

SONO

GROUP

Q1 2025 Interim financial report

North Investment Group AB (publ.)



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FINANCIAL HIGHLIGHTS

- Group revenue of SEK 188.3m (SEK 199.9m).
- Gross profit margin 45.1% (44.9%).
- EBITDA of SEK 20.9m (SEK 20.0m).
- Net operating cash flow SEK 16.3m (SEK 3.7m).
- Slightly positive development in activity related to public school market Sweden.
- Order intake was SEK 177.8m (SEK 207.0m), and order backlog of SEK 122.7m (SEK 140.4m).

Key consolidated figures

<div> <div>SONO</div> <div>GROUP</div> </div>			
Key consolidated figures			
(SEKm, unless stated)	Q1 2025 Unaudited	Q1 2024 Unaudited	Jan-Dec 2024 Audited
Revenue	188,1	199,9	865,0
Gross profit	84,2	89,2	372,1
EBITDA	21,0	20,0	110,3
EBIT	3,0	1,0	35,3
Net Profit	(9,0)	(9,9)	(36,5)
Cash flow from operations	16,3	3,7	43,6
No of outstanding shares	759 201	759 201	759 201
Net earnings per share (SEK)	(11,88)	(13,04)	(48,02)
Gross profit margin (%)	45,1	44,91	43,4
EBITDA margin (%)	11,3	10,1	12,9

CEO STATEMENT

The 1st quarter financial results were in line with 2024 figures but are still heavily affected by challenging market conditions. The somewhat lower income has been compensated by a lower cost base compared to last year. This is mainly related to adjusting the cost base in Sweden following the reduced income during the last two years and effects from the merger done in Sweden in Q3 last year. The financial results are still at a lower level than expected and burdened by high financial costs.

The order intake is still too low when comparing Q1 with last year. The reduction in this quarter is mainly related to the category wardrobe that is heavily affected by reduced building activities in all the Scandinavian countries. The other categories have relatively flat development compared to last year. Looking at the activity level we see that there is a certain part of our business that has a good activity level and others that are much more demanding. A lot of our bigger agreements have developed positively, while our smaller everyday business still is at a historically low level. Certain parts of industry, e.g. the defense industry, has still high activity level with a lot of investments to be made. Products primarily from our categories wardrobe and industry furniture are relevant for those industries.

In Sweden the school category is historically an important category for us. In 2023 and 2024 there has been very limited resources for the municipalities in Sweden to invest in school furniture. We have at the start of the year experienced a higher activity level in terms of more tenders and we give more offers compared to last year. We are therefore optimistic that the school season in the public sector will improve compared to the last two years, and we will have the answer during Q2 for delivery in Q3.

We presented our sustainability report for 2024 simultaneously with the financial report a few weeks ago. The report gives a good overview of our work related to sustainability and in this report, we also present our CSRD double materiality assessment as well as results of our KPI's. We also give an overview of how we increase our sales towards refurbishment, and we expect this growth to continue from a modest level so far. In our display at Stockholm furniture fair this year the focus was on refurbishment of our existing portfolio, and we got good attention from potential customers. We gave good examples of how old furniture can be reused and have a new life both in schools and office environments.



Tore Knut Skedsmo, CEO, Tranås, 16th of May 2025

FINANCIAL REVIEW

Q1 2025

Income statement

The Group reported total operating revenue of SEK 188.3m (SEK 199.9m) and EBITDA of SEK 21.0m (SEK 20.0m) at the end of March 2025.

Order intake was SEK 177.8m (SEK 207.0m), corresponding to a decrease of 14.1% compared to end of March 2024. EBIT for the Group was SEK 2.9m (SEK 1.0m) and net profit SEK -9.0m (SEK -9.9m).

The Gross margin for the Group at the end of March 2025 was 45.1% (44.9%). Gross margin tends to fluctuate somewhat from quarter to quarter, depending on the development within each product category.

Segments

The Group is divided into two segments, Sono Norway (Norway) and Sono Sweden (Sweden).

Norway delivered SEK 87.6m in revenue (SEK 95.3m) and SEK 8.4m in EBITDA (SEK 5.5m) year to date March. Sweden reported revenue of SEK 99.0m (SEK 103.4m) and EBITDA of SEK 13.0m (SEK 14.7m).

In first quarter last year the company Sarpsborg Metall AB was part of Sono Norway segment, while it during Q2 last year was moved to segment Sono Sweden. In Q1 2024 the revenue for this company was SEK 10,0m and EBITDA of SEK 0,0m. This effect is only between segments and is eliminated on group accounts.

Cash flow

The Group's net cash flow from operations was positive with SEK 16.3m (SEK 3.7m). The Cash and cash equivalents as of 31st of March 2025 amount to SEK 3.5m (SEK 4.4m). The group has a credit line of SEK 30.0m (SEK 30.0m) as of 31st of March 2025 whereas SEK 26.5m (SEK 30.0) is undrawn. E.g., total available funds of SEK 30.0m. The liquidity situation of the Group as of 31st of March is at a somewhat lower level than normal compared to seasonality.

Balance sheet

As of 31st of March 2025, the Group had assets of SEK 785.1m (SEK 872.3), mainly related to goodwill, right of use assets, inventory, and accounts receivables.

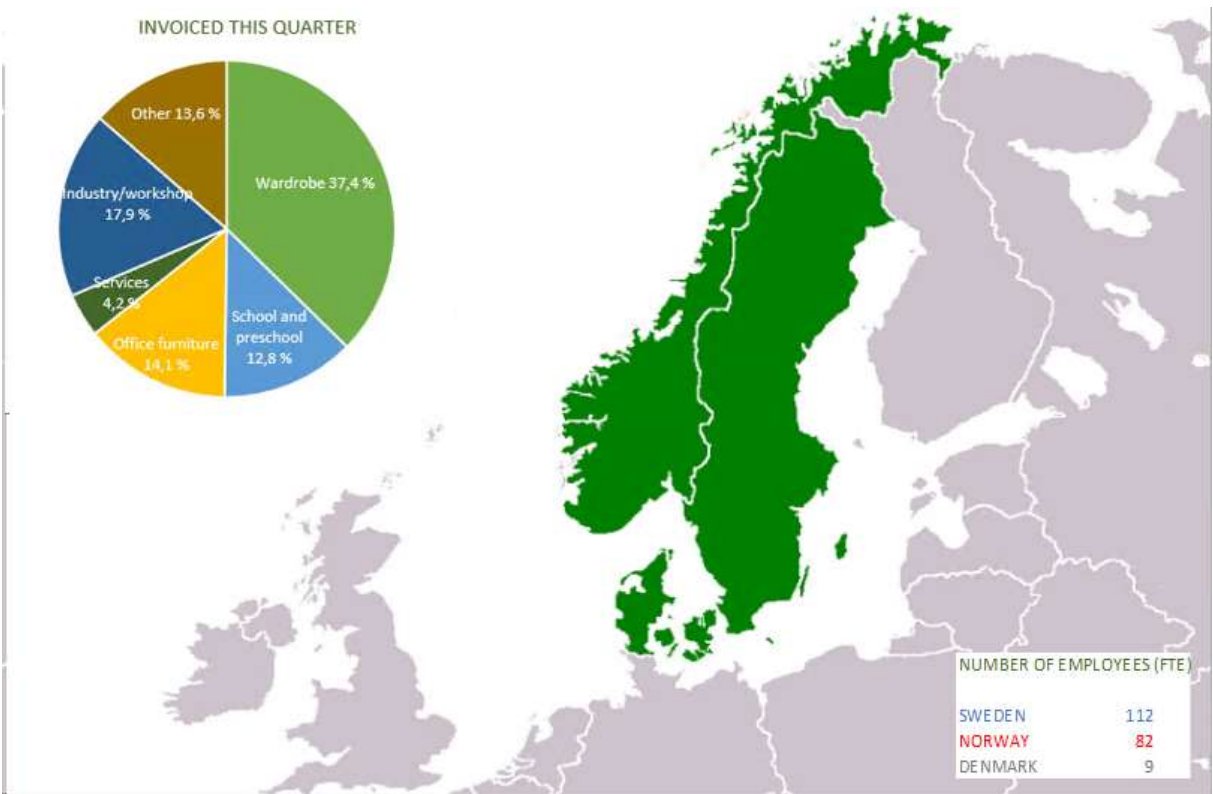
Net interest-bearing debt (excl. Lease liabilities) was SEK 288.2m (SEK 270.5m).

The equity as of 31st of March 2025 is negative for the Group.

Risk and uncertainties

The Group’s main risks and uncertainties are related to its high exposure to certain markets. In addition, the Group has financial risks related primarily to currency risk, interest rate risk related to financing and credit risk related to sales. Refinancing risk is defined as the risk that it will be difficult to refinance the company, that financing cannot be obtained, or that it can only be obtained at increased cost. The group currently secures access to external financing through bonds.

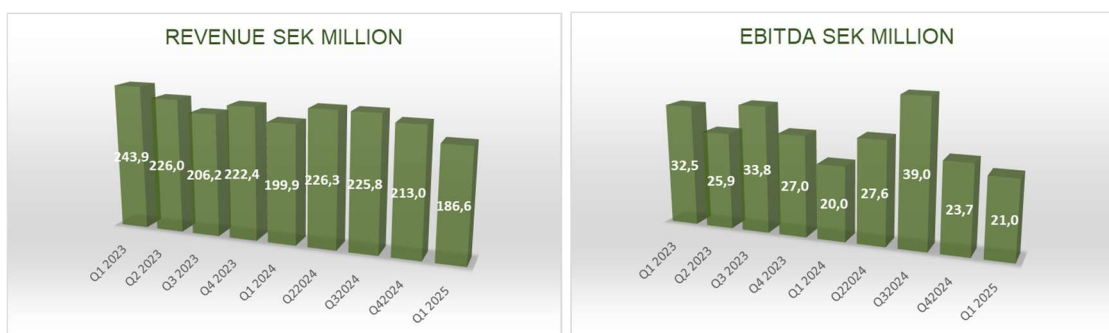
For more information related to risks, see annual statement 2024.



OUTLOOK

Following the refinancing of SEK 285M in May 2024 the Company has explored strategic options to improve its financial position. The work is ongoing, and the Company and its Board are evaluating its options going forward.

Our first quarter results were not at our planned level. The challenging market conditions are improving, but not at the pace expected earlier. The general assumption in our business is that it will still take some time before the overall interior market is back to a more normal level. On the positive side there are several interesting business opportunities we are exploring that can mitigate the general market conditions. The Group is in compliance with all its covenants, including leverage ratio. The expected financials are based on the Company's best estimate with several assumptions that may change.



GROUP FINANCIAL STATEMENT

CONSOLIDATED INCOME STATEMENT

All amounts in SEK thousand	jan-mar 2025	jan-mar 2024	jan - dec 2024
Revenue	186 633	198 618	858 279
Other operating revenue	1 635	1 313	6 700
Total operating revenue	188 268	199 931	864 979
Cost of goods sold	(102 434)	(109 396)	(486 211)
Other external cost	(19 326)	(21 699)	(84 134)
Salaries and personnel expense	(45 472)	(48 880)	(184 306)
Other operating expense	-	-	-
EBITDA	21 036	19 956	110 328
Depreciation and amortization expense	(18 025)	(18 939)	(75 057)
Operating profit	3 011	1 017	35 271
Interest income and similar	1 920	511	7 312
Interest expense and similar	(16 330)	(14 013)	(77 055)
Net financial income (expenses)	(14 410)	(13 502)	(69 743)
Profit before income tax	(11 399)	(12 485)	(34 472)
Income taxes	2 381	2 572	(1 986)
Net profit for the period	(9 018)	(9 913)	(36 458)

Consolidated statement of comprehensive income

Items that may be reclassified subsequently to income statement

Translation differences on net investment in foreign operations	(3 255)	(604)	(206)
Dividends	-		

Items that will not be reclassified to income statement

Remeasurement of defined benefit pension plans	-	-	147
Income taxes	-	-	(30)
Other comprehensive income (loss), net of taxes	(3 255)	(604)	(89)
Total comprehensive income	(12 273)	(10 517)	(36 547)

CONSOLIDATED BALANCE SHEET

ASSETS	2025	2024	2024
All amounts in SEK thousand	03.31	03.31	12.31
Software, licences, etc.	2 104	4 455	2 030
Goodwill	228 859	234 155	231 683
Total intangible assets	230 963	238 610	233 713
Right of use assets	337 732	391 694	346 401
Land, buildings and other property	1 471	1 469	1 575
Machinery and plant	452	519	509
Office machinery, equipment and similar	4 488	6 289	5 142
Total property, plant and equipment	344 143	399 971	353 627
Other long term receivables	123	128	126
Total non-current financial assets	123	128	126
Deferred tax receivables	23 642	26 096	21 242
TOTAL NON-CURRENT ASSETS	598 871	664 805	608 708
Inventories			
Raw materials	10 455	10 382	9 614
Work in progress	3 586	834	722
Finished products	63 649	59 848	65 229
Advance payments to suppliers	0	0	0
Total inventories	77 690	71 064	75 565
Accounts receivables	90 938	105 283	101 708
Other short term receivables	2 826	3 387	2 400
Tax recoverables	3 523	3 275	3 762
Prepaid expenses and accrued income	7 690	10 182	5 200
Cash and cash equivalents	3 523	14 288	4 434
Total receivables	108 500	136 415	117 504
TOTAL CURRENT ASSETS	186 190	207 479	193 069
TOTAL ASSETS	785 061	872 284	801 777

CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES	2025	2024	2024
All amounts in SEK thousand	03.31	03.31	12.31
Share capital	105 619	105 619	105 619
Other equity	(30 785)	(11 871)	(27 530)
Retained earnings	(123 489)	(104 100)	(114 471)
Equity attributable to majority shareholders	(48 655)	(10 352)	(36 382)
Liabilities to financial institutions	3 712	429	277
Bonds	-	-	-
Pension liabilities	22 462	23 683	22 162
Non-current Lease liabilities	291 318	344 248	299 765
Total non-current liabilities	317 492	368 360	322 204
Liabilities to financial institutions short term	-	-	-
Bonds current	291 477	284 359	290 311
Current lease liabilities	69 901	69 395	69 860
Prepayments from customers	2 814	1 629	987
Accounts payable	77 971	73 673	80 050
Tax payable	-	2 284	-
Other short-term liabilities	21 929	24 601	23 666
Accrued expenses and deferred income	52 132	58 335	51 081
Total current liabilities	516 224	514 276	515 955
TOTAL EQUITY AND LIABILITIES	785 061	872 284	801 777

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent company				Total equity
All amounts in SEK thousand	Share capital	Other Equity	Retained earnings	Total other equity	
Equity as at 01.01.2024	105 619	(27 324)	(78 130)	(105 454)	165
Comprehensive income					
Profit for the period			(36 458)	(36 458)	(36 458)
Other comprehensive income					
<i>Items that will not be reclassified in profit or loss</i>					
Actuarial loss on pension obligations			147	147	147
<i>Items that may be reclassified in profit or loss</i>					
Translation difference, net assets in foreign currency			-	-	-
Deferred tax			(30)	(30)	(30)
Total comprehensive income	-	-	(36 341)	(36 341)	(36 341)
Equity as at 31.12.2024	105 619	(27 530)	(114 471)	(142 001)	(36 382)
Equity as at 01.01.2025	105 619	(27 530)	(114 471)	(142 001)	(36 382)
Profit for the period			(9 018)	(9 018)	(9 018)
Other comprehensive income					
<i>Items that will not be reclassified in profit or loss</i>					
Actuarial loss on pension obligations			-	-	-
Issue of share capital	-		-	-	-
Disposal of a subsidiary			-	-	-
Acquisition of non-controlling interests				-	-
Dividends					-
<i>Items that may be reclassified in profit or loss</i>					
Translation difference, net assets in foreign currency	-	(3 255)	-	(3 255)	(3 255)
Deferred tax			-	-	-
Total comprehensive income	-	(3 255)	(9 018)	(12 273)	(12 273)
Total shareholders transactions	-	-	-	-	-
Equity as at 31.03.2025	105 619	(30 579)	(123 489)	(154 274)	(48 655)

CONSOLIDATED STATEMENT OF CASH FLOWS

	jan-mar 2025	jan-mar 2024	Jan-Dec 2024
<i>All amounts in SEK thousand</i>			
Cash flows from operations			
Profit/(loss) before income taxes	(11 399)	(12 485)	(34 472)
Taxes paid in the period	239	-	(3 144)
Adjustments for items without cash effects	1 166	-	6 593
Net (gains) losses from disposals of assets	-	224	(922)
Depreciation	18 025	18 939	75 057
Other adjustments	300	451	(1 070)
Currency (gains) losses not related to operating activities	1 457	1 525	1 321
Net cash flow from operations before changes in	9 788	8 654	43 363
Change in inventory	(2 792)	2 004	(2 280)
Change in trade debtors	11 573	(5 584)	(1 423)
Change in trade creditors	(1 398)	(5 225)	1 251
Change in other provisions and receivables	(860)	3 826	2 713
Net cash flow from operations	16 311	3 675	43 624
Cash flows from investments			
Purchase of intangible assets	(516)	(187)	(329)
Purchase of fixed assets	-	(124)	(1 000)
Sale of fixed assets	-	-	-
Change in other short- and longterm investments	-	(3)	-
Net cash flows from investments	(516)	(314)	(1 329)
Cash flow from financing			
Proceeds from long term loans	(55)	(39)	(192)
Repayment of borrowings	-	-	-
Repayment of leasing liabilities	(16 241)	(16 707)	(65 282)
Dividends paid to equity holders of NIG AB	-	-	-
Transactions with minority interests	-	-	-
Other transactions	-	-	-
Net cash flow from financing	(16 296)	(16 746)	(65 474)
Net change in cash and cash equivalents	(501)	(13 385)	(23 179)
Cash and cash equivalents at the beginning of the period	4 434	26 720	26 720
Exchange rate differences in cash and cash equivalents	(410)	953	893
Cash and cash equivalents at the end of the period	3 523	14 288	4 434

Parent Company financial statements - North Investment Group AB (publ.)

Income statement

All amounts in SEK thousand

	jan-mar 2025	jan-mar 2024
Revenue	-	-
Other operating revenue	-	-
Total operating revenue	-	-
Other external cost	(349)	(329)
Total operating expense	(349)	(329)
Operating profit	(349)	(329)
Interest income and similar	6 031	5 766
Results from participations in group companies	-	-
Interest expense and similar	(11 874)	(12 988)
Net financial income (expenses)	(5 843)	(7 222)
	-	-
Profit before income tax	(6 192)	(7 551)
Income taxes	-	-
Net profit for the period	(6 192)	(7 551)

In the parent company no amounts has been booked towards other comprehensive income, so Total comprehensive income is equal to net profit for the period.

Balance sheet statement

All amounts in SEK thousand

ASSETS	2025 31.03	2024 31.03
Other investments	306 456	306 456
Receivables to group companies	94 310	94 310
Deferred tax receivables	321	321
Total non-current financial assets	401 087	401 087
TOTAL NON-CURRENT ASSETS	401 087	401 087
Other short term receivables	31	1 031
Shortterm receivables to group companies	159 321	163 337
Prepaid expenses and accrued income	30	28
Cash and cash equivalents	0	12 563
Total receivables	159 382	176 959
TOTAL CURRENT ASSETS	159 382	176 959
TOTAL ASSETS	560 469	578 046

All amounts in SEK thousand

EQUITY AND LIABILITIES	2025 31.03	2024 31.03
Share capital	105 619	105 619
Other equity	-30 103	-7 968
This years result	-6 192	-7 551
Equity attributable to majority shareholders	69 324	90 100
Liabilities to financial institutions	3 490	0
Current Bonds	291 477	284 359
Accounts payable	4	9
Other short-term liabilities	177	319
Liabilities to associated companies	191 016	197 493
Accrued expenses and deferred income	4 981	5 766
Total current liabilities	491 145	487 946
TOTAL EQUITY AND LIABILITIES	560 469	578 046

ACCOUNTING POLICIES

The interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the Swedish Annual Accounts Act. The consolidated financial statements were prepared in accordance with the cost method. All amounts are in thousands of Swedish kroner, unless otherwise stated.

The Parent Company applies Recommendation RFR 2 *Accounting for Legal Entities*, issued by the Swedish Financial Reporting Board, and the Annual Accounts Act. The application of RFR 2 means that the Parent Company, in the interim report for a legal entity, applies all IFRS and statements approved by the EU as far as possible within the framework of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act, with consideration taken to the relationship between accounting and taxation.

The accounting policies applied correspond to the accounting policies and measurement principles presented in the 2024 Annual Report. The 2024 Annual Report is available at www.sono-group.com.

Audit review report

This interim report has not been examined by the company's auditor.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated, and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

RISKS AND RISK MANAGEMENT

Exposure to risk is a natural part of business activity and this is reflected in Sono Group's approach to risk management. Responsibility for the management of the group's financial transactions and risks is centralized to the parent company. The main risk exposure is related to financial risks. See note 3 in the Annual Report and in chapter financial review in this report.

SEASONAL VARIATIONS

The Group has seasonal variations related to one of its main categories, school furniture. A high share of these deliveries is related to the 3rd quarter.

RELATED PARTY TRANSACTIONS

The Group had no significant transactions with related parties so far in 2025. All transactions with related parties are priced on arm's length basis.

EVENTS AFTER THE REPORTING DATE

No events have occurred after the balance sheet date that has any significant effect on the submitted accounts.

SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

North Investment Group AB (publ.) has defined its two segments as:

- Business area Sono Sweden
- Business area Sono Norway

All amounts in SEK million	Jan-Mar 2025		Jan-Mar 2024		Jan-Dec 2024	
	Sono Norway	Sono Sweden	Sono Norway	Sono Sweden	Sono Norway	Sono Sweden
Revenue per segment	97,1	106,2	103,7	117,4	427,5	492,0
Net sales to other segments	(9,5)	(7,1)	(8,4)	(14,0)	(37,5)	(23,7)
Revenue from external customers	87,6	99,0	95,3	103,4	389,9	468,3
	Jan-Mar 2025		Jan-Mar 2024		Jan-Dec 2024	
Sono Norway	8,4		5,5		43,9	
Sono Sweden	13,0		14,7		67,6	
EBITDA	21,4		20,3		111,5	
for the Group's operating segments is reconciled with the Group's profit before tax in accordance with the following:	0				0	
NIG AB, other and elimination	(0,3)		(0,33)		(1,1)	
EBITDA for the Group	21,0		20,0		110,3	
Amortisation and depreciation	(18,0)		(18,9)		(75,1)	
Financial items net	(14,4)		(13,5)		(69,7)	
Profit before tax	(11,4)		(12,5)		(34,5)	

For information regarding the internal sale of a company between the segments, see comments under financials above.

FINANCIAL CALENDAR

2025 Q2 report: 27. Aug 2025
 2025 Q3 report: 17. Nov 2025

ADDITIONAL INFORMATION

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