

Interim Report for Nilörngruppen AB (publ) Q3, January - September 2025



Period July - September

- Order intake decreased by 13 percent to MSEK 224 (256), which is mainly due to a larger order of 18 MSEK that was received in Q3 last year but will be received in Q4 this year
- Net sales in SEK increased by 11 percent to MSEK 230 (208)
- Net sales adjusted for currency effects amounted to MSEK 246, representing an underlying organic increase of 18 percent
- Operating profit amounted to MSEK 26.3 (15.3)
- Profit before tax amounted to MSEK 25.1 (13.0)
- Net profit for the period amounted to MSEK 18.9 (9.8)
- Earnings per share amounted to SEK 1.66 (0.86)

Period January - September

- Order intake was unchanged and amounted to MSEK 696 (697)
- Net sales in SEK increased by 2 percent to MSEK 726 (713)
- Net sales adjusted for currency effects amounted to MSEK 766, representing an underlying organic increase of 7 percent
- Operating profit amounted to MSEK 65.3 (63.4)
- Profit before tax amounted to MSEK 60.2 (59.0)
- Net profit for the period amounted to MSEK 45.5 (45.2)
- Earnings per share amounted to SEK 3.99 (3.96)



CEO Statement

Dear shareholders,

The third quarter shows a strong result with solid development across several of our operations. Net sales increased by 10 percent to 230 MSEK, and operating profit improved significantly to 26 MSEK, corresponding to an operating margin of just over 11 percent. Organic growth amounted to 18 percent, adjusted for currency effects, demonstrating stable demand despite a continued challenging global environment.

This year's seasonal pattern is somewhat later, which contributed to higher volumes during the quarter compared to the second quarter. At the same time, a large packaging order that was received in Q3 last year will be received in Q4 this year.

The luxury segment continues to act cautiously, mainly due to high inventory levels at the retail level. However, we continue to see good development within the outdoor and sports segments.

Our efforts to increase capacity and strengthen operational efficiency are progressing according to plan. Investments in Portugal and Bangladesh are important steps in this work, as is the launch of our new PLM system (Product Lifecycle

Management), which will be implemented at the end of the year. We expect that it will increase efficiency and improve the customer experience.

Nilörn:CONNECT continues to perform well and remains a key part of our offering related to digital product passports and traceability. Customer interest is increasing as EU requirements approach, and we see opportunities for further growth in this area.

We continue to operate in a consolidating market, where larger customers are seeking fewer but more comprehensive suppliers. This benefits Nilörn, with our combination of global presence, strong design competence, and controlled production. At the same time, we act with cost awareness and prioritize investments that strengthen our long-term competitiveness.

In summary, we are delivering a stable quarter with improved profitability, a stronger organization, and promising prospects.

Krister Magnusson

Investments and Strategic Initiatives

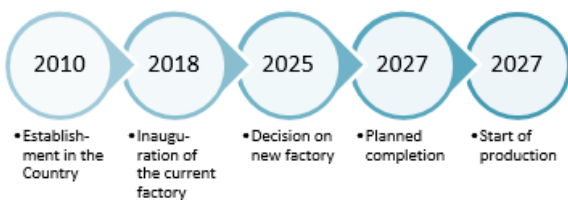
Nilörn has previously decided on several major investments, which are clarified below. Nilörn also continues to carry out planned investments that strengthen the Group's long-term competitiveness, control, and customer value. The initiatives focus on three main areas.

- Production and capacity
- Digitalisation and expansion of the offering
- Geographical expansion

The aim is to ensure that Nilörn remains a strong player in a market characterized by consolidation and increasing demands from both customers and authorities.

New Factory in Bangladesh

Bangladesh is currently one of Nilörn's most profitable operations. The existing factory, inaugurated in 2018, has for several years delivered stable volumes, strong margins, and high quality. Demand has gradually increased, and capacity has now reached its limit. To meet the needs of existing and new customers, and to further strengthen our competitiveness, a decision has been made to establish a new factory in Bangladesh. The facility will be built within the Bangladesh Special Economic Zone (BSEZ) – a collaboration between the governments of Bangladesh and Japan – which provides benefits such as smoother customs and liquidity management, as well as increased stability in regulations and tax conditions. The investment is estimated at approximately USD 10 million and includes contract for the lease of the land, buildings, and machinery. About half of the investment value relates to machinery, which will be installed gradually in line with increasing demand. The goal is for the facility to be completed during the first half of the year in 2027. The new factory will be a strategic asset that strengthens Nilörn's position as a full-service supplier and will also attract larger retail customers who demand high levels of quality control, delivery reliability, and regulatory compliance. Despite the risks and challenges associated with the region, we believe strongly in Bangladesh as a textile production country and see significant opportunities for Nilörn to continue the success we have achieved there.



The current factory with a turnover of MSEK 80 is fully utilized and delivers stable profits with good margins. The new factory creates the conditions for continued profitable growth and more than double the turnover. In-house production

strengthens control over quality, sustainability efforts, and customer customization.

Transformation Journey

In recent years, Nilörn has undergone a gradual transformation from a decentralized structure to a more integrated way of working. Previously, the focus was on local sales companies with design as a competitive advantage. As demands for transparency, sustainability, and efficiency have increased, we have established a central sourcing organization, a global CSR function and an internal compliance department supporting both customers and internal teams in navigating complex regulations.

The number of suppliers has been reduced, and partnerships have been established with carefully selected partners. At the same time, our share of in-house production has increased, which strengthens both delivery capacity and cost efficiency.

Digitalisation and Nilörn:CONNECT

The European development within Digital Product Passport (DPP) means that brand owners will need to disclose the origin and environmental impact of their products. Nilörn addresses this through the Nilörn:CONNECT initiative, which combines labels with QR codes or NFC chips linked to a digital system for traceability, data collection, and customer communication. This initiative positions Nilörn as a key partner for brands seeking solutions that enable transparency, regulatory compliance, and digital consumer engagement.

Development within Packaging

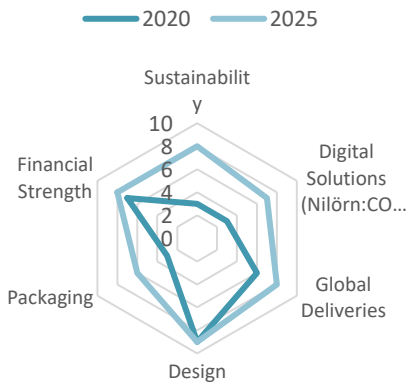
To meet demand and broaden our offering – thereby increasing Nilörn's relevance as a full-service supplier – a Category Manager Packaging has been recruited. The goal is to support existing customers within premium and gift packaging while developing new business opportunities within sustainable material solutions, an area where we see great potential.

Market and Consolidation

The market for labels, packaging, and accessories is currently undergoing clear consolidation, where larger customers are seeking fewer but stronger and more capable partners. This drives the need for suppliers with global presence, digital solutions, and high delivery reliability.

Nilörn's investments in capacity, digitalisation, and organization are aimed at strengthening our relevance in this evolving market – while also creating the conditions to actively participate in the ongoing consolidation, both through organic growth and potential acquisitions.

Nilörns Transformation



Period July - September

Order Bookings

The order intake decreased by 13 percent to 224 (256) MSEK. Most of the decrease is attributable to the postponement of a large packaging order to Q4 and continued caution from luxury brands. Adjusted for currency effects and packaging orders, order intake amounted to 255 (256) MSEK, i.e. unchanged compared to the previous year.

Net Revenue

Sales in SEK increased by 11 percent to MSEK 230 (208). Net sales adjusted for currency effects amounted to MSEK 246 (208), representing an underlying increase of 18 percent. The decline within luxury brands remains significant, with excessive finished goods inventory levels, meaning that recovery is not expected until 2026.

Gross Profit

The gross margin amounted to 47.3 (48.0) percent. 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 4.5 (2.6), mainly attributable to currency effects. Other operating expenses of MSEK 2.6 (4.0) are primarily related to currency.

External costs amounted to MSEK 20.5 (21.4), and personnel costs amounted to MSEK 55.8 (53.4). Depreciation amounted to MSEK 8.3 (8.6).

Operating Profit

The operating result amounted to MSEK 26.3 (15.2), resulting in an operating margin of 11.4 (7.3) percent.

Net Finance Items, Taxes, and Profit for the Period

Net financial items amounted to MSEK -1.2 (-2.3).

Tax amounted to MSEK -6.2 (-3.3), resulting in an average tax rate of 24.6 percent. Net profit for the period amounted to MSEK 8.9 (9.8), with earnings per share of 1.66 (0.86) SEK.

Cash Flow, Capital Expenditures, Financing, and Liquidity

Cash flow from operating activities amounted to MSEK 30.5 (30.6). Cash flow from investing activities amounted to MSEK -3.4 (-6.2).

Segments

As shown in the segment reporting in Note 3, all segments (Sweden, Other Europe, and Asia) reported an increase in net sales. Operating profit decreased in Sweden, while it increased in Other Europe and Asia.

Period January-September

Order Bookings

The order intake remained unchanged and amounted to 696 (697) MSEK. Adjusted for currency effects, order intake amounted to 745 (697) MSEK.

Net Revenue and Result

Sales in SEK increased by 2 percent to MSEK 726 (713). Net sales adjusted for currency effects amounted to MSEK 766 (713), representing an underlying increase of 7 percent. The gross margin was 45.6 (44.9) percent.

Other operating income amounted to MSEK 11.6 (10.0), mainly attributable to currency effects. Other operating expenses of MSEK 11.2 (10.3) is mainly attributable to currency effects. External costs amounted to MSEK 65.1 (62.7), and personnel costs amounted to MSEK 175.9 (168.8).

Depreciation amounted to MSEK 25.1 (25.1).

The operating result amounted to MSEK 65.3 (63.4), resulting in an operating margin of 9.0 (8.9) percent.

Tax amounted to MSEK -14.7 (-13.8), Net profit for the period amounted to MSEK 45.5 (45.2).

Segments

As shown in the segment reporting in Note 3, both net sales and operating profit increased in Sweden. In Asia, net sales increased while operating profit decreased. In Europe, both net sales and operating profit declined.

Equity

The group's equity amounts to MSEK 346.1 (325.6). The change during the period is attributed to the period's profit of MSEK 45.5, a dividend paid of MSEK 17.6, and translation differences of MSEK -32.3. The translation difference is a net effect from converting equity in foreign subsidiaries to SEK and has been negatively impacted by the strengthening of the krona.

Cash Flow, Capital Expenditures, Financing, and Liquidity

Cash flow from operating activities amounted to MSEK 60.3 (62.2). Cash flow from investing activities amounted to MSEK -9.2 (-15.8).

Net cash at the end of the period amounted to MSEK 31.1 (10.7), with the leasing standard IFRS 16 increasing interest-bearing debt by MSEK 29.9 (22.7). Comparable figures, excluding reclassification under IFRS 16, show net cash of MSEK 61.0 (33.4). The dividend has burdened cash flow by MSEK 17.6 (11.4).

Personnel

The average number of employees in the group was 686 (661), of which 264 (265) were women (in relation to year-

end). Out of the total number of employees, 56 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 apart from paying out dividend. The parent company's transactions with subsidiaries involve design, product development, IT, and other services.

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 (29) persons.

Net sales for the year amounted to MSEK 39.7 (31.8). Operating profit amounted to MSEK -3.5 (-4.5) and net profit amounted to MSEK 29.3 (31.2).

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 2024 annual report, note 2.

Audit

This report has been subject to a limited review by the company's auditor. See audit report on page 7.

Calendar

February 12, 2026	Year-end report
April 24, 2026	Interim Report Q1

This information is information that Nilörngruppen AB is obligated to disclose under the EU Market Abuse Regulation. The information was submitted for publication on October 24, 2025, at 08:00 a.m. through the contact person below.

BORÅS 23 October 2025

NILÖRNGRUPPEN AB (PUBL)

Krister Magnusson
CEO

FOR FURTHER INFORMATION CONTACT

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Auditor's report

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

To the Board of directors in Nilörngruppen AB (publ), corporate identity number 556322-3782

Introduction

We have conducted a limited review of the condensed interim financial information (interim report) for Nilörngruppen AB (publ) as of September 30, 2025, and the nine-month period ending on that date. The board of directors and the managing director are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our limited review.

The focus and scope of the limited review

We have conducted our limited review in accordance with the International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A limited review consists of making inquiries, primarily of persons responsible for financial and accounting matters, performing analytical procedures, and other review procedures. A limited review has a different focus and a significantly smaller scope compared to the focus and scope of an audit conducted in accordance with ISA and generally accepted auditing standards. The review procedures taken in a limited review do not enable us to obtain the assurance that we would become aware of all significant matters that might have been identified in an audit. Therefore, the conclusion expressed based on a limited review does not have the assurance that a conclusion expressed based on an audit has.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the group in accordance with IAS 34 and the Annual Accounts Act and for the parent company in accordance with the Annual Accounts Act.

Borås, 23 October 2025

Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg
Authorized Public Accountant

Mattias Palmqvist
Authorized Public Accountant

Summary Financial Reports – the Group

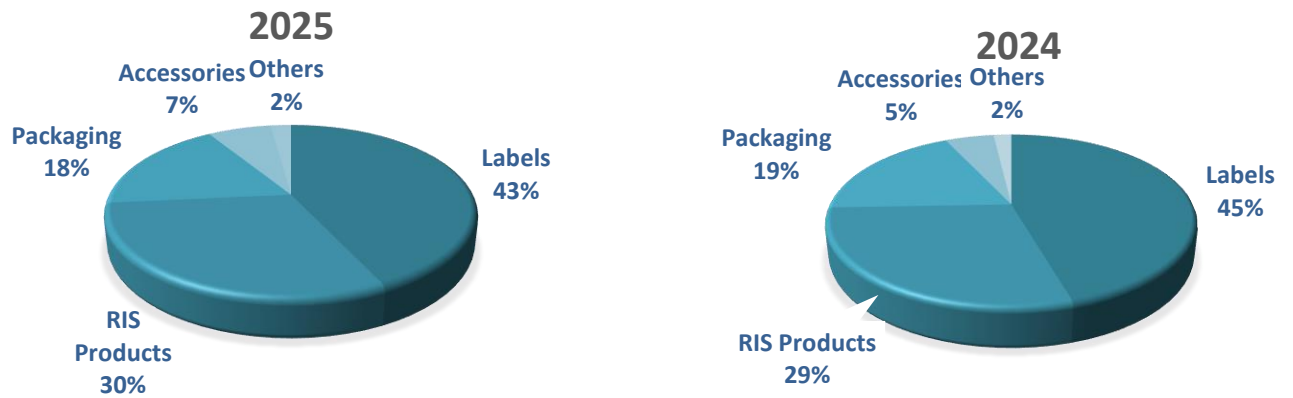
Consolidated Income Statement

Amounts in SEK thousand	3 months July-Sept		9 months January-Sept	
	2025	2024	2025	2024
Net revenue	230,259	208,429	726,113	712,767
Raw materials, supplies and goods for resale	-121,359	-108,291	-395,148	-392,469
Gross profit	108,900	100,138	330,965	320,298
Other operating revenue	4,527	2,593	11,625	10,003
Other external costs	-20,499	-21,430	-65,059	-62,679
Personnel costs	-55,772	-53,438	-175,890	-168,814
Depreciation, amortisation and impairment charges	-8,252	-8,620	-25,082	-25,120
Other operating costs	-2,608	-3,959	-11,238	-10,307
Operating profit	26,296	15,284	65,321	63,381
Net finance items	-1,214	-2,270	-5,170	-4,409
Profit before taxes	25,082	13,014	60,151	58,972
Taxes	-6,167	-3,264	-14,664	-13,787
Net profit for the period	18,915	9,750	45,487	45,185
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	1.66	0.86	3.99	3.96
Earnings per share, SEK after dilution	1.66	0.86	3.99	3.96

Consolidated Statement of Comprehensive Result

Amounts in SEK thousand	July-Sept		January-Sept	
	2025	2024	2025	2024
Net profit for the period	18,915	9,750	45,487	45,185
Other comprehensive result that may be reposted to net profit for the period				
Translation differences	-4,352	-7,249	-32,232	-2,985
Total profit for the period	14,563	2,501	13,255	42,200
Total profit for the period attributable to:				
The Parent Company's equity holders	14,419	2,280	12,686	41,866
Minority interest	144	221	569	334

Distribution by product group

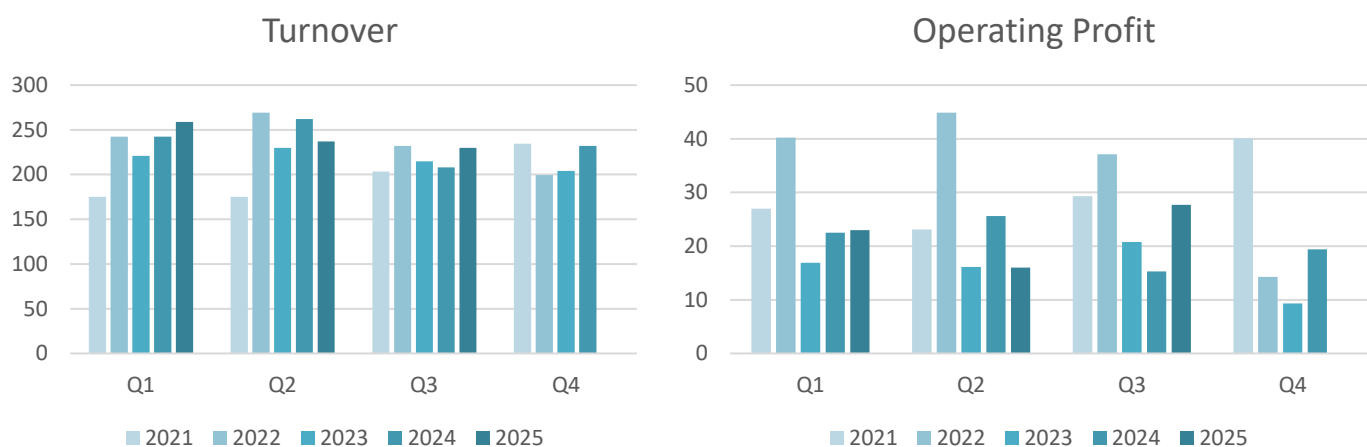


RIS = Labels with variable information such as barcodes, care labels, and RFID.

Quarterly Income Statements

Amount in MSEK)	2025			2024				2023				2022			
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net revenue	258.6	237.3	230.3	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	-130.9	-121.4	-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	115.8	106.4	108.9	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%	44.8%	47.3%	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	4.0	4.5	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	-86.0	-78.9	-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	-8.3	-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	23.1	16.1	26.3	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%	6.8%	11.4%	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	1.4	2.3	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	2025-09	2024-09	2024-12	2023-12
Assets				
Intangible non-current assets	52,953	52,004	53,207	47,989
Other non-current assets	125,545	123,141	146,102	120,495
Inventories	148,393	158,109	170,552	165,813
Trade receivables	110,036	129,545	85,471	106,363
Other current assets	49,560	34,912	41,346	32,470
Cash and cash equivalents	118,711	107,949	100,814	104,719
Total assets	605,198	605,660	597,492	577,849
Equity and liabilities				
Equity	346,054	325,625	350,389	294,822
Long-term interest-bearing liabilities	14,741	9,278	23,156	8,707
Long-term non-interest-bearing liabilities	5,371	5,938	6,653	6,379
Current interest-bearing liabilities	72,910	87,997	58,408	102,785
Current non-interest-bearing liabilities	166,122	176,822	158,886	165,156
Total equity and liabilities	605,198	605,660	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				44,918	44,918	569	45,487
Other total profit							
Translation differences during the period			-32,232		-32,232	0	-32,232
Transactions with shareholders							
Dividend				-17,103	-17,103		-17,590
CLOSING EQUITY 2025-09-30	2,850	43,231	-38,382	337,495	345,194	1,347	346,054

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				44,852	44,852	334	45,186
Other total profit							
Translation differences during the period							
Transactions with shareholders							
Dividend				-11,401	-11,401		-11,401
CLOSING EQUITY 2024-09-30	2,850	43,231	-15,536	294,394	324,939	686	325,625

Key Financial Indicators for the Period 1 January - 30 September

KEY FINANCIAL INDICATORS	1 January – 31 Sept		1 January – 31 December				
	2025	2024	2024	2023	2022	2021	2020
Revenue growth, %	1.9	7.0	8.6	-7.7	19.6	27.5	-13.6
Operating margin, %	9.0	8.9	8.8	7.2	14.5	15.2	8.2
Profit margin, %	8.3	8.3	8.3	6.0	14.0	14.7	7.6
Average equity	348.2	310.2	322.6	314.0	305.8	244.0	198.3
Return on equity, %	17.3	16.1	18.3	12.5	33.0	35.8	16.9
Equity ratio, %	57.2	53.8	58.6	51.0	54.3	50.0	49.7
Interest-bearing net cash (liabilities –) excluding IFRS16, MSEK*	61.0	33.4	60.3	16.9	39.3	75.1	24.8
Earnings per share, SEK	3.99	3.96	5.17	3.45	8.86	7.67	2.94
Equity per share, SEK	30.35	28.56	30.73	25.86	29.22	24.40	18.40
Dividend per share, SEK	-	-	1.50	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	686	620	661	593	587	553	499

Consolidated Cash Flow Statement

Amounts in SEK thousand	July-Sept		January-Sept	
	2025	2024	2025	2024
Operating activities				
Operating profit	26,296	15,284	65,321	63,381
<i>Adjustment for items not included in cash flow</i>				
Depreciation, amortisation and impairment charges	8,252	8,620	25,082	25,120
Other non cash generated items	-605	-1,843	-3,821	-2,068
	33,943	22,061	86,582	86,433
Interest income	520	1,402	1,863	2,756
Interest expense	-1,129	-1,392	-3,212	-4,659
Paid taxes	-6,753	1,269	-15,368	-8,723
Cash flow from operating activities before changes in working capital	26,581	23,340	69,865	75,807
Cash flow from changes in working capital				
Inventories	-476	-7,181	-494	7,370
Trade receivables	-3,587	-2,001	-23,571	-23,365
Other short-term receivables	-11,151	2,788	-14,076	-2,442
Trade payables	23,800	4,961	32,529	8,015
Other liabilities	-4,681	8,714	-3,947	-3,170
Cash flow from operating activities	30,486	30,621	60,306	62,215
Investment activities				
Acquisition of intangible non-current assets	-1,181	-4,144	-3,284	-7,524
Acquisition of tangible non-current assets	-2,702	-623	-6,992	-6,668
Change in long-term receivable	439	-1,438	1,094	-1,605
Cash flow from investment activities	-3,444	-6,205	-9,182	-15,797
Financing activities				
Repayment/raising loans	-3,542	5,821	16,482	-13,189
Amortisation IFRS16	-4,754	-5,286	-14,630	-15,557
Paid dividend	-487	0	-17,589	-11,401
Cash flow from financing activities	-8,783	535	-15,737	-40,147
Cash flow for the year	18,259	24,951	35,387	6,271
Cash and cash equivalents at beginning of period	104,273	87,594	100,814	104,719
Translation difference in cash and cash equivalents	-3,821	-4,596	-17,490	-3,041
Cash and cash equivalents at end of period	118,711	107,949	118,711	107,949

Summary Financial Reports – Parent Company

Parent Company Income Statement

Amounts in SEK thousand	3 months		9 months	
	July-Sept		January-Sept	
	2025	2024	2025	2024
Net revenue	15,395	10,633	39,696	31,821
Other operating income	142	0	1,097	0
Total revenue	15,537	10,633	40,793	31,821
Other external costs	-4,500	-4,197	-15,277	-11,362
Personnel costs	-7,984	-6,702	-25,032	-21,452
Depreciation, amortisation and impairment charges	-1,312	-1,303	-3,942	-3,529
Operating profit	1,741	-1,569	-3,458	-4,522
Net finance items	4,997	-409	33,160	38,524
Profit after finance items	6,738	-1,978	29,702	34,002
Taxes	-99	187	-389	-2,831
Net profit for the period	6,639	-1,791	29,313	31,171

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

Parent Company Balance Sheet

Amounts in SEK thousand	2025-09	2024-09	2024-12	2023-12
Assets				
Intangible non-current assets	39,671	38,706	39,969	34,481
Tangible non-current assets	927	1119	1,069	1253
Financial non-current assets	159,896	132,188	137,157	130,926
Short-term receivables	112,578	128,921	100,980	105,701
Total assets	313,072	300,934	296,323	272,361
Equity and liabilities				
Equity	199,143	178,763	186,932	158,994
Untaxed reserves	11,303	14,353	11,303	14,353
Current liabilities	102,626	107,818	98,088	99,014
Total equity and liabilities	313,072	300,934	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.

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	30-Sep-25	Of which effect of IFRS 16	30 Sept. 2025 not incl. effect of IFRS 16
Other non-current assets	125,545	30,694	94,851
Other current assets	49,560	-1,357	50,917
Equity (profit for the year)	346,054	-528	346,582
Long-term interest-bearing liabilities	14,741	14,448	293
Short-term interest-bearing liabilities	72,910	15,417	57,493
Total effect on equity		29,337	

Report of effects on profit	Jan-Sept 2025	Of which effect of IFRS 16	Jan-Sept 2025 not incl. effect of IFRS 16
Other external cost	-65,059	14,630	-79,689
Depreciation, amortisation and impairment	-25,082	-13,864	-11,218
Net finance items	-5,170	-756	-4,414
Taxes	-14,664	-19	-14,645
Total	-109,975	-9	-109,966

Key financial indicators	Jan-Sept 2025	Of which effect of IFRS 16	Jan-Sept 2025 not incl. effect of IFRS 16
Operating margin	9.0%	0.1%	8.9%
Net cash and cash equivalents (liabilities -), MSEK	31.1	-29.9	60.9
Equity ratio, %	57.2%	-2.9%	60.1%

3. Information by Geographic Area

Primary segment - geographic areas

Period July-Sept 2025

	Sweden	Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	8,976	72,471	148,812	0	230,259
Total revenue	8,976	72,471	148,812	0	230,259
<i>Profit</i>					
Operating profit	-119	9,940	14,309	2,166	26,296
Interest income				520	520
Interest expense				-1,734	-1,734
Taxes on the on the period's profit				-6,167	-6,167
Net profit for the period	-119	9,940	14,309	-5,215	18,915

Period July-Sept 2024

	Sweden	Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	6,344	66,647	135,438	0	208,429
Total revenue	6,344	66,647	135,438	0	208,429
<i>Profit</i>					
Operating profit	878	2,150	13,417	-1,161	15,284
Interest income				1,370	1,370
Interest expense				-3,640	-3,640
Taxes on the profit for the year				-3,264	-3,264
Net profit for the year	878	2,150	13,417	-6,695	9,750

Period January-Sept 2025

	Sweden	Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	33,159	250,798	442,156	0	726,113
Total revenue	33,159	250,798	442,156	0	726,113
<i>Profit</i>					
Operating profit	3,989	25,832	37,735	-2,235	65,321
Interest income				1,863	1,863
Interest expense				-7,033	-7,033
Taxes on the on the period's profit				-14,664	-14,664
Net profit for the period	3,989	25,832	37,735	-22,069	45,487

Period January-Sept 2024

	Sweden	Europe	Asia	Intra Group	Total
<i>Revenue</i>					
External revenue	25,688	274,494	412,585	0	712,767
Total revenue	25,688	274,494	412,585	0	712,767
<i>Profit</i>					
Operating profit	2,304	26,444	37,785	-3,152	63,381
Interest income				2,724	2,724
Interest expense				-7,133	-7,133
Taxes on the profit for the year				-13,787	-13,787
Net profit for the year	2,304	26,444	37,785	-21,348	45,185

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	$(346\,054 + 325\,625) / 2$	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.	$(726\,113 - 712\,767) / 712\,767$	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	$59\,231 / 343\,000$	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.	$118\,711 - 14\,741 - 72\,910 + 14\,448 + 15\,417$	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.	$65\,321 / 726\,113$	This metric is used to measure operative profitability.
Equity Ration	Equity in percent of balance sheet total.	$346\,054 / 605\,198$	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.	$60\,151 / 726\,113$	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.