

## Interim report Nilörngruppen AB (publ) Q3, January – September 2021



### Period July - September

- Order bookings increased by 44 percent to MSEK 236 (162).
- Revenue increased by 38 percent to MSEK 203 (147).
- Operating profit amounted to MSEK 29.3 (20.4).
- Profit for the period amounted to MSEK 20.8 (14.4).
- Earnings per share amounted to SEK 1.82 (1.26).

### Period January – September

- Order bookings increased by 27 percent to MSEK 587 (464).
- Revenue expressed in SEK increased by 24 percent to MSEK 554 (445).
- Revenue adjusted for currency effects amounted to MSEK 591 (445), i.e. an underlying organic increase of 33 percent.
- The operating profit amounted to MSEK 79.4 (29.5).
- Profit for the period amounted to MSEK 57.1 (19.0).
- Earnings per share amounted to SEK 5.0 (1.66).
- Net cash amounted to MSEK 59.4 (4)



## CEO STATEMENT

Dear shareholder,  
Nilorn's positive trend continues and reports both sales and earnings the best first nine months ever! In a rolling 12 months, operating profit is now over SEK 100 million.

The positive earnings trend is attributable to higher sales, which has benefited from sports and e-commerce customers, while retail customers are doing better now that the Covid restrictions have eased. This applies to most markets, but it has been particularly positive for our companies in England, Portugal, Bangladesh and Hong Kong. In Portugal, we invested in increased production capacity a couple of years ago, which now benefits from an increasing number of customers moving their purchases back to Europe.

The business in Bangladesh continues to develop strongly where our own production that guarantees quality, availability and sustainability has given us a competitive advantage. The factory has a high capacity utilisation and thus efficient production and strong results. We also have a positive development in our own production in Hong Kong, England and Portugal. The positive development in our own production facilities has had a positive impact on gross margin while we have seen sharply increased raw material prices, freight and energy shortages in China, which has had a negative impact on the last quarter.

Over the years, Nilorn group's growth has been achieved through expansion of existing customers, new customers and as a consequence of customers growing and being successful. Nilorn Group has extensive experience in helping customers with its growth through our expertise in key areas such as design, logistics/service and sustainability. However, a couple of larger customers have now chosen another supplier, which is expected to have a negative impact on sales. On the positive side, however, we also have some new customers with the potential to eventually reach significant volume

Net cash (excluding IFRS16) amounted to SEK 59 m (4). We also have approximately SEK 120 million in external bank credits.

Nilorn invests even more resources in strengthening sustainability work with the goal of "becoming the best in class". This means, among other things, that we have further strengthened the organization within CSR and purchasing, that we reduce the number of suppliers for closer cooperation and better control, and that we improve system support to more easily get information and thus increased service, to all our customers. It is a comprehensive work that requires both time and resources, but I am convinced that the improvement measures we are implementing will strengthen us for the future and that Nilorn will continue its positive trend.

Krister Magnusson  
CEO

## Period July – September

### Order bookings

Order bookings increased by 44 percent to MSEK 236 (162).

### Net revenue

Revenue in SEK increased by 38 percent to MSEK 203 (147).

### Gross profit

Gross margin was 45.7 percent (46.8). The gross profit margin has been positively impacted by Nilorn's own production, which has had a high utilization rate and thus low production costs but at the same time, we are now increasingly affected by increased freight costs, increased raw material prices and energy shortages in China.

### Other income, costs and depreciation

Other income amounted to MSEK 1.8 (5.3) of which MSEK 2.3 was attributable to government contributions for furlough in Europe and Hong Kong last year. The external costs amounted to MSEK 15.1 (13.6) and personnel costs increased to MSEK 42.8 (32.6). Last year, the personnel costs were abnormally low attributable to voluntary decrease in working time and a voluntary decrease of the salary with 15% during three months, made by the managing directors and sales directors. This year's personnel costs have been affected by more employees and provisions for bonus. Depreciation decreased to MSEK 6.5 (6.6) MSEK.

### Operating profit

The operating profit amounted to MSEK 29.3 (20.5), which makes for an operating margin of 14.4 (13.9) percent.

### Net finance items, taxes and profit for the period

Net finance items amounted to MSEK -0.6 (-1.3). Taxes amounted to MSEK -7.9 (-4.8). The relatively high tax in the quarter is above all due to relatively high tax rate in Bangladesh. The period's result amounted to MSEK 20.8 (14.4) and earnings per share amounted to SEK 1.82 (1.26).

### Cash flow, capital expenditures, financing and liquidity

Cash flow from operating activities amounted to MSEK 22.8 (32.5).

Cash flow from investment activities amounted to MSEK -3.0 (-1.5) which is mainly attributable to investment in a new ERP system.

## Period January - September

### Order bookings

Order bookings amounted to MSEK 587 (464).

### Net revenue and profit

Net revenue in SEK increased by 24 percent to MSEK 554 (445). Net revenue adjusted for currency effects amounted to MSEK 591 (445), equivalent to underlying organic increase of 33 percent. Gross margin was 47 percent (44), where the previous year was negatively impacted by inventory write-downs attributable to customer-specific inventory and the gross profit

margin for the year has been positively impacted by our own production.

The Swedish krona has strengthened against most currencies, which has affected consolidated turnover negatively. However, the earnings effect is minimized when the Group's revenues and costs are met in each foreign currency.

Other income amounted to MSEK 7.1 (13.7) of which MSEK 8.1 last year was attributable to government contributions for furlough in Europe and Hong Kong. External costs decreased to MSEK 42.5 (46.6). Personnel costs increased to MSEK 120.9 (110.4).

Depreciation, amortisation and impairment charges decreased to MSEK 19.0 (20.1).

Operating profit amounted to MSEK 79.4 (29.5), for an operating margin of 14.3 (6.6) percent.

Taxes paid amounted to MSEK -20.1 (-7.8) MSEK which gives a tax expense of 26 (29.2) percent. Profit after taxes amounted to MSEK 57.1 (19.0).

### Segments

As shown in the segment accounting in Note 2 all segments have won in both revenue and profit.

### Cash flow, capital expenditures, financing and liquidity

Cash flow from operating activities amounted to MSEK 60.4 (51.4).

Cash flow from investment activities amounted to MSEK -8.7 (-10.2).

Net debt at the end of the period amounted to MSEK 21.8 of which the transition to the new leasing standard, IFRS 16, has increased liabilities by MSEK 36.9. Comparable figures not including rebooking according to IFRS 16 is net cash (net liability) MSEK 59 (4).

## Personnel

The average number of employees in the Group was 531 (502), of whom 211 (217) were women. Of the total number of employees 308 persons or 56 percent are active in production and warehouses.

## 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.

## 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 21 (21).

Net revenue for the period amounted to MSEK 14.5 (13.6). The operating result was MSEK -3.7 (-2.5) and profit after taxes was MSEK 9.8 (35.1), 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 2020 Annual Report, Note 2. Please see below for the financial risks related to Covid-19.

### **COVID-19 and its effects**

There is continued uncertainty in the outside world, which has the consequence that there is uncertainty both in the ability to obtain deliveries and in obtaining outlets for the company's products.

What we are now seeing are high shipping costs, high costs on raw materials (cotton, plastic and paper) as well as a lack of semiconductors and thus increased prices for RFID inserts. We have so far compensated for the increased prices through increased efficiency in our own production.

### **Review**

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

### **Calendar**

- 11 February 2022 Year-end Report
- 21 April 2022 Interim Report Q1
- 3 May 2022 Annual General Meeting at 16.00 in Borås

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., 22 October 2021.

BORÅS, 22 October 2021  
NILÖRNGRUPPEN AB (PUBL)

Krister Magnusson / CEO

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## Review report

To the Board of Directors of Nilörngruppen AB  
Corp. id. 556322-3782

### Introduction

We have reviewed the attached financial information report (interim report) of Nilörngruppen AB as of 30 September 2021 and the three-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this financial information report (interim report) in accordance with the Annual Accounts Act. Our responsibility is to express a conclusion on this financial information report (interim report) based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information 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 and other generally accepted auditing practices and consequently does 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 attached financial information report (interim report) is not prepared, in all material respects, accordance with the Annual Accounts Act.

Göteborg

KPMG AB

Mathias Arvidsson  
Authorized Public Accountant

## Summary financial reports

Amounts in SEK thousand	3 months		9 months	
	July - September		January - September	
	2021	2020	2020	2019
Net revenue	203,442	147,048	553,847	444,841
Raw materials, supplies and goods for resale	-110,541	-78,198	-296,181	-249,148
<b>Gross profit</b>	<b>92,901</b>	<b>68,850</b>	<b>257,666</b>	<b>195,693</b>
Other operating revenue	1,813	5,257	7,093	13,695
Other external costs	-15,143	-13,554	-42,535	-46,550
Personnel costs	-42,806	-32,571	-120,930	-110,442
Depreciation, amortisation and impairment charge	-6,512	-6,646	-18,969	-20,094
Other operating costs	-956	-887	-2,898	-2,783
<b>Operating profit</b>	<b>29,297</b>	<b>20,449</b>	<b>79,427</b>	<b>29,519</b>
Net finance items	-615	-1,272	-2,190	-2,723
<b>Profit before taxes</b>	<b>28,682</b>	<b>19,177</b>	<b>77,237</b>	<b>26,796</b>
Taxes	-7,920	-4,773	-20,149	-7,821
<b>Net profit for the period</b>	<b>20,762</b>	<b>14,404</b>	<b>57,088</b>	<b>18,975</b>
Average number of shares outstanding (thousand)	11,402	11,402	11,402	11,402
Average number of shares outstanding after dilution	11,402	11,402	11,402	11,402
<b>Earnings per share, SEK</b>	<b>1.82</b>	<b>1.26</b>	<b>5.01</b>	<b>1.66</b>
<b>Earnings per share, SEK after dilution</b>	<b>1.82</b>	<b>1.26</b>	<b>5.01</b>	<b>1.66</b>

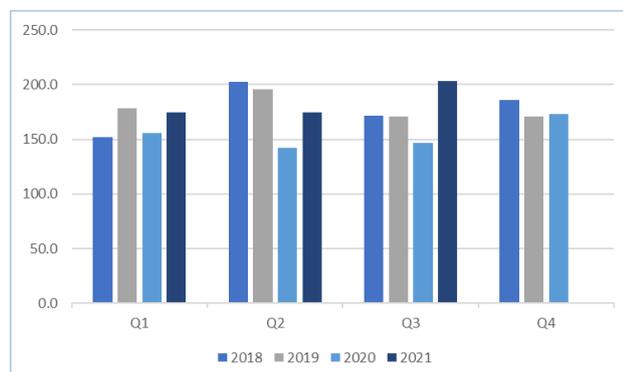
## Consolidated Statement of Comprehensive Result

Amounts in SEK thousand	July - September		January - September	
	2021	2020	2021	2020
<b>Net profit for the period</b>	<b>20,762</b>	<b>14,404</b>	<b>57,088</b>	<b>18,975</b>
Other comprehensive result that may be reposted to net profit for the period				
Translation differences	2,853	-2,948	4,253	-2,926
<b>Total profit for the period</b>	<b>23,615</b>	<b>11,456</b>	<b>61,341</b>	<b>16,049</b>
Total profit for the period attributable to:				
The Parent Company's equity holders	23,615	11,456	61,341	16,049

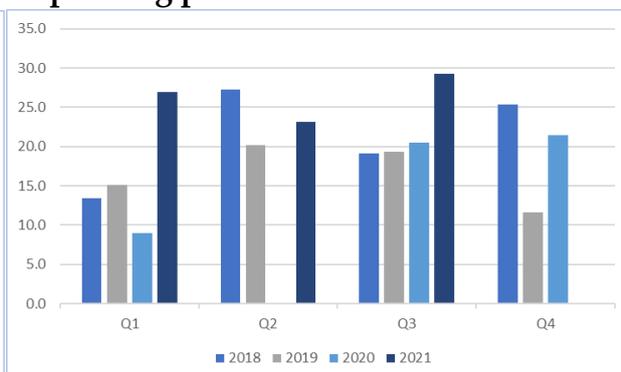
## Quarterly Income Statements

Amount in MSEK)	2021				2020				2019				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net revenue	175.2	175.2	203.4		155.5	142.3	147.0	173.4	178.1	195.8	170.8	170.6	152.0	202.6	171.7	185.7
Raw materials, supplies and goods for resale	-93.9	-91.8	-110.5		-82.8	-88.2	-78.2	-97.0	-103.9	-114.0	-94.4	-95.3	-84.8	-113.4	-94.0	-103.8
Gross profit	81.3	83.4	92.9		72.7	54.1	68.8	76.4	74.2	81.8	76.4	75.3	67.2	89.2	77.7	81.9
Gross margin	46.4%	47.6%	45.7%		46.8%	38.0%	46.8%	44.1%	41.7%	41.8%	44.7%	44.1%	44.2%	44.0%	45.3%	44.1%
Other income	3.5	1.7	1.8		1.5	6.9	5.3	5.4	2.5	0.7	1.2	0.7	1.7	1.4	2.0	4.2
Operating costs	-51.7	-55.8	-58.9		-58.5	-54.2	-47.0	-54.8	-55.8	-56.5	-51.8	-58.0	-54.3	-61.3	-58.5	-58.2
Depreciation, amortisation and impairment charges	-6.2	-6.3	-6.5		-6.7	-6.7	-6.6	-5.8	-5.8	-5.8	-6.5	-6.4	-1.2	-2.0	-2.1	-2.5
<b>Operating profit</b>	<b>26.9</b>	<b>23.0</b>	<b>29.3</b>		<b>9.0</b>	<b>0.1</b>	<b>20.5</b>	<b>21.2</b>	<b>15.1</b>	<b>20.2</b>	<b>19.3</b>	<b>11.6</b>	<b>13.4</b>	<b>27.3</b>	<b>19.1</b>	<b>25.4</b>
<b>Operating margin</b>	<b>15.4%</b>	<b>13.1%</b>	<b>14.4%</b>		<b>5.8%</b>	<b>0.1%</b>	<b>13.9%</b>	<b>12.2%</b>	<b>8.5%</b>	<b>10.3%</b>	<b>11.3%</b>	<b>6.8%</b>	<b>8.8%</b>	<b>13.5%</b>	<b>11.1%</b>	<b>13.7%</b>
<b>Operating profit per share</b>	<b>2.4</b>	<b>2.0</b>	<b>2.6</b>		<b>0.8</b>	<b>0.0</b>	<b>1.8</b>	<b>1.9</b>	<b>1.3</b>	<b>1.8</b>	<b>1.7</b>	<b>1.0</b>	<b>1.2</b>	<b>2.4</b>	<b>1.7</b>	<b>2.2</b>

## Quarterly development of: Net revenue



## Operating profit



KEY FINANCIAL INDICATORS	1 January – 30 Sept		1 January – 31 December				
	2021	2020	2020	2019	2018	2017	2016
Revenue growth, %	24.5	-18.3	-14.0	1.0	7.0	12.0	16.0
Revenue growth, % (local currency)	33.0	-16.0	-9.0	4.0	8.0	13.0	18.0
Operating margin, %	14.3	6.6	8.2	9.3	12.0	12.1	12.3
Profit margin, %	13.9	6.0	7.6	8.8	11.8	12.1	12.1
Average equity	229.1	194.7	198.3	183.7	167.3	145.9	125.6
Return on equity, %	24.9	9.7	16.9	25.7	42.3	44.6	44.8
Equity ratio, %	47.6	44.7	49.7	45.3	53.0	49.2	50.8
Interest-bearing net cash (liabilities -), MSEK*	21.8	-42.9	-13.2	-89.6	-2.5	9.2	9.7
Earnings per share, SEK	5.0	1.7	2.94	4.14	6.20	5.70	4.93
Equity per share, SEK	21.8	17.8	18.40	16.37	15.85	13.50	12.08
Dividend per share, SEK	2.0	0.0	0.00	4.00	4.00	3.60	3.00
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	531	502	499	494	482	446	358

\* Interest-bearing net cash (liabilities -), has been effected by 37 MSEK by the introduction of IFRS 16

## Consolidated Balance Sheet

Amounts in SEK thousand	2021-09	2020-09	2020-12	2019-12
<b>Assets</b>				
Intangible non-current assets	24,698	23,817	23,486	21,251
Other non-current assets	134,714	145,956	132,597	159,877
Inventories	126,655	117,157	106,648	119,007
Trade receivables	108,657	83,071	72,012	59,382
Other current assets	27,321	21,142	21,324	20,571
Cash and cash equivalents	99,843	62,224	66,276	32,292
<b>Total assets</b>	<b>521,888</b>	<b>453,368</b>	<b>422,343</b>	<b>412,380</b>
<b>Equity and liabilities</b>				
Equity	248,344	202,749	209,809	186,700
Long-term interest-bearing liabilities	49,161	34,925	51,274	47,834
Long-term non-interest-bearing liabilities	5,094	2,951	4,601	3,502
Current interest-bearing liabilities	28,918	70,180	28,179	74,084
Current non-interest-bearing liabilities	190,371	142,563	128,480	100,260
<b>Total equity and liabilities</b>	<b>521,888</b>	<b>453,368</b>	<b>422,343</b>	<b>412,380</b>

## Changes in Consolidated Equity

2021	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the period	Total	Total equity
Amounts in SEK thousand						
<b>OPENING EQUITY 2021-01-01</b>	<b>2,850</b>	<b>43,231</b>	<b>156</b>	<b>163,572</b>	<b>209,809</b>	<b>209,809</b>
Net profit for the period				57,088	57,088	57,088
<b>Other total profit</b>						
Translation differences during the period			4,253		4,253	4,253
<b>Transactions with shareholders</b>						
Dividend				-22,806	-22,806	-22,806
<b>CLOSING EQUITY 2021-09-30</b>	<b>2,850</b>	<b>43,231</b>	<b>4409</b>	<b>197,854</b>	<b>248,344</b>	<b>248,344</b>

2020

Amounts in SEK thousand

<b>OPENING EQUITY 2020-01-01</b>	<b>2,850</b>	<b>43,231</b>	<b>156</b>	<b>140,463</b>	<b>186,700</b>	<b>186,700</b>
Net profit for the period				18,975	18,975	18,975
<b>Other total profit</b>						
Translation differences during the period			-2,926		-2,926	-2,926
<b>Transactions with shareholders</b>						
Dividend						
<b>CLOSING EQUITY 2020-09-30</b>	<b>2,850</b>	<b>43,231</b>	<b>-2770</b>	<b>159,438</b>	<b>202,749</b>	<b>202,749</b>

## Consolidated Cash Flow Statement

Amounts in SEK thousand	July - September		January - September	
	2021	2020	2021	2020
<b>Operating activities</b>				
Operating profit	29,297	20,449	79,427	29,519
<i>Adjustment for items not included in cash flow</i>				
Depreciation, amortisation and impairment charges	6,512	6,646	18,969	20,094
Other non cash generated items	-4,297	-4,698	-12,850	-13,241
	<b>31,512</b>	<b>22,397</b>	<b>85,546</b>	<b>36,372</b>
Interest income	144	39	420	552
Interest expense	-202	-317	-669	-1,199
Paid taxes	-3,520	-2,444	-9,010	-4,861
<b>Cash flow from operating activities before changes in working capital</b>	<b>27,934</b>	<b>19,675</b>	<b>76,287</b>	<b>30,864</b>
<b>Cash flow from changes in working capital</b>				
Inventories	-9,572	-4,928	-16,024	-5,014
Trade receivables	-32,753	-14,732	-30,748	-28,952
Other short-term receivables	-3,411	-3,814	-5,997	-571
Trade payables	17,557	25,115	17,605	16,299
Other liabilities	23,033	11,230	19,350	38,802
<b>Cash flow from operating activities</b>	<b>22,788</b>	<b>32,546</b>	<b>60,473</b>	<b>51,428</b>
<b>Investment activities</b>				
Acquisition of intangible non-current assets	-1,046	-1,170	-3,148	-4,320
Acquisition of tangible non-current assets	-1,676	-480	-5,080	-6,048
Acquisition of financial non-current assets	0	-2	0	30
Change in long-term receivable	-296	126	-478	93
<b>Cash flow from investment activities</b>	<b>-3,018</b>	<b>-1,526</b>	<b>-8,706</b>	<b>-10,245</b>
<b>Financing activities</b>				
Repayment/raising loans	-482	-1,890	173	-8,320
Paid dividend	0	0	-22,806	0
<b>Cash flow from financing activities</b>	<b>-482</b>	<b>-1,890</b>	<b>-22,633</b>	<b>-8,320</b>
<b>Cash flow for the year</b>	<b>19,288</b>	<b>29,130</b>	<b>29,134</b>	<b>32,863</b>
Cash and cash equivalents at beginning of period	78,205	35,171	66,276	32,292
Translation difference in cash and cash equivalents	2,350	-2,077	4,433	-2,931
<b>Cash and cash equivalents at end of period</b>	<b>99,843</b>	<b>62,224</b>	<b>99,843</b>	<b>62,224</b>

## Parent Company Income Statement

Amounts in SEK thousand	3 months		9 months	
	July - September		January - September	
	2021	2020	2021	2020
Net revenue	4,809	4,413	14,510	13,637
Other operating income	1,644	1,903	5,157	6,523
<b>Total revenue</b>	<b>6,453</b>	<b>6,316</b>	<b>19,667</b>	<b>20,160</b>
Other external costs	-2,391	-3,707	-6,524	-7,983
Personnel costs	-4,583	-2,629	-14,975	-12,920
Depreciation, amortisation and impairment charges	-627	-655	-1,866	-1,762
<b>Operating profit</b>	<b>-1,148</b>	<b>-675</b>	<b>-3,698</b>	<b>-2,505</b>
Net finance items	216	-16,391	13,512	37,561
<b>Profit after finance items</b>	<b>-932</b>	<b>-17,066</b>	<b>9,814</b>	<b>35,056</b>
Taxes	-9	-48	-38	-80
<b>Net profit for the period</b>	<b>-941</b>	<b>-17,114</b>	<b>9,776</b>	<b>34,976</b>

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

## Parent Company Balance Sheet

Amounts in SEK thousand	2021-09	2020-09	2020-12	2019-12
<b>Assets</b>				
Intangible non-current assets	22,577	20,618	21,132	17,958
Tangible non-current assets	691	859	797	1208
Financial non-current assets	117,332	114,041	117,233	126,876
Short-term receivables	76,005	103,131	115,170	48,807
Cash and cash equivalents	16,970	-213	-	-
<b>Total assets</b>	<b>233,575</b>	<b>238,436</b>	<b>254,331</b>	<b>194,849</b>
<b>Equity and liabilities</b>				
Equity	171,358	181,044	184,386	146,068
Untaxed reserves	9,936	7,786	9,936	7,786
Current liabilities	52,281	49,606	60,010	40,995
<b>Total equity and liabilities</b>	<b>233,575</b>	<b>238,436</b>	<b>254,331</b>	<b>194,849</b>

## Notes

### 1. Accounting policies

As was the case with the Annual Accounts for 2020, 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 2020, 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 2020 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 2021

No new accounting policies with significant impact on Nilörn have entered into force in 2021.

## 2. Information by geographic area

<b>Period January - September 2021</b>	<b>Nordic region</b>	<b>Other Europe</b>	<b>Asia</b>	<b>Intra Group</b>	<b>Total</b>
<i>Revenue</i>					
External revenue	39,769	171,375	342,703	-	553,847
<b>Total revenue</b>	<b>39,769</b>	<b>171,375</b>	<b>342,703</b>	<b>0</b>	<b>553,847</b>
<i>Profit</i>					
Operating profit	11,407	27,221	43,748	-2,950	79,426
Interest income				419	419
Interest expense				-2,609	-2,609
Taxes on the on the period's profit				-20,149	-20,149
<b>Net profit for the period</b>	<b>11,407</b>	<b>27,221</b>	<b>43,748</b>	<b>-25,289</b>	<b>57,087</b>

### **Period January - September 2020**

<i>Revenue</i>					
External revenue	34,787	143,045	267,009	-	444,841
<b>Total revenue</b>	<b>34,787</b>	<b>143,045</b>	<b>267,009</b>	<b>0</b>	<b>444,841</b>
<i>Profit</i>					
Operating profit	768	10,513	19,917	-1,679	29,519
Interest income				562	562
Interest expense				-3,285	-3,285
Taxes on the profit for the year				-7,821	-7,821
<b>Net profit for the year</b>	<b>768</b>	<b>10,513</b>	<b>19,917</b>	<b>-12,223</b>	<b>18,975</b>

### 3. IFRS 16 Leases

<b>Report of financial position</b>	<b>30/Sep/21</b>	<b>Of which effect of IFRS 16</b>	<b>30 September 2021 not incl. effect of IFRS 16</b>
Other non-current assets	134,714	37,085	97,629
Other current assets	27,321	-1,086	28,407
<b>Total effect on assets</b>		<b>35,999</b>	
Equity (profit for the year)	248,344	-856	249,200
Long-term interest-bearing liabilities	49,161	22,371	26,790
Short-term interest-bearing liabilities	28,918	14,484	14,434
<b>Total effect on equity</b>		<b>35,999</b>	

<b>Report of effects on profit</b>	<b>Jan-Sept 2021</b>	<b>Of which effect of IFRS 16</b>	<b>Jan-Sept 2021 not incl. effect of IFRS 16</b>
Other external cost	-42,535	11,817	-54,352
Depreciation, amortisation and impairment	-18,969	-10,896	-8,073
Net finance items	-2,190	-907	-1,283
Taxes	-20,149	0	-20,149
<b>Total</b>	<b>-83,843</b>	<b>14</b>	<b>-83,857</b>

<b>Key financial indicators</b>	<b>Jan-Sept 2021</b>	<b>Of which effect of IFRS 16</b>	<b>Jan-Sept 2021 not incl. effect of IFRS 16</b>
Operating margin	14.3%	0.2%	14.2%
Net cash and cash equivalents (liabilities)	21.8	-36.9	58.6
Equity ratio, %	47.6%	-3.5%	51.1%

#### 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>Justification</u>
<b>Average equity</b>	Equity at the beginning of the period, plus equity at the end of the period, divided by two.	The metric is the difference between the Group's assets and liabilities, which is equivalent to consolidated equity contributed by owners and the consolidated aggregated profit. This metric is used to report the capital attributable to the Group's owners.
<b>Average number of employees</b>	Average number of yearly employed	This metric is used to measure the development of the Group's workforce.
<b>Revenue growth</b>	Net revenue at the end of the period, minus net revenue at the beginning of the period, divided by net revenue at the beginning of the period.	This metric is used to measure the development of the Group's revenue over time.
<b>Return on equity</b>	Period's result according to the income statement in percent of average equity.	This metric is used to analyse profitability over time, given the resources attributable to the Parent Company's owners.
<b>Return on capital employed</b>	Result before taxes, plus financial expenses, in percent of average capital employed.	Return on capital employed is a profitability metric used to gauge the result relative to the capital required to run the business.
<b>Interest-bearing net cash and cash equivalents/liabilities</b>	Interest-bearing receivables, cash and cash equivalents, reduced by interest-bearing liabilities.	The metric shows the total debt financing and is used as a complement to judge the feasibility of paying dividends, to implement strategic investments and to gauge the Group's ability to meet its financial obligations.
<b>Operating margin</b>	Operating result in percent of net revenue.	This metric is used to measure operative profitability.
<b>Equity ratio</b>	Equity in percent of balance sheet total.	This measure shows the proportion of the company's total assets financed with equity by its shareholders. A high equity ratio is an indication of financial strength.
<b>Operating margin</b>	Operating result in percent of net revenue.	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.