

Interim Report for Nilörngruppen AB (publ) Q4, January - December 2024



Period October – December

- Order intake decreased by 7 percent to MSEK 238 (256)
- Net sales in SEK increased by 14 percent to MSEK 232 (204)
- Net sales adjusted for currency effects amounted to MSEK 230 (204), representing an underlying organic increase of 13 percent
- Operating profit amounted to MSEK 19.5 (9.2)
- Profit before tax amounted to MSEK 19.1 (7.2)
- Net profit for the period amounted to MSEK 13.8 (5.7)
- Earnings per share amounted to SEK 1.21 (0.50)

Period January – December

- Order intake increased by 13 percent to MSEK 935 (828)
- Net sales in SEK increased by 9 percent to MSEK 945 (870)
- Net sales adjusted for currency effects amounted to MSEK 952 (870), representing an underlying organic increase of 9 percent
- Operating profit amounted to MSEK 82.9 (63.0)
- Profit before tax amounted to MSEK 78.0 (52.6)
- Net profit for the period amounted to MSEK 58.9 (39.3)
- Earnings per share amounted to SEK 5.17 (3.45)

Significant events during the quarter

- The Board has decided to propose to the Annual General Meeting a dividend of MSEK 17.1 (11.4), equivalent to SEK 1.50 (1.00) per share.
- The Board has decided to proceed with an investment in a new factory in Bangladesh, as well as the upgrade and expansion of production capacity at the Portugal factory. The estimated investment is MUS\$ 11 over two years.



CEO Statement

Dear Shareholders,

The fourth quarter developed as expected, with strong revenue and improved earnings. Order intake increased by 1 percent, adjusted for a larger packaging order that was received in the third quarter this year.

Market trends continue to vary between segments and regions.

The outdoor segment has stabilized at a normal level, while the luxury segment continues to face challenges. On a market level, positive developments have been noted in Spain, Switzerland, the United Kingdom, and the USA. To strengthen our presence in the USA, recruitment processes have been initiated.

The market environment remains uncertain, with several players in the fashion industry undergoing restructurings or closures. At the same time, consolidation within the industry continues, with larger companies acquiring smaller niche businesses.

Investments in Production Capacity and Development

The Board has decided to invest in a new factory in Bangladesh while maintaining the existing facility. Land has been identified, and the planning phase has begun.

The factory in Portugal will also be upgraded, with increased capacity and the implementation of LEAN principles in

production. The project is expected to start in the spring. The total investments are estimated at approximately USD 10 million over two years.

To strengthen the company's offering in the packaging segment, a Packaging Technical Manager has been recruited. This role aims to support sales and ensure efficient supplier relationships within Europe.

Financial Stability and Digital Development

Inventory levels are now on a stable level, but an increase in accounts receivable has been noted in countries with longer payment terms, such as Bangladesh.

Nilörgruppen's digital platform continues to develop and attract increasing interest. Traceability and transparency at the product level have become a central part of customer requirements, especially with the implementation of digital product passports, which is upcoming legislation from EU. The company is therefore continuing to allocate resources to further develop the platform.

Nilörgruppen is well-positioned to navigate both challenges and opportunities in the market during 2025. We continue to invest in growth and strengthen our position as an attractive supplier in the market. I look forward to taking the next step in 2025 together with our fantastic employees

Krister Magnusson
CEO

Period October-December

Order Bookings

Order intake decreased by 7 percent to MSEK 238 (256). Adjusted for the packaging orders received in Q3 (compared to 2023), the order intake increased by 1 percent.

Net Revenue

Revenue in SEK increased by 14 percent to MSEK 232 (204). Net sales, adjusted for currency effects, amounted to MSEK 230 (204).

Gross Profit

The gross margin was 46.2 (44.9) percent. Our sourcing organization has performed well, enabling us to improve the margin despite continued price pressure in the market. Variations in gross profit between quarters are primarily due 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 8.2 (7.4), mainly related to currency effects. Other operating expenses were MSEK 4.5 (4.7), also primarily related to currency effects.

External costs amounted to MSEK 24.1 (21.5), and personnel costs totalled MSEK 57.9 (55.7). The increase in personnel costs is due to a higher number of employees. Depreciation increased to MSEK 9.4 (7.6).

Operating Profit

Operating profit amounted to MSEK 19.5 (9.2), resulting in an operating margin of 8.4 (4.5) percent.

Net Finance Items, Taxes, and Profit for the Period

Financial net amounted to MSEK -0.4 (-2.0).

Taxes amounted to MSEK -5.3 (-1.5), corresponding to an average tax rate of 27.9 percent. The result for the period was MSEK 13.7 (5.7), and earnings per share were SEK 1.21 (0.50).

Cash Flow, Capital Expenditures, Financing, and Liquidity

Cash flow from operating activities amounted to MSEK 32.0 (33.2). Cash flow from investing activities was MSEK -6.4 (-4.1).

Segments

As shown in the segment report in Note 3, there was an increase in Sweden and Asia, while revenue in Europe declined.

Operating profit increased across all markets.

Period January-December

Order Bookings

Order intake increased by 13 percent to MSEK 935 (828).

Net Revenue and Result

Net sales in SEK increased by 9 percent to MSEK 945 (870). Net sales, adjusted for currency effects, amounted to MSEK 952 (870), representing an underlying increase of 9 percent. The gross margin was 45.2 (43.6) percent.

Other operating income amounted to MSEK 18.2 (25.4). External costs increased to MSEK 86.8 (80.4). Personnel costs increased to MSEK 226.7 (214.9).

Depreciation increased to MSEK 34.6 (31.2).

Operating profit amounted to MSEK 82.9 (63.0), resulting in an operating margin of 8.8 (7.2) percent.

Taxes amounted to MSEK -19.1 (-13.2). The net profit after tax was MSEK 58.9 (39.4).

Segments

As shown in the segment report in Note 3, there was a decline in Sweden and Europe, while revenue in Asia increased.

Operating profit decreased in Sweden but increased in Europe and Asia. This is attributed to a growing customer base and higher volumes in our factories, particularly in Bangladesh. The development of the segments is affected by where the clients place their production.

Equity

The Group's equity amounts to MSEK 350.4 (294.8). The change is attributable to the period's net profit of MSEK 58.9, a dividend of MSEK 11.4, a revaluation of the defined benefit pension plan by MSEK 1.6, and translation differences for the period of MSEK 6.4. The translation difference is a net effect from translating equity in foreign subsidiaries to SEK, positively affected by the weakening of the Swedish krona.

Cash Flow, Capital Expenditures, Financing, and Liquidity

Cash flow from operating activities amounted to MSEK 94.2 (89.1). Inventory levels have now normalized to a good level, positively impacting cash flow during 2024. Cash flow from investing activities amounted to MSEK -22.2 (-17.7).

Net cash (debt) at the end of the period amounted to MSEK 19 (7), where the IFRS 16 leasing standard increased interest-bearing liabilities by MSEK 41 (24). Comparable figures, excluding the IFRS 16 reclassification, show net cash of MSEK 60 (17). The dividend reduced cash by MSEK 11.4 (57.0).

Personnel

The average number of employees in the Group was 661 (593), of which 265 (250) were women (as of the end of the year). Of the total number of employees, 57 percent work 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

The Board has decided to proceed with an investment in a new factory in Bangladesh, as well as the upgrade and expansion of production capacity at the Portugal factory. The estimated investment is MUSD 11 over two years.

The Board has decided to propose to the Annual General Meeting a dividend of SEK 1.50 (1.00) per share, corresponding to MSEK 17.1 (11.4) which corresponds to 29 percent of net profit. The goal is to build up a cash position for future investments in Bangladesh, Portugal and Nilörn:CONNECT.

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 (28) persons.

Net sales for the year amounted to MSEK 43.4 (35.6).

The operating result was MSEK -6.2 (-4.5), and the result after tax amounted to MSEK 39.3 (33.2).

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

Calendar

- 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 February 12, 2025, at 08:00 a.m. through the contact person below.

BORÅS 12 February 2025

NILÖRN GRUPPEN AB (PUBL)

Krister Magnusson
CEO

FOR FURTHER INFORMATION CONTACT

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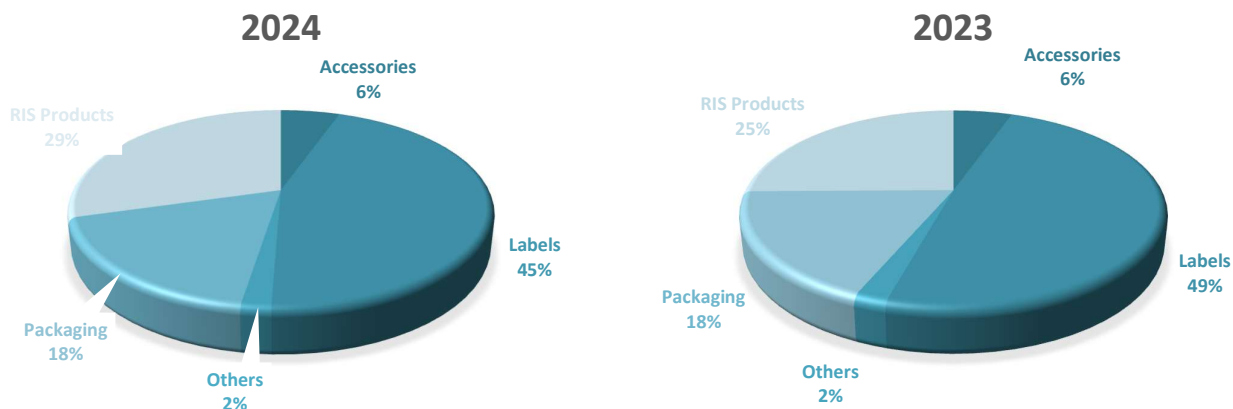
Nilörngruppen AB
Box 499
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Summary Financial Reports – the Group

Consolidated Income Statement

Amounts in SEK thousand	3 months		12 months	
	October - December	2023	January - December	2023
	2024	2023	2024	2023
Net revenue	231,903	203,654	944,670	869,769
Raw materials, supplies and goods for resale	-124,682	-112,308	-517,151	-490,062
Gross profit	107,221	91,346	427,519	379,707
Other operating revenue	8,191	7,388	18,194	25,392
Other external costs	-24,080	-21,522	-86,759	-80,393
Personnel costs	-57,905	-55,677	-226,719	-214,944
Depreciation, amortisation and impairment charges	-9,446	-7,618	-34,566	-31,195
Other operating costs	-4,509	-4,720	-14,816	-15,570
Operating profit	19,471	9,197	82,852	62,997
Net finance items	-409	-1,990	-4,818	-10,433
Profit before taxes	19,062	7,207	78,034	52,564
Taxes	-5,319	-1,482	-19,106	-13,176
Net profit for the period	13,743	5,725	58,928	39,388
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	1,21	0,50	5,17	3,45
Earnings per share, SEK after dilution	1,21	0,50	5,17	3,45
Consolidated Statement of Comprehensive Result				
Amounts in SEK thousand	October - December	2023	January - December	2023
	2024	2023	2024	2023
Net profit for the period	13,743	5,725	58,928	39,388
Other comprehensive result that may be reposted to net profit for the period				
Translation differences	9,386	-14,008	6,401	-18,846
Items that cannot be reposted to net profit for the period				
Revaluation of defined benefit pension scheme	1,639	-536	1,639	-536
Total profit for the period	24,768	-8,819	66,968	20,006
Total profit for the period attributable to:				
The Parent Company's equity holders	24,676	-8,540	66,542	19,963
Minority Interest	92	-279	426	43

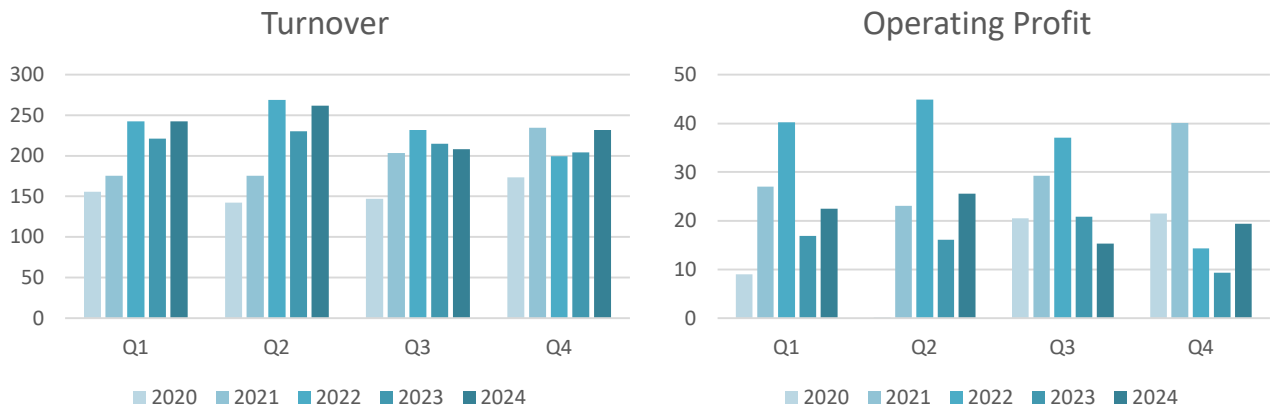
Distribution by product group for the period 1 January – 31 December



Quarterly Income Statements

Amount in MSEK)	2024				2023				2022				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net revenue	242.3	262.0	208.4	231.9	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	-124.7	-126.1	-134.4	-117.3	-112.3	-136.2	-150.8	-127.6	-111.7	-93.9	-91.8	-110.5	-128.0
Gross profit	104.7	115.4	100.1	107.2	95.2	95.8	97.4	91.3	106.1	118.3	104.4	87.6	81.3	83.4	92.9	106.5
Gross margin	43.2%	44.1%	48.0%	46.2%	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	8.2	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	-86.5	-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	-9.4	-7.3	-7.8	-8.5	-7.6	-6.9	-7.7	-8.4	-6.9	-6.2	-6.3	-6.5	-7.0
Operating profit	22.5	25.6	15.3	19.5	16.9	16.1	20.8	9.2	40.1	44.9	37.0	14.2	26.9	23.0	29.3	40.1
Operating margin	9.3%	9.8%	7.3%	8.4%	7.6%	7.0%	9.7%	4.5%	16.5%	16.7%	15.9%	7.1%	15.4%	13.1%	14.4%	17.1%
Operating profit per share	2.0	2.2	1.3	1.7	1.5	1.4	1.8	0.8	3.5	3.9	3.2	1.2	2.4	2.0	2.6	3.5

Quarterly Development



Consolidated Balance Sheet

Amounts in SEK thousand	2024-12	2023-12
Assets		
Intangible non-current assets	53,207	47,989
Other non-current assets	146,102	120,495
Inventories	170,552	165,813
Trade receivables	85,471	106,363
Other current assets	41,346	32,470
Cash and cash equivalents	100,814	104,719
Total assets	597,492	577,849
Equity and liabilities		
Equity	350,389	294,822
Long-term interest-bearing liabilities	23,156	8,706
Long-term non-interest-bearing liabilities	6,653	6,379
Current interest-bearing liabilities	58,408	102,786
Current non-interest-bearing liabilities	158,886	165,156
Total equity and liabilities	597,492	577,849

Changes in Consolidated Equity

2024

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 2024-01-01	2,850	43,231	-12,551	260,940	294,470	352	294,822
Net profit for the period				58,502	58,502	426	58,928
Other total profit							
Translation differences during the period			6,401		6,401	0	6,401
Revaluation of pension scheme				1,639	1,639	0	1,639
Transactions with shareholders							
Dividend				-11,401	-11,401	0	-11,401
CLOSING EQUITY 2024-12-31	2,850	43,231	-6,150	309,680	349,611	778	350,389

2023

Amounts in SEK thousand	Share capital	contributed capital	Reserves	earnings including net	Total	Minority Interest	Total equity
OPENING EQUITY 2023-01-01	2,850	43,231	6,311	280,827	333,219	0	333,219
Net profit for the period				39,345	39,345	43	39,388
Other total profit							
Translation differences during the period			-18,862		-18,862	0	-18,846
Revaluation pension scheme				-536	-536	0	-536
Transactions with shareholders							
Dividend				-57,010	-57,010	-677	-57,687
Transactions with Minority				-1,686	-1,686	970	-716
CLOSING EQUITY 2023-12-31	2,850	43,231	-12,551	260,940	294,470	-634	294,822

Key Financial Indicators for the Period 1 January – 31 December

	1 January - 31 December					
	2024	2023	2022	2021	2020	2019
Revenue growth, %	8.6	-7.7	19.6	27.5	-13.6	0.5
Operating margin, %	8.8	7.2	14.5	15.2	8.2	9.3
Profit margin, %	8.3	6.0	14.0	14.7	7.6	8.8
Average equity	322.6	314.0	305.8	244.0	198.3	183.7
Return on equity, %	18.3	12.5	33.0	35.8	16.9	25.7
Equity ratio, %	58.6	51.0	54.3	50.0	49.7	45.3
Interest-bearing net cash (liabilities -), MSEK*	60.3	16.9	39.3	75.1	24.8	-33.9
Earnings per share, SEK	5.17	3.45	8.86	7.67	2.94	4.14
Equity per share, SEK	30.73	25.86	29.22	24.40	18.40	16.37
Dividend per share, SEK**	1.5*	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
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
Average number of employees	661	593	587	553	499	494

* Proposed dividend for 2024

Consolidated Cash Flow Statement

Amounts in SEK thousand	October - December		January - December	
	2024	2023	2024	2023
Operating activities				
Operating profit	19,472	9,197	82,853	62,997
<i>Adjustment for items not included in cash flow</i>				
Depreciation, amortisation and impairment charges	9,446	7,618	34,566	31,195
Other non cash generated items	1,788	-2,446	-280	-7,006
	30,706	14,369	117,139	87,186
Interest income	1,078	1,696	3,834	2,325
Interest expense	-1,637	-1,776	-6,288	-6,288
Paid taxes	-8,485	-5,100	-17,208	-23,209
Cash flow from operating activities before changes in working capital	21,662	9,189	97,469	60,014
Cash flow from changes in working capital				
Inventories	-3,583	3,537	3,787	31,694
Trade receivables	21,642	7,659	-1,723	-18,441
Other short-term receivables	-542	7,722	-2,984	-4,248
Trade payables	-11,516	4,860	-3,501	25,368
Other liabilities	4,379	327	1,209	-5,273
Cash flow from operating activities	32,042	33,294	94,257	89,114
Investment activities				
Acquisition of tangible non-current assets	-2,102	-4,384	-9,626	-12,113
Acquisition of intangible non-current assets	-6,392	-1,243	-13,060	-7,050
Sales of fixed assets	0	26	0	0
Change in long-term receivable	2,074	1,520	469	1,421
Cash flow from investment activities	-6,420	-4,081	-22,217	-17,742
Financing activities				
Raising loans	0	0	0	17,824
Amortization of interest-bearing debt	-32,636	-18,329	-45,825	-3,510
Amortization of lease liabilities	-6,844	-4,707	-22,401	-19,557
Paid dividend	0	0	-11,401	-57,692
Cash flow from financing activities	-39,480	-23,036	-79,627	-62,935
Cash flow for the year	-13,858	6,177	-7,587	8,437
Cash and cash equivalents at beginning of period	107,949	108,645	104,719	113,085
Translation difference in cash and cash equivalents	6,723	-10,103	3,682	-16,803
Cash and cash equivalents at end of period	100,814	104,719	100,814	104,719

Summary Financial Reports – Parent Company

Parent Company Income Statement

Amounts in SEK thousand	3 months		12 months	
	October - December		January - December	
	2024	2023	2024	2023
Net revenue	11,540	9,957	43,361	35,594
Other operating income	707	0	3,455	0
Total revenue	12,247	9,957	46,816	35,594
Other external costs	-6,087	-4,168	-19,184	-13,416
Personnel costs	-7,017	-5,560	-29,482	-22,907
Depreciation, amortisation and impairment charges	-784	-993	-4,313	-3,759
Operating profit	-1,641	-764	-6,163	-4,488
Net finance items	9,268	1,050	47,792	30,903
Profit after finance items	7,627	286	41,629	26,415
Year-end appropriations	4,114	8,118	4,114	8,118
Taxes	-3,573	-741	-6,404	-1,352
Net profit for the period	8,168	7,663	39,339	33,181

Parent Company Balance Sheet

Amounts in SEK thousand	2024-12	2023-12
Assets		
Intangible non-current assets	39,969	34,482
Tangible non-current assets	1,069	1253
Financial non-current assets	137,157	130,926
Short-term receivables	118,127	124,985
Total assets	296,322	291,646
Equity and liabilities		
Equity	186,932	158,994
Untaxed reserves	11,303	14,353
Current liabilities	98,087	118,299
Total equity and liabilities	296,322	291,646

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.

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

Report of financial position	31-Dec-24	Of which effect of IFRS 16	31 Dec 2024 not incl. effect of IFRS 16
Other non-current assets	146,102	41,873	104,229
Other current assets	41,346	-1,629	42,975
Equity	350,389	-523	350,912
Long-term interest-bearing liabilities	23,156	22,786	370
Short-term interest-bearing liabilities	58,408	17,981	40,427
Total effect on equity		40,244	
Report of effects on profit	Jan-Dec 2024	Of which effect of IFRS 16	Jan-Dec 2024 not incl. effect of IFRS 16
Other external cost	-86,759	22,401	-109,160
Depreciation, amortisation and impairment	-34,566	-21,054	-13,512
Net finance items	-4,818	-863	-3,955
Taxes	-19,106	-97	-19,009
Total	-145,249	387	-145,636
Key financial indicators	Jan-Dec 2024	Of which effect of IFRS 16	Jan-Dec 2024 not incl. effect of IFRS 16
Operating margin	8.8%	0.1%	8.6%
Net cash and cash equivalents (liabilities -), MSEK	19.5	-40.8	60.2
Equity ratio, %	58.6%	-4.2%	62.9%

3. Information by Geographic Area

Primary segment - geographic areas

Period October-December 2024

	Sweden	Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	12,419	74,363	145,121	0	231,903
Total revenue	12,419	74,363	145,121	0	231,903
<i>Profit</i>					
Depreciation	-800	-2,581	-6,066	0	-9,447
Operating profit	2,628	611	17,397	-1,165	19,471
Interest income				1,075	1,075
Interest expense				-1,484	-1,484
Taxes on the on the period's profit				-5,319	-5,319
Net profit for the period	2,628	611	17,397	-6,893	13,743

Period October-December 2023

	Sweden	Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	11,035	77,320	115,299	0	203,654
Total revenue	11,035	77,320	115,299	0	203,654
<i>Profit</i>					
Depreciation	-1,632	-1,743	-4,244	0	-7,619
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 profit for the year				-1,482	-1,482
Net profit for the year	-316	-5,030	14,720	-3,649	5,725

Period January-December 2024

	Sweden	Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	38,107	348,857	557,706	0	944,670
Total revenue	38,107	348,857	557,706	0	944,670
<i>Profit</i>					
Depreciation	-4,377	-10,127	-20,064	0	-34,568
Operating profit	4,932	27,055	55,182	-4,317	82,852
Interest income				3,834	3,834
Interest expense				-8,652	-8,652
Taxes on the on the period's profit				-19,106	-19,106
Net profit for the period	4,932	27,055	55,182	-28,241	58,928

Period January-December 2023

	Sweden	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>					
Depreciation	-4,441	-8,360	-18,394	0	-31,195
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 profit for the year				-13,176	-13,176
Net profit for the year	6,086	23,824	35,249	-25,771	39,388

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	$(294\,822 + 350\,389) / 2$	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.	$(944\,670 - 869\,769) / 869\,769$	This metric is used to analyse profitability over time, given the resources attributable to the Parent Company's owners.
Return on Equity	Profit after tax for the past 12 months as a percentage of average equity in the corresponding period	$82\,852 / 322\,605$	This metric is used to analyse profitability over time, given the resources attributable to the Parent Company's owners.
Gross profit	Net sales for the period minus cost of raw materials, consumables and merchandise	$944\,670 - 517\,151$	The measure is used to measure the company's profitability and ability to generate revenue.
Net cash	Interest-bearing receivables, cash and cash equivalents	$100\,814 - 23\,156 - 58\,408$	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.
Interest-bearing net cash and cash equivalents/liabilities excl FRS16	Interest-bearing receivables, cash and cash equivalents, reduced by interest-bearing liabilities.	$100\,814 - 23\,156 - 58\,408 + 40\,766$	The measure shows the same thing as Net cash but is adjusted for the effect of IFRS16, which is only an accounting technical entry.
Operating Margin	Operating result in percent of net revenue.	$82\,852 / 944\,670$	This metric is used to measure operative profitability.
Equity Ration	Equity in percent of balance sheet total.	$350\,389 / 597\,492$	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.	$78\,034 / 944\,670$	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.