

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 after 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 after 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

NILÖRNGRUPPEN AB (PUBL)

Krister Magnusson
CEO

FOR FURTHER INFORMATION CONTACT

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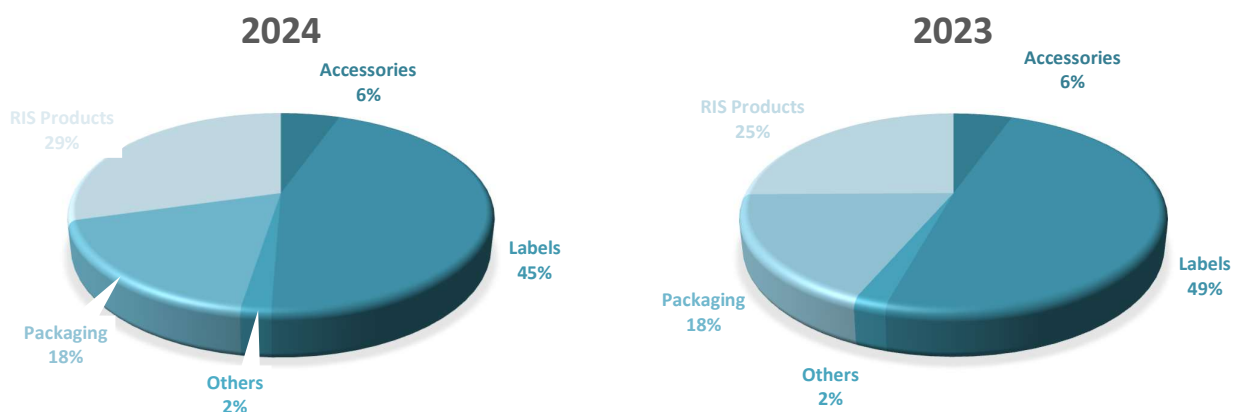
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Summary Financial Reports – the Group

Consolidated Income Statement

| Amounts in SEK thousand | 3 months | | 12 months | |
|---|--------------------|---------------|--------------------|----------------|
| | October - December | | January - December | |
| | 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 | | January - December | |
| | 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 |

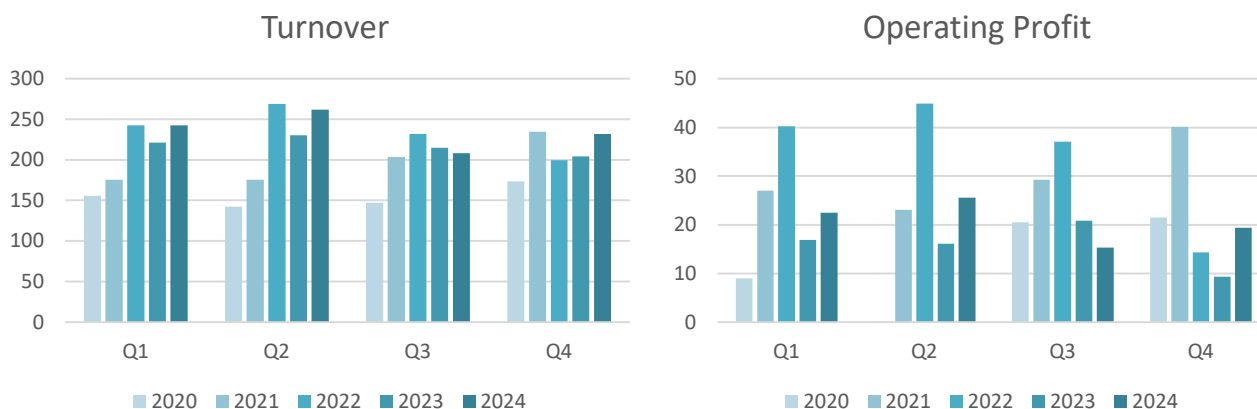
Distribution by product group for the period 1 January – 31 December



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 Ratio | 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.