

Interim Report for Nilörngruppen AB (publ) Q1, January - March 2025



Period January – March

- Order intake increased by 15 percent to MSEK 267 (233)
- Revenue increased by 7 percent to MSEK 259 (242)
- Revenue adjusted for currency effects amounted to MSEK 260 (242), i.e., an underlying organic increase of 7 percent
- Operating profit amounted to MSEK 23.0 (22.5)
- Net profit for the period amounted to MSEK 15.8 (16.7)
- Earnings per share amounted to SEK 1.38 (1.46)
- Net cash excluding IFRS 16 amounted to MSEK 40 (8)

Significant events during the quarter

- The board has decided to propose to the annual general meeting a dividend of SEK 1.50 (1.00) per share, equivalent to MSEK 17.1 (11.4)



CEO Statement

Dear Shareholders,

The first quarter of 2025 developed steadily, with continued strong order intake and improved profitability. However, market conditions remain uncertain, with rising geopolitical tensions and concerns regarding the global economic outlook. Nilörn has limited direct sales to the US, but we are indirectly affected by new tariffs and trade barriers, as several of our customers sell into the American market. So far, no clear trends have emerged, but we are monitoring the situation closely.

As an international company, with almost all of our revenue generated outside Sweden, we are affected by exchange rate fluctuations. Although Nilörn maintains a well-balanced structure with revenues and costs in the same currencies, both revenue and profit are influenced when translated into SEK.

We continue to invest in our production capacity. In Bangladesh, we are now in the final phase of the negotiations for land to our new factory. The timeline remains unchanged, with completion of the factory scheduled for the fourth quarter of 2026. The investment enables us to manage high demand in the region—where we already enjoy solid profitability—while ensuring compliance and building a state-of-the-art facility.

In Portugal, we have appointed a new production manager and are expanding capacity by adding more looms and reconfiguring the space to accommodate the growth. We are also implementing LEAN production to create a more structured process, aiming to become even more efficient.

On the commercial side, **Nilörn:CONNECT** continues to spark interest and open doors to new business. We are also seeing promising signs within the packaging segment, where our offering is being further clarified with the support of our new Packaging Technical Manager.

The customer sentiment is cautiously optimistic, but there is significant variation between markets and segments. The luxury segment has not yet fully recovered. This makes our role even more important—to support our customers in creating added value through strong brand experiences, sustainability, and efficient logistics.

I look forward to continuing this journey together with our fantastic colleagues.

Krister Magnusson

Period January-March

Order Bookings

The order intake increased by 15 percent to 267 (233) MSEK.

Net Revenue

Sales in SEK increased by 7 percent to MSEK 259 (242). Sales adjusted for currency effects amounted to MSEK 260, representing an underlying organic increase of 7 percent. The increase is mainly related to a recovery within outdoor.

Gross Profit

The gross margin amounted to 44.8 (43.2) 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 3.0 (4.1), mainly attributable to currency effects. Other operating expenses of MSEK 4.3 (2.4) are primarily related to currency.

External costs amounted to MSEK 21.9 (19.5), and personnel costs amounted to MSEK 61.0 (56.1). Depreciation increased to MSEK 8.5 (8.3). The increase in external costs is attributable to provisions for customer losses and higher consulting expenses. The increase in personnel costs is attributable to our establishment in Vietnam, higher personnel costs in Turkey (high inflation), and more employees in production units.

Operating Profit

The operating result amounted to MSEK 23.0 (22.5), resulting in an operating margin of 8.9 (9.3) percent.

Net Finance Items, Taxes, and Profit for the Period

Net financial items amounted to MSEK -2.1 (-1.3).

Tax amounted to MSEK -5.1 (-4.5), resulting in an average tax rate of 24.4 percent. Net profit for the period amounted to MSEK 15.8 (16.7), with earnings per share of 1.38 (1.46) SEK.

Cash Flow, Capital Expenditures, Financing, and Liquidity

Cash flow from operating activities amounted to MSEK -4.1 (0.1). Cash flow from investing activities amounted to MSEK -2.3 (-7.0).

Net cash (debt) at the end of the period amounted to MSEK 3.7 (-12.1), of which lease liabilities under IFRS 16 increased the interest-bearing debt by MSEK 36.0 (20). Comparable

figures, excluding IFRS 16 adjustments, show a net cash position of MSEK 39.7 (7.9).

Segments

As indicated in the segment reporting in note 2, there has been an increase in Sweden and Asia both in sales and operating result while it has decreased in Europe.

Equity

The group's equity amounts to MSEK 343.6 (322.2). The change during the period is attributable to the period's result of MSEK 15.8, and the period's translation differences of MSEK -22.6. The translation difference is a net effect when translating equity in the foreign subsidiaries into SEK.

Personnel

The average number of employees in the group was 667 (661), of which 261 (264) were women (in relation to year-end). Out of the total number of employees, 57 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. The parent company's transactions with subsidiaries involve design, product development, IT, and other services.

Significant Events during the Period

The board has decided to propose to the annual general meeting a dividend of 1.50 (1.00) kronor per share, equivalent to MSEK 17.1 (11.4).

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 (28) persons.

Net sales for the year amounted to 12.1 (10.5) MSEK. Operating profit amounted to -1.8 (-1.0) MSEK and net profit amounted to -2.2 (12.7) MSEK.

Risks and Uncertainties

With its international operations, Nilörngruppen is continually exposed to various financial risks. The tariffs decided and proposed by the US administration have generally contributed to increased uncertainty, which may negatively affect the sales of Nilörngruppen's customers and, consequently, Nilörngruppen itself.

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 Nilörn-gruppen's 2024 annual report, note 2.

Annual General Meeting

As previously announced, the Annual General Meeting will be held on Wednesday, May 14, 2024. The Annual Report and the Sustainability Report will be available on the company's website from 23 April 2025.

Audit

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

Calendar

- 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 April 24, 2025, at 08:00 a.m. through the contact person below.

BORÅS 24 April 2025

NILÖRNGRUPPEN AB (PUBL)

Krister Magnusson
CEO

FOR FURTHER INFORMATION CONTACT

Krister Magnusson, CEO
Mobile: 0704 85 21 14
E-mail: krister.magnusson@nilorn.com

Nilörngruppen AB
Box 499
503 13 Borås
www.nilorn.com

Summary Financial Reports – the Group

Consolidated Income Statement

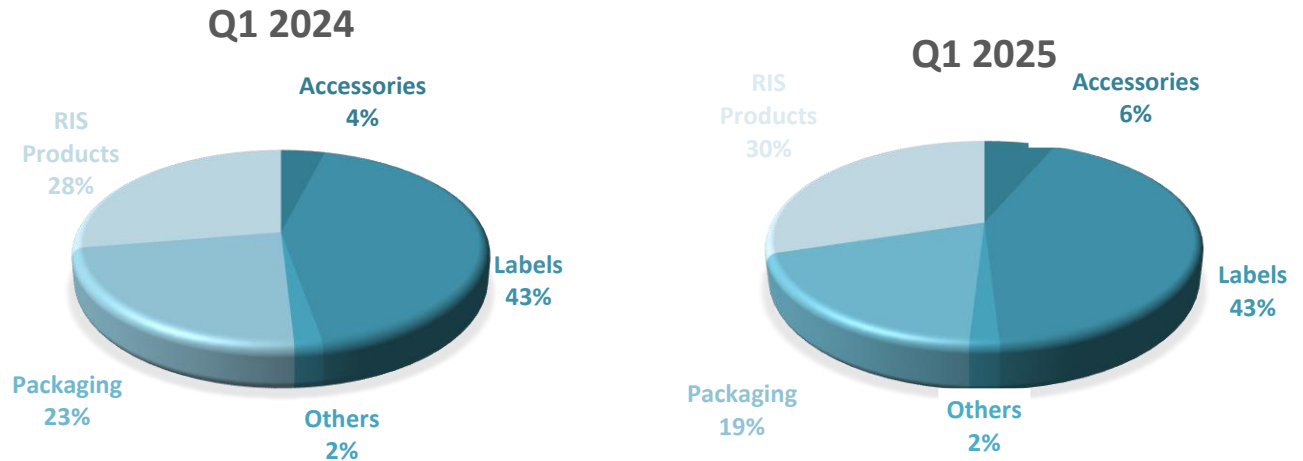
Amounts in SEK thousand	3 months		12 months	
	January - March		January - December	
	2025	2024	2024	2023
Net revenue	258,569	242,338	944,670	869,769
Raw materials, supplies and goods for resale	-142,846	-137,613	-517,152	-490,062
Gross profit	115,723	104,725	427,518	379,707
Other operating revenue	3,059	4,065	18,194	25,392
Other external costs	-21,910	-19,515	-86,759	-80,393
Personnel costs	-61,029	-56,097	-226,719	-214,944
Depreciation, amortisation and impairment charges	-8,499	-8,280	-34,566	-31,195
Other operating costs	-4,330	-2,433	-14,816	-15,570
Operating profit	23,014	22,465	82,852	62,997
Net finance items	-2,130	-1,267	-4,818	-10,433
Profit before taxes	20,884	21,198	78,034	52,564
Taxes	-5,109	-4,509	-19,106	-13,176
Net profit for the period	15,775	16,689	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	1,38	1,46	5,17	3,45
Earnings per share, SEK after dilution	1,38	1,46	5,17	3,45

Consolidated Statement of Comprehensive Result

Amounts in SEK thousand

	January - March		January - December	
	2025	2024	2024	2023
Net profit for the period	15,775	16,689	58,928	39,388
Other comprehensive result that may be reposted to net profit for the period				
Translation differences	-22,561	10,669	6,401	-18,846
Items that cannot be reposted to net profit for the period				
Revaluation of defined benefit pension scheme	0	0	1,639	-536
Total profit for the period	-6,786	27,358	66,968	20,006
Total profit for the period attributable to:				
The Parent Company's equity holders	-7,085	27,202	66,542	19,963
Minority interest	299	156	426	43

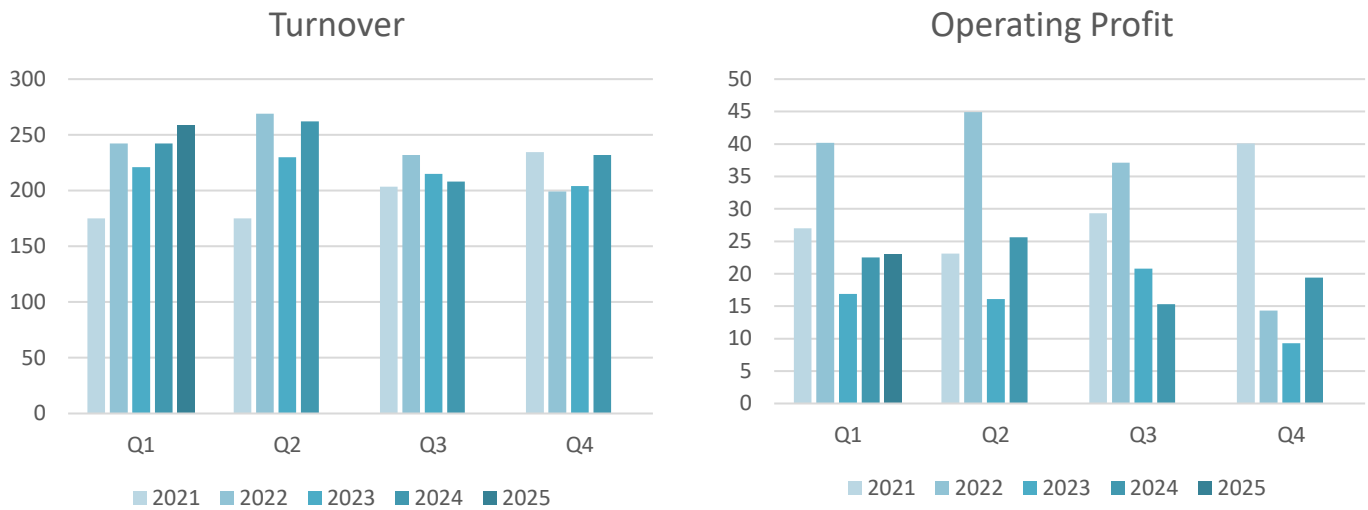
Distribution by product group



Quarterly Income Statements

Amount in MSEK)	2025	2024					2023				2022			
	Q1	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net revenue	258,6	242,3	262,0	208,4	231,9		221,3	230,2	214,7	203,7	242,3	269,1	232,0	199,3
Raw materials, supplies and goods for resale	-142,8	-137,6	-146,6	-108,3	-124,7		-126,1	-134,4	-117,3	-112,3	-136,2	-150,8	-127,6	-111,7
Gross profit	115,7	104,7	115,4	100,1	107,2		95,2	95,8	97,4	91,3	106,2	118,3	104,4	87,6
Gross margin	44,8%	43,2%	44,0%	48,0%	46,2%		43,0%	41,6%	45,4%	44,9%	43,8%	44,0%	45,0%	44,0%
Other income	3,1	4,1	3,3	2,6	8,2		4,3	8,2	5,5	7,4	2,7	7,2	8,2	14,3
Operating costs	-87,3	-78,0	-84,9	-78,8	-86,5		-75,2	-80,1	-73,6	-81,9	-61,8	-72,9	-67,2	-80,8
Depreciation, amortisation and impairment charges	-8,5	-8,3	-8,2	-8,6	-9,4		-7,3	-7,8	-8,5	-7,6	-6,9	-7,7	-8,4	-6,9
Operating profit	23,0	22,5	25,6	15,3	19,5		16,9	16,1	20,8	9,2	40,2	44,9	37,0	14,2
Operating margin	8,9%	9,3%	9,8%	7,3%	8,4%		7,6%	7,0%	9,7%	4,5%	16,6%	16,7%	16,0%	7,1%
Operating profit per share	2,0	2,0	2,2	1,3	1,7		1,5	1,4	1,8	0,8	3,5	3,9	3,2	1,2

Quarterly Development



Consolidated Balance Sheet

Amounts in SEK thousand	2025-03	2024-03	2024-12	2023-12
Assets				
Intangible non-current assets	52,511	49,690	53,207	47,989
Other non-current assets	135,087	121,307	146,102	120,495
Inventories	158,501	166,176	170,552	165,813
Trade receivables	114,345	147,320	85,471	106,363
Other current assets	42,987	39,959	41,346	32,470
Cash and cash equivalents	98,608	79,259	100,814	104,719
Total assets	602,039	603,711	597,492	577,849
Equity and liabilities				
Equity	343,553	322,184	350,389	294,822
Long-term interest-bearing liabilities	39,093	6,478	23,156	8,707
Long-term non-interest-bearing liabilities	6,272	6,189	6,653	6,379
Current interest-bearing liabilities	55,769	84,920	58,408	102,785
Current non-interest-bearing liabilities	157,352	183,940	158,886	165,156
Total equity and liabilities	602,039	603,711	597,492	577,849

Changes in Consolidated Equity

2025

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 2025-01-01	2,850	43,231	-6,150	309,680	349,611	778	350,389
Net profit for the period				15,476	15,476	299	15,775
Other total profit							
Translation differences during the period			-22,561		-22,561	-51	-22,612
Transactions with shareholders							
Dividend				0	0	0	0
CLOSING EQUITY 2025-03-31	2,850	43,231	-28,711	325,156	342,527	1,026	343,553

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	260,943	294,473	352	294,825
Net profit for the period				16,527	16,527	163	16,690
Other total profit							
Translation differences during the period			10,676		10,676	0	10,669
Transactions with shareholders							
Dividend				0	0	0	0
CLOSING EQUITY 2024-03-31	2,850	43,231	-1,875	277,470	321,676	515	322,184

Key Financial Indicators for the Period 1 January - 31 March

KEY FINANCIAL INDICATORS	1 January – 31 March		1 January – 31 December				
	2025	2024	2024	2023	2022	2021	2020
Revenue growth, %	6,7	9,5	8,6	-7,7	19,6	27,5	-13,6
Operating margin, %	8,9	9,3	8,8	7,2	14,5	15,2	8,2
Profit margin, %	8,1	8,7	8,3	6,0	14,0	14,7	7,6
Average equity	347,0	308,5	322,6	314,0	305,8	244,0	198,3
Return on equity, %	4,5	5,4	18,3	12,5	33,0	35,8	16,9
Equity ratio, %	57,1	53,4	58,6	51,0	54,3	50,0	49,7
Interest-bearing net cash (liabilities -), MSEK*	39,7	7,9	60,3	16,9	39,3	75,1	24,8
Earnings per share, SEK	1,38	1,46	5,17	3,45	8,86	7,67	2,94
Equity per share, SEK	30,13	28,26	30,73	25,86	29,22	24,40	18,40
Dividend per share, SEK**	-	-	1,5*	1,00	5,00	5,00	2,00
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	667	601	661	593	587	553	499

* Proposed dividend for 2024

Consolidated Cash Flow Statement

Amounts in SEK thousand	January - March		January - December	
	2025	2024	2024	2023
Operating activities				
Operating profit	23,014	22,466	82,852	62,997
<i>Adjustment for items not included in cash flow</i>				
Depreciation, amortisation and impairment charges	8,499	8,280	34,566	31,195
Other non cash generated items	-1,629	75	-287	-7,006
	29,884	30,821	117,131	87,186
Interest income	596	512	3,834	2,325
Interest expense	-1,097	-1,854	-6,288	-6,288
Paid taxes	-4,554	-5,110	-17,208	-23,209
Cash flow from operating activities before changes in working capital	24,829	24,369	97,469	60,014
Cash flow from changes in working capital				
Inventories	-2,818	4,495	3,787	31,694
Trade receivables	-25,956	-34,720	-1,723	-18,441
Other short-term receivables	-4,280	-7,489	-2,984	-4,248
Trade payables	9,435	-8,151	-3,501	25,368
Other liabilities	-5,335	21,629	1,209	-5,273
Cash flow from operating activities	-4,125	133	94,257	89,114
Investment activities				
Acquisition of intangible non-current assets	-815	-1,656	-9,626	-12,113
Acquisition of tangible non-current assets	-1,782	-5,114	-13,060	-7,050
Change in long-term receivable	293	-255	469	1,421
Cash flow from investment activities	-2,304	-7,025	-22,217	-17,742
Financing activities				
Repayment/raising loans	17,891	-16,099	-45,825	14,314
Amortisation IFRS16				
Paid dividend	0	0	-11,401	-57,692
Cash flow from financing activities	12,873	-21,383	-79,627	-62,935
Cash flow for the year	6,444	-28,275	-7,587	8,437
Cash and cash equivalents at beginning of period	100,814	104,719	104,719	113,085
Translation difference in cash and cash equivalents	-8,650	2,815	3,682	-16,803
Cash and cash equivalents at end of period	98,608	79,259	100,814	104,719

Summary Financial Reports – Parent Company

Parent Company Income Statement

Amounts in SEK thousand	3 months		12 months	
	January - March		January - December	
	2025	2024	2024	2023
Net revenue	12,100	10,457	43,361	35,593
Other operating income	679	0	3,455	0
Total revenue	12,779	10,457	46,816	35,593
Other external costs	-5,246	-3,368	-19,184	-13,416
Personnel costs	-8,049	-7,031	-29,482	-22,906
Depreciation, amortisation and impairment charges	-1,317	-1,027	-4,313	-3,759
Operating profit	-1,833	-969	-6,163	-4,488
Net finance items	-291	15,248	47,792	30,903
Profit after finance items	-2,124	14,279	41,629	26,415
Year-end appropriations	0	0	4,114	8,118
Taxes	-113	-1,604	-6,404	-1,352
Net profit for the period	-2,237	12,675	39,339	33,181

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

Parent Company Balance Sheet

Amounts in SEK thousand	2025-03	2024-03	2024-12	2023-12
Assets				
Intangible non-current assets	39,727	36,112	39,969	34,481
Tangible non-current assets	1,018	1240	1,069	1253
Financial non-current assets	139,142	130,926	137,157	130,926
Short-term receivables	92,242	112,235	100,980	105,701
Cash and cash equivalents	2,258	0	17,148	0
Total assets	274,387	280,513	296,323	272,361
Equity and liabilities				
Equity	184,695	171,669	186,932	158,994
Untaxed reserves	11,303	14,353	11,303	14,353
Long-term liabilities	0	0	0	0
Current liabilities	78,389	94,491	98,088	99,014
Total equity and liabilities	274,387	280,513	296,323	272,361

Notes

1. Accounting Policies

The consolidated financial statements, similar to those for 2024, 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 2024, 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.

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 2025

No new accounting principles that have materially affected Nilörn have come into effect for the year 2025

2. IFRS 16 Leasing

Report of financial position	31-Mar-25	Of which effect of IFRS 16	31 Mar. 2025 not incl. effect of IFRS 16
Other non-current assets	135,087	36,931	98,156
Other current assets	42,987	-1,360	44,347
Equity (profit for the year)	343,553	-485	344,038
Long-term interest-bearing liabilities	39,093	18,665	20,428
Short-term interest-bearing liabilities	55,769	17,389	38,380
Total effect on equity		35,569	

Report of effects on profit	Jan-Mar 2025	Of which effect of IFRS 16	Jan-Mar 2025 not incl. effect of IFRS 16
Other external cost	-21,910	5,018	-26,928
Depreciation, amortisation and impairment	-8,499	-4,765	-3,734
Net finance items	-2,130	-257	-1,873
Taxes	-5,109	-6	-5,103
Total	-37,648	-10	-37,638

Key financial indicators	Jan-Mar 2025	Of which effect of IFRS 16	Jan-Mar 2025 not incl. effect of IFRS 16
Operating margin	8,9%	0,0%	8,9%
Net cash and cash equivalents (liabilities -), MSEK	3,6	-36,1	39,7
Equity ratio, %	57,1%	-3,6%	60,6%

3. Information by Geographic Area

Period January - March 2025

	Sweden	Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	9,637	89,418	159,514	-	258,569
Total revenue	9,637	89,418	159,514	0	258,569
<i>Profit</i>					
Operating profit	1,791	6,445	16,214	-1,436	23,014
Interest income				596	596
Interest expense				-2,726	-2,726
Taxes on the on the period's profit				-5,109	-5,109
Net profit for the period	1,791	6,445	16,214	-8,675	15,775

Period January - March 2024

	Sweden	Europe	Asia	Intra Group	Total
External revenue	8,320	104,393	129,625	-	242,338
Total revenue	8,320	104,393	129,625	0	242,338
Profit					
Operating profit	618	11,928	10,406	-487	22,465
Interest income				587	587
Interest expense				-1,854	-1,854
Taxes on the profit for the year				-4,509	-4,509
Net profit for the year	618	11,928	10,406	-6,263	16,689

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	$(343\,553 + 350\,389) / 2$	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.	$(258\,569 - 242\,338) / 242\,338$	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.	$15\,775 / 346\,971$	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 excl FRS16	Interest-bearing receivables, cash and cash equivalents, reduced by interest-bearing liabilities.	$98\,608 - 94\,862 + 36\,054$	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.	$23\,014 / 258\,569$	This metric is used to measure operative profitability.
Equity Ratio	Equity in percent of balance sheet total.	$343\,553 / 602\,039$	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.	$20\,884 / 258\,569$	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.