges into opportunities

At Boxon, we embrace new trends and opportunities, and we always want to be at the forefront within packaging solutions. Reducing material usage and optimizing for logistics is part of our DNA, and we have designed for recyclability for years. We are an industry leader in sustainable, smart, and optimised packaging design. In this report, we present some of the advances we made during 2022 in answering the described shifts in our market. This is how Boxon turns challenges into opportunities.





Customer case

Less plastic and waste for String Furniture

STRING FURNITURE

The String shelf is an example of classic Swedish design, dating back to 1949. The product is a true example of sustainability – it’s durable, has timeless design and materials that will last for generations.

As sustainability runs as a red thread within String Furniture, they wanted to investigate how to reduce plastics and waste. String Furniture decided to switch to lightweighting REUSE stretch film, based on post-consumer recycled plastics, which led to 47% less virgin plastics and 49% reduced cost. They also wanted to produce their filling material locally, by reusing old cardboard packaging. String Furniture went for a shredder from Boxon, which has reduced their paper waste so far with approximate 60%. Simply, a WIN-WIN solution.

“In 2022 we aimed to reduce plastics and waste in our warehouses. Together with Boxon, who have been awesome in their efforts to present alternatives, we found out that we could reduce the usage of plastics with a huge amount. And still save money!”

Boxon also supplied us with a shredder that cut and make cushioning out of waste cardboard. This led to a significant decrease of waste, and we save money from not having to buy new cardboard cushioning. Five stars to Boxon!”

Erik Eriksson Teamleader Warehouse
String Furniture

Customer case

Smart packaging reduced CO2 with 40%



Steven Jiang
Packaging engineer, Boxon Group

A new smart packaging solution from Boxon, helped a global customer within the automotive industry to increase the filling rate in a container with 93%. It also reduced costs for the company with 10 MSEK (app 1 MEURO) per year.

Let’s visualise this with an example. With this new packaging solution the customer can reduce from 5 containers to 3 containers between Shanghai to Antwerp.

Due to less containers, the customer can decrease CO2e for logistics with 40%.

“The customer wanted to increase logistics efficiency and reduce costs, which was both challenging and exciting. By optimizing the filling rate throughout the supply chain, I developed this new packaging solution for link arm which is one of my favourite designs in my career. This is also a great example of how smart design can have a positive impact with decreased CO2”

Steven Jiang, Packaging engineer at Boxon.



Packaging solution

Customer case

Boxon Tech

4200 000 kg in a closed loop

The FrameTray system is one of Boxon's most successful and innovative packaging solution. Boxon Tech has used it for more than 10 years for various automotive brands in their global supply chains. This solution has not only opened for financial, logistical, and environmental efficiencies but also developed a closed loop of material recovery, ensuring 100% plastic re-use throughout the entire supply chain. The FrameTray is an optimized injection moulded tray system designed specifically for each component, enabling the delivery of a leaner packaging solution.

Today there is a fast switch towards developing trays for the many electrification- and vehicle parts. One example is our new recycling hub in Türkiye, where various automotive parts will be shipped in our trays. In 2022, Boxon Tech in total reused approximately 4000 tonnes of plastic material into new frame trays.



Tobias Rasmusson
General Manager at Boxon Tech AB

"We have a very exiting journey ahead of us with an increased demand from our global customers. The uniqueness with this concept is that we support our customers to reuse all packaging material in a closed loop, at the same time as we reduce transportation cost significant. Of course, this also reduce CO₂e, both due to efficient transport utilisation and reusage of material."

Tobias Rasmusson, General Manager at Boxon Tech AB.



The closed material loop

1. FrameTray™ Manufacture

Production of customized trays to meet sub-suppliers ongoing demand



1.

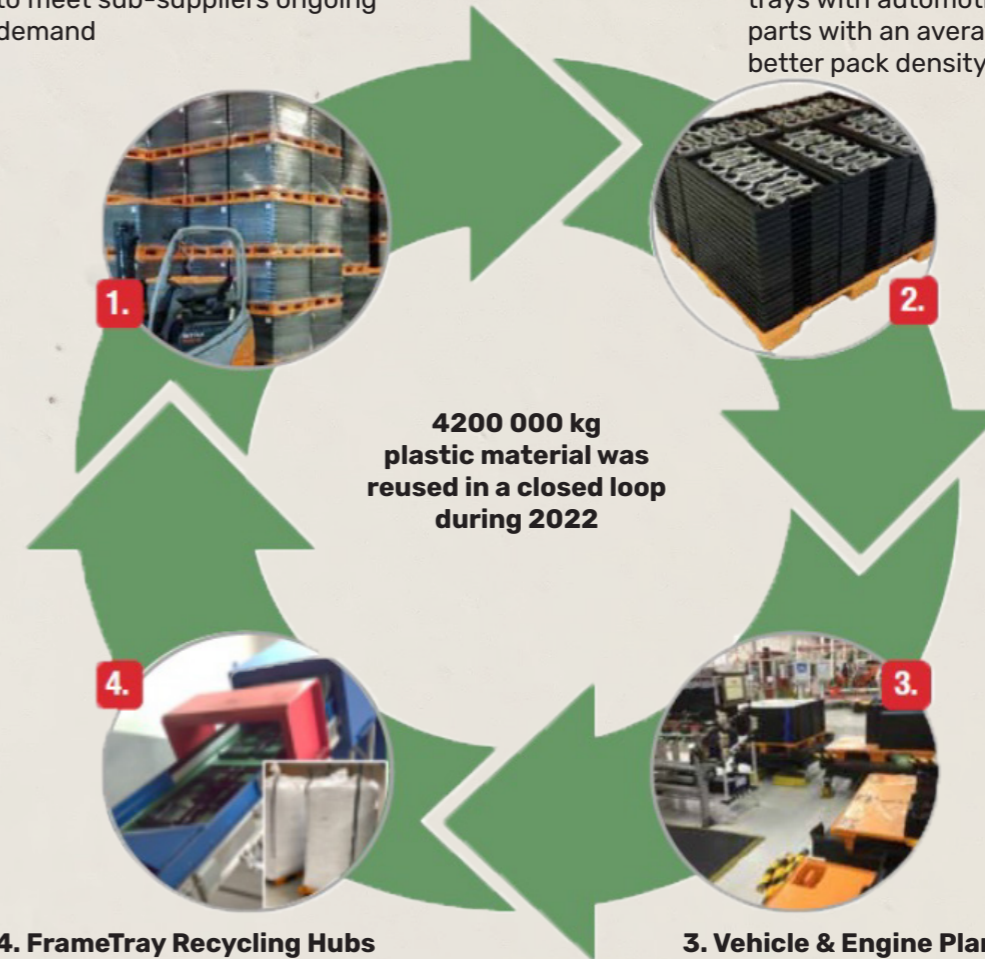
2. Automotive sub-supplier

The sub-supplier loads the trays with automotive spare-parts with an average 40-50% better pack density



2.

4200 000 kg plastic material was reused in a closed loop during 2022



4. FrameTray Recycling Hubs

Trays are shred down to plastic chips close to plants, and transported back to FrameTray manufacture with 90% better volume utilization



4.

3. Vehicle & Engine Plants OEM

Components are used in automotive assembling line and empty packaging is sent to local tray recycling centre



3.



Financial Information

Accounting principles

The report has been prepared in accordance with the Swedish Annual Accounts Act, and the accounting policies applied are in accordance with BFNAR 2012:1 (K3)

In all other respects, the report has been prepared in accordance with accounting policies and calculation methods applied in the 2022 Annual Report.

Multi-year review

KSEK	2022	2021	2020	2019	2018
Net Sales	1 892 193	1 463 864	1 232 620	1 279 541	1 235 008
EBITDA*	96 978	70 555	43 724	25 001	15 279
Operating income	77 902	52 263	25 278	6 031	-4 484
Total assets	726 540	560 951	431 490	459 385	462 262
Equity ratio	27%	26%	21%	17%	17%
Average number of employee	274	239	211	223	227

* EBITDA: Operating income before depreciation



Year End Statement 2022 Boxon Group

CONSOLIDATED INCOME STATEMENT

KSEK	2022-01-01-2022-12-31	2021-01-01-2021-12-31
Revenues	1 910 847	1 472 360
Operating expenses	-1 813 870	-1 401 805
Operating income before depreciations	96 977	70 555
Depreciations	-19 075	-18 292
Operating income after depreciations	77 902	52 263
Financial items	-2 894	-2 149
Income before taxes	75 008	50 114
Taxes	-15 619	-12 390
Net income	59 389	37 724
Relating to:		
Shareholders of the parent company	57 096	34 803
Non controlling interest	2 293	2 921
	59 389	37 724

CONSOLIDATED BALANCE SHEET ASSETS

KSEK	2022-12-31	2021-12-31
FIXED ASSETS		
Intangible assets	100 587	35 287
Tangible assets	32 531	32 531
Financial assets	6 486	10 217
Total fixed assets	139 604	71 152
CURRENT ASSETS		
Inventories	220 087	177 418
Accounts receivables	304 213	262 490
Other assets	41 941	36 985
Cash and cash equivalent assets	20 695	12 906
Total current assets	586 936	489 799
TOTAL ASSETS	726 540	560 951

STATEMENTS OF CASH FLOWS - SUMMARY

KSEK	2022-01-01-2022-12-31	2021-01-01-2021-12-31
Operating activities		
Profit after financial items	74 833	49 949
Adjustments for non-cash items	9 517	17 418
Tax paid	-3 930	-6 069
Cash flow from operating activities before change in working capital	80 420	61 298
Cash flow from operating activities	50 544	10 423
Cash flow from investing activities	-46 154	-9 807
Cash flow from financing activities	2 712	-1 524
Cash flow for the period	7 102	-908

CONSOLIDATED BALANCE SHEET LIABILITIES & EQUITY

KSEK	2022-12-31	2021-12-31
EQUITY		
Restricted equity	10 258	10 258
Unrestricted equity	157 019	110 371
Non controlling interest	25 757	25 382
Total equity	193 034	146 011
LIABILITIES		
Provisions	5 129	4 756
Long-term liabilities	44 140	7 146
Accounts payables	282 962	239 101
Other liabilities	201 275	163 937
Total liabilities	533 506	414 940
TOTAL ASSETS	726 540	560 951

Imprint

Year End Report 2022, published in March 2023

Editor

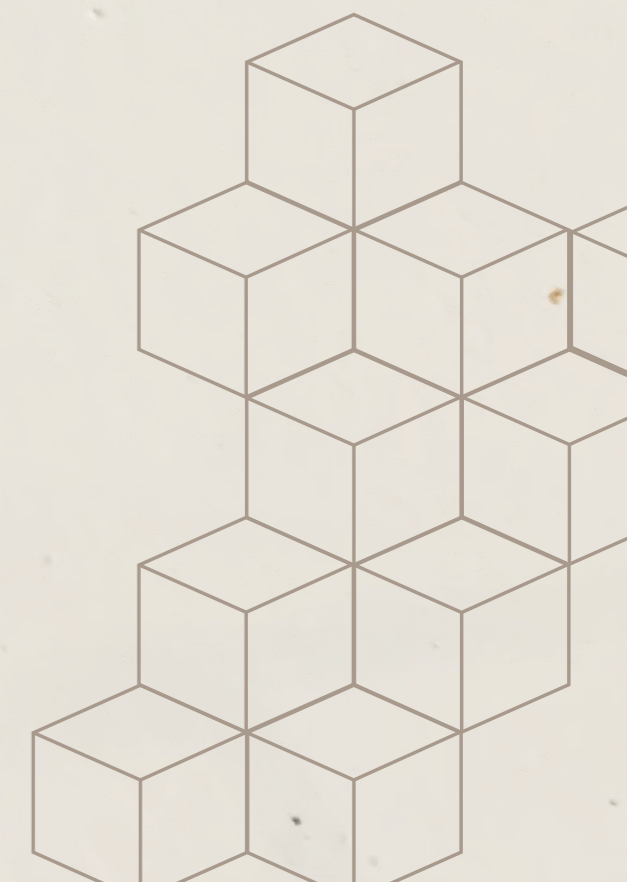
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