

## B3. OPERATING EXPENSES

### Operating expenses by function and type of cost

Operating expenses by function				
SEKm	2020	2019	2018	
IS	Cost of goods sold	-82,132	-90,876	-85,058
IS	Sales, general and administration	-22,088	-22,319	-20,570
IS	Share of profits of associated companies and joint ventures	94	60	63
IS	Amortization of acquisition-related intangible assets	-809	-778	-732
IS	TB3:1 Items affecting comparability	-59	-713	-1,444
	<b>Total</b>	<b>-104,994</b>	<b>-114,626</b>	<b>-107,741</b>

Refer also to the Description of costs section on page 138.

Operating expenses by type of cost				
SEKm	Note	2020	2019	2018
TB3:2	Other income	1,066	1,028	897
	Change in inventory of finished products and products in progress <sup>1)</sup>	87	-962	196
	Raw materials and consumables <sup>1)</sup>	-41,384	-43,800	-43,771
	Personnel costs <sup>1)</sup>	C1 -22,914	-23,888	-22,021
TB3:3	Other operating expenses <sup>1)</sup>	-34,318	-39,399	-36,412
	Amortization of intangible assets <sup>1)</sup>	D1 -1,140	-1,111	-1,049
	Depreciation of property, plant and equipment <sup>1)</sup>	D2, G2 -6,209	-6,366	-5,126
	Impairment of intangible assets <sup>1)</sup>	D1 -54	-19	-105
	Impairment of property, plant and equipment <sup>1)</sup>	D2 -276	-152	-428
	Reversal of impairment of property, plant and equipment <sup>1)</sup>	D2 8	119	-
	Share in profits of associated companies and joint ventures <sup>1)</sup>	71	84	-215
	Revaluation of previously owned shares in associated companies <sup>1)</sup>	F6 -	-	225
	Gain/loss on divestment and liquidation <sup>1) 2)</sup>	69	-160	68
	<b>Total</b>	<b>-104,994</b>	<b>-114,626</b>	<b>-107,741</b>

<sup>1)</sup> Including items affecting comparability.

<sup>2)</sup> Including transaction costs and reversal of realized translation differences in divested companies to profit or loss.

#### TB3:1 Items affecting comparability

Distribution of items affecting comparability by type of cost				
SEKm	2020	2019	2018	
	Impairment of inventory of finished products and products in progress, net	-9	-70	-61
	Impairment of trade receivables	-	-10	-
	Personnel costs	187	-445	-700
	Other operating expenses	-86	-79	-183
	Impairment of intangible assets, net	-54	-16	-105
	Impairment of property, plant and equipment, net	-143	43	-410
	Share in profits of associated companies from impairment and divestments	-23	24	-278
	Revaluation of previously owned shares in associated companies	-	-	225
	Gain/loss on divestment and liquidation	69	-160	68
	<b>Total</b>	<b>-59</b>	<b>-713</b>	<b>-1,444</b>

Distribution of items affecting comparability		
SEKm	2020	
	Gain from settlement of defined benefit pension liability	187
	Gain/loss on divestment and liquidation	69
	Costs for restructuring measures, Russia among other countries	-198
	Increase of previous provision for legal disputes	-80
	Other	-37
	<b>Total</b>	<b>-59</b>

Distribution of items affecting comparability, previous periods		
SEKm	2019	
	Restructuring costs relating to the Group-wide cost-savings program	-409
	Costs for other restructuring programs	-181
	Transfer to profit or loss of realized translation differences relating to divested and liquidated companies	-178
	Other	55
	<b>Total</b>	<b>-713</b>

SEKm	2018
Costs for restructuring measures at production facilities of Professional Hygiene and Consumer Tissue	-1,222
Impairment in the associated company Asaleo Care Ltd.	-278
Restructuring costs relating to the Group-wide cost-savings program	-131
Dissolution of reserve for foreign tax	288
Increase in participations in joint venture in Latin America	165
Other	-266
<b>Total</b>	<b>-1,444</b>

TB3:2 Other income				
SEKm	2020	2019	2018	
	Sales not included in core operations	1,066	1,028	897
	<b>Total</b>	<b>1,066</b>	<b>1,028</b>	<b>897</b>

Other income includes rental income, which is recognized in the period covered by the rental contract, royalties and similar items, which are recognized in accordance with the implied financial effect of the contract.

TB3:3 Distribution of other operating expenses				
SEKm	2020	2019	2018	
	Transport expenses	-9,107	-9,360	-8,290
	Energy costs <sup>1)</sup>	-4,493	-5,125	-4,775
	Purchased finished goods for resale	-2,564	-6,811	-5,144
	Marketing costs	-6,745	-6,604	-6,031
	Repairs and maintenance	-2,966	-2,927	-2,546
	IT, telephony and lease of premises <sup>2)</sup>	-974	-903	-1,633
	Other operating expenses, production	-3,759	-4,092	-3,919
	Other operating expenses, distribution, sales and administration	-3,516	-3,481	-3,674
	Other	-194	-96	-400
	<b>Total</b>	<b>-34,318</b>	<b>-39,399</b>	<b>-36,412</b>

<sup>1)</sup> After deduction for revenues from energy in the amount of SEK 186m (184; 327).

<sup>2)</sup> As of 2019, leases are recognized in accordance with the new accounting standard IFRS 16 Leases. This means that lease payments from 2019 are recognized as depreciation and interest expenses rather than lease payments in IT, telephony and lease of premises, which is why the item has decreased.

#### Other disclosures

Exchange rate effects had a negative impact of SEK -11m (-70; -186) on operating profit.

Other disclosures <sup>1)</sup>				
SEKm	2020	2019	2018	
	Government grants received <sup>2)</sup>	241	47	55
	Research and development	-1,559	-1,485	-1,320

<sup>1)</sup> These items are included in the tables above in Note B3 under the respective type of cost.

<sup>2)</sup> The increase in government grants received for 2020 pertains mainly to grants received in China related to the COVID-19 pandemic.

## B4. AUDITING EXPENSES

Auditing expenses				
SEKm	2020	2019	2018	
<b>EY</b>				
	Audit assignments	-69	-70	-64
	Auditing activities other than the audit assignment	-2	-2	-2
	Tax consultancy services	-2	-2	-1
	Other assignments	-1	-3	-3
	<b>Total EY</b>	<b>-74</b>	<b>-77</b>	<b>-70</b>
<b>Other auditors</b>				
	Audit assignments	-15	-18	-17
	Tax consultancy services	-14	-10	-5
	Other assignments	-2	-8	-9
	<b>Total other auditors</b>	<b>-31</b>	<b>-36</b>	<b>-31</b>
	<b>Total</b>	<b>-105</b>	<b>-113</b>	<b>-101</b>