

Interim Report for Nilörngruppen AB (publ) Q4, January - December 2023



Period October – December

- Order intake increased by 12 percent to MSEK 256 (228)
- Revenue increased by 3 percent to MSEK 204 (199)
- Revenue adjusted for currency effects amounted to MSEK 205 (199), i.e., an underlying organic increase of 3 percent
- Operating profit amounted to MSEK 9.2 (14.3)
- Currency loss mainly attributable to Turkey amounted to MSEK -2.8 (+2.8)
- Net profit for the period amounted to MSEK 5.7 (9.1)
- Earnings per share amounted to SEK 0.50 (0.80)

Period January – December

- Order intake decreased by 16 percent to MSEK 828 (983)
- Revenue decreased by 8 percent to MSEK 870 (943)
- Revenue adjusted for currency effects amounted to MSEK 844 (943), i.e., an underlying organic decrease of 10 percent
- Operating profit amounted to MSEK 63.0 (136.4)
- Net profit for the period amounted to MSEK 39.4 (101.0)
- Earnings per share amounted to SEK 3.45 (8.86)
- Net cash excluding IFRS 16 amounted to MSEK 17 (33)

Significant events after the quarter

- The board has decided to propose to the annual general meeting a dividend of SEK 1.00 (5.00) per share, equivalent to MSEK 11.4 (57.0)
- Nilörngruppen has initiated a strategic collaboration with Worldfavor, strengthening the Nilörn:CONNECT solution and offer to our customers on their journey towards the Digital Product Passport



CEO Statement

Dear shareholder,

It is pleasing to note that the underlying organic revenue has rebounded, exceeding last year's figures albeit by a modest three percent. Our clients in the luxury segment continue to perform well, and there are also signs of recovery emerging among clients in the sport/outdoor sector. However, the situation within the outdoor segment remains mixed, influenced by customers' levels of finished goods inventory, which in turn impacts their demand for labels. Nevertheless, we anticipate normalization within this segment over the year. Nilörn primarily serves customers in Sport/Outdoor in Scandinavia, the UK, and Germany, while Southern Europe focuses more on retail and luxury brands.

The trend continues for our distribution units where volumes are shifting from China/Hong Kong in favour of Europe and other countries in Asia, positively affecting our offices in Bangladesh, Pakistan, and Portugal. The weaker performance in Turkey can be attributed to high inflation, affecting customers' choice of production countries.

The operating profit for the period, amounting to 9.2 (14.3) million SEK, has been impacted by a currency loss of 2.8 million SEK, compared to a currency gain of the same amount in the previous year.

The cash flow from operating activities has been strong, largely due to reduced inventory levels. Our ambition to reduce inventory by 50 million SEK during the year is now almost fulfilled.

For continued expansion in countries with strong growth, such as Bangladesh, Vietnam, and Portugal, we will invest in increase production capacity. We will also intensify our focus on Nilörn:CONNECT, which will strengthen our digital presence and enhance the customer experience. The goal is to implement these offensive investments with a continued strong balance sheet, which the Board of Directors has also taken into account in CONNECTION with the dividend proposal that is lower than last year's level.

Investments in digital products and guiding customers on sustainability and compliance continue. There are challenges, but also significant opportunities where we can assist our customers with the changes resulting from increased EU legislation linked to the Green Deal. Nilörn has developed a concept, Nilörn:CONNECT, offering customers various solutions to support them on the path towards the Digital Product Passport. Yesterday, Nilörn signed a strategic cooperation agreement with Worldfavor, further enhancing the Nilörn:CONNECT solution and positioning us even stronger in sustainability.

Nilörn is well-equipped to handle both market challenges and opportunities, and we are now witnessing increased activity. It will be exciting to follow the developments throughout the year.

Krister Magnusson

Period October - December

Order Bookings

Order intake increased by 12 percent to MSEK 256 (228). This is a result of increased activity from our customers, particularly within the luxury and outdoor segments.

Net Revenue

Sales in SEK increased by 3 percent to MSEK 204 (199). Sales adjusted for currency effects amounted to MSEK 205, representing an underlying organic increase of 3 percent.

Gross Profit

The gross margin amounted to 44.9 (44.0) 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 7.4 (14.3), with MSEK 2.9 attributable to the adjusted purchase price for Bally Labels AG. The remaining portion is mainly attributable to currency effects. Other operating expenses of MSEK 4.7 are primarily related to currency.

External costs amounted to MSEK 21.5 (18.3), and personnel costs amounted to MSEK 55.7 (52.7). Both items have been affected by currency exchange effects, the acquisition of Bally Labels AG, and one-time items related to personnel of approximately MSEK 2.0.

Depreciation increased to MSEK 7.6 (6.9).

Operating Profit

The operating result amounted to MSEK 9.2 (14.3), resulting in an operating margin of 4.5 (7.2) percent. The operating result has been affected by a currency loss primarily attributable to Turkey amounting to MSEK -2.8 million, compared to a positive impact with the same amount in the same period last year. The result has also been burdened with start-up costs in Vietnam amounting to approximately MSEK 1.0.

Net Finance Items, Taxes, and Profit for the Period

Net financial items amounted to MSEK -2.0 (-2.0). Net financial items have been influenced by currency effects, where the depreciation of TRY has had the most impact.

Tax amounted to MSEK -1.5 (-3.2), resulting in an average tax rate of 20.6 percent. Net profit for the period amounted to MSEK 5.7 (9.1), with earnings per share of 0.5 (0.80) SEK.

Cash Flow, Capital Expenditures, Financing, and Liquidity

Cash flow from operating activities amounted to MSEK 33.2 (0.5). Cash flow from investing activities amounted to MSEK -4.1 (4.1).

Period January - December

Order Bookings

Order intake decreased by 16 percent to MSEK 828 (983).

Net Revenue and Operating Profit

Net sales in SEK decreased by 8 percent to MSEK 870 (943). Net sales adjusted for currency effects amounted to MSEK 844 (943), representing an underlying decrease of 10 percent. We have faced challenging comparisons during the first three quarters of 2023 as the performance in 2022 was extremely strong, but the growth slowed down during the fourth quarter of 2022. It is primarily customers in the outdoor segment that have experienced a more challenging development during the year, where many have had excessive finished goods inventory. The large inventories are a result of a return from the high demand during the pandemic. The gross margin amounted to 43.6 (44.2) percent. The gross margin is influenced by the product and customer mix throughout the year.

Other operating income amounted to MSEK 25.4 (32.4). External costs increased to MSEK 80.4 (71.2). Personnel costs increased to MSEK 214.9 (194.3). The cost side is also affected by currency as most operations take place outside of Sweden and in currencies other than SEK. However, we are relatively well-balanced, matching revenues with costs in the respective currency.

Depreciation increased to MSEK 31.2 (29.9).

The operating result amounted to MSEK 63.0 (136.4), yielding an operating margin of 7.2 (14.5) percent.

Tax amounted to MSEK -13.2 (-31.4). Net profit after tax amounted to MSEK 39.4 (101.0). The group's tax is a function of the tax rate in the various countries Nilörn operates in and how profitability is distributed among them.

Segments

As indicated in the segment reporting in note 2, there has been a decline in Sweden and Asia, while sales in Europe have increased. However, the operating result has decreased in all markets as the larger established markets have a weaker performance, albeit with a lower decline in Europe due to increased volumes.

Equity

The group's equity amounts to MSEK 294.8 (333.3). The change during the period is attributable to the period's result of MSEK 39.4, distributed dividend of MSEK 57.7, revaluation of pension plans of MSEK 0.5, additional acquisition of Bally Labels AG of MSEK 1.9, and the period's translation differences of MSEK -18.8. The translation difference is a net effect when translating equity in the foreign subsidiaries into SEK.

Cash Flow, Investments, Financing, and Liquidity

Cash flow from operating activities amounted to MSEK 89.1 (44.6). Cash flow from investing activities amounted to MSEK -17.7 (-8.4). Net debt (cash) at the end of the period amounted

to MSEK 7 (17), of which the leasing standard, IFRS 16, increased interest-bearing liabilities by MSEK 24 (22). Comparable figures, excluding rebooking according to IFRS 16, are a net cash position of MSEK 17 (39).

Personnel

The average number of employees in the group was 593 (587), of which 250 (247) were women (in relation to year-end). Out of the total number of employees, 335 people or 56 percent are engaged in production and warehousing.

Acquisition of Bally Labels AG

During the quarter, Nilörngruppen acquired an additional 10% of Bally Labels AG, bringing the total ownership to 90%.

The acquisition of Bally Labels AG has affected revenue by MSEK 1.7 for the quarter and MSEK 8.1 cumulatively. The operating result has been affected by MSEK -1.5 for the quarter and MSEK 0.5 cumulatively. Goodwill attributable to the acquisition amounts to MSEK 11.7.

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. The parent company's transactions with subsidiaries involve design, product development, IT, and other services.

Significant Events After the End of the Period

The board has decided to propose to the annual general meeting a dividend of 1.00 (5.00) kronor per share, equivalent to MSEK 11.4 (57.0). Upcoming offensive investments in increased production capacity in Bangladesh, Portugal and Vietnam, as well as intensified investment in Nilorn:CONNECT have been taken into account in CONNECTION with the Board's proposal.

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 28 (26) persons.

Net sales for the year amounted to 35.6 (32.8) MSEK. Operating profit amounted to -4.5 (-6.2) MSEK and net profit amounted to 33.2 (58.5) MSEK, where the majority of the profit is attributable to dividends from subsidiaries. Impairment of shares in subsidiaries amounted to 22.2 MSEK.

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 2022 annual report, note 2.

Audit

This report has not been subject to review by the company's auditor.

Calendar

- April 17, 2024: Interim report Q1
- April 23, 2024: Publication of annual report
- May 14, 2024: Annual general meeting
- July 16, 2024: Interim report Q2
- October 25, 2024: Interim report Q3
- February 12, 2025: 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 February 9, 2024, at 08:00 a.m. through the contact person below.

BORÅS 9 February 2024

NILÖRNGRUPPEN AB (PUBL)

Krister Magnusson
CEO

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Summary Financial Reports – the Group

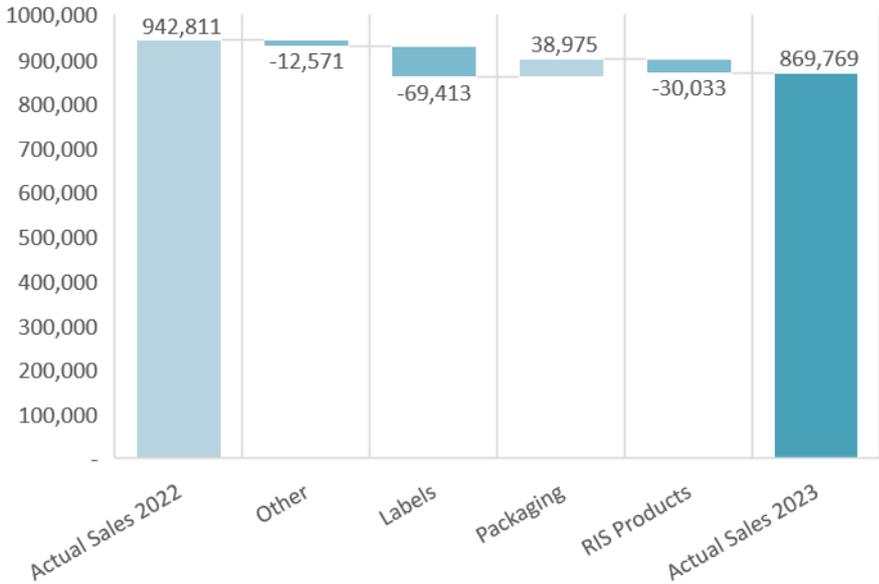
Consolidated Income Statement

Amounts in SEK thousand	3 months		12 months	
	October - December	January - December	October - December	January - December
	2023	2022	2023	2022
Net revenue	203,654	199,311	869,769	942,811
Raw materials, supplies and goods for resale	-112,308	-111,678	-490,062	-526,293
Gross profit	91,346	87,633	379,707	416,518
Other operating revenue	7,388	14,314	25,392	32,447
Other external costs	-21,522	-18,265	-80,393	-71,173
Personnel costs	-55,677	-52,746	-214,944	-194,303
Depreciation, amortisation and impairment charges	-7,618	-6,876	-31,195	-29,921
Other operating costs	-4,720	-9,760	-15,570	-17,154
Operating profit	9,197	14,300	62,997	136,414
Net finance items	-1,990	-2,018	-10,433	-3,998
Profit before taxes	7,207	12,283	52,564	132,417
Taxes	-1,482	-3,178	-13,176	-31,417
Net profit for the period	5,725	9,105	39,388	101,000
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	0.50	0.80	3.45	8.86
Earnings per share, SEK after dilution	0.50	0.80	3.45	8.86
Consolidated Statement of Comprehensive Result				
Amounts in SEK thousand	October - December		January - December	
	2023	2022	2023	2022
Net profit for the period	5,725	9,105	39,388	101,000
Other comprehensive result that may be reposed to net profit for the period				
Translation differences	-14,008	-7,402	-18,846	12,743
Items that cannot be reposed to net profit for the period				
Revaluation of defined benefit pension scheme	-536	-1,772	-536	-1,772
Total profit for the period	-8,819	-69	20,006	111,971
The Parent Company's equity holders	-8,540	-69	19,963	111,971
Minority Interest	-279	0	43	0

Distribution by product group in %



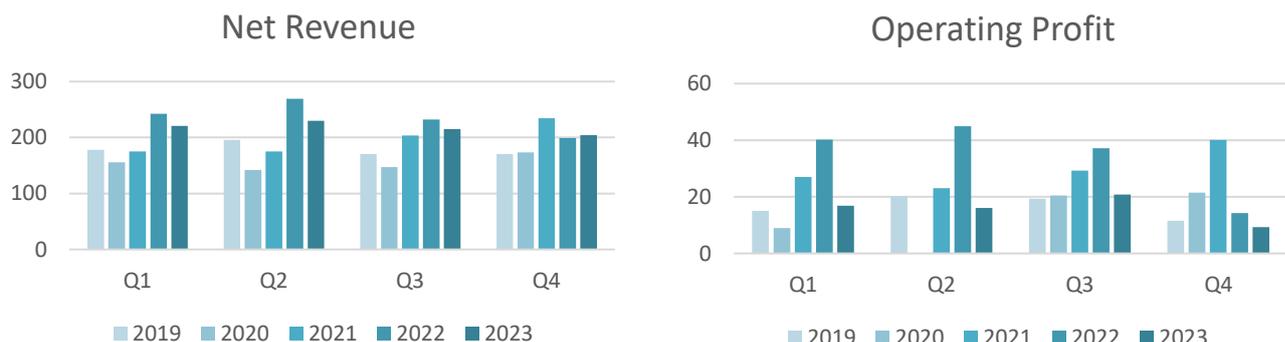
Development by product group during 2023



Quarterly Income Statements

Amount in MSEK)	2023				2022				2021				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net revenue	221.3	230.2	214.7	203.7	242.3	269.1	232.0	199.3	175.2	175.2	203.4	234.5	155.5	142.3	147.0	173.4
Raw materials, supplies and goods for resale	-126.1	-134.4	-117.3	-112.3	-136.2	-150.8	-127.6	-111.7	-93.9	-91.8	-110.5	-128.0	-82.8	-88.2	-78.2	-97.0
Gross profit	95.2	95.8	97.4	91.3	106.2	118.3	104.4	87.6	81.3	83.4	92.9	106.5	72.7	54.1	68.8	76.4
Gross margin	43.0%	41.6%	45.4%	44.9%	43.8%	44.0%	45.0%	44.0%	46.4%	47.6%	45.7%	45.4%	46.8%	38.0%	46.8%	44.1%
Other income	4.3	8.2	5.5	7.4	2.7	7.2	8.2	14.3	3.5	1.7	1.8	4.8	1.5	6.9	5.3	5.4
Operating costs	-75.2	-80.1	-73.6	-81.9	-61.8	-72.9	-67.2	-80.8	-51.7	-55.8	-58.9	-64.2	-58.5	-54.2	-47.0	-54.8
Depreciation, amortisation and impairment charges	-7.3	-7.8	-8.5	-7.6	-6.9	-7.7	-8.4	-6.9	-6.2	-6.3	-6.5	-7.0	-6.7	-6.7	-6.6	-5.8
Operating profit	16.9	16.1	20.8	9.2	40.2	44.9	37.0	14.2	26.9	23.0	29.3	40.1	9.0	0.1	20.5	21.2
Operating margin	7.6%	7.0%	9.7%	4.5%	16.6%	16.7%	16.0%	7.1%	15.4%	13.1%	14.4%	17.1%	5.8%	0.1%	13.9%	12.2%
Operating profit per share	1.5	1.4	1.8	0.8	3.5	3.9	3.2	1.2	2.4	2.0	2.6	3.5	0.8	0.0	1.8	1.9

Quarterly Development



Key Financial Indicators for the Period 1 January - 31 December

	2023	2022	2021	2020	2019	2018	2017
Revenue growth, %	-7.7	19.6	27.5	-13.6	0.5	7.5	11.5
Operating margin, %	7.2	14.5	15.2	8.2	9.3	12.0	12.1
Profit margin, %	6.0	14.0	14.7	7.6	8.8	11.8	12.1
Average equity	314.0	305.8	244.0	198.3	183.7	167.3	145.9
Return on equity, %	12.5	33.0	35.8	16.9	25.7	42.3	44.6
Equity ratio, %	51.0	55.8	50.0	51.3	45.3	53.0	49.2
Interest-bearing net cash (liabilities -), MSEK*	-6.8	17.4	40.7	-13.2	-89.6	-2.5	9.2
Earnings per share, SEK	3.45	8.86	7.67	2.94	4.14	6.20	5.70
Equity per share, SEK	25.86	29.22	24.40	18.40	16.37	15.85	13.50
Dividend per share, SEK**	1.00	5.00	5.00	2.00	0.00	4.00	4.00
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	593	587	540	520	502	482	446

* Interest-bearing net cash (liabilities -), has been effected by 24 MSEK by the introduction of IFRS 16

** Proposed dividend for 2023

Consolidated Balance Sheet

Amounts in SEK thousand	2023-12	2022-12
Assets		
Intangible non-current assets	47,989	38,619
Other non-current assets	120,495	122,914
Inventories	165,813	212,130
Trade receivables	106,363	99,009
Other current assets	32,470	28,222
Cash and cash equivalents	104,719	113,085
Total assets	577,849	613,979
Equity and liabilities		
Equity	294,822	333,219
Long-term interest-bearing liabilities	31,014	30,748
Long-term non-interest-bearing liabilities	6,379	7,018
Current interest-bearing liabilities	80,478	64,872
Current non-interest-bearing liabilities	165,156	178,122
Total equity and liabilities	577,849	613,979

Changes in Consolidated Equity

2023							
Amounts in SEK thousand	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the period	Total	Minority Interest	Total equity
OPENING EQUITY 2023-01-01	2,850	43,231	6,311	280,827	333,219	1,262	334,481
Net profit for the period				39,345	39,345	43	39,388
Other total profit							
Translation differences during the period			-18,862		-18,862	16	-18,846
Revaluation of pension scheme				-536	-536		-536
Transactions with shareholders							
Transactions with minority				-1,686	-1,686	-292	-1,978
Dividend				-57,010	-57,010	-677	-57,687
CLOSING EQUITY 2023-12-31	2,850	43,231	-12,551	260,940	294,470	352	294,822
2022							
Amounts in SEK thousand	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the period	Total	Minority Interest	Total equity
OPENING EQUITY 2022-01-01	2,850	43,231	-6,432	238,609	278,258	0	278,258
Net profit for the period				101,000	101,000	0	101,000
Other total profit							
Translation differences during the period			12,743		12,743	0	12,743
Revaluation pension scheme				-1,772	-1,772	0	-1,772
Transactions with shareholders							
Dividend				-57,010	-57,010	0	-57,010
CLOSING EQUITY 2022-12-31	2,850	43,231	6,311	280,827	333,219	0	333,219

Consolidated Cash Flow Statement

Amounts in SEK thousand	October - December		January - December	
	2023	2022	2023	2022
Operating activities				
Operating profit	9 197	14 301	62 997	136 415
<i>Adjustment for items not included in cash flow</i>				
Depreciation, amortisation and impairment charges	7 618	6 876	31 195	29 921
Other non cash generated items	-2 446	-3 256	-7 006	-4 305
	14 369	17 929	87 186	161 331
Interest income	1 696	160	2 325	745
Interest expense	-1 776	-694	-6 288	-2 210
Paid taxes	-5 100	-19 180	-23 209	-32 853
Cash flow from operating activities before changes in working capital	9 189	-1 785	60 014	127 013
Cash flow from changes in working capital				
Inventories	3 537	-5 544	31 694	-55 423
Trade receivables	7 659	26 584	-18 441	22 731
Other short-term receivables	7 722	9 243	-4 248	-7 475
Trade payables	4 860	-18 837	25 368	-39 246
Other liabilities	327	-9 136	-5 273	-2 970
Cash flow from operating activities	33 294	524	89 114	44 630
Investment activities				
Acquisition of tangible non-current assets	-4 384	-1 784	-12 113	-6 076
Acquisition of intangible non-current assets	-1 217	-2 629	-7 050	-10 572
Change in long-term receivable	0	6 290	0	6 290
Sales of fixed assets	0	0	0	1 079
Change in long-term receivable	1 520	2 252	1 421	909
Cash flow from investment activities	-4 081	4 129	-17 742	-8 370
Financing activities				
Repayment/raising loans	-18 329	3 725	14 314	34 782
Amortization of lease liabilities	-4 707	-4 054	-19 557	-18 860
Paid dividend	0	0	-57 692	-57 010
Cash flow from financing activities	-23 036	-329	-62 935	-41 088
Cash flow for the year	6 177	4 324	8 437	-4 828
Cash and cash equivalents at beginning of period	108 644	115 395	113 085	116 367
Translation difference in cash and cash equivalents	-10 102	-6 634	-16 803	1 547
Cash and cash equivalents at end of period	104 719	113 086	104 719	113 086

Summary Financial Reports – Parent Company

Parent Company Income Statement

Amounts in SEK thousand	3 months		12 months	
	October - December		January - December	
	2023	2022	2023	2022
Net revenue	9,957	10,188	35,594	32,845
Other operating income	0	27	0	88
Total revenue	9,957	10,215	35,594	32,933
Other external costs	-4,168	-3,928	-13,416	-12,358
Personnel costs	-5,560	-7,407	-22,907	-23,268
Depreciation, amortisation and impairment charges	-993	-806	-3,759	-3,535
Operating profit	-764	-1,925	-4,488	-6,227
Net finance items	1,050	1,068	30,903	56,258
Profit after finance items	286	-857	26,415	50,031
Year-end appropriations	8,118	9,815	8,118	9,815
Taxes	-741	-1,219	-1,352	-1,355
Net profit for the period	7,663	7,739	33,181	58,491

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

Parent Company Balance Sheet

Amounts in SEK thousand	2023-12	2022-12
Assets		
Intangible non-current assets	34,482	26,287
Tangible non-current assets	1,253	617
Financial non-current assets	130,926	134,914
Short-term receivables	124,985	132,151
Total assets	291,646	293,969
Equity and liabilities		
Equity	158,994	182,823
Untaxed reserves	14,353	16,370
Current liabilities	118,299	94,776
Total equity and liabilities	291,646	293,969

Notes

1. Accounting Policies

The consolidated financial statements, similar to those for 2022, 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 2022, 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 2022 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 2023

No new accounting principles that have materially affected Nilörn have come into effect for the year 2023

2. IFRS 16 Leasing

Report of financial position	31-Dec-23	Of which effect of IFRS 16	31 Dec 2023 not incl. effect of IFRS 16
Other non-current assets	120,495	24,451	96,044
Other current assets	32,470	-1,533	34,003
Equity	294,822	-717	295,539
Long-term interest-bearing liabilities	31,014	8,706	22,308
Short-term interest-bearing liabilities	80,478	14,929	65,549
Total effect on equity		22,918	
Report of effects on profit	Jan-Dec 2023	Of which effect of IFRS 16	Jan-Dec 2023 not incl. effect of IFRS 16
Other external cost	-80,393	19,557	-99,950
Depreciation, amortisation and impairment	-31,195	-18,233	-12,962
Net finance items	-10,433	-794	-9,639
Taxes	-13,176	-105	-13,071
Total	-135,197	425	-135,622
Key financial indicators	Jan-Dec 2023	Of which effect of IFRS 16	Jan-Dec 2023 not incl. effect of IFRS 16
Operating margin	7.2%	0.2%	7.1%
Net cash and cash equivalents (liabilities)	-6.8	-23.6	16.9
Equity ratio, %	51.0%	-2.1%	53.1%

3. Information by Geographic Area

<i>Primary Segment - geographic areas</i>					
Period October - December 2023					
	Sweden	Other Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	11,035	77,320	115,300	0	203,655
Total revenue	11,035	77,320	115,300	0	203,655
<i>Profit</i>					
Operating profit	-316	-5,030	14,720	-177	9,197
Interest income				1,696	1,696
Interest expense				-3,686	-3,686
Taxes on the on the period's profit				-1,482	-1,482
Net profit for the period	-316	-5,030	14,720	-3,649	5,725
Period October - December 2022					
	Sweden	Other Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	14,586	74,951	109,774	0	199,311
Total revenue	14,586	74,951	109,774	0	199,311
<i>Profit</i>					
Operating profit	516	7,068	7,191	-474	14,300
Interest income				160	160
Interest expense				-2,178	-2,178
Taxes on the profit for the year				-3,178	-3,177
Net profit for the year	516	7,068	7,191	-5,670	9,105
Period January-December 2023					
	Sweden	Other Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	42,534	356,764	470,471	0	869,769
Total revenue	42,534	356,764	470,471	0	869,769
<i>Profit</i>					
Operating profit	6,086	23,824	35,249	-2,162	62,997
Interest income				2,325	2,325
Interest expense				-12,758	-12,758
Taxes on the on the period's profit				-13,176	-13,176
Net profit for the period	6,086	23,824	35,249	-25,771	39,388
Period January-December 2022					
	Sweden	Other Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	52,361	327,891	562,559	0	942,811
Total revenue	52,361	327,891	562,559	0	942,811
<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 profit for the year				-31,417	-31,416
Net profit for the year	13,601	51,955	72,937	-37,495	101,000

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
Average Equity	Equity at the beginning of the period, plus equity at the end of the period, divided by two	$(294\,825 + 333\,219) / 2$	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.
Average Number of Employees	Average number of yearly employed		This metric is used to measure the development of the Group's workforce.
Revenue Growth	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.	$(869\,769 - 942\,811) / 942\,811$	This metric is used to analyse profitability over time, given the resources attributable to the Parent Company's owners.
Return on Equity	Period's result according to the income statement in percent of average equity.	$39\,388 / 286\,791$	This metric is used to analyse profitability over time, given the resources attributable to the Parent Company's owners.
Interest-bearing net cash and cash equivalents/liabilities	Interest-bearing receivables, cash and cash equivalents, reduced by interest-bearing liabilities.	$104\,719 - 80\,478 - 31\,014$	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.
Operating Margin	Operating result in percent of net revenue.	$62\,997 / 869\,769$	This metric is used to measure operative profitability.
Equity Ratio	Equity in percent of balance sheet total.	$295\,322 / 578\,346$	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.
Profit Margin	Result before tax in percent of net revenue.	$52\,564 / 869\,769$	This metric makes it possible to measure the profitability no matter tax rate



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 and Pakistan, Switzerland, Vietnam and USA.