

## Interim Report for Nilörngruppen AB (publ) Q3, January - September 2024



### Period July – September

- Order intake increased by 41 percent to MSEK 256 (182)
- Net sales in SEK decreased by 3 percent to MSEK 208 (215)
- Net sales adjusted for currency effects amounted to MSEK 217 (215), representing an underlying organic increase of 1 percent
- Operating profit amounted to MSEK 15.3 (20.8)
- Profit before tax amounted to MSEK 13.0 (18.2)
- Net profit for the period amounted to MSEK 9.8 (13.4)
- Earnings per share amounted to SEK 0.86 (1.17)

### Period January – September

- Order intake increased by 22 percent to MSEK 697 (572)
- Net sales in SEK increased by 7 percent to MSEK 713 (666)
- Net sales adjusted for currency effects amounted to MSEK 722 (666), representing an underlying organic increase of 8 percent
- Operating profit amounted to MSEK 63.4 (53.8)
- Profit before tax amounted to MSEK 59.0 (45.4)
- Net profit for the period amounted to MSEK 45.2 (33.7)
- Earnings per share amounted to SEK 3.96 (2.95)

### Significant events during the quarter

- The group was hit by a cyber attack at the beginning of August, which impacted the result by 4.4 MSEK.
- A production stoppage in Bangladesh for a total of seven days due to political unrest.



## CEO Statement

Dear Shareholders,

Despite a turbulent quarter, during which our IT system was hacked in early August, we have experienced relatively strong development with an order intake increase of 41 percent.

Revenue has fluctuated throughout the quarter, with a weaker August followed by a cautious start to September that ended strongly. It is still difficult to assess the exact impact of the cyber attack compared to seasonal fluctuations. The trends from the previous quarter have continued, with the outdoor segment showing ongoing recovery, while the luxury segment's growth has been somewhat more subdued.

Despite a 3 percent decline in net sales, which amounted to 208 MSEK, we have managed to strengthen our gross margin to 48.0 percent through efficient management of our sourcing organization and a favourable product mix. Operating profit amounted to 15 MSEK, down from 21 MSEK the previous year, partly due to costs related to the cyber attack. These costs are estimated at 4.4 MSEK, including internal IT expenses.

Inventory levels have been normalised, and we have seen an increase in accounts receivable as sales rise in countries with longer payment terms, such as Bangladesh.

Pakistan has also shown strong growth, which has led us to move into new, more suitable premises. In the U.S., we have also experienced solid growth, and we are now planning to strengthen our presence further.

Our digital platform, Nilörn:CONNECT, continues to generate great interest, and we are dedicating additional resources to develop the concept further. The increased transparency and traceability at the product level have become a central part of our offering, something that more and more customers are requesting as they progress towards digital product passports.

We are well-prepared to meet both the challenges and opportunities the market presents and look forward to the fourth quarter.

Krister Magnusson

## Period July-September

### Order Bookings

The order intake increased by 41 percent to 256 (182) MSEK. This is a result of increased activity among our customers, especially within the outdoor segments. A packaging order that was received in the fourth quarter of the previous year has positively impacted the order intake by 8 percent.

### Net Revenue

Sales in SEK decreased by 3 percent to MSEK 208 (215). Net sales adjusted for currency effects amounted to MSEK 217 (215.)

### Gross Profit

The gross margin amounted to 48.0 (45.4) percent. Our Sourcing organization has performed well, allowing us to increase the margin despite market price pressure. Variations in gross profit between quarters are primarily attributable to individual orders and the distribution of product groups, where, for example, packaging has a lower gross profit margin.

### Other Income, Costs, and Depreciation

Other operating income amounted to MSEK 2.6 (5.5), mainly attributable to currency effects. Other operating expenses of MSEK 3.9 (3.2) are primarily related to currency.

External costs amounted to MSEK 21.4 (19.1), and personnel costs amounted to MSEK 53.4 (51.2). The increase in personnel costs is due to more employees. Depreciation increased to MSEK 8.6 (8.5).

### Operating Profit

The operating result amounted to MSEK 15.2 (20.8), resulting in an operating margin of 7.3 (9.7) percent. The cyber attack is estimated to have impacted the quarter by 4.4 MSEK, of which 2.0 MSEK is attributable to external costs and 2.4 MSEK to personnel costs.

### Net Finance Items, Taxes, and Profit for the Period

Net financial items amounted to MSEK -2.3 (-2.6).

Tax amounted to MSEK -3.2 (-4.9), resulting in an average tax rate of 25.1 percent. Net profit for the period amounted to MSEK 9.8 (13.4), with earnings per share of 0.86 (1.17) SEK.

### Cash Flow, Capital Expenditures, Financing, and Liquidity

Cash flow from operating activities amounted to MSEK 30.6 (49.3). Cash flow from investing activities amounted to MSEK -6.2 (-3.5).

### Segments

As shown in the segment reporting in Note 3, there has been a decrease in Sweden and Europe, while sales in Asia have

increased. Operating profit has decreased in Sweden and Europe, while it has increased in Asia

## Period January-September

### Order Bookings

The order intake increased by 22 percent to 697 (572) MSEK.

### Net Revenue and Result

Sales in SEK increased by 7 percent to MSEK 713 (666). Net sales adjusted for currency effects amounted to MSEK 722 (666), representing an underlying increase of 8 percent. The gross margin was 44.9 (43.3) percent.

Other operating income amounted to MSEK 10.1 (18.0). External costs amounted to MSEK 62.7 (58.9), and personnel costs amounted to MSEK 168.8 (159.3).

Depreciation increased to MSEK 25.1 (23.6).

The operating result amounted to MSEK 63.4 (53.8), resulting in an operating margin of 8.9 (8.1) percent.

Tax amounted to MSEK -13.8 (-11.7), Net profit for the period amounted to MSEK 45.2 (33.7).

### Segments

As shown in the segment reporting in Note 3, there has been a decline in Sweden and Europe while sales in Asia have increased. Operating profit has decreased in Sweden and Europe, while it has increased in Asia. This is attributed to more customers and increased volumes in our factories in Portugal and Bangladesh.

### Equity

The group's equity amounts to MSEK 325.6 (305.6). The change during the period is attributed to the period's profit of MSEK 45.2, a dividend paid of MSEK 11.4, and translation differences of MSEK -3. The translation difference is a net effect from converting equity in foreign subsidiaries to SEK and has been negatively impacted by the appreciation of the krona.

### Cash Flow, Capital Expenditures, Financing, and Liquidity

Cash flow from operating activities amounted to MSEK 62.2 (55.8). Inventory levels have now normalised which has affected the cash flow positively during 2024. Cash flow from investing activities amounted to MSEK -15.8 (-13.7).

Net cash (debt) at the end of the period amounted to MSEK 10.7 (21.5), with the leasing standard IFRS 16 increasing interest-bearing debt by MSEK 22.7 (24.1). Comparable figures, excluding reclassification under IFRS 16, show net cash of MSEK 33.4 (2.6). The dividend has burdened cash flow by MSEK 11.4 (57.0).

## Personnel

The average number of employees in the group was 620 (593), of which 249 (250) were women (in relation to year-end). Out of the total number of employees, 56 percent are engaged in production and warehousing.

## Transactions with Related Parties

No transactions between Nilörngruppen and related parties that have materially affected the group's results and financial position have taken place during the period apart from paying out dividend. The parent company's transactions with subsidiaries involve design, product development, IT, and other services.

## Significant events during the quarter

Nilörn's IT system was subjected to a cyberattack at the beginning of August, which caused disruptions in operational processes and temporary shutdowns. The total costs are estimated at 4.4 MSEK.

The production operations in Bangladesh were affected by political unrest in the country during the quarter, leading to a total production stoppage of seven days.

## Parent Company

The parent company's operations mainly involve managing group-wide functions such as branding and design, product development, finance, administration, information, and IT. The average number of employees amounted to 29 (26) persons.

Net sales for the year amounted to MSEK 31.8 (25.6). Operating profit amounted to MSEK -4.5 (-3.7) and net profit amounted to MSEK 31.2 (25.5).

## Risks and Uncertainties

With its international operations, Nilörngruppen is continually exposed to various financial risks. The significant risks and uncertainties Nilörngruppen is exposed to include currency risks, political risks in individual countries, credit risks, and IT security, as outlined in Nilörngruppen's 2023 annual report, note 2.

## Audit

This report has been subject to review by the company's auditor. See audit report on page 5.

## Calendar

- February 12, 2025: Year-end report
- April 16, 2025: Interim Report Q1
- May 14, 2025: Annual General Meeting
- July 16, 2025: Interim Report Q2
- October 24, 2025: Interim Report Q3
- February 12, 2026: Year-End Report

This information is information that Nilörngruppen AB is obligated to disclose under the EU Market Abuse Regulation. The information was submitted for publication on October 25, 2024, at 08:00 a.m. through the contact person below.

BORÅS 24 October 2024

NILÖRNGRUPPEN AB (PUBL)

Krister Magnusson  
CEO

FOR FURTHER INFORMATION CONTACT

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## Auditor's report

(This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail)

Nilörngruppen AB (publ), org nr 556322-3782

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### Introduction

We have reviewed the attached condensed interim financial information of Nilörngruppen AB (publ) as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Borås, 25 oktober 2024

Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg  
Authorized Public Accountant

Mattias Palmqvist  
Authorized Public Accountant

## Summary Financial Reports – the Group

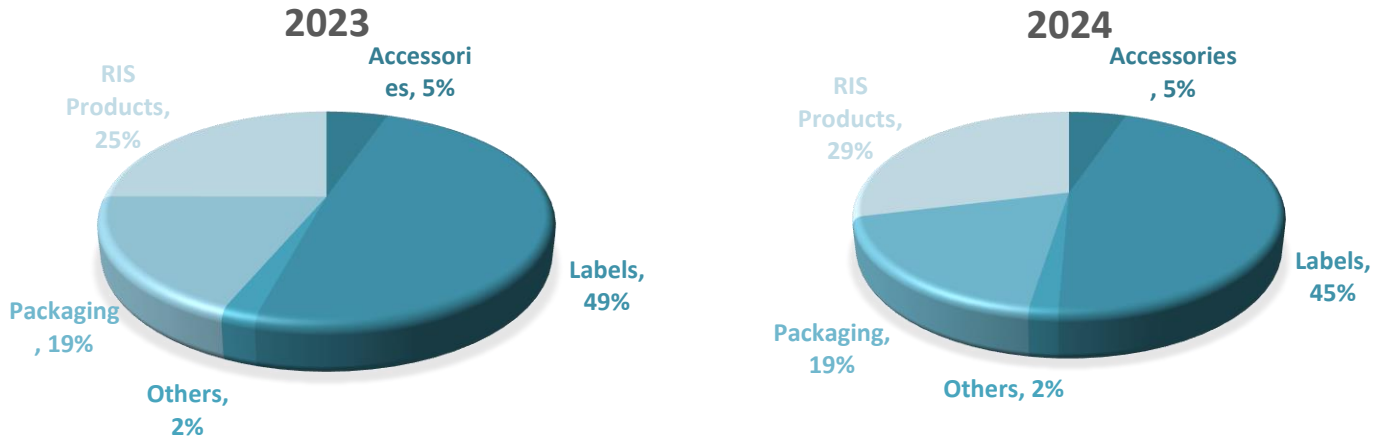
### Consolidated Income Statement

Amounts in SEK thousand	3 months July-Sept		9 months January-Sept	
	2024	2023	2024	2023
Net revenue	208 429	214 651	712 767	666 115
Raw materials, supplies and goods for resale	-108 291	-117 268	-392 469	-377 754
<b>Gross profit</b>	<b>100 138</b>	<b>97 383</b>	<b>320 298</b>	<b>288 361</b>
Other operating revenue	2 593	5 486	10 003	18 004
Other external costs	-21 430	-19 149	-62 679	-58 871
Personnel costs	-53 438	-51 229	-168 814	-159 267
Depreciation, amortisation and impairment charges	-8 620	-8 456	-25 120	-23 577
Other operating costs	-3 959	-3 224	-10 307	-10 850
<b>Operating profit</b>	<b>15 284</b>	<b>20 811</b>	<b>63 381</b>	<b>53 800</b>
Net finance items	-2 270	-2 559	-4 409	-8 443
<b>Profit before taxes</b>	<b>13 014</b>	<b>18 252</b>	<b>58 972</b>	<b>45 357</b>
Taxes	-3 264	-4 880	-13 787	-11 694
<b>Net profit for the period</b>	<b>9 750</b>	<b>13 372</b>	<b>45 185</b>	<b>33 663</b>
Average number of shares outstanding (thousands)	11 402	11 402	11 402	11 402
Average number of shares outstanding after dilution (thousands)	11 402	11 402	11 402	11 402
Earnings per share, SEK	0,86	1,17	3,96	2,95
Earnings per share, SEK after dilution	0,86	1,17	3,96	2,95

### Consolidated Statement of Comprehensive Result

Amounts in SEK thousand	July-Sept		January-Sept	
	2024	2023	2024	2023
<b>Net profit for the period</b>	<b>9 750</b>	<b>13 372</b>	<b>45 185</b>	<b>33 663</b>
<b>Other comprehensive result that may be reposted to net profit for the period</b>				
Translation differences	-7 249	-7 091	-2 985	-4 838
<b>Total profit for the period</b>	<b>2 501</b>	<b>6 281</b>	<b>42 200</b>	<b>28 825</b>
<b>Total profit for the period attributable to:</b>				
The Parent Company's equity holders	2 280	6 086	41 866	28 503
<b>Minority interest</b>	<b>221</b>	<b>195</b>	<b>334</b>	<b>322</b>

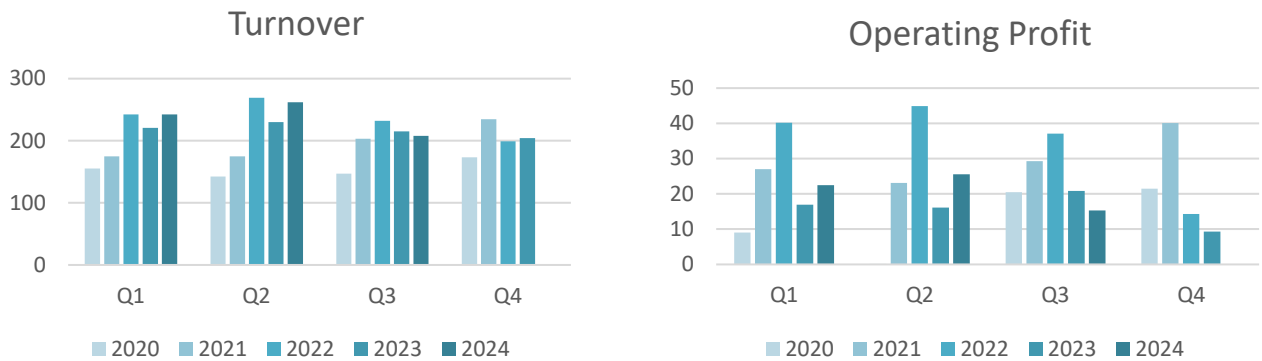
## Distribution by product group for the period 1 January – 30 September



## Quarterly Income Statements

Amount in MSEK)	2024			2023				2022				2021			
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net revenue	242,3	262,0	208,4	221,3	230,2	214,7	203,7	242,3	269,1	232,0	199,3	175,2	175,2	203,4	234,5
Raw materials, supplies and goods for resale	-137,6	-146,6	-108,3	-126,1	-134,4	-117,3	-112,3	-136,2	-150,8	-127,6	-111,7	-93,9	-91,8	-110,5	-128,0
<b>Gross profit</b>	<b>104,7</b>	<b>115,4</b>	<b>100,1</b>	<b>95,2</b>	<b>95,8</b>	<b>97,4</b>	<b>91,3</b>	<b>106,2</b>	<b>118,3</b>	<b>104,4</b>	<b>87,6</b>	<b>81,3</b>	<b>83,4</b>	<b>92,9</b>	<b>106,5</b>
Gross margin	43,2%	44,1%	48,0%	43,0%	41,6%	45,4%	44,9%	43,8%	44,0%	45,0%	44,0%	46,4%	47,6%	45,7%	45,4%
Other income	4,1	3,3	2,6	4,3	8,2	5,5	7,4	2,7	7,2	8,2	14,3	3,5	1,7	1,8	4,8
Operating costs	-78,0	-84,9	-78,8	-75,2	-80,1	-73,6	-81,9	-61,8	-72,9	-67,2	-80,8	-51,7	-55,8	-58,9	-64,2
Depreciation, amortisation and impairment charges	-8,3	-8,2	-8,6	-7,3	-7,8	-8,5	-7,6	-6,9	-7,7	-8,4	-6,9	-6,2	-6,3	-6,5	-7,0
<b>Operating profit</b>	<b>22,5</b>	<b>25,6</b>	<b>15,3</b>	<b>16,9</b>	<b>16,1</b>	<b>20,8</b>	<b>9,2</b>	<b>40,2</b>	<b>44,9</b>	<b>37,0</b>	<b>14,2</b>	<b>26,9</b>	<b>23,0</b>	<b>29,3</b>	<b>40,1</b>
<b>Operating margin</b>	<b>9,3%</b>	<b>9,8%</b>	<b>7,3%</b>	<b>7,6%</b>	<b>7,0%</b>	<b>9,7%</b>	<b>4,5%</b>	<b>16,6%</b>	<b>16,7%</b>	<b>16,0%</b>	<b>7,1%</b>	<b>15,4%</b>	<b>13,1%</b>	<b>14,4%</b>	<b>17,1%</b>
<b>Operating profit per share</b>	<b>2,0</b>	<b>2,2</b>	<b>1,3</b>	<b>1,5</b>	<b>1,4</b>	<b>1,8</b>	<b>0,8</b>	<b>3,5</b>	<b>3,9</b>	<b>3,2</b>	<b>1,2</b>	<b>2,4</b>	<b>2,0</b>	<b>2,6</b>	<b>3,5</b>

## Quarterly Development



## Consolidated Balance Sheet

Amounts in SEK thousand	2024-09	2023-09	2023-12	2022-12
<b>Assets</b>				
Intangible non-current assets	52 004	44 750	47 989	38 619
Other non-current assets	123 141	126 788	120 495	122 914
Inventories	158 109	181 104	165 813	212 130
Trade receivables	129 545	124 748	106 363	99 009
Other current assets	34 912	40 192	32 470	28 222
Cash and cash equivalents	107 949	108 645	104 719	113 086
<b>Total assets</b>	<b>605 660</b>	<b>626 227</b>	<b>577 849</b>	<b>613 980</b>
<b>Equity and liabilities</b>				
Equity	325 625	305 618	294 822	333 219
Long-term interest-bearing liabilities	9 278	39 175	8 707	30 748
Long-term non-interest-bearing liabilities	5 938	6 739	6 379	7 018
Current interest-bearing liabilities	87 997	90 965	102 785	64 872
Current non-interest-bearing liabilities	176 822	183 730	165 156	178 123
<b>Total equity and liabilities</b>	<b>605 660</b>	<b>626 227</b>	<b>577 849</b>	<b>613 980</b>



## Changes in Consolidated Equity

2024

Amounts in SEK thousand	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the period		Minority Interest	Total equity
				including net profit for the period	Total		
<b>OPENING EQUITY 2024-01-01</b>	2 850	43 231	-12 551	260 943	294 473	352	294 825
Net profit for the period				44 852	44 852	334	45 186
<b>Other total profit</b>							
Translation differences during the period			-2 985		-2 985	0	-2 985
<b>Transactions with shareholders</b>							
Dividend				-11 401	-11 401		-11 401
<b>CLOSING EQUITY 2024-09-30</b>	2 850	43 231	-15 536	294 394	324 939	686	325 625

2023

Amounts in SEK thousand	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the period		Minority Interest	Total equity
				including net profit for the period	Total		
<b>OPENING EQUITY 2023-01-01</b>	2 850	43 231	6 311	280 827	333 219	1 262	334 481
Net profit for the period				33 340	33 340	322	33 662
<b>Other total profit</b>							
Translation differences during the period			-4 870		-4 870	89	-4 838
<b>Transactions with shareholders</b>							
Dividend				-57 010	-57 010	0	-57 687
<b>CLOSING EQUITY 2023-09-30</b>	2 850	43 231	1 441	257 157	304 679	1 673	305 618

## Key Financial Indicators for the Period 1 January - 30 September

KEY FINANCIAL INDICATORS	1 January – 31 Sept		1 January – 31 December				
	2024	2023	2023	2022	2021	2020	2019
Revenue growth, %	7,0	-10,4	-7,7	19,6	27,5	-13,6	0,5
Operating margin, %	8,9	8,1	7,2	14,5	15,2	8,2	9,3
Profit margin, %	8,3	6,8	6,0	14,0	14,7	7,6	8,8
Average equity	310,2	319,4	314,0	305,8	244,0	198,3	183,7
Return on equity, %	22,9	21,2	12,5	33,0	35,8	16,9	25,7
Equity ratio, %	53,8	48,8	51,0	54,3	50,0	49,7	45,3
Interest-bearing net cash (liabilities –) excluding IFRS16, MSEK*	33,4	-21,5	16,9	39,3	75,1	24,8	-33,9
Earnings per share, SEK	3,96	2,95	3,45	8,86	7,67	2,94	4,14
Equity per share, SEK	28,56	26,80	25,86	29,22	24,40	18,40	16,37
Dividend per share, SEK**	-	-	1,00	5,00	5,00	2,00	0,00
Average number of shares outstanding	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988
Number of shares outstanding at end of period	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988	11 401 988
Average number of employees	620	582	593	587	553	499	494

## Consolidated Cash Flow Statement

Amounts in SEK thousand	July-Sept		January-Sept	
	2024	2023	2024	2023
<b>Operating activities</b>				
Operating profit	15 284	20 811	63 381	53 800
<i>Adjustment for items not included in cash flow</i>				
Depreciation, amortisation and impairment charges	8 620	8 456	25 120	23 577
Other non cash generated items	-1 843	-315	-2 068	-4 560
	<b>22 061</b>	<b>28 952</b>	<b>86 433</b>	<b>72 817</b>
Interest income	1 402	74	2 756	629
Interest expense	-1 392	-2 318	-4 659	-4 512
Paid taxes	1 269	-7 812	-8 723	-18 109
<b>Cash flow from operating activities before changes in working capital</b>	<b>23 340</b>	<b>18 896</b>	<b>75 807</b>	<b>50 825</b>
<b>Cash flow from changes in working capital</b>				
Inventories	-7 181	6 620	7 370	28 157
Trade receivables	-2 001	-3 585	-23 365	-26 100
Other short-term receivables	2 788	3 511	-2 442	-11 970
Trade payables	4 961	8 592	8 015	20 508
Other liabilities	8 714	15 283	-3 170	-5 600
<b>Cash flow from operating activities</b>	<b>30 621</b>	<b>49 318</b>	<b>62 215</b>	<b>55 820</b>
<b>Investment activities</b>				
Acquisition of intangible non-current assets	-4 144	-1 981	-7 524	-7 729
Acquisition of tangible non-current assets	-623	-1 516	-6 668	-5 833
Change in long-term receivable	-1 438	44	-1 605	-99
<b>Cash flow from investment activities</b>	<b>-6 205</b>	<b>-3 453</b>	<b>-15 797</b>	<b>-13 661</b>
<b>Financing activities</b>				
Repayment/raising loans	5 821	-20 815	-13 189	32 643
Amortisation IFRS16	-5 286	-5 501	-15 557	-14 850
Paid dividend	0	-682	-11 401	-57 692
<b>Cash flow from financing activities</b>	<b>535</b>	<b>-26 998</b>	<b>-40 147</b>	<b>-39 899</b>
<b>Cash flow for the year</b>	<b>24 951</b>	<b>18 867</b>	<b>6 271</b>	<b>2 260</b>
Cash and cash equivalents at beginning of period	87 594	98 442	104 719	113 085
Translation difference in cash and cash equivalents	-4 596	-8 664	-3 041	-6 700
<b>Cash and cash equivalents at end of period</b>	<b>107 949</b>	<b>108 645</b>	<b>107 949</b>	<b>108 645</b>

## Summary Financial Reports – Parent Company

### Parent Company Income Statement

Amounts in SEK thousand	3 months		9 months	
	July-Sept		January-Sept	
	2024	2023	2024	2023
Net revenue	10 633	8 468	31 821	25 637
<b>Total revenue</b>	<b>10 633</b>	<b>8 468</b>	<b>31 821</b>	<b>25 637</b>
Other external costs	-4 197	-2 085	-11 362	-9 248
Personnel costs	-6 702	-5 366	-21 452	-17 347
Depreciation, amortisation and impairment charges	-1 303	-982	-3 529	-2 766
<b>Operating profit</b>	<b>-1 569</b>	<b>35</b>	<b>-4 522</b>	<b>-3 724</b>
Net finance items	-409	5 899	38 524	29 853
<b>Profit after finance items</b>	<b>-1 978</b>	<b>5 934</b>	<b>34 002</b>	<b>26 129</b>
Taxes	187	-394	-2 831	-611
<b>Net profit for the period</b>	<b>-1 791</b>	<b>5 540</b>	<b>31 171</b>	<b>25 518</b>

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

### Parent Company Balance Sheet

Amounts in SEK thousand	2024-09	2023-09	2023-12	2022-12
<b>Assets</b>				
Intangible non-current assets	38 706	31 054	34 481	26 287
Tangible non-current assets	1 119	1212	1 253	617
Financial non-current assets	132 188	144 819	130 926	151 689
Short-term receivables	128 921	119 456	105 701	104 028
<b>Total assets</b>	<b>300 934</b>	<b>296 541</b>	<b>272 361</b>	<b>282 621</b>
<b>Equity and liabilities</b>				
Equity	178 763	151 331	158 994	182 822
Untaxed reserves	14 353	16 370	14 353	16 370
Current liabilities	107 818	128 840	99 014	83 429
<b>Total equity and liabilities</b>	<b>300 934</b>	<b>296 541</b>	<b>272 361</b>	<b>282 621</b>

## Notes

### 1. Accounting Policies

The consolidated financial statements, similar to those for 2023, have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Financial Reporting Board's recommendation no. 1 (RFR 1). The parent company, similar to the annual report for 2023, prepares its financial statements in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation no. 2 (RFR 2). The interim report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34.16A are provided not only in the financial statements and their accompanying notes but also in other parts of the interim report.

Since January 1, 2019, Nilörngruppen has applied IFRS 16 Leases. The Group has applied the simplified transition method and has therefore not restated comparative figures. The simplification rule, that the right-of-use asset should equal the lease liability, has been applied upon transition. No transition effect is reported in equity. An adjustment regarding the presentation of the cash flow of IFRS 16 has been made for the financial year and the comparison year, which affected the cash flow from operating activities and the cash flow from investing activities by the corresponding amount. Complete leasing accounting principles are found in the 2023 Annual Report. See also Note 2 for the impact of IFRS 16 on the quarter. The parent company has chosen to apply the exemptions in RFR 2, which means that all lease agreements will continue to be recognized as operating leases.

#### New accounting principles for 2024

No new accounting principles that have materially affected Nilörn have come into effect for the year 2024

### 2. IFRS 16 Leasing

<b>Report of financial position</b>	<b>30-Sep-24</b>	<b>Of which effect of IFRS 16</b>	<b>30 Sept. 2024 not incl. effect of IFRS 16</b>
Other non-current assets	123 141	24 070	99 071
Other current assets	34 912	-1 699	36 611
Equity (profit for the year)	325 625	-368	325 993
Long-term interest-bearing liabilities	9 278	9 278	0
Short-term interest-bearing liabilities	87 997	13 461	74 536
<b>Total effect on equity</b>		<b>22 371</b>	

<b>Report of effects on profit</b>	<b>Jan-Sept 2024</b>	<b>Of which effect of IFRS 16</b>	<b>Jan-Sept 2024 not incl. effect of IFRS 16</b>
Other external cost	-62 679	15 557	-78 236
Depreciation, amortisation and impairment	-25 120	-14 618	-10 502
Net finance items	-4 409	-485	-3 924
Taxes	-13 787	-86	-13 701
<b>Total</b>	<b>-105 995</b>	<b>368</b>	<b>-106 363</b>

<b>Key financial indicators</b>	<b>Jan-Sept 2024</b>	<b>Of which effect of IFRS 16</b>	<b>Jan-Sept 2024 not incl. effect of IFRS 16</b>
Operating margin	8,9%	0,1%	8,8%
Net cash and cash equivalents (liabilities -), MSEK	10,7	-22,7	33,4
Equity ratio, %	53,8%	-2,1%	55,8%

### 3. Information by Geographic Area

Primary segment - geographic areas

#### Period July-Sept 2024

	Sweden	Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	6 344	66 647	135 438	0	208 429
<b>Total revenue</b>	<b>6 344</b>	<b>66 647</b>	<b>135 438</b>	<b>0</b>	<b>208 429</b>
<i>Profit</i>					
Operating profit	878	2 150	13 417	-1 161	15 284
Interest income				1 405	1 405
Interest expense				-3 675	-3 675
Taxes on the on the period's profit				-3 264	-3 264
<b>Net profit for the period</b>	<b>878</b>	<b>2 150</b>	<b>13 417</b>	<b>-6 695</b>	<b>9 750</b>

#### Period July-Sept 2023

	Sweden	Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	11 151	82 817	120 683	0	214 651
<b>Total revenue</b>	<b>11 151</b>	<b>82 817</b>	<b>120 683</b>	<b>0</b>	<b>214 651</b>
<i>Profit</i>					
Operating profit	2 366	8 166	9 637	642	20 811
Interest income				74	74
Interest expense				-2 633	-2 633
Taxes on the profit for the year				-4 880	-4 880
<b>Net profit for the year</b>	<b>2 366</b>	<b>8 166</b>	<b>9 637</b>	<b>-6 797</b>	<b>13 372</b>

#### Period January-Sept 2024

	Sweden	Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	25 688	274 494	412 585	0	712 767
<b>Total revenue</b>	<b>25 688</b>	<b>274 494</b>	<b>412 585</b>	<b>0</b>	<b>712 767</b>
<i>Profit</i>					
Operating profit	2 304	26 444	37 785	-3 152	63 381
Interest income				2 759	2 759
Interest expense				-7 168	-7 168
Taxes on the on the period's profit				-13 787	-13 787
<b>Net profit for the period</b>	<b>2 304</b>	<b>26 444</b>	<b>37 785</b>	<b>-21 348</b>	<b>45 185</b>

#### Period January-Sept 2023

	Sweden	Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	31 499	279 444	355 172	0	666 115
<b>Total revenue</b>	<b>31 499</b>	<b>279 444</b>	<b>355 172</b>	<b>0</b>	<b>666 115</b>
<i>Profit</i>					
Operating profit	6 402	28 854	20 529	-1 985	53 800
Interest income				629	629
Interest expense				-9 072	-9 072
Taxes on the profit for the year				-11 694	-11 694
<b>Net profit for the year</b>	<b>6 402</b>	<b>28 854</b>	<b>20 529</b>	<b>-22 122</b>	<b>33 663</b>

## 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

Non IFRS-metric	Definition	Calculation	Justification
<b>Average Equity</b>	Equity at the beginning of the period, plus equity at the end of the period, divided by two	$(325\,625 + 294\,822) / 2$	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.	$(712\,767 - 666\,115) / 666\,115$	This metric is used to analyse profitability over time, given the resources attributable to the Parent Company's owners.
<b>Return on Equity</b>	Profit after tax for the past 12 months as a percentage of average equity in the corresponding period	$72\,580 / 316\,589$	This metric is used to analyse profitability over time, given the resources attributable to the Parent Company's owners.
<b>Gross profit</b>	Net sales for the period minus cost of raw materials, consumables and merchandise	$712\,767 - 392\,469$	The measure is used to measure the company's profitability and ability to generate revenue.
<b>Net cash</b>	Interest-bearing receivables, cash and cash equivalents	$107\,949 - 9\,278 - 87\,997$	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>Interest-bearing net cash and cash equivalents/liabilities excl IFRS16</b>	Interest-bearing receivables, cash and cash equivalents, reduced by interest-bearing liabilities.	$107\,949 - 9\,278 - 87\,997 + 22\,738$	The measure shows the same thing as Net cash but is adjusted for the effect of IFRS16, which is only an accounting technical entry.
<b>Operating Margin</b>	Operating result in percent of net revenue.	$63\,381 / 712\,767$	This metric is used to measure operative profitability.
<b>Equity Ratio</b>	Equity in percent of balance sheet total.	$325\,625 / 605\,660$	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>Profit Margin</b>	Result before tax in percent of net revenue.	$45\,958 / 504\,338$	This metric makes it possible to measure the profitability no matter tax rate



## **Nilörngruppen in Brief**

Nilörn is a leading global player in branding and design, founded in the 1970s. We specialize in creating added value for brands through innovative solutions in labels, packaging, and accessories, particularly tailored for the fashion and apparel industry.

With our extensive expertise, we offer customized concepts in branding, design, product development, and logistics solutions. Through digital initiatives like Nilörn™ along with a strong focus on sustainability and regulatory compliance, we strive to be a reliable partner for brands that value responsible and forward-thinking solutions.

Nilörn has an international presence with operations in Sweden, Denmark, the United Kingdom, Germany, Belgium, Portugal, Hong Kong, India, Turkey, China, Bangladesh, Italy, Switzerland, Vietnam, the USA, and Pakistan.