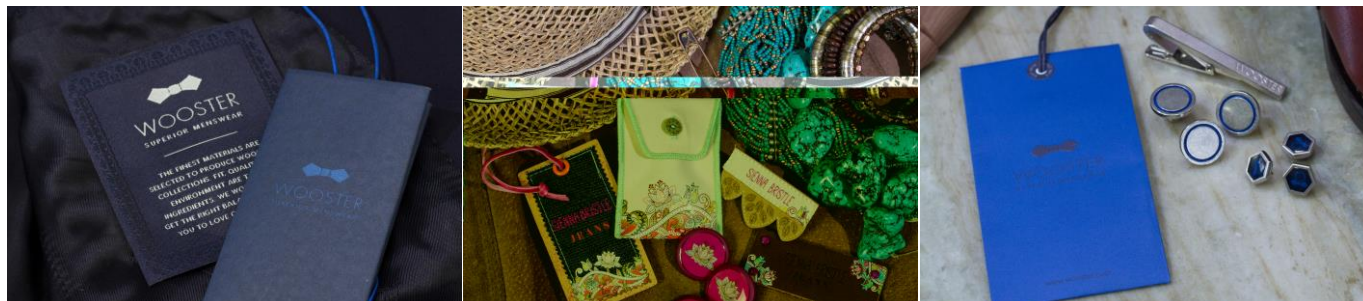


Interim report Nilörngruppen AB (publ) Q3, January – September 2023



Period July - September

- Order bookings decreased by 21 percent to MSEK 182 (230).
- Revenue decreased by 7 percent to MSEK 215 (232).
- Revenue adjusted for currency effects amounted to MSEK 209 (232), i.e. an underlying organic decrease of 10 percent.
- Operating profit amounted to MSEK 20.8 (37.0).
- Profit for the period amounted to MSEK 13.4 (28.0).
- Earnings per share amounted to SEK 1.17 (2.45).

Period January - September

- Order bookings decreased by 24 percent to MSEK 572 (755).
- Revenue expressed in SEK decreased by 10 percent to MSEK 666 (744).
- Revenue adjusted for currency effects amounted to MSEK 639 (744), i.e. an underlying organic decrease of 14 percent.
- The operating profit amounted to MSEK 53.8 (122.1).
- Profit for the period amounted to MSEK 33.7 (91.9).
- Earnings per share amounted to SEK 2.95 (8.06).
- Net cash (excluding IFRS16) amounted to MSEK 3 (43).



CEO STATEMENT

Dear Shareholder,

The trend from previous quarters continues, with many customers, especially in the sports/outdoor segment, having large inventories of finished goods, while the luxury goods segment continues to perform strongly. However, we expect demand in the outdoor segment to normalize during the second quarter of 2024. This means that the markets of Scandinavia, the UK and Germany are showing weaker development, while southern Europe has performed well.

For our distribution units, the trend continues is for volumes to move away from China/Hong Kong in favour of Europe and other countries in Asia, which benefits the offices in Bangladesh, Pakistan and Portugal. Turkey has had a weaker development due to the very high inflation, which has affected customers' choice of production country. The start-up of the office in Vietnam is proceeding according to plan.

There has been a positive trend during the quarter and the comparative figures will be less challenging going forward. Operating profit, both for the quarter and cumulatively, is on a par

with the 2019 level. On a rolling 12-month basis, operating profit amounts to SEK 68 million.

Cash flow from operating activities has been strong and is a function of reduced inventories, which has been the ambition during the year.

Investments in digital products and guiding customers in sustainability and compliance continue. There are challenges, but also great opportunities where we can assist our customers with the changes that result from the increased legislation in the EU linked to the Green Deal. Nilorn has developed a concept, Nilorn:CONNECT, which offers customers various solutions to support them on their way to Digital Product Passport.

We look forward to the rest of the year and are well equipped to handle the market's challenges and opportunities.

Krister Magnusson
CEO

Period July – September

Order bookings

Order bookings decreased by 21 percent to MSEK 182 (230). This is a result of reduced activity among our customers and the goal of reducing inventories. Order intake is measured based on purchase orders placed with Nilorn's suppliers. In cases where the items are already in stock, this sales do not register as order intake.

Net revenue

Revenue in SEK decreased by 7 percent to MSEK 215 (232). Revenue adjusted for currency effects amounted to SEK 209 million, i.e. an underlying organic decrease of 10 percent. As the Group is otherwise well balanced in terms of currency, there is no major effect on earnings.

Gross profit

The gross margin was 45.4 (45.0) percent. The variation in gross profit between the quarters is mainly 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 income amounted to MSEK 5.5 (8.2) which is mainly attributable to currency. Total other operating costs of MSEK 3.2 are also attributable to currency.

The external costs amounted to MSEK 19.1 (16.0) and personnel costs to MSEK 51.2 (47.1). Both items have been affected by currency effects and the acquisition of Bally Labels.

Depreciation increased to MSEK 8.5 (8.4) MSEK.

Operating profit

The operating profit amounted to MSEK 20.8 (37.0), which makes for an operating margin of 9.7 (16.0) percent.

Net finance items, taxes and profit for the period

Net finance items amounted to MSEK -2.6 (-0.4). Net financial items have been affected by currency effects, with the weakening of TRY having a major impact.

Taxes amounted to MSEK -4.9 (-8.7) which gives an average tax rate of 26.9 percent. The period's result amounted to MSEK 13.4 (28.0) and earnings per share amounted to SEK 1.17 (2.45).

Cash flow, capital expenditures, financing and liquidity

Cash flow from operating activities amounted to MSEK 44.1 (13.3). Cash flow from investment activities amounted to MSEK -3.5 (-5.4).

Period January - September

Order bookings

Order bookings decreased by 24 percent to MSEK 755 (587).

Net revenue and profit

Net revenue in SEK decreased by 10 percent to MSEK 666 (744). Net revenue adjusted for currency effects amounted to MSEK 639 (744), equivalent to an underlying organic decrease of 14 percent. The gross margin was 43.3 (44.2) percent.

Other income amounted to MSEK 18.0 (18.1). External costs increased to MSEK 58.9 (52.9). Personnel costs increased to MSEK 159.3 (141.6).

Depreciation, amortisation and impairment charges increased to MSEK 23.6 (23.0).

Operating profit amounted to MSEK 53.8 (122.1), for an operating margin of 8.1 (16.4) percent.

Taxes paid amounted to MSEK -11.7 (-28.2). Profit after taxes amounted to MSEK 33.7 (91.9).

Segments

As shown in the segment report in Note 2, there has been a decline in Sweden and Asia, while sales in Europe have increased. This is attributable to more customers in the luxury segment and increased volumes in our factory in Portugal. However, operating profit has declined in all markets as the larger established markets have a weaker development, albeit with a lower decrease in Europe due to the increased volumes.

Equity

The Group's equity amounts to MSEK 305.6 (333.3). The change during the period is attributable to profit for the period of MSEK 33.7, dividend paid of MSEK 57.7 and translation differences for the period of MSEK -4.8. The translation difference is a net effect of translating equity in the foreign subsidiaries to SEK.

Cash flow, capital expenditures, financing and liquidity

Cash flow from operating activities amounted to MSEK 41.6 (30.0). Cash flow from investment activities amounted to MSEK -13.7 (-12.5).

Net debt (cash) at the end of the period amounted to MSEK 21.5 (16.4), of which the leasing standard, IFRS 16, increased interest-bearing liabilities by MSEK 24.1 (27.0). Comparable figures, excluding rebooking according to IFRS 16, are a net cash position of MSEK 2.6 (43.4).

Personnel

The average number of employees in the Group was 582 (587), of whom 251 (247) were women. Of the total number of employees 326 persons or 56 percent are active in production and warehouses.

Acquisition of Bally Labels AG

The acquisition of Bally Labels has affected sales by MSEK 1.6 for the quarter and MSEK 6.4 cumulatively. Operating profit was affected by MSEK 1.0 in the quarter and by MSEK 1.9

million. Goodwill attributable to the acquisition amounts to MSEK 11.7.

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 during the period. The Parent Company's transactions with subsidiaries refer to design, product development, IT and other services.

Significant events after the end of the period

No significant events have taken place after the end of the period

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 25.6 (22.7). The operating result was MSEK -3.7 (-4.3) and profit after taxes was MSEK 25.5 (50.8), mainly attributable to dividend from group companies.

Risks and uncertainty factors

Given its international operations, Nilörngruppen is always subject to a variety of financial risks. The significant risks and uncertainty factors facing Nilörngruppen are currency risks, political risks in individual countries, credit risks and IT security as described in Nilörngruppen's 2022 Annual Report, Note 2.

Review

This report has been subject to review by the Company's auditors.

Calendar

- 9 February 2024 Year-end Report
- 17 April 2024 Interim Report Q1
- 14 May 2024 Annual General Meeting
- 16 July 2024 Interim Report Q2
- 25 October 2024 Interim Report Q3
- 12 February 2025 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 8:00 a.m., 25 October 2023.

Borås, 25 October 2023
Nilörngruppen AB (PUBL)

Krister Magnusson
CEO

FOR FURTHER INFORMATION CONTACT:

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Auditor's report

Nilörngruppen AB (publ), org nr 556322-3782

Introduction

We have reviewed the attached condensed interim financial information of Nilörngruppen AB (publ) as of 30 September 2023 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 2023

PricewaterhouseCoopers AB

Nicklas Kullberg
Authorized Public Accountant

Mattias Palmqvist
Authorized Public Accountant

Summary financial reports

Amounts in SEK thousand	3 months		9 months	
	July - September		January - September	
	2023	2022	2023	2022
Net revenue	214,651	232,024	666,115	743,500
Raw materials, supplies and goods for resale	-117,268	-127,583	-377,754	-414,615
Gross profit	97,383	104,441	288,361	328,885
Other operating revenue	5,486	8,192	18,004	18,133
Other external costs	-19,149	-16,006	-58,871	-52,908
Personnel costs	-51,229	-47,073	-159,267	-141,557
Depreciation, amortisation and impairment charges	-8,456	-8,384	-23,577	-23,045
Other operating costs	-3,224	-4,121	-10,850	-7,394
Operating profit	20,811	37,049	53,800	122,114
Net finance items	-2,559	-417	-8,443	-1,980
Profit before taxes	18,252	36,632	45,357	120,134
Taxes	-4,880	-8,661	-11,694	-28,239
Net profit for the period	13,372	27,972	33,663	91,895
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	1.17	2.45	2.95	8.06
Earnings per share, SEK after dilution	1.17	2.45	2.95	8.06

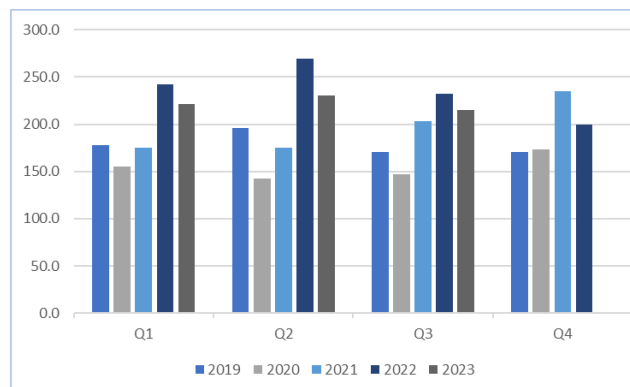
Consolidated Statement of Comprehensive Result

Amounts in SEK thousand	July - September		January - September	
	2023	2022	2022	2021
Net profit for the period	13,372	27,972	33,663	91,895
Other comprehensive result that may be reposted to net profit for the period				
Translation differences	-7,091	8,229	-4,838	20,145
Total profit for the period	6,281	36,201	28,825	112,040
Total profit for the period attributable to:				
The Parent Company's equity holders	6,086	36,201	28,503	112,040
Minority interest	195	-	322	-

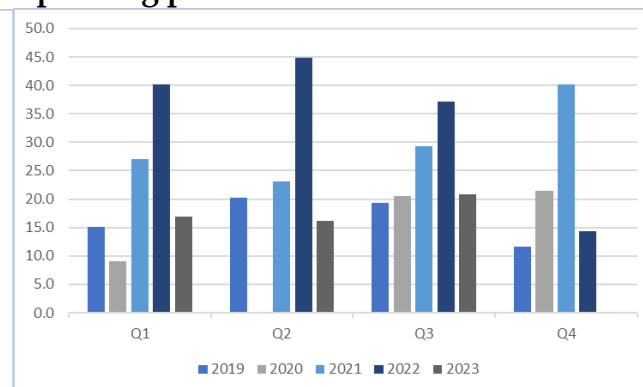
Quarterly Income Statements

Amount in MSEK)	2023			2022				2021				2020			
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net revenue	221.3	230.2	214.7	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	-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	106.1	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%	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	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	-61.7	-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	-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	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%	16.6%	16.7%	15.9%	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	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 of: Net revenue



Operating profit



KEY FINANCIAL INDICATORS	1 January – 30 Sept		1 January – 31 December				
	2023	2022	2022	2021	2020	2019	2018
Revenue growth, %	-10.4	34.2	19.6	27.5	-13.6	0.5	7.5
Operating margin, %	8.1	16.4	14.5	15.2	8.2	9.3	12.0
Profit margin, %	6.8	16.2	14.0	14.7	7.6	8.8	11.8
Average equity	319.4	305.8	305.8	354.0	198.3	183.7	167.3
Return on equity, %	10.5	30.1	33.0	35.8	16.9	25.7	42.3
Equity ratio, %	48.8	50.8	55.8	50.0	49.7	45.3	53.0
Interest-bearing net cash (liabilities -), MSEK*	-21.5	16.4	41.9	86.8	38.1	-89.6	-2.5
Earnings per share, SEK	3.0	8.1	8.86	7.67	2.94	4.14	6.20
Equity per share, SEK	26.8	29.2	29.22	24.41	18.40	16.37	15.85
Dividend per share, SEK	5.0	5.0	5.00	5.00	2.00	0.00	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	582	579	587	553	499	494	482

* Interest-bearing net cash (liabilities -), has been effected by 24 (27) MSEK by the introduction of IFRS 16

Consolidated Balance Sheet

Amounts in SEK thousand	2023-09	2022-09	2022-12	2021-12
Assets				
Intangible non-current assets	44,750	27,211	38,619	25,617
Other non-current assets	126,788	130,855	122,914	133,320
Inventories	181,104	213,015	212,130	145,917
Trade receivables	124,748	131,806	99,009	114,216
Other current assets	40,192	37,465	28,222	20,748
Cash and cash equivalents	108,645	115,395	113,085	116,367
Total assets	626,227	655,747	613,979	556,185
Equity and liabilities				
Equity	305,618	333,288	333,219	278,258
Long-term interest-bearing liabilities	39,175	43,602	30,748	46,078
Long-term non-interest-bearing liabilities	6,739	5,370	7,018	5,766
Current interest-bearing liabilities	90,965	55,377	64,872	29,583
Current non-interest-bearing liabilities	183,730	218,110	178,122	196,500
Total equity and liabilities	626,227	655,747	613,979	556,185

Changes in Consolidated Equity

2023	Other		Retained earnings		Total		Total
Amounts in SEK thousand	Share	contributed	Reserves	including net profit	Total	Minority Interest	equity
	capital	capital		for the period			
OPENING EQUITY 2023-01-01	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
Other total profit							
Translation differences during the period			20 145		-4 870	32	-4 838
Transactions with shareholders							
Dividend				-57,010	-57,010	-677	-57,687
CLOSING EQUITY 2023-09-30	2,850	43,231	26,456	257,157	304,679	,939	305,618

2022

Amounts in SEK thousand	Other		Retained earnings		Total		Total
	Share	contributed	Reserves	including net profit	Total	Minority Interest	equity
	capital	capital		for the period			
OPENING EQUITY 2022-01-01	2,850	43,231	-6,432	238,609	278,258		278,258
Net profit for the period				91,895	91,895		91,895
Other total profit							
Translation differences during the period			20,145		20,145		20,145
Transactions with shareholders							
Dividend				-57,010	-57,010		-57,010
CLOSING EQUITY 2022-09-30	2,850	43,231	13,713	273,494	333,288		333,288

Consolidated Cash Flow Statement

Amounts in SEK thousand	July - September		January - September	
	2023	2022	2023	2022
Operating activities				
Operating profit	20,811	37,049	53,800	122,114
<i>Adjustment for items not included in cash flow</i>				
Depreciation, amortisation and impairment charges	8,456	8,384	23,577	23,045
Profit/loss from sales of fixed assets	0	-709	0	-709
Other non cash generated items	-5,816	-5,963	-19,410	-15,855
	23,451	38,762	57,967	128,596
Interest income	74	124	629	585
Interest expense	-2,026	-384	-3,963	-781
Paid taxes	-1,948	-4,657	-5,279	-13,673
Cash flow from operating activities before changes in working capital	19,551	33,845	49,354	114,727
Cash flow from changes in working capital				
Inventories	6,620	34	28,157	-49,879
Trade receivables	-3,585	19,568	-26,100	-3,853
Other short-term receivables	3,511	-5,165	-11,970	-16,718
Trade payables	8,592	-23,658	20,508	-20,409
Other liabilities	9,432	-11,321	-18,334	6,166
Cash flow from operating activities	44,121	13,303	41,615	30,034
Investment activities				
Acquisition of intangible non-current assets	-1,981	-1,802	-7,729	-4,292
Acquisition of tangible non-current assets	-1,516	-3,978	-5,833	-7,969
Sales of fixed assets	0	1,105	0	1,105
Change in long-term receivable	44	-774	-99	-1,343
Cash flow from investment activities	-3,453	-5,449	-13,661	-12,499
Financing activities				
Repayment/raising loans	-21,118	-6,447	31,999	30,323
Paid dividend	-682	0	-57,692	-57,010
Cash flow from financing activities	-21,800	-6,447	-25,693	-26,687
Cash flow for the year	18,868	1,407	2,261	-9,152
Cash and cash equivalents at beginning of period	98,443	112,505	113,085	116,367
Translation difference in cash and cash equivalents	-8,666	1,484	-6,701	8,181
Cash and cash equivalents at end of period	108,645	115,396	108,645	115,396

Parent Company Income Statement

Amounts in SEK thousand	3 months		9 months	
	July - September		January - September	
	2023	2022	2023	2022
Net revenue	8,468	8,892	25,637	22,657
Other operating income	0	18	0	61
Total revenue	8,468	8,910	25,637	22,718
Other external costs	-2,085	-3,003	-9,248	-8,430
Personnel costs	-5,366	-4,924	-17,347	-15,862
Depreciation, amortisation and impairment charges	-982	-1,128	-2,766	-2,729
Operating profit	35	-145	-3,724	-4,303
Net finance items	5,899	49,417	29,853	55,191
Profit after finance items	5,934	49,272	26,129	50,888
Taxes	-394	-65	-611	-136
Net profit for the period	5,540	49,207	25,518	50,752

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

Parent Company Balance Sheet

Amounts in SEK thousand	2023-09	2022-09	2022-12	2021-12
Assets				
Intangible non-current assets	31,054	25,312	26,287	23,573
Tangible non-current assets	1,212	608	617	657
Financial non-current assets	144,819	145,019	151,689	117,348
Short-term receivables	119,456	100,448	104,028	51,069
Cash and cash equivalents	0	0	-	43,305
Total assets	296,541	271,387	282,621	235,952
Equity and liabilities				
Equity	151,331	175,084	182,822	181,340
Untaxed reserves	16,370	12,800	16,370	12,800
Current liabilities	128,840	83,504	83,429	41,812
Total equity and liabilities	296,541	271,387	282,621	235,952

Notes

1. Accounting policies

As was the case with the Annual Accounts for 2022, 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 2022, 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. 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. 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 2022 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 will continue to be reported as operating leases.

New accounting policies for 2023

No new accounting policies with significant impact on Nilörn have entered into force in 2023.

2. Information by geographic area

Period January - September 2023	Sweden	Other Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	31,499	279,444	355,171	-	666,114
Total revenue	31,499	279,444	355,171	0	666,114
<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 on the period's profit				-11,694	-11,694
Net profit for the period	6,402	28,854	20,529	-22,122	33,663

Period January - September 2022	Sweden	Other Europé	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	37,775	252,940	452,785	-	743,500
Total revenue	37,775	252,940	452,785	0	743,500
<i>Profit</i>					
Operating profit	13,086	44,887	65,747	-1,606	122,114
Interest income				585	585
Interest expense				-2,565	-2,565
Taxes on the profit for the year				-28,239	-28,239
Net profit for the year	13,086	44,887	65,747	-31,825	91,895

3. IFRS 16 Leases

Report of financial position	30-Sep-23	Of which effect of IFRS 16	30 September 2023 not incl. effect of IFRS 16
Other non-current assets	126,788	24,906	101,882
Other current assets	40,192	-1,542	41,734
Total effect on assets		23,364	
Equity (profit for the year)	305,618	-695	306,313
Long-term interest-bearing liabilities	39,175	8,799	30,376
Short-term interest-bearing liabilities	90,965	15,260	75,705
Total effect liability		23,364	

Report of effects on profit	Jan-Sept 2023	Of which effect of IFRS 16	Jan-Sept 2023 not incl. effect of IFRS 16
Other external cost	-58,871	14,850	-73,721
Depreciation, amortisation and impairment	-23,577	-13,847	-9,730
Net finance items	-8,443	-549	-7,894
Taxes	-11,694	-96	-11,598
Total	-102,585	358	-102,943

Key financial indicators	Jan-Sept 2023	Of which effect of IFRS 16	Jan-Sept 2023 not incl. effect of IFRS 16
Operating margin	8.1%	0.2%	7.9%
Net cash and cash equivalents (liabilities)	-21.5	-24.1	2.6
Equity ratio, %	48.8%	-1.9%	50.7%

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>Calculation</u>	<u>Justification</u>
Average equity	Equity at the beginning of the period, plus equity at the end of the period, divided by two.	$(305\,618 + 333\,219) / 2$	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.	$(666\,115 - 743\,500) / 743\,500$	This metric is used to measure the development of the Group's revenue over time.
Return on equity	Period's result according to the income statement in percent of average equity.	$33\,663 / 319\,452$	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.	$108\,645 - 39\,175 - 90\,965$	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.	$53\,800 / 666\,115$	This metric is used to measure operative profitability.
Equity ratio	Equity in percent of balance sheet total.	$305\,618 / 626\,227$	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.
Operating margin	Operating result in percent of net revenue.	$45\,357 / 666\,115$	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 and Pakistan. The Group has partner companies in Tunisia and Switzerland.