YEAR-END REPORT FOR DUNI AB (PUBL)
JANUARY 1 – DECEMBER 31, 2021

(compared to the same period of the previous year)

February 17, 2022

Growth with margins under pressure

October 1 - December 31

- Net sales amounted to SEK 1,552 m (1,181), corresponding to a 31.4% increase in sales. Adjusted for exchange rate movements, net sales increased by 33.6%.
- Strong growth towards a weak fourth quarter of 2020.
- Earnings per share after dilution amounted to SEK 0.18 (0.73).
- New restrictions and pressure on margins from sharp increases in raw material and logistics costs affected the quarter.

January 1 – December 31

- Net sales amounted to SEK 5,061 m (4,501), corresponding to a 12.4% increase in sales. Adjusted for exchange rate movements, net sales increased by 14.4%.
- Earnings per share after dilution amounted to SEK 1.62 (0.05).
- The year has been clearly affected by restrictions, with high volatility between the quarters.
- BioPak business area with strong sales growth. Duni business area with good growth compared to 2020, but not yet at the same levels as before the pandemic.

KEY FINANCIALS

SEK m	3 months Oct-Dec 2021	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2020
Net sales	1,552	1,181	5,061	4,501
Organic growth	31.5%	-21.3%	14.4%	-18.7%
Operating income [1)]	110	51	279	149
Operating margin [1)]	7.1%	4.3%	5.5%	3.3%
Income after financial items	43	47	133	7
Income after tax	9	35	77	4

[1)] For key financials, definitions and reconciliation of alternative key financials, see pages 27-28.

The Duni Group is a market leader in attractive, environmentally sound and functional products for table setting and take-away. The Group markets and sells two brands, Duni and BioPak, which are represented in more than 40 markets. Duni has around 2,200 employees in 24 countries, its headquarters in Malmö and production units in Sweden, Germany, Poland, New Zealand and Thailand. Duni is listed on the NASDAQ Stockholm under the ticker name "DUNI". Its ISIN code is SE0000616716. This information is information that Duni AB is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:45 am CET on February 17, 2022.

Continued clear correlation between restrictions and sales

Restrictions returned in the fourth quarter

After the restrictions in Europe had eased in the third quarter, we probably believed that a more normalized existence could be expected. But when the Omicron variant established itself during the fall, new restrictions were introduced in most of our markets, which once again affected hotels, restaurants and the tourism industry. In Austria, for example, this meant a 12-day lockdown in December. As previously during the pandemic, regulated opening hours and lockdowns in the fourth quarter had a direct, negative impact on our sales of napkins and table covers. During the pandemic, we identified a clear correlation between restrictions and reduced sales, primarily to hotels and restaurants. At the same time, we have learned that the need to socialize over food and drink is strong and, as restrictions are eased, demand increases rapidly.

Group sales for the quarter amounted to SEK 1,552 m (1,181). At fixed exchange rates, this corresponds to a sales increase of 33.6%. The Duni business area was affected by another quarter of restrictions being reimposed. Nevertheless, sales increased by 36.9% compared with the fourth quarter of 2020. The BioPak business area continues to benefit from the growing market for take-away in both Europe and the rest of the world, and increased sales by 29.2%.

Cost pressure on raw materials and sea freight

As in the previous quarter, the accelerating cost increases in most raw material components present both short-term and long-term challenges, with pressure on margins in this quarter as well. Price adjustments that were announced will be gradually implemented during the first quarter of 2022, thereby mitigating the effect of the cost increases going forward, although as always with some delay.

The continued shortage of containers from Asia presents challenges with long delivery times. During the quarter, we therefore decided to increase inventory levels for the most in-demand products in order to meet customer needs. This applies primarily to fiber-based products such as our salad bowls made of bagasse, a residual material from sugar cane extraction. We can thus see that we are well-positioned to meet increased demand in the coming quarters.

The Group’s operating income for the quarter amounted to SEK 110 m (51). The Duni business area increased operating income to SEK 84 m (1). The higher sales compared with the previous year provides strong operational leverage that contributes to the improvement in income. The BioPak business area’s operating income was SEK 26 m (49), which is mainly due to increased freight and energy costs, which are putting pressure on margins in the short term.

2021 – A roller coaster on the journey to a more sustainable future

Despite the continued progress of the pandemic throughout 2021, with periodic drops in demand and effects on sales, it was an active year within the Group. The transition to fossil-free biogas in the paper mill, the launch of fossil-free premium napkins and table covers, and collaboration with start-ups focused on the reuse of take-away solutions are just a few examples. During the fourth quarter, we were also pleased to receive a gold award from EcoVadis, which highlights the Group's strong work on sustainability.

During the quarter, we updated our strategy, "Our Decade of Action", and developed a clear purpose and vision for 2030 that will pervade all parts of the business in the coming years. We have also defined three sustainability goals – "circular at scale", "going net zero" and "living the change" – which will result in our becoming completely circular with a net zero carbon footprint.

I can summarize my first year as President and CEO as having been both eventful and instructive. Despite the pandemic, we were able to grow by 14.4%, at fixed exchange rates, in 2021 and thus increased net sales by just over SEK 500 m. Operating income increased by SEK 130 m to SEK 279 m, but we still have some way to go to achieve the same levels as before the pandemic. The positive signals we see in the market when the restrictions are eased, combined with the positive energy in the organization, make me optimistic ahead of 2022.

"The updated strategy defines a distinctly higher purpose for the Group, which will pervade all parts of the business. Together, we will inspire the world to give more than we take, so that everyone can enjoy good food, well-being and togetherness – today and for generations to come", says Robert Dackeskog, President and CEO, Duni Group.

Net sales

October 1 - December 31

Compared to the same period of the previous year, net sales increased by SEK 371 m to SEK 1,552 m (1,181). At fixed exchange rates, this corresponds to a 33.6% increase. The fourth quarter started strongly, with growth in both business areas compared with the previous year and net sales not far from historically normal levels for the Group. The spread of Covid-19 took off in the quarter and most countries reimposed restrictions that had a negative impact on the restaurant and hotel industry, while the take-away market benefited from increased demand. The restrictions were, however, tougher in the previous year, when key markets such as Germany and the Netherlands, for example, were completely shut down for seated guests in restaurants. Private events saw lighter restrictions than in the previous year, and sales through the retail trade reported a strong positive trend. For the quarter as a whole, this resulted in increased sales for the BioPak business area, both compared with the previous year and historical levels, and in higher sales for the Duni business area compared with the previous year, but lower sales compared to previous normal levels.

January 1 – December 31

Compared to the same period of the previous year, net sales increased by SEK 560 m to SEK 5,061 m (4,501). At fixed exchange rates, this corresponds to an 14.4% increase. At the start of the year, all markets were strongly characterized by social restrictions, as second and third waves of Covid-19 took off during winter 20/21. These restrictions meant an almost total shutdown of hotels and restaurants in most European markets up to and including May. At the end of the second quarter, restrictions began to ease, and sales recovered significantly in the third quarter. At the beginning of the fourth quarter, the restrictions were relatively minor, but became increasingly tougher during the quarter. The lesson from this volatile period is that there is fundamentally strong demand to meet in social gatherings over food and drinks, as demonstrated by the clear correlation in the quarters between restrictions and growth. During the periods of restrictions, the Duni business area was adversely affected, while the BioPak business area benefited from the restrictions on table service, while take-away continued to be permitted and demand increased.

NET SALES, CURRENCY EFFECT

SEK m	3 months Oct-Dec 2021	3 months Oct-Dec 2021 [1] recalculated	3 months Oct-Dec 2020	Change at fixed exchange rates	12 months Jan-Dec 2021	12 months Jan-Dec 2021 [1] recalculated	12 months Jan-Dec 2020	Change at fixed exchange rates
Duni	896	921	673	36.9%	2,662	2,738	2,628	4.2%
BioPak	656	656	508	29.2%	2,399	2,410	1,874	28.6%
Duni Group	**1,552**	**1,577**	**1,181**	**33.6%**	**5,061**	**5,148**	**4,501**	**14.4%**

NET SALES, PER REGION

SEK m	3 months Oct-Dec 2021	3 months Oct-Dec 2021 [1] recalculated	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2021 [1] recalculated	12 months Jan-Dec 2020
NorthEast	279	282	209	950	960	846
Central	435	450	321	1,351	1,399	1,341
West	284	288	202	819	833	689
South	140	144	71	476	492	371
Rest of World	392	390	311	1,332	1,329	1,040
Other sales	22	22	67	133	134	215
Duni Group	**1,552**	**1,577**	**1,181**	**5,061**	**5,148**	**4,501**

Reported net sales for 2021 recalculated at 2020 exchange rates.

Income

October 1 – December 31

Operating income amounted to SEK 110 m (51), with an operating margin of 7.1% (4.3%). The gross margin was 18.9% (18.0%). The inflationary pressure that drove costs to record levels during the summer and autumn for virtually all input materials, as well as logistics and container sea freight, stabilized at high levels in the third quarter and took full effect in the fourth quarter. Energy prices also increased significantly during the autumn, but unlike other components, costs continued to rise in the fourth quarter, putting additional pressure on income.

Despite a sharp increase in costs and increasing restrictions during the quarter, the market was much more open than in the comparative period. The sales volume for the Duni business area generated improved income for the business area. Sales also increased for the BioPak business area, where price increases were partially implemented during the quarter. However, the cost pressure from container shipping has been considerable and income fell compared with the same period in the previous year.

Last year's reorganization and a lower level of activity in the market reduced indirect costs, which combined with continued government support boosted income. Further price increases have been announced and implemented, primarily during the first quarter of 2022.

Restructuring costs of SEK 12 m for the restructuring of operations in Singapore had an impact on the quarter. Impairment of goodwill and customer relations totaling SEK 33 m is also attributable to this. For more information, see the section entitled Goodwill impairment, customer relations and restructuring.

Income after financial items totaled SEK 43 m (47). Income after tax was SEK 9 m (35).

January 1 – December 31

Operating income amounted to SEK 279 m (149), with an operating margin of 5.5% (3.3%). The gross margin was 18.3% (18.1%). The wide-ranging social restrictions for most of the first half of the year resulted in negative income for the Duni business area in the first and second quarters. Cost pressure in the second half of the year put additional downward pressure on income for both business areas. However, the recovery in sales in the third and fourth quarters, combined with strong growth in the BioPak business area during the entire period, boosted income for the second half of the year. In summary, 2021 has resulted in a significant improvement in income compared with 2020, but the effects and cost increases of the pandemic are contributing to it still not reaching the 2019 income level. Government support, primarily to the German companies, combined with the saving program that was implemented in spring 2020, also made a positive contribution to income.

Income after financial items totaled SEK 133 m (7). Income after tax was SEK 77 m (4).

OPERATING INCOME, CURRENCY TRANSLATION EFFECTS

SEK m	3 months Oct-Dec 2021	3 months Oct-Dec 2021 [1] recalculated	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2021 [1] recalculated	12 months Jan-Dec 2020
Duni	84	87	1	93	100	7
BioPak	26	26	49	186	187	142
Duni Group	**110**	**113**	**51**	**279**	**287**	**149**

[1] Reported net sales for 2021 recalculated at 2020 exchange rates.

Two business areas – two brands

The Group's operations are divided into two business areas, Duni and BioPak. Each business area has full responsibility for its respective value chain. Products are sold via a shared sales force.

All sales are made via a consolidated commercial organization divided into six regions. Each region is responsible for local sales and marketing of both Duni and BioPak products to all customers.

The regions are:
NorthEast: Northern and Eastern Europe including Russia.
Central: Germany, Austria and Switzerland.
West: The Netherlands, Belgium, Luxembourg, the UK and Ireland.
South: France, Spain and Italy.
Rest of World: All sales outside Europe with Australia accounting for over 50%, New Zealand and Thailand each at 10–15% and Singapore at just over 5%.
Other sales: External sales of tissue and airlaid materials from the Skåpafors factory and external sales of finance and accounting services from the finance function in Poznan. Sales in the Other sales category are a part of the Duni business area.

Group management, which is the highest executive and decision-making body, decides on the allocation of resources within the Group and evaluates the results of operations. Group Management manages the performance of the business through the business areas on the basis of sales and operating income.

Group-wide functions such as accounting, HR, communications, CSR & sustainability, and IT are largely shared by the business areas, and the expenses for these are allocated by the percentage of sales of each business area, Duni and BioPak.

Each business area is responsible for its respective branding strategy, marketing communications, product development and innovation.

The Duni business area has a vertically integrated business model for small paper-based products such as napkins and table covers. This means that the entire production and delivery chain is owned and controlled by the business area, from material manufacture and concept development to conversion and distribution.

The BioPak business area does not have in-house production. There is a large procurement organization here, and it is a major part of the business.

For further information, see Note 3, Segment reporting.

DUNI

The Duni brand stands for design, color, shape, and high quality that create a pleasant atmosphere on every meal occasion. The business area has products and services that add value everywhere where people cook, serve and enjoy food and drinks. Sustainability is naturally front and center, and all products and services offered by Duni aim to help create a *Sustainable Goodfoodmood®*. Duni stands for long-standing experience and cutting-edge expertise in wood fiber-based solutions. This reflects many years of specialization in materials and design with very clear eco-profiling.

BioPak
It doesn't cost the earth

The BioPak brand was created by the idealists of Australian company BioPak Pty Ltd, which has been a part of the Duni Group since 2018. The BioPak brand was launched in Europe in 2020 with an aim to be the hands-down best choice for environmentally sound meal packaging. BioPak is synonymous with sustainability and works on both products and circular solutions. The brand stands for cutting-edge expertise as well as transparency and authenticity. Products with the BioPak brand are eco-profiled meal packaging made of renewable plant-based raw materials or recycled materials.

Duni business area

The Duni business area stands for what the Group is traditionally associated with – innovative solutions for the set table, primarily napkins, table covers and candles. The business area's products and services are sold under the Duni brand. Its customers are primarily hotels and restaurants, the HoReCa market, with sales largely made via wholesalers, but grocery retail chains are also a key customer group, along with other channels such as various types of specialty stores. The business area is a European market leader in the premium segment for napkins and table covers. The business area accounted for approximately 53% (58%) of the Group's net sales during the period from January 1 to December 31, 2021.

OCTOBER 1 - DECEMBER 31

Net sales

896

Net sales amounted to SEK 896 m (673).

Operating income

84

Operating income was SEK 84 m (1).

Operating margin

9.4%

The operating margin was 9.4% (0.2%).

JANUARY 1 – DECEMBER 31

Net sales

2,662

Net sales amounted to SEK 2,662 m (2,628).

Operating income

93

Operating income was SEK 93 m (7).

Operating margin

3.5%

The operating margin was 3.5% (0.3%).

Duni business area

Net sales

Net sales for the quarter amounted to SEK 896 m (673). At fixed exchange rates, this corresponds to a sales increase of 36.9%. Net sales for the period from January to December amounted to SEK 2,662 m (2,628), corresponding to a 4.2% increase in sales at fixed exchange rates. As in the previous year, this year's sales were affected by society's efforts to curb the Covid-19 pandemic. The business area's biggest customer groups, the restaurant and hotel industry, were completely or partly closed all over Europe until end of May as a result of restrictions on travel and gatherings. Large events, and during periods also small private events, were also limited, which affected customer groups such as catering and retail sales. Almost all restrictions were lifted in the third quarter, and sales recovered strongly. Overall, sales approached normal levels in the third quarter and in some markets even exceeded historical levels. In the fourth quarter, sales gradually fell as the pandemic took off once more and several restrictions were reimposed. But restrictions in the comparative period were more far-reaching, which explains the increase in sales in the fourth quarter.

Income

Operating income in the quarter was SEK 84 m (1) and the operating margin was 9.4% (0.2%). Operating income for the period from January to December was SEK 93 m (7) and the operating margin was 3.5% (0.3%). The vertical integration means that a large proportion of fixed costs cannot be absorbed as a result of the low sales in the first half of the year, which resulted in negative income, in both first and second quarters. Both quarters featured savings programs and government support, which limited negative income. With the eased restrictions in the third quarter, sales increased significantly compared with previous quarters, resulting in increased efficiency in the factories and strong operational leverage on fixed costs.

The prices of all input materials and energy prices rose during the first half of the year, increased dramatically during the third quarter and stabilized at a high level during the fourth quarter. Operating income was affected by an increasing negative effect and had a full impact in the fourth quarter. Price increases to the market have been announced, and their implementation began in the fourth quarter, will continue in the first quarter of 2022 and is expected to take full effect in the second quarter.

NET SALES PER REGION, DUNI BUSINESS AREA

SEK m	3 months Oct-Dec 2021	3 months Oct-Dec 2021 [1] recalculated	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2021 [1] recalculated	12 months Jan-Dec 2020
NorthEast	156	158	105	462	469	413
Central	365	377	258	1,059	1,097	1,109
West	200	203	134	505	515	448
South	97	100	40	303	313	243
Rest of World	58	61	70	201	211	198
Other sales	22	22	67	132	133	216
Duni	**896**	**921**	**673**	**2,662**	**2,738**	**2,628**

[1] Reported net sales for 2021 recalculated at 2020 exchange rates.

BioPak business area

The BioPak business area offers environmentally sound concepts for meal packaging and serving products for applications including take-away, ready-to-eat meals, and various types of catering. The business area's customers are various types of restaurants with take-away concepts and companies that are active in the healthcare and care sectors. Stores and other food producers are also a major customer group. The business area's products and services are currently sold under both the Duni and BioPak brands, but the goal is for the business area to primarily represent the BioPak brand. The business area is a market leader in Australia, and the launch of BioPak in Europe is underway. The business area accounted for approximately 47% (42%) of the Group's net sales during the period from January 1 to December 31, 2021.

OCTOBER 1 - DECEMBER 31

Net sales	Operating income	Operating margin
656	26	4.0%
Net sales amounted to SEK 656 m (508).	Operating income was SEK 26 m (49).	The operating margin was 4.0% (9.7%).

JANUARY 1 – DECEMBER 31

Net sales	Operating income	Operating margin
2,399	186	7.7 %
Net sales amounted to SEK 2,399 m (1,874).	Operating income was SEK 186 m (142).	The operating margin was 7.7% (7.6%).

BioPak business area

Net sales

Net sales for the quarter amounted to SEK 656 m (508). At fixed exchange rates, this corresponds to a sales increase of 29.2%. Net sales for the period from January to December period amounted to SEK 2,399 m (1,874), corresponding to a 28.6% increase in sales at fixed exchange rates. The restrictions introduced during the pandemic have limited the restaurant industry and resulted in many restaurants switching to offering take-away solutions as well. In Germany and the Netherlands, for example, during the first and parts of the second quarter restaurants were only permitted to sell food for collection. This, combined with the far-reaching trend of increased demand for environmentally sound products, explains the strong growth in this business area. The increase in sales continued throughout the period in virtually all markets, with key markets such as Australia and Germany reporting the strongest growth.

The business area works continuously to strengthen its portfolio of environmentally sound packaging solutions, for instance through product launches. A number of compostable take-away boxes were launched during the year, and sealable trays in fibrous material were also launched in the fourth quarter. Last year saw the launch of wooden cutlery, which made a positive contribution to the increase in sales during the period, and this year disposable paper cutlery was also launched.

Income

Operating income in the quarter was SEK 26 m (49) and the operating margin was 4.0% (9.7%). Operating income for the period from January to December was SEK 186 m (142) and the operating margin was 7.7% (7.6%). Operating income is in line with net sales, with the strong increase there being the main reason for the improved income figure. Limited travel and fewer marketing activities than usual partly offset the negative effects of cost increases for raw materials and sea freight.

Operating income was in line with sales in the first three quarters, with strong growth combined with limited travel and fewer market activities than usual providing good leverage. This resulted in a significant improvement in income. Major disruption in the sea freight market caused rising costs for container freight during the second and third quarters, which had a full impact in the fourth quarter with significantly higher costs. Raw material prices have also risen during the year and put pressure on income. Price increases have been partially implemented, but do not cover the cost increase in the fourth quarter, which explains the lower income figure. Further price increases have been announced and will be implemented during the first quarter of 2022.

NET SALES PER REGION, BIOPAK BUSINESS AREA

SEK m	3 months Oct-Dec 2021	3 months Oct-Dec 2021 [1)] recalculated	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2021 [1)] recalculated	12 months Jan-Dec 2020
NorthEast	123	124	104	489	492	433
Central	71	73	63	292	303	232
West	84	85	69	313	318	241
South	43	45	32	173	178	128
Rest of World	334	329	240	1,131	1,118	842
Other sales	-	-	-	1	1	-1
BioPak	**656**	**656**	**508**	**2,399**	**2,410**	**1,874**

1) Reported net sales for 2021 recalculated at 2020 exchange rates.

Cash flow and funding

The Group's cash flow from operating activities was SEK 66 m (282) for the period from January 1 to December 31. Accounts receivable amounted to SEK 860 m (599) and accounts payable to SEK 723 m (422), while inventory was valued at SEK 1,253 m (861). Higher working capital results in a deterioration in cash flow, despite improved operating income. Sales in December were better than in the previous year, resulting in higher accounts receivable. The continued shortage of containers from Asia has resulted in extra-long delivery times. Inventory in the BioPak business area has therefore increased at the end of the year in order to meet customer needs once demand picks up again.

Cash flow including investing activities amounted to SEK -38 m (178). Net investments for the period amounted to SEK 63 m (79). Depreciation and amortization for the period totaled SEK 270 m (289), with amortization of right-of-use assets accounting for SEK 62 m (65) of this item.

The Group's interest-bearing net debt as at December 31, 2021 was SEK 1,375 m. The Group's interest-bearing net debt as at December 31, 2020 was SEK 1,324 m.

The impact of Covid-19 prompted a renegotiation of the covenants in the bank agreement, and the Group was in a waiver period from April 2020 until September 2021. The total cost of this was SEK 21 m in 2020 and SEK 9 m in 2021. The waiver period ended at the end of September 2021 and the terms of the original bank agreement are now being complied with. The loan agreement expires in 2022, negotiation regarding new financing is under way and is expected to be completed within the next few months. The loan liability is reported as a current financial liability as at 31 December 2021. It is the Board's assessment that liquidity is good and that the Group will be able to meet its financial obligations in the future.

Impairment of goodwill, customer relations and restructuring

Large parts of the business in Duni Song Seng, Singapore, do not fit into the updated strategy due to the fact that most of the product range consists of non-sustainable products and packaging. A decision was therefore made to close down the Duni Song Seng company in 2022. The Duni Group has two operational companies in Singapore, Duni Song Seng and BioPak Sustainable Solutions. Sales, warehousing and distribution in the sustainable packaging solutions segment will be taken over by the BioPak company, after which Duni Song Seng will be closed down. This affects 13 people.

The cost of the closure and merger with the BioPak company has been taken as a restructuring cost and amounted to SEK 12 m. This includes among others termination of the lease agreement, write-down of inventory, staff-related costs and IT costs. In connection with this, goodwill from the acquisition of the company of SEK 27 m and remaining intangible assets such as customer relations of SEK 6 m were written down. A temporary deferred tax liability of SEK 12 m has therefore been reversed and reported as deferred tax income.

Net financial items

Net financial items for the period from January 1 to December 31 amounted to SEK -39 m (-63). An extra cost of temporary bank agreements during the pandemic affected the year by SEK -9 m (-21). Translation effects on bank balances and loans amounted to SEK 2 m (-9).

Income from participations in associated companies amounted to SEK -2 m.

Taxes

The total reported tax expense for the period from January 1 to December 31 was SEK 56 m (3). This produces an effective tax rate of 42.2% (47.7%). The tax for the year includes adjustments and non-recurring effects from the previous year of SEK 1.3 m (1.9).

Earnings per share

This year's earnings per share before and after dilution amounted to SEK 1.62 (0.05).

The share

As at December 31, 2021, the share capital amounted to SEK 58,748,790 divided into 46,999,032 outstanding ordinary shares. The quotient value of the shares was SEK 1.25 per share.

Shareholders

Duni AB (publ) is listed on NASDAQ Stockholm under the ticker name "DUNI". The Group's three largest shareholders are Mellby Gård AB (29.99%), Polaris Capital Management LLC (10.19%) and Carnegie fonder (9.81%).

Personnel

On December 31, 2021 there were 2,214 (2,269) employees. 875 (953) of the employees were engaged in production. The Duni Group's production plants are located in Bramsche and Wolkenstein, Germany, in Poznan, Poland, in Bengtsfors, Sweden, in Bangkok, Thailand and in Auckland, New Zealand.

Acquisitions

In October, the parent company acquired 22.36% of the shares in Bûmerang Takeaway SL, in Spain. The purchase price was EUR 0.5 m and this acquisition will be reported as an associated company. For more information about the acquisition and collaboration with Bûmerang, see "Press room" on the website.

During the quarter, the call option which constituted 5% of the shares in BioPak Pty Ltd has been exercised. The acquisition was completed in January 2022 and the purchase price amounted to SEK 24.7 m. Duni Group thereafter owns 80% of the shares in BioPak Pty Ltd. The remaining 20% is still owned by one of the original founders, whose holding since Duni Group's original acquisition is covered by a put and call option with exercise periods between October 2023-October 2024. This option constitutes a derivative instrument and is reported as a long-term debt to the minority owner, valued at SEK 377 m as per the end of December 2021. The final exercise price is determined by future results and growth within the BioPak Group. The Board of Directors is evaluating various strategic options for optimizing the long-term value of BioPak, including among other things BioPak local equity capital markets financing and/or transactions, within the confines of ensuring that BioPak remains a consolidated subsidiary of Duni Group.

New establishment

No new establishment was carried out during the period.

Risk factors for the Duni Group

A number of risk factors may affect the Group's operations in terms of both operational and financial risks. Operational risks are normally handled by each operating unit and financial risks are managed by the Group's Treasury department, which is a unit within the Parent Company.

Sustainability is an integral part of the Group's operations and of the annual report. This report provides information about the Group's corporate social responsibility (CSR) program, which describes the Group's work in identified risk areas and reports on results and goals for its business.

Operational risks

The Duni Group is exposed to a number of operational risks that are important to manage. The development of attractive product ranges, particularly the Christmas collection, is very important in order for the Group to achieve sound sales and income growth. The Duni Group addresses this issue by constantly developing its range.

Approximately 25% of the collection is replaced each year in response to existing trends and to shape new trends. A weaker economic climate, or other unforeseen events such as a pandemic, over an extended period of time in Europe could lead to a reduction in the number of restaurant visits. Reduced market demand and increased price competition impacts volumes and gross margins through factors such as increased discounts and customer bonuses. Fluctuations in prices of raw materials and energy constitute an operational risk that could have a material impact on the Group's EBIT.

Financial risks

The Group's financial management and its management of financial risks are regulated by a finance policy adopted by the Board of Directors. The Group divides its financial risks between currency risks, interest rate risks, credit risks, financing risks and liquidity risks. These risks are controlled in an overall risk management policy that focuses on unforeseen events in the financial markets and endeavors to minimize potential adverse effects on the Group's financial results. The risks for the Group are also related to the Parent Company in all essential respects. The Group's management of financial risks is described in greater detail in the Annual Report for the year ended on December 31, 2020.

The Group's contingent liabilities have fallen since the start of the year by SEK 6 m to SEK 49 m (55).

Operational and financial risks associated with Covid-19 and action taken

The Covid-19 pandemic has had a major impact on the Group. The social restrictions introduced to prevent the spread of infection have resulted in the authorities restricting people's mobility. The Duni business area sells its products primarily in the HoReCa sector. The hotel, restaurant and catering businesses are all significantly affected. They have been forced to operate under severe restrictions, if they have been allowed to open at all. This has had a significant impact on the Group's sales. Sales in 2019 amounted to SEK 5,547 m. In 2020, sales fell by 18.9% compared with 2019 and in 2021, sales fell by 8.7% compared with 2019. Throughout the pandemic, there has been a volatile market and the level of restrictions has varied between the quarters. There has been a clear correlation between sales and the level of restrictions.

The decrease in sales had a direct impact on the lower income. The Duni business area is vertically integrated and owns its own paper mill and in-house conversion plants that produce napkins and table covers. As a result of the decrease in volumes, fixed costs were not fully absorbed, which impacted income even more negatively. The BioPak business area offers environmentally sound concepts for meal packaging and serving products for take-away. The business area does not have in-house production, instead purchasing its products primarily from China and Europe. Many restaurants have had to transition their business and offer more take-away than before. Despite strong growth and improved income in the BioPak business area, this has not fully compensated for the negative income in the Duni business area during the first half of 2021. The rapid recovery in sales during the third quarter had a leverage effect on income, as efficiency in the factories was higher and levels of activity for travel and marketing remained low. When restrictions subsequently increased again in the fourth quarter, sales were lowered, and the income figure reflected this. Restrictions in the fourth quarter were not as severe in 2021 as in 2020, and this year restrictions have been targeted primarily at opening hours, the number of guests and vaccine passports.

One consequence of the pandemic is the current shortage of containers, which has resulted in a significant increase in freight costs for goods from Asia. This has affected margins primarily in the BioPak business area, with an accelerated cost increase during the second half of 2021.

Looking ahead, there is some uncertainty about the long-term effects, such as behavioral patterns regarding business travel, events and catering, as well as other market conditions.

Temporary, strong and immediate actions were implemented at an early stage to limit the impact of lost sales and lower efficiency in the Group's plants. Operation of the Group's logistics and production units has been continuously adapted to the current situation. Fewer shifts and production days to ensure that cost and inventory levels are kept under control, and also to make it possible to quickly start up production when the restrictions are eased. Comprehensive shortening of working hours for both white collar and blue collar employees, lower investment levels and a freeze on hiring new employees and consultants are examples of the actions taken. Overall, this reduced costs by approximately SEK 270 m in 2020, of which approximately SEK 82 m was in connection with government support. The cost saving program was active until the summer of 2021, but lower levels of travel and marketing activities lasted for the rest of the year. In 2021, cost savings amounted to SEK 161 m compared with 2019, of which government support accounted for SEK 119 m.

The government support reported in 2021 includes contributions in the Group's German companies, which applied for support for fixed costs for the period November 2020 to June 2021. In the second quarter of 2021, the German support was reported at SEK 46 m, with an additional SEK 7.5 m in the fourth quarter. In total, the German companies received advance payment of SEK 51 m for this support, which had a positive impact on cash flow in the fourth quarter. There is still uncertainty about what the final level of government support will amount to, as discussions are under way about the degree to which maintenance costs can be included in fixed costs.

The cost saving program also had a strong focus on increased control of working capital, the performance of accounts receivable and payments from customers. So far, bad debt losses have not deviated significantly from the norm, but uncertainty remains high as most restaurants have been hit hard by the restrictions, increasing the risk of potential bankruptcies in the longer term.

No dividends were paid for the financial years 2019 and 2020, and the Board has also decided to propose that no dividend should be paid for 2021 either. Despite reduced cash flow due to the deterioration of income and capital tied-up in inventory, the Group's interest-bearing net debt did not increase significantly, and its financial position remains solid. A temporary bank agreement was renegotiated in May 2020 to adapt to the current market situation. At the end of 2021, the original bank agreement applies again, and the Board's assessment remains that the Group will continue to meet its financial obligations.

Transactions with related parties
No significant transactions with related parties took place during the fourth quarter of 2021.

Major events during the period
No significant events have occurred during the period.

Major events since December 31
No significant events have occurred since the balance sheet date.

Interim reports

Annual and Sustainability Report 2021	April 13, 2022
Q1	April 22, 2022
Q2	July 15, 2022
Q3	October 27, 2022

Composition of Nomination Committee

The Nomination Committee is a shareholder committee responsible for nominating the persons proposed at the Annual General Meeting for election to the Board of Directors. The Nomination Committee presents proposals regarding a Chairman of the Board and other board directors. It also presents proposals regarding Board fees, including the allocation of such fees between the Chairman and other board directors, as well as any compensation for committee work.

The Nomination Committee for the 2022 Annual General Meeting comprises four members: Thomas Gustafsson (Chairman of Duni AB), Johan Andersson (Mellby Gård AB), Hans Hedström (Carnegie fonder) and Bernard R. Horn, Jr. (Polaris Capital Management, LLC).

Proposed dividend

The Board proposes to the Annual General Meeting that no dividend be paid for the financial year 2021. Due to the effects of Covid-19, there were also no dividends paid for the financial years 2019 and 2020. The Board considers that the Duni Group has a healthy financial position and future competitiveness, but that no dividend should be paid due to the prevailing uncertainty about the market's recovery after the pandemic and because net income for the year was SEK 77 m (4), in order to further strengthen the Group's financial position.

2022 Annual General Meeting

The Annual General Meeting of Duni AB will be held on May 17, 2022. Further information about the time, venue and form of the meeting will be available shortly on Duni's website.

When Board member Alex Myers died suddenly at the beginning of 2022, the Board consisted of five members elected by the AGM instead of six. The Nomination Committee's proposals for the 2022 Annual General Meeting are to be announced in conjunction with the notice of the Annual General Meeting.

The Annual Report will be available on the Group's website on April 13, 2022. Shareholders who wish to present proposals to the Nomination Committee or wish to have a matter addressed at the Annual General Meeting may do so by email to valberedning@duni.com or bolagsstamma@duni.com, or by letter to: Duni AB, Attn: Nomination Committee or AGM, Box 237, SE-201 22 Malmö, by no later than March 30, 2022.

Parent Company

Net sales for the period from January 1 to December 31 amounted to SEK 1,098 m (966). Income after financial items totaled SEK 88 m (87). The interest-bearing net debt was SEK -407 m (-483), of which a net asset of SEK 1,628 m (1,554) relates to subsidiaries. Net investments amounted to SEK 17 m (13) and depreciation and amortization amounted to SEK 21 m (22). Government support for the period amounted to SEK 16 m, of which SEK 6 m relates to short-time layoff support and SEK 10 m to transition support. These are reported under Other operating income in the Parent Company's income statement.

Accounting principles

The interim report for the Group has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The Parent Company's financial statements have been prepared in accordance with RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act. Accounting principles have been applied as reported in the Annual Report for the year ended on December 31, 2020. Participations in affiliated companies are reported in accordance with IAS 28 applying the equity method and are initially reported in the Group's balance sheet at cost. In the parent company, participations in associated companies are reported in accordance with the cost method. The shares are reported as "Participations in associated companies" and dividends received are reported as revenue.

Information in the report

Duni AB (publ) publishes this information in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was provided for publication on February 17 at 07:45 AM.

At 10:00 AM on Thursday, February 17, the report will be presented at a telephone conference, which can also be followed on the web. To participate in the telephone conference, call +46 (0)8-505 583 54. To follow the presentation online, please visit this link:

https://onlinexperiences.com/Launch/QReg/ShowUUID=75B582A5-E3A5-4A30-9A4A-ADF9D263694D

Both a Swedish and an English version of this report have been prepared. In the event of any discrepancy betwe en the two, the Swedish version will apply. This report has not been audited by the Company's auditor.

Report from Board of Directors and CEO

The Board of Directors and CEO affirm that this report provides a true and fair view of the group's financial position and performance and describes the substantial risks and uncertainties to which the group and the companies that are part of the group are subject.

Malmö, February 16, 2022

Thomas Gustafsson, Chairman of the Board

Morten Falkenberg, Director

Sven Knutsson, Director

Pia Marions, Director

Pauline Lindwall, Director

David Green, Employee Representative LO

Kerstin Hake, Employee Representative PTK

Robert Dackeskog, President and CEO

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Company registration number: 556536-7488

CONSOLIDATED INCOME STATEMENTS

SEK m (Note 1)	3 months Oct-Dec 2021	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2020
Net sales	1,552	1,181	5,061	4,501
Cost of goods sold	-1,258	-968	-4,133	-3,687
Gross profit	**294**	**213**	**928**	**814**
Selling expenses	-136	-118	-505	-514
Administrative expenses	-80	-65	-271	-265
Research and development expenses	-1	-2	-1	-5
Other operating income	28	54	133	121
Other operating expenses	-54	-22	-112	-80
EBIT (Note 4)	**51**	**59**	**173**	**70**
Financial income	1	0	2	2
Financial expenses	-7	-13	-40	-65
Income from participation in associated companies	-1	-	-2	-
Net financial items	**-8**	**-12**	**-39**	**-63**
Income after financial items	43	**47**	**133**	**7**
Income tax	-34	-12	-56	-3
Net income	**9**	**35**	**77**	**4**
Net income attributable to:				
- Equity holders of the Parent Company	9	35	76	2
- Non-controlling interests	0	0	1	1
Earnings per share attributable to equity holders of the Parent Company:				
Before and after dilution (SEK)	0.18	0.73	1.62	0.05
Average number of shares before and after dilution ('000)	46,999	46,999	46,999	46,999

STATEMENT OF COMPREHENSIVE INCOME

SEK m (Note 1)	3 months Oct-Dec 2021	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2020
Net income	9	35	77	4
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of net pension obligation*	-2	-21	24	11
Total	-2	21	24	11
Items that may be reclassified subsequently to profit or loss:				
Exchange rate differences – translation of subsidiaries	25	-13	14	-59
Cash flow hedge	2	0	4	-1
Total	27	-13	18	-60
Other comprehensive income for the period, net of tax	25	8	43	-49
Sum of comprehensive income for the period	34	43	120	-45
- Of which non-controlling interests	4	-3	-2	-15

*Post-employment benefit obligations are recalculated each quarter since interest rates vary depending on market circumstances; a lower rate of interest gives rise to a higher cost in comprehensive income and a higher pension debt, while a higher rate of interest gives rise to a lower cost in comprehensive income and a lower pension debt than in the preceding quarter.

CONSOLIDATED QUARTERLY INCOME STATEMENTS IN BRIEF

SEK m	2021				2020			
Quarter	Oct-Dec	Jul-Sep	Apr-June	Jan-Mar	Oct-Dec	Jul-Sep	Apr-June	Jan-Mar
Net sales	**1,552**	**1,453**	**1,124**	**932**	**1,181**	**1,251**	**820**	**1,249**
Cost of goods sold	-1,258	-1,117	-930	-828	-968	-973	-788	-958
Gross profit	**294**	**337**	**194**	**104**	**213**	**278**	**32**	**291**
Selling expenses	-136	-125	-127	-117	-118	-121	-112	-163
Administrative expenses	-80	-64	-67	-59	-65	-68	-60	-72
Research and development expenses	-1	0	0	0	-2	0	0	-2
Other operating income	28	8	64	35	54	12	54	4
Other operating expenses	-54	-20	-21	-19	-22	-19	-24	-20
EBIT	**51**	**135**	**43**	**-56**	**59**	**82**	**-110**	**39**
Financial income	1	0	1	0	0	0	0	1
Financial expenses	-7	-7	-9	-16	-13	-13	-28	-11
Income from participation in associated companies	-1	-1	-	-	-	-	-	-
Net financial items	**-8**	**-7**	**-8**	**-16**	**-12**	**-13**	**-28**	**-10**
Income after financial items	**43**	**128**	**34**	**-72**	**47**	**69**	**-138**	**29**
Income tax	-34	-27	-16	21	-12	-21	37	-7
Net income	**9**	**102**	**18**	**-51**	**35**	**48**	**-101**	**22**
Income attributable to:								
- Equity holders of the Parent Company	9	102	18	-52	35	48	-100	20
- Non-controlling interests	0	0	0	1	0	0	0	2

CONSOLIDATED BALANCE SHEET IN BRIEF

SEK m	December 31, 2021	December 31, 2020
ASSETS		
Goodwill	2,010	2,011
Other intangible assets	344	408
Tangible assets	1,124	1,206
Financial assets	184	131
Total fixed assets	**3,662**	**3,756**
Inventory	1,253	861
Accounts receivable	860	599
Other receivables	225	200
Cash and cash equivalents	396	364
Total current assets	**2,734**	**2,024**
TOTAL ASSETS	**6,396**	**5,780**
EQUITY AND LIABILITIES		
Equity	**2,714**	**2,628**
Long-term loans	159	1,216
Other long-term liabilities	648	638
Total long-term liabilities	**807**	**1,854**
Accounts payable	723	422
Short-term financial liabilities	1,455	270
Other short-term liabilities	697	606
Total short-term liabilities	**2,874**	**1,299**
TOTAL EQUITY AND LIABILITIES	**6,396**	**5,780**

CHANGE IN THE GROUP'S EQUITY

	Attributable to equity holders of the Parent Company							
SEK m	Share capital	Other contributed capital	Reserves	Cash flow reserve	Fair value reserve[1)]	Retained earnings including net income	Non-controlling interests	TOTAL EQUITY
Opening balance January 1, 2020	**59**	**1,681**	**112**	**2**	**13**	**696**	**101**	**2,664**
Sum of comprehensive income for the period	-	-	-43	-1	-	14	-15	-45
Remeasurement of liability to minority shareholders	-	-	-	-	-	8	-	8
Closing balance December 31, 2020	**59**	**1,681**	**69**	**1**	**13**	**719**	**87**	**2,628**
Sum of comprehensive income for the period	-	-	17	4	-	101	-2	120
Remeasurement of liability to minority shareholders	-	-	-	-	-	-33	-	-33
Closing balance December 31, 2021	**59**	**1,681**	**86**	**4**	**13**	**786**	**85**	**2,714**

[1)] The fair value reserve concerns a reappraisal of land in accordance with earlier accounting principles. The reappraised value is adopted as the acquisition value in accordance with the transition rules in IFRS 1.

CONSOLIDATED CASH FLOW STATEMENT

SEK m	12 months Jan-Dec 2021	12 months Jan-Dec 2020
Operating activities		
Reported EBIT	173	70
Adjusted for items not included in cash flow, etc.	254	249
Paid interest and tax	-124	-63
Change in working capital	-237	26
Cash flow from operating activities	**66**	**282**
Investments		
Acquisitions of fixed assets	-68	-83
Sales of fixed assets	-9	4
Acquisition of subsidiaries	-	-25
Acquisition of associated companies	-27	-
Cash flow from investments	**-104**	**-104**
Financing		
Loans raised[1)]	259	313
Repayment of debt[1)]	-107	-362
Net change, overdraft facilities and other financial liabilities	-25	7
Net change in lease liability	-63	-69
Cash flow from financing	**64**	**-111**
Cash flow for the period	**26**	**67**
Cash and cash equivalents, opening balance	364	311
Exchange difference, cash and cash equivalents	6	-14
Cash and cash equivalents, closing balance	**396**	**364**

[1)] Loans raised and repayments on loans within the adopted credit facility are recognized at their gross amounts for loans with maturities exceeding 3 months, in accordance with IAS 7.

KEY FINANCIALS IN BRIEF

	12 months Jan-Dec 2021	12 months Jan-Dec 2020
Net sales, SEK m	5,061	4,501
Gross profit, SEK m	928	814
Operating income, SEK m	279	149
Operating EBITDA, SEK m	487	374
EBIT, SEK m	173	70
EBITDA, SEK m	476	359
Interest-bearing net debt	1,375	1,324
Number of employees	2,214	2,269
Sales growth	12.4%	-18.9%
Organic growth	14.4%	-18.7%
Gross margin	18.3%	18.1%
Operating margin	5.5%	3.3%
Operating EBITDA margin	9.6%	8.3%
EBIT margin	3.4%	1.6%
EBITDA margin	9.4%	8.0%
Return on equity	2.8%	0.1%
Return on capital employed[1)]	7.1%	3.9%
Interest-bearing net debt/equity	50.7%	50.4%
Interest-bearing net debt/operating EBITDA[1)]	2.83	3.54

[1)] Calculated on the basis of the last twelve months and operating income.

Alternative key financials are described in definitions.

PARENT COMPANY INCOME STATEMENTS IN BRIEF

SEK m (Note 1)	3 months Oct-Dec 2021	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2020
Net sales	**328**	**242**	**1,098**	**966**
Cost of goods sold	-313	-225	-1,018	-905
Gross profit	**15**	**17**	**80**	**61**
Selling expenses	-30	-27	-106	-117
Administrative expenses	-54	-47	-182	-185
Research and development expenses	0	-5	-2	-6
Other operating income	68	65	255	259
Other operating expenses	-10	-15	-35	-44
EBIT	**-12**	**-11**	**10**	**-31**
Revenue from participation in Group companies	84	115	88	141
Financial income	7	6	24	27
Financial expenses	-6	-9	-34	-50
Net financial items	**85**	**112**	**78**	**118**
Income after financial items	**74**	**101**	**88**	**87**
Income tax	-16	-18	-19	10
Net income	**57**	**83**	**68**	**78**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK m	3 months Oct-Dec 2021	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2020
Net income	**57**	**83**	**68**	**78**
Other comprehensive income[1)]:				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedge	-3	3	-2	4
Total	**-3**	**3**	**-2**	**4**
Other comprehensive income for the period, net of tax	**-3**	**3**	**-2**	**4**
Sum of comprehensive income for the period	**54**	**86**	**66**	**82**
- Attributable to equity holders of the Parent Company	54	86	66	82

[1)] The Parent Company does not have any items that "will not be reclassified to profit or loss".

PARENT COMPANY BALANCE SHEET IN BRIEF

SEK m	December 31, 2021	December 31, 2020
Goodwill	0	0
Other intangible assets	53	58
Total intangible assets	**53**	**58**
Tangible assets	25	24
Financial assets	3,340	3,195
Total fixed assets	**3,418**	**3,276**
Inventory	128	84
Accounts receivable	114	74
Other receivables	330	198
Cash and bank balances	285	272
Total current assets	**857**	**628**
TOTAL ASSETS	**4,275**	**3,905**
EQUITY, PROVISIONS AND LIABILITIES		
Restricted equity	83	84
Unrestricted equity	1,929	1,864
Total equity	**2,013**	**1,948**
Provisions	**98**	**99**
Long-term loans	-	1,002
Other long-term liabilities	0	1
Total long-term liabilities	**0**	**1,003**
Accounts payable	82	56
Short-term financial liabilities	1,431	261
Other short-term liabilities	651	538
Total short-term liabilities	**2,164**	**855**
TOTAL EQUITY, PROVISIONS AND LIABILITIES	**4,275**	**3,905**

Glossary

Airlaid: A material known for its wetness allocation, absorption capability and softness. The process is based on using air to divide the fibers in the material, instead of water as in traditional tissue production. Airlaid is used for table covers, placemats and napkins.

Bagasse: Bagasse is a waste product from cane sugar processing after the sugar has been extracted. The material is 100% biodegradable. Bagasse is used primarily in the BioPak business area's meal packaging solutions and serving products such as plates, bowls and take-away boxes.

Circularity: An integrated holistic approach to the sustainability-related challenges faced by the Group. It encompasses the whole life cycle – from material selection and impact on the life cycle, to ultimate solutions.

Conversion: The production phase in which tissue and airlaid in large rolls are cut, pressed, embossed and folded into finished napkins and table covers.

Currency adjusted/currency impact translation effects: Figures adjusted for changes in exchange rates related to consolidation. Figures for 2021 are calculated at exchange rates for 2020. Effects of translation of balance sheet items are not included.

Designs for Duni®: A unique concept in the Duni business area whereby Duni develops specially designed products in collaboration with well-known designers.

Ecoecho®: Ecoecho is a product range of serving and meal solutions with sound environmental characteristics. This range uses the best available materials with the aim of limiting the use of non-renewable resources, thereby reducing our carbon footprint. The products have been developed with the environment in mind and have been selected on the grounds that they possess one or more environmentally approved characteristics.

Goodfoodmood®: The Group's brand platform to create a cozy atmosphere and positive mood on all occasions when food and beverages are prepared and served – a Goodfoodmood.

Our Blue Mission: The Group's Corporate Social Responsibility (CSR) efforts are governed by the Our Blue Mission program. It describes the Group's approach to sustainability in a number of areas such as the environment, product safety, social responsibility, social rights and business ethics. Until 2018, this was a separate report. As of 2019, it forms part of the annual report.

Private label: Products marketed under the customer's own label.

Sources/statistics: HoReCa statistics refer to the European Commission website, Key Indicators for the Euro Area. DEHOGA refers to HoReCa statistics for Germany at DEHOGA Zahlenspiegel. For statistics on travel and hotel bookings, see the World Hotel Index on Siteminder.com, and for statistics on restaurant visits and table reservations, see State of industry on Opentable.com.

Definitions of key financials

The Group uses financial metrics that not defined by the IFRSs in some cases but instead are alternative key financials. The purpose is to give the reader further information, which contributes to a better and more specific comparison of the company's performance from year to year. One alternative key financial used is Operating income. The management team manages its activities and the business areas are measured using this metric. The key financials are defined as follows:

Capital employed: Non-interest-bearing fixed and current assets, excluding deferred tax assets, less non-interest-bearing liabilities.

Cost of goods sold: Cost of goods sold, including production and logistics costs.

Earnings per share: Net income divided by the average number of shares.

EBIT: Earnings before interest and taxes.

EBIT margin: EBIT as a percentage of net sales.

EBITA: Earnings before interest, taxes and amortization.

EBITDA: Earnings before interest, taxes, depreciation and amortization (including impairment).

EBITDA margin: EBITDA as a percentage of net sales.

Gross margin: Gross profit as a percentage of net sales.

Interest-bearing net debt: Interest-bearing liabilities and pensions less cash and cash equivalents and interest-bearing receivables.

Number of employees: The number of active full-time employees at the end of the period.

Operating EBITDA: EBITDA less restructuring costs and fair value allocations.

Operating EBITDA margin: Operating EBITDA as a percentage of net sales.

Operating income: EBIT adjusted for restructuring costs, fair value allocations and amortization of intangible assets identified in connection with business acquisitions.

Operating margin: Operating income as a percentage of net sales.

Organic growth: Sales growth adjusted for currencies and acquisitions. Acquired companies are included in organic growth when they have comparable quarters. For 2018 and previous years, organic growth has been calculated when acquired companies have been a part of the Duni Group for eight quarters.

Return on capital employed: Operating EBIT as a percentage of capital employed.

Return on equity: Net income as a percentage of equity.

BRIDGE BETWEEN OPERATING INCOME AND EBIT

SEK m	3 months Oct-Dec 2021	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2020
Operating income excluding IFRS 16 Leases	109	50	274	144
Effects of IFRS 16 Leases	1	1	5	5
Operating income	**110**	**51**	**279**	**149**
Restructuring costs	-10	-9	-10	-48
Amortization of intangible assets identified in business combinations	-49	-16	-96	-64
Gain on restatement of pension terms	-	33	-	33
EBIT	**51**	**59**	**173**	**70**

BRIDGE BETWEEN OPERATING EBITDA, EBITDA AND EBIT

SEK m	3 months Oct-Dec 2021	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2020
Operating EBITDA excluding IFRS 16 Leases	145	90	420	305
Effects of IFRS 16 Leases	15	17	67	70
Operating EBITDA	**160**	**106**	**487**	**374**
Restructuring costs	-10	-9	-10	-48
Gain on restatement of pension terms	-	33	-	33
EBITDA	**151**	**130**	**476**	**359**
Amortization of intangible assets identified in business combinations	-49	-16	-96	-64
Amortization of right-of-use assets	-14	-15	-62	-65
Other amortization/depreciation included in EBIT	-36	-40	-146	-160
EBIT	**51**	**59**	**173**	**70**

BRIDGE BETWEEN REPORTED NET SALES AND ORGANIC GROWTH

SEK m	3 months Oct-Dec 2021	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2020
Net sales	**1,552**	**1,181**	**5,061**	**4,501**
Currency effect[1)]	25	38	86	65
Currency-adjusted net sales	**1,577**	**1,218**	**5,148**	**4,567**
Less acquisitions	-	-	-	-59
Net sales for organic growth	**1,577**	**1,218**	**5,148**	**4,508**
Organic growth	**31.5%**	**-21.3%**	**14.4%**	**-18.7%**

1) Reported net sales for 2021 recalculated at 2020 exchange rates.

Notes

Note 1 • Accounting and valuation principles

As of January 1, 2005, Duni applies the International Financial Reporting Standards (IFRS) as adopted by the European Union.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with the IFRS as adopted by the EU and with the related reference to Chapter 9 of the Swedish Annual Accounts Act. The Parent Company's financial statements are prepared in accordance with RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act. The accounting policies are the same as in the Annual Report for the year ended on December 31, 2020, with the addition that participations in associated companies are reported in accordance with the cost method in the Parent Company. The Group has received government support in respect of short-time work and support for fixed costs. This assistance has been recognized as revenue under the Other operating income line item.

Note 2 • Financial assets and liabilities

The Group has derivative instruments measured at fair value and held for hedging purposes that are classified at level 2. Level 2 derivative instruments consist of currency forward contracts and interest rate swaps, and are used for hedging purposes. Measurement of currency forward contracts at fair value is based on published forward prices on an active market. The measurement of interest rate swaps is based on forward interest rates produced from observable yield curves. The discounting has no material impact on the measurement of level 2 derivative instruments. The put option issued to the minority owners of BioPak Pty Ltd at the time of acquisition is classified at level 3, and its measurement is largely based on unobservable market data such as the discount rate and future cash flows. No financial assets or liabilities have been moved between the valuation categories. The valuation techniques are unchanged during the year. As described in greater detail in the Annual Report for the year ended on December 31, 2020, the financial assets and liabilities comprise items with short terms to maturity. The fair value is therefore in all essential respects considered to correspond to the carrying amount.

Note 3 • Segment reporting

SEK m	Oct-Dec 2021			Oct-Dec 2020		
	Duni	BioPak	Duni Group	Duni	BioPak	Duni Group
Total net sales	903	655	1,558	679	509	1,188
Revenue from other segments	7	0	6	6	1	7
Net sales from external customers	**896**	**656**	1,552	**673**	**508**	1,181
Operating income			110			51
EBIT			51			59
Net financial items			-8			-12
Income after financial items			43			47

SEK m	Jan-Dec 2021			Jan-Dec 2020		
	Duni	BioPak	Duni Group	Duni	BioPak	Duni Group
Total net sales	2,686	2,400	5,086	2,647	1,881	4,528
Revenue from other segments	24	1	25	19	8	27
Net sales from external customers	**2,662**	**2,399**	5,061	**2,628**	**1,874**	4,501
Operating income			279			149
EBIT			173			70
Net financial items			-39			-63
Income after financial items			133			-7

Quarterly overview of net sales and operating income by segment:

Net sales	2021				2020			
SEK m	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Duni	**896**	857	508	401	673	767	377	811
BioPak	**656**	596	616	531	508	484	443	439
Duni Group	**1,552**	**1,453**	**1,124**	**932**	**1,181**	**1,251**	**820**	**1,249**
Operating income								
SEK m	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Duni	**84**	96	-3	-83	1	68	-118	56
BioPak	**26**	55	62	43	49	42	26	24
Duni Group	**110**	**151**	**58**	**-41**	**51**	**110**	**-92**	**80**

DIVISION OF REVENUE FROM CUSTOMER CONTRACTS, JANUARY – DECEMBER 2021

SEK m	Duni	BioPak	Duni Group
Primary geographic regions			
NorthEast	462	489	950
Central	1,059	292	1,351
West	505	313	819
South	303	173	476
Rest of World	201	1,131	1,332
Other sales	132	1	133
Total	**2,662**	**2,399**	**5,061**
Time of revenue recognition			
Goods/services transferred at once	2,662	2,399	5,061
Goods/services transferred over time	-	-	-
Total	**2,662**	**2,399**	**5,061**
Product groups			
Napkins			1,881
Table covers			463
Candles			139
Packaging solutions			1,076
Serving products			1,093
Other			408
Total			**5,061**

During 2020 and Q1 2021, regional sales were reported incorrectly on the basis of in which country the sales originated, instead of to which market sales were made. The figures for 2020 have been corrected in reports as of Q2 2021.

Note 4 • Reporting and disclosures on restructuring costs

Presented below is a specification of the lines on which restructuring costs are reported in the income statement.

Restructuring costs SEK m	3 months Oct-Dec 2021	3 months Oct-Dec 2020	12 months Jan-Dec 2021	12 months Jan-Dec 2020
Cost of goods sold	-3	-2	-3	-2
Selling expenses	-2	-4	-2	-31
Administrative expenses	-5	0	-5	-13
Other operating expenses/income	-	-2	-	-2
Total	-10	-9	-10	-48

The restructuring costs in 2020 related to a reorganization to create the current structure with two business areas. During the fourth quarter of 2021, restructuring costs were incurred in respect of decisions on the closure and merger of operations in Singapore. For more information, see the section entitled Impairment of goodwill, customer relations and restructuring.

This is Duni Group

The Duni Group is one of Europe's leading suppliers of inspiring concepts for the set table and creative, environmentally sound take-away products. This includes high-quality napkins, table covers, candles and other table top accessories, along with packaging and packaging systems for the growing market for ready-to-eat food and take-away. All of the company's concepts are aimed at creating a Sustainable Goodfoodmood® – an elevated meal experience – in environments where people get together to enjoy food and drink.

THE DUNI GROUP'S PRESENCE

Duni's products are sold in more than 40 markets and Duni is the market leader in Central and Northern Europe. The Group has approximately 2,200 employees in 22 countries. The Group's headquarters are located in Malmö, Sweden, and production units are located in Sweden, Germany, Poland, New Zealand and Thailand. We have sales offices in Australia, Austria, the Czech Republic, Finland, France, Germany, the Netherlands, Poland, Russia, Singapore, Spain, Sweden, Switzerland, the UK and the US.

NET SALES*

SEK 5,061 m

SALES GROWTH*

14.4%

Duni's target is to achieve average organic growth in sales in excess of 5% per year over a business cycle. In addition, Duni regularly assesses acquisition opportunities in order to access new growth markets or strengthen its position in existing markets.

OPERATING MARGIN*

5.5%

Duni's target is an operating margin of 10% or more. Profitability is to be increased through sales growth, continued focus on premium products and continued improvements within purchasing and production.

PROPOSAL DIVIDEND 2021

SEK 0

It is the Board of Directors' long-term intention for dividends to amount to at least 40% of income after tax.

*Rolling 12 months, Jan-Dec 2021