

## Year End Report for Nilörngruppen AB (publ) Q4, January - December 2022



### Period October - December

- Order bookings decreased by 18 percent to MSEK 228 (277).
- Revenue decreased by 15 percent to MSEK 199 (234).
- Revenue adjusted for currency effects amounted to MSEK 194, i.e. an underlying organic decrease of 17 percent.
- Operating profit amounted to MSEK 14.3 (40.1).
- Profit for the period amounted to MSEK 9.1 (30.3).
- Earnings per share amounted to SEK 0.80 (2.66).

### Period January - December

- Order bookings increased by 14 percent and amounted to MSEK 983 (864).
- Revenue increased by 20 percent to MSEK 943 (788).
- Revenue adjusted for currency effects amounted to MSEK 869 (788), i.e. an underlying organic increase of 10 percent.
- Operating profit amounted to MSEK 136.4 (119.6).
- Profit for the period amounted to MSEK 101.0 (87.4).
- Earnings per share amounted to SEK 8.86 (7.67).
- Net cash excluding IFRS16 amounted to MSEK 33 (75).

### Significant events during the quarter

- Nilörngruppen AB acquires Bally Labels AG in Switzerland. The company, which has previously been a partner company of Nilörn, will be consolidated with Nilörngruppen from 2023. The acquisition will have a limited but positive effect in 2023.

### Significant events after the quarter

- The Board of Directors has decided to propose to the Annual General Meeting a dividend of SEK 5.00 (5.00) per share, equivalent to MSEK 57.0 (57.0).



## CEO'S STATEMENT

Dear Shareholders,

Despite a slightly weaker finish, it is gratifying to note that the year is the best in Nilorn Group's history with sales of SEK 943 million and an operating profit of SEK 136 million. This surpasses the previous year, which was then our best year ever. Sales increased by 10 percent (adjusted for currency effects) and operating profit by 14 percent.

The fourth quarter developed weaker with a lower order intake in Q3 affecting sales, which decreased by 15 percent compared with the corresponding period last year. Operating profit of just over SEK 14 million is burdened by bonus costs because of the strong full-year result. It is hardly a surprise that the Nilorn Group is also affected by the prevailing uncertain external climate where the end consumer is more cautious in combination with generally high stock levels of end products at some retailers and brand owners. During the year, the development has been strong, especially in Germany, France and Italy, and a little weaker in England and the Nordic countries.

Most of our customers remain optimistic about 2023, but considering developments in the last quarter, we expect a slightly weaker development in the first quarter compared to last year. The progress we have made in the luxury segment in Italy and France is expected to have an effect later in the year and contribute to both sales and earnings.

The work of strengthening the organization and creating a clear structure continues. Nilorn has full focus on and with the goal of being a leader in sustainability. This means investing in systems and organization to guide and help our customers reach their goals. I am convinced that our investments are crucial for Nilorn to be an attractive supplier and that we thus have the conditions to maintain good growth in the coming years.

Nilörngruppen's own production in Bangladesh and Portugal has been an important part of the company's success in recent years. To enable continued profitable growth, we are investigating the possibility of expanding in Bangladesh by building a completely new factory and expanding our factory in Portugal. Nilörngruppen's strong balance sheet enables these investments, while the good result for the year means that the dividend is proposed to be unchanged at SEK 5 per share.

Our employees continue to do a fantastic job of dealing with the challenges that constantly arise, while adapting and streamlining the organization, introducing new ways of working and introducing new colleagues. We build and look to the future with confidence.

Krister Magnusson  
CEO

## Period October - December

### Order bookings

Order bookings decreased by 18 percent to MSEK 228 (277).

### Net revenue

Revenue decreased by 15 percent to MSEK 199 (234). Revenue adjusted for currency effects amounted to MSEK 194, i.e. an underlying organic decrease of 17 percent

### Gross margin

The gross margin was 44.0 (45.4) percent and has been negatively affected by lower volumes, product mix and as previously announced, increased shipping costs raw material and energy prices.

### Other income, costs and depreciations

Other income amounted to MSEK 14.3 (4.8) and other operating expenses of MSEK 9.6 which is mainly attributable to currency. The external costs decreased to MSEK 18.3 (19.4) and personnel costs increased to MSEK 52.7 (42.9) where the majority is attributable to currency, more employees and booking of bonuses. Depreciation decreased to MSEK 6.9 (7.0).

### Operating profit

Operating profit amounted to MSEK 14.3 (40.1), for an operating margin of 7.2 (17.1) percent.

### Net finance items, taxes and profit for the period

Net finance items amounted to MSEK -2.0 (-1.2). Taxes paid amounted to MSEK -3.2 (-8.6) which is a function of different tax rates in different countries. The period's profit amounted to MSEK 9.1 (30.4) and earnings per share amounted to SEK 0.80 (2.66).

### Cash flow, capital expenditures, financing and liquidity

Cash flow from operating activities amounted to MSEK -3.3 (18.4). Cash flow from investment activities amounted to MSEK -2.2 (3.0).

### Equity

Consolidated equity amounts to MSEK 333.2 (278.2). The increase is attributable to the profit in the amount of MSEK +101, paid out dividend of MSEK -57.0, the period's translation difference of MSEK 12.7 and revaluation of benefit-based pension plan of MSEK -1.8. The translation difference is the net effect of conversion of equity in the non-Swedish subsidiaries to SEK and has been positively affected by a weakening of the Swedish krona.

## Period January - December

### Order bookings

Order bookings increased by 28% and amounted to MSEK 983 (864).

### Net revenue and profit

Net revenue increased by 20 percent to MSEK 943 (788). Net revenue adjusted for currency effects amounted to MSEK 869

(788), i.e. an underlying organic increase of 16 percent. The gross margin was 44 (46) percent.

The Swedish krona has weakened against most currencies, which has a positive impact on consolidated sales. However, the effect on net profit is minimal, as the Group's income is met by costs in local currency and only the net profit is converted into SEK.

### Other income, costs and depreciations

Other income amounted to MSEK 32.4 (11.9). External costs increased to MSEK 71.2 (62.0). Personnel costs increased to MSEK 194.3 (163.9). Depreciation increased to MSEK 29.9 (25.9)

### Operating profit

Operating profit amounted to MSEK 136.4 (119.5), which translates to an operating margin of 14.5 (15.2) percent.

### Net finance items, taxes and profit for the period

Taxes paid amounted to MSEK -31.4 (-28.8), for a total tax expense of 23.7 (24.8) percent. Profit after taxes amounted to MSEK 101 (87.4).

### Segments

As shown in Note 2, all segments has increased in terms of turnover and operating profit.

### Cash flow, capital expenditures, financing and liquidity

Cash flow from operating activities amounted to MSEK 26.7 (78.1). Cash flow from investment activities amounted to MSEK -14.7 (-11.7). The investments are mainly attributable to continued inventories in new ERP systems and machines in Portugal. Net liabilities at the end of the period excluding IFRS16 stood at MSEK 33 (75). IFRS 16 has increased interest-bearing liabilities by MSEK 22 and comparable numbers not including the effect of IFRS 16 is net liabilities of MSEK 11 (41).

The Group's inventories have increased as a function of currency effects, increased product range, new customers and lower sales in the fourth quarter.

## Personnel

The average number of employees in the Group was 587 (540), of whom 247 (219) were women. Of the total number of employees 317 (303) persons or 54 (56) percent are active in production and warehouses. The increase in personnel is attributable to production and warehouse staff, sales/back-office, but also group functions such as purchasing, CSR and IT.

## Transactions with closely related parties

There were no transactions between the Nilörn Group and closely related parties affecting the Group's profit and financial position during the period, except for dividends to the Parent Company's shareholders. The Parent Company's transactions with subsidiaries refer to design, product development, IT and other services.

## Parent Company

The Parent Company's operations largely consist of handling group-wide functions, such as branding and design, product development, finances, administration, information and IT. The average number of employees was 26 (23). Net revenue for the period amounted to MSEK 32.9 (29.6). The operating result was MSEK -6.2 (-2.8) and profit after taxes was MSEK 58.5 (19.8) with most of the profit attributable to dividends from subsidiaries.

## Significant events during the quarter

Nilörngruppen AB acquires Bally Labels AG in Switzerland together with two of the employees who will own 10 percent each. The acquisition will be consolidated into Nilörngruppen as of 2023. The purchase price, which is not disclosed, is conditional on certain external sales and will be paid in three instalments over three years. As a partner company, most of the sales are already consolidated in Nilorn's figures and the acquisition will therefore have a limited but positive effect on Nilorn's earnings.

## Significant events after the balance sheet date

The Board of Directors has decided to propose to the Annual General Meeting a dividend of SEK 5.00 (5.00) per share, equivalent to MSEK 57.0 (57.0). The proposal is equivalent to dividend of 56 (65) percent.

## Risks and uncertainty factors

With its international operations, Nilörngruppen is constantly exposed to various financial risks. The significant risks and uncertainties to which the Nilorn Group is exposed are currency risks, political risks in individual countries, credit risks and IT security, as shown in Nilörngruppen's Annual Report 2021, Note 2.

## Election committee

Nilörngruppen does not have an appointed election committee since the ownership structure is clear as Traction AB owns the majority of the votes. However, shareholders are always welcome to submit comments and/or suggestions with respect to the composition of the Board of Directors to the Chairman of the Board of Directors, Petter Stillström, telephone +46-8-506 289 00.

## Annual General Meeting

The Annual General Meeting is scheduled to be held on Tuesday, May 3, 2023 at 5 p.m. at Nilörngruppen's head office in Borås.

The Annual Report will be available on the Company's website no later than three weeks before the Annual General Meeting.

## Review

This report has not been subject to review by the Company's auditors.

## Calendar

- 21 April 2023 Interim report Q1
- 3 May 2023 Annual General Meeting
- 14 July 2023 Interim report Q2
- 25 October 2023 Interim report Q3
- 9 February 2024 Year end report

This information is information that Nilörngruppen is under obligation to publish in accordance with the EU Market Abuse Regulation. The information herein was provided by the contact person named below for publication at 08:00 a.m., 09 February 2023.

BORÅS, 9 February 2023  
NILÖRN GRUPPEN AB (PUBL)

Krister Magnusson  
CEO

### FOR FURTHER INFORMATION, CONTACT:

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## Summary Financial Reports

Amounts in SEK thousand	3 months		12 months	
	October - December		January - December	
	2022	2021	2022	2021
Net revenue	199,311	234,458	942,811	788,305
Raw materials, supplies and goods for resale	-111,678	-127,993	-526,293	-424,174
<b>Gross profit</b>	<b>87,633</b>	<b>106,465</b>	<b>416,518</b>	<b>364,131</b>
Other operating revenue	14,314	4,784	32,447	11,877
Other external costs	-18,265	-19,418	-71,173	-61,953
Personnel costs	-52,746	-42,946	-194,303	-163,876
Depreciation, amortisation and impairment charge	-6,876	-6,972	-29,921	-25,941
Other operating costs	-9,760	-1,793	-17,154	-4,691
<b>Operating profit</b>	<b>14,300</b>	<b>40,120</b>	<b>136,414</b>	<b>119,547</b>
Net finance items	-2,018	-1,153	-3,998	-3,343
<b>Profit before taxes</b>	<b>12,283</b>	<b>38,967</b>	<b>132,417</b>	<b>116,204</b>
Taxes	-3,178	-8,617	-31,417	-28,766
<b>Net profit for the period</b>	<b>9,105</b>	<b>30,350</b>	<b>101,000</b>	<b>87,438</b>
Average number of shares outstanding (thousand)	11,402	11,402	11,402	11,402
Average number of shares outstanding after dilution	11,402	11,402	11,402	11,402
<b>Earnings per share, SEK</b>	<b>0.80</b>	<b>2.66</b>	<b>8.86</b>	<b>7.67</b>
<b>Earnings per share, SEK after dilution</b>	<b>0.80</b>	<b>2.66</b>	<b>8.86</b>	<b>7.67</b>

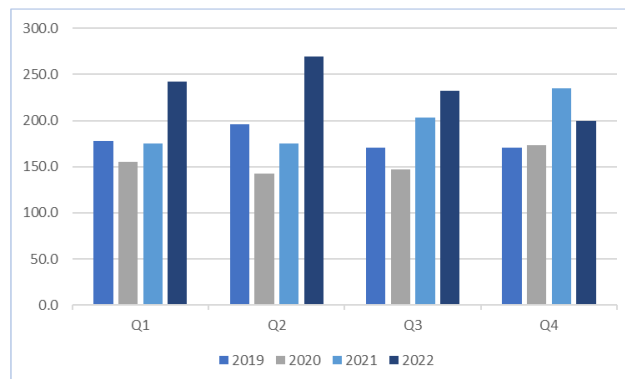
## Consolidated Statement of Comprehensive Result

Amounts in SEK thousand	October - December		January - December	
	2022	2021	2022	2021
	<b>Net profit for the period</b>	<b>9,105</b>	<b>30,350</b>	<b>101,000</b>
Other comprehensive result that may be reposed to net profit for the period				
Translation differences	-7,402	-436	12,743	3,817
<b>Items that cannot be reposed to net profit for the period</b>				
Revaluation of defined benefit pension scheme	-1,772	0	-1,772	0
<b>Total profit for the period</b>	<b>-69</b>	<b>29,914</b>	<b>111,971</b>	<b>91,255</b>
Total profit for the period attributable to:				
The Parent Company's equity holders	-69	29,914	111,971	91,255

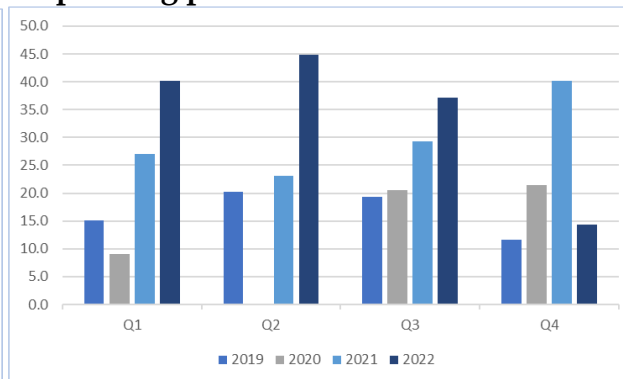
## Quarterly Income Statements

Amount in MSEK)	2022				2021				2020				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net revenue	242.3	269.1	232.0	199.3	175.2	175.2	203.4	234.5	155.5	142.3	147.0	173.4	178.1	195.8	170.8	170.6
Raw materials, supplies and goods for resale	-136.2	-150.8	-127.6	-111.7	-93.9	-91.8	-110.5	-128.0	-82.8	-88.2	-78.2	-97.0	-103.9	-114.0	-94.4	-95.3
Gross profit	106.2	118.3	104.4	87.6	81.3	83.4	92.9	106.5	72.7	54.1	68.8	76.4	74.2	81.8	76.4	75.3
Gross margin	43.8%	44.0%	45.0%	44.0%	46.4%	47.6%	45.7%	45.4%	46.8%	38.0%	46.8%	44.1%	41.7%	41.8%	44.7%	44.1%
Other income	2.7	7.2	8.2	14.3	3.5	1.7	1.8	4.8	1.5	6.9	5.3	5.4	2.5	0.7	1.2	0.7
Operating costs	-61.8	-72.9	-67.2	-80.8	-51.7	-55.8	-58.9	-64.2	-58.5	-54.2	-47.0	-54.8	-55.8	-56.5	-51.8	-58.0
Depreciation, amortisation and impairment charge	-6.9	-7.7	-8.4	-6.9	-6.2	-6.3	-6.5	-7.0	-6.7	-6.7	-6.6	-5.8	-5.8	-5.8	-6.5	-6.4
<b>Operating profit</b>	<b>40.2</b>	<b>44.9</b>	<b>37.0</b>	<b>14.3</b>	<b>26.9</b>	<b>23.0</b>	<b>29.3</b>	<b>40.1</b>	<b>9.0</b>	<b>0.1</b>	<b>20.5</b>	<b>21.2</b>	<b>15.1</b>	<b>20.2</b>	<b>19.3</b>	<b>11.6</b>
<b>Operating margin</b>	<b>16.6%</b>	<b>16.7%</b>	<b>16.0%</b>	<b>7.2%</b>	<b>15.4%</b>	<b>13.1%</b>	<b>14.4%</b>	<b>17.1%</b>	<b>5.8%</b>	<b>0.1%</b>	<b>13.9%</b>	<b>12.2%</b>	<b>8.5%</b>	<b>10.3%</b>	<b>11.3%</b>	<b>6.8%</b>
<b>Operating profit per share</b>	<b>3.5</b>	<b>3.9</b>	<b>3.2</b>	<b>1.3</b>	<b>2.4</b>	<b>2.0</b>	<b>2.6</b>	<b>3.5</b>	<b>0.8</b>	<b>0.0</b>	<b>1.8</b>	<b>1.9</b>	<b>1.3</b>	<b>1.8</b>	<b>1.7</b>	<b>1.0</b>

## Quarterly development of: Net revenue



## Operating profit



KEY FINANCIAL INDICATORS	1 January – 31 December						
	2022	2021	2020	2019	2018	2017	2016
Revenue growth, %	19.6	27.5	-13.6	0.5	7.5	11.5	15.8
Operating margin, %	14.5	15.2	8.2	9.3	12.0	12.1	12.3
Profit margin, %	14.0	14.7	7.6	8.8	11.8	12.1	12.1
Average equity	305.7	244.0	198.3	183.7	167.3	145.9	125.6
Return on equity, %	33.0	35.8	16.9	25.7	42.3	44.6	44.8
Equity ratio, %	55.7	50.0	51.3	45.3	53.0	49.2	50.8
Interest-bearing net cash (liabilities -), MSEK*	11.2	40.7	-13.2	-89.6	-2.5	9.2	9.7
Earnings per share, SEK	8.86	7.7	2.9	4.1	6.2	5.7	4.9
Equity per share, SEK	29.22	24.4	18.4	16.4	15.9	13.5	12.1
Dividend per share, SEK**	5.00*	5.0	2.0	0.0	4.0	4.0	3.6
Average number of shares outstanding	11 401 988	11 401 988.0	11 401 988.0	11 401 988.0	11 401 988.0	11 401 988.0	11 401 988.0
Number of shares outstanding at end of period	11 401 988	11 401 988.0	11 401 988.0	11 401 988.0	11 401 988.0	11 401 988.0	11 401 988.0
Average number of employees	587	540	520	502	482	446	358

\* Interest-bearing net cash (liabilities -), has been effected by 22 MSEK by the introduction of IFRS 16

\*\* Proposed dividend for 2022

## Consolidated Balance Sheet

Amounts in SEK thousand	2022-12	2021-12
<b>Assets</b>		
Intangible non-current assets	28,134	25,617
Other non-current assets	123,882	133,320
Inventories	212,130	145,917
Trade receivables	99,009	114,216
Other current assets	28,222	20,632
Cash and cash equivalents	106,795	116,367
<b>Total assets</b>	<b>598,172</b>	<b>556,069</b>
<b>Equity and liabilities</b>		
Equity	333,219	278,259
Long-term interest-bearing liabilities	30,748	46,131
Long-term non-interest-bearing liabilities	7,018	5,713
Current interest-bearing liabilities	64,872	29,583
Current non-interest-bearing liabilities	162,314	196,383
<b>Total equity and liabilities</b>	<b>598,172</b>	<b>556,069</b>

## Changes in Consolidated Equity

2022	Other		Retained earnings		Total	
Amounts in SEK thousand	Share capital	contributed capital	Reserves	including net profit for the period	Total	equity
<b>OPENING EQUITY 2022-01-01</b>	2,850	43,231	-6,432	238,609	278,258	278,258
Net profit for the period				101,000	101,000	101,000
<b>Other total profit</b>						
Translation differences during the period			12,743		12,743	12,743
Revaluation of pension scheme			-1,772		-1 772	-1 772
<b>Transactions with shareholders</b>						
Dividend				-57,010	-57,010	-57,010
<b>CLOSING EQUITY 2022-12-31</b>	<b>2,850</b>	<b>43,231</b>	<b>4,539</b>	<b>282,599</b>	<b>333,219</b>	<b>333,219</b>

## 2021

### Amounts in SEK thousand

<b>OPENING EQUITY 2021-01-01</b>	2,850	43,231	-10,249	163,573	209,810	209,810
Net profit for the period				87,438	87,438	87,438
<b>Other total profit</b>						
Translation differences during the period			3,817		3,817	3,817
Revaluation pension scheme				0	0	0
<b>Transactions with shareholders</b>						
Dividend				-22,806	-22,806	-22,806
<b>CLOSING EQUITY 2021-12-31</b>	<b>2,850</b>	<b>43,231</b>	<b>-6,432</b>	<b>228,205</b>	<b>278,259</b>	<b>278,259</b>

## Consolidated Cash Flow Statement

Amounts in SEK thousand	October - December		January - December	
	2022	2021	2022	2021
<b>Operating activities</b>				
Operating profit	14,301	40,120	136,415	119,547
<i>Adjustment for items not included in cash flow</i>				
Depreciation, amortisation and impairment charges	6,876	6,972	29,921	25,941
Other non cash generated items	-8,010	-5,552	-23,865	-18,402
	<b>13,876</b>	<b>41,540</b>	<b>142,472</b>	<b>127,086</b>
Interest income	160	234	745	654
Interest expense	-544	-82	-1,326	-751
Paid taxes	-19,180	-3,519	-32,853	-12,529
<b>Cash flow from operating activities before changes in working capital</b>	<b>-5,689</b>	<b>38,173</b>	<b>109,038</b>	<b>114,460</b>
<b>Cash flow from changes in working capital</b>				
Inventories	-5,544	-21,660	-55,423	-37,684
Trade receivables	26,584	-4,530	22,731	-35,278
Other short-term receivables	9,243	6,689	-7,475	692
Trade payables	-18,837	14,448	-39,246	32,053
Other liabilities	-9,056	-14,768	-2,890	4,582
<b>Cash flow from operating activities</b>	<b>-3,299</b>	<b>18,352</b>	<b>26,735</b>	<b>78,825</b>
<b>Investment activities</b>				
Acquisition of tangible non-current assets	-1,784	-1,571	-6,076	-4,719
Acquisition of intangible non-current assets	-2,629	-1,042	-10,572	-6,122
Sales of fixed assets	0	0	1,079	0
Change in long-term receivable	2,252	-421	909	-899
<b>Cash flow from investment activities</b>	<b>-2,161</b>	<b>-3,034</b>	<b>-14,660</b>	<b>-11,740</b>
<b>Financing activities</b>				
Repayment/raising loans	3,493	688	33,816	861
Paid dividend	0	0	-57,010	-22,806
<b>Cash flow from financing activities</b>	<b>3,493</b>	<b>688</b>	<b>-23,194</b>	<b>-21,945</b>
<b>Cash flow for the year</b>	<b>-1,967</b>	<b>16,006</b>	<b>-11,119</b>	<b>45,140</b>
Cash and cash equivalents at beginning of period	115,396	99,843	116,367	66,276
Translation difference in cash and cash equivalents	-6,634	518	1,547	4,951
<b>Cash and cash equivalents at end of period</b>	<b>106,795</b>	<b>116,367</b>	<b>106,795</b>	<b>116,367</b>



## Parent Company Income Statement

Amounts in SEK thousand	3 months		12 months	
	October - December		January - December	
	2022	2021	2022	2021
Net revenue	10 188	10 010	32 845	29 575
Other operating income	27	44	88	145
<b>Total revenue</b>	<b>10 215</b>	<b>10 053</b>	<b>32 933</b>	<b>29 720</b>
Other external costs	-3 928	-3 024	-12 358	-9 548
Personnel costs	-7 407	-5 483	-23 268	-20 458
Depreciation, amortisation and impairment charges	-806	-628	-3 535	-2 494
<b>Operating profit</b>	<b>-1 925</b>	<b>918</b>	<b>-6 227</b>	<b>-2 780</b>
Net finance items	1 068	93	56 258	13 605
<b>Profit after finance items</b>	<b>-857</b>	<b>1 011</b>	<b>50 031</b>	<b>10 825</b>
Year-end appropriations	-	-	9 815	10 484
Taxes	-1 219	-1 512	-1 355	-1 550
<b>Net profit for the period</b>	<b>7 739</b>	<b>9 983</b>	<b>58 491</b>	<b>19 759</b>

Since there are no comprehensive profit items, comprehensive income coincides with the period's results.

## Parent Company Balance Sheet

Amounts in SEK thousand	2022-12	2021-12
<b>Assets</b>		
Intangible non-current assets	26 287	23 573
Tangible non-current assets	617	657
Financial non-current assets	134 914	117 347
Short-term receivables	132 151	80 294
Cash and cash equivalents	0	43 305
<b>Total assets</b>	<b>293 969</b>	<b>265 176</b>
<b>Equity and liabilities</b>		
Equity	182 823	181 341
Untaxed reserves	16 370	12 800
Current liabilities	94 776	71 035
<b>Total equity and liabilities</b>	<b>293 969</b>	<b>265 176</b>

## Notes

### 1. Accounting policies

As was the case with the Annual Accounts for 2020, the Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU, recommendation No 1 (RFR 1) of the Swedish Financial Reporting Board. As was the case with the Annual Accounts for 2020, the Parent Company prepares its financial statements in accordance with the Annual Accounts Act and recommendation No 2 (RFR 2) of the Swedish Financial Reporting Board. The Year-end Report is prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34.16 are found in the financial reports and its notes as well as in the other parts of the interim report.

From 1 January 2019 Nilörngruppen applies IFRS 16 Leases. The Group has applied the simplified transition method and

has thus not recalculated comparative data for 2018. The simplification rule, that the right-of-use asset shall be equivalent to the lease liability, has been applied in the transition. No transition effect is therefore reported in equity. A complete description of the accounting policies for leases will be found in the 2021 Annual Report. Also refer to Note 3 for the effect of IFRS 16 on the quarter.

The Parent Company has chosen to apply the simplification rules in RFR 2, which means that all leases be reported as operating leases.

### New accounting policies for 2022

No new accounting policies with significant impact on Nilörn have entered into force in 2022.

## 2. Information by geographic area

### Primary segment – Geographic area

Period January - December 2022	Sweden	Other Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	52,361	327,891	562,559	-	942,811
<b>Total revenue</b>	<b>52,361</b>	<b>327,891</b>	<b>562,559</b>	<b>,0</b>	<b>942,811</b>
<i>Profit</i>					
Operating profit	13,601	51,955	72,937	-2,080	136,414
Interest income				,745	,745
Interest expense				-4,743	-4,743
Taxes on the on the period's profit				-31,417	-31,417
<b>Net profit for the period</b>	<b>13,601</b>	<b>51,955</b>	<b>72,937</b>	<b>-37,495</b>	<b>100,999</b>

#### Period January - December 2021

<i>Revenue</i>					
External revenue	41,734	258,002	488,569	-	788,305
<b>Total revenue</b>	<b>41,734</b>	<b>258,002</b>	<b>488,569</b>	<b>,0</b>	<b>788,305</b>
<i>Profit</i>					
Operating profit	13,177	41,228	66,636	-1,494	119,547
Interest income				,653	,653
Interest expense				-3,996	-3,996
Taxes on the profit for the year				-28,766	-28,766
<b>Net profit for the year</b>	<b>13,177</b>	<b>41,228</b>	<b>66,636</b>	<b>-33,603</b>	<b>87,438</b>

### 3. IFRS 16 Leasing

<b>Report of financial position</b>	<b>31-Dec-22</b>	<b>Of which effect of IFRS 16</b>	<b>31 Dec 2022 not incl. effect of IFRS 16</b>
Other non-current assets	123,882	22,568	101,314
Other current assets	28,222	-1,395	29,617
Equity	333,219	1,266	331,953
Long-term interest-bearing liabilities	30,748	5,430	25,318
Short-term interest-bearing liabilities	64,872	16,386	48,486
<b>Total effect on equity</b>		<b>23,082</b>	

<b>Report of effects on profit</b>	<b>Jan-Dec 2022</b>	<b>Of which effect of IFRS 16</b>	<b>Jan-Dec 2022 not incl. effect of IFRS 16</b>
Other external cost	-71,173	18,860	-90,033
Depreciation, amortisation and impairment	-29,921	-17,582	-12,339
Net finance items	-3,998	-884	-3,114
Taxes	-31,417	-82	-31,335
<b>Total</b>	<b>-136,509</b>	<b>,312</b>	<b>-136,821</b>

<b>Key financial indicators</b>	<b>Jan-Dec 2022</b>	<b>Of which effect of IFRS 16</b>	<b>Jan-Dec 2022 not incl. effect of IFRS 16</b>
Operating margin	14.5%	0.1%	14.3%
Net cash and cash equivalents (liabilities)	11.2	-21.8	33.0
Equity ratio, %	55.7%	-2.0%	57.8%

#### 4. Definitions of alternative key financial indicators

ESMA (The European Securities and Markets Authority) has published guidelines for alternative key financial indicators for companies with securities listed on a regulated market within EU. These guidelines shall be applied to alternative key financial indicators used starting 3 October 2016. Reference is made in the annual accounts to a number of non-IFRS performance metrics used to help investors as well as management to analyse the company's operations. These financial metrics should therefore not be seen as replacements for metrics defined according to IFRS. Since all companies do not calculate financial metrics in the same way, they are not always comparable with metrics used by other companies. These financial metrics should therefore not be seen as replacements for metrics defined according to IFRS. We describe below the various non-IFRS performance metrics used as a complement to the financial information reported in accordance with IFRS and how these metrics have been used.

##### *Definitions of key financial indicators not defined by IFRS*

<u>Non-IFRS metrics</u>	<u>Definition</u>	<u>Justification</u>
<b>Average equity</b>	Equity at the beginning of the period, plus equity at the end of the period, divided by two.	The metric is the difference between the Group's assets and liabilities, which is equivalent to consolidated equity contributed by owners and the consolidated aggregated profit. This metric is used to report the capital attributable to the Group's owners.
<b>Average number of employees</b>	Average number of yearly employed	This metric is used to measure the development of the Group's workforce.
<b>Revenue growth</b>	Net revenue at the end of the period, minus net revenue at the beginning of the period, divided by net revenue at the beginning of the period.	This metric is used to measure the development of the Group's revenue over time.
<b>Return on equity</b>	Period's result according to the income statement in percent of average equity.	This metric is used to analyse profitability over time, given the resources attributable to the Parent Company's owners.
<b>Return on capital employed</b>	Result before taxes, plus financial expenses, in percent of average capital employed.	Return on capital employed is a profitability metric used to gauge the result relative to the capital required to run the business.
<b>Interest-bearing net cash and cash equivalents/liabilities</b>	Interest-bearing receivables, cash and cash equivalents, reduced by interest-bearing liabilities.	The metric shows the total debt financing and is used as a complement to judge the feasibility of paying dividends, to implement strategic investments and to gauge the Group's ability to meet its financial obligations.
<b>Operating margin</b>	Operating result in percent of net revenue.	This metric is used to measure operative profitability.
<b>Equity ratio</b>	Equity in percent of balance sheet total.	This measure shows the proportion of the company's total assets financed with equity by its shareholders. A high equity ratio is an indication of financial strength.
<b>Operating margin</b>	Operating result in percent of net revenue.	This metric is used to measure operative profitability.

#### Nilörngruppen in Brief

Nilörngruppen is a global company founded in the 1970s, with expertise in adding value to trademarks through branding in the form of labels, packaging and accessories, primarily for customers in the fashion and apparel industry. Nilörngruppen offers complete, creative and customised concepts in branding, design, product development and logistic solutions. The Group conducts business via its own subsidiaries in Sweden, Denmark, Great Britain, Germany, Belgium, Portugal, Hong Kong, India, Turkey, China, Bangladesh, Italy, Switzerland and Pakistan. The Group has partner companies in Tunisia and Holland.