

# SONO

GROUP

## Q1 2023 Interim financial report

North Investment Group AB (publ.)



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## FINANCIAL HIGHLIGHTS

- Group revenue of SEK 243.9m (SEK 227.2m).
- Gross profit margin 42.4% (38.1%).
- EBITDA of SEK 32.5m (SEK 15.5m).
- Net operating cash flow SEK 28.5m (SEK -7.2m).
- Continued growth within 3<sup>rd</sup> Party Logistics.
- Launch of the new company Sibilia Nordic AB within vacuum machinery.
- Order intake was SEK 242.0m (SEK 230.7m), and order backlog of SEK 156.6m (SEK 163.5m).

### Key consolidated figures

| Key consolidated figures<br>(SEKm, unless stated) |         | SONO<br>GROUP        |                      |                         |
|---|---------|----------------------|----------------------|-------------------------|
|   |         | Q1 2023<br>Unaudited | Q1 2022<br>Unaudited | Jan-Dec 2022<br>Audited |
| Revenue   | 243,9   | 227,2                | 956,1                |                         |
| Gross profit                                      | 102,7   | 83,6                 | 376,2                |                         |
| EBITDA  | 32,5    | 15,5                 | 107,0                |                         |
| EBIT  | 14,3    | 1,3                  | 43,0                 |                         |
| Non-recurring items                               | -       | 5,2                  | 7,6                  |                         |
| Adjusted EBITDA                                   | 32,5    | 20,7                 | 114,7                |                         |
| Net Profit  | 1,5     | (6,2)                | (4,7)                |                         |
| Cash flow from operations                         | 28,5    | (7,2)                | 39,7                 |                         |
| No of outstanding shares                          | 759 201 | 759 201              | 759 201              |                         |
| Net earnings per share (SEK)                      | 1,97    | (8,16)               | (6,22)               |                         |
| Gross profit margin (%)                           | 42,4    | 38,1                 | 39,9                 |                         |
| EBITDA margin (%)                                 | 13,4    | 7,1                  | 11,4                 |                         |

## CEO STATEMENT

Our income and financial results for 1st quarter was at a very satisfying level compared to previous years. We see positive effects both on lower personnel cost and on our gross margin that was on a record high level for this quarter. The start of the year has also been satisfying in terms of order income. We see signals in the market for the start of 2nd quarter that certain areas of our business are somewhat lower than expected. However, most of our business continues to have high activity level and a solid order backlog. We have in certain part of our countries and business areas a low market share that may enable further growth. We also continue our growth within Third Party Logistics as we address new customers and increase our delivery of services in our existing buildings. Our focus in this business area forward is to continue to build customer base and locate attractive facilities in the right geography.

The development of our cost prices has been relatively stable also during 1<sup>st</sup> quarter. Most of our suppliers have available capacity to deliver on short notice. The NOK currency has weakened in the start of the year that if this continues, we will address the market with adjusted prices. There is still uncertainty in the Scandinavian countries with increased interest rates and inflation that yet has not affected the economy in a large scale.

In the end of March, we launched a new company that will operate within vacuum cleaning. As of date we have seven employees that will work with both service on existing vacuum trucks and machinery, as well as selling of various new vacuum systems. We have signed a distribution agreement covering the Nordic region with the company Sibilina with factory near Milano, Italy. The Italian company have roots back to 1936 and have a strong name within the business and well proven machinery. Our service depot is located in Hörby in southern Sweden but will cover the Nordic region.

Our first stand-alone sustainability report was published in the end of April. The report was prepared following the guidance in the GRI (Global Reporting Initiatives) focusing on suppliers, employees and social awareness/society. One of the main take-aways from the report is reduced number of suppliers, even with increased purchasing volumes. We have also reduced amount of CO<sub>2</sub>-emission from our purchased freights with appr 14%. We have reduced packaging material by start using reusable plaid/blankets to cover our products during transport. We have also reduced use of electricity by changing to newer buildings and to implement energy savings in existing buildings. We have several KPI that we have established and set goals to several of these for 2023.



Tore Knut Skedsmo, CEO, Tranås, 11<sup>th</sup> of May 2023

## FINANCIAL REVIEW

January – March 2023

### Income statement

The Group reported total operating revenue of SEK 243.9m (SEK 227.2m) and EBITDA of SEK 32.5m (SEK 15.5m) at the end of March 2023. Nonrecurring items (Related to the cost reduction program "Robust 22") of SEK 0.0m (SEK 5.2m), with adjusted EBITDA of SEK 32.5m (SEK 20.7M).

Order intake was SEK 242.0m (SEK 230.7m), corresponding to an increase of 4.9% compared to end of March 2022. EBIT for the Group was SEK 14.3m (SEK 1.3m) and net profit SEK 1.5m (SEK -6.2m). Nonrecurring items (Related to the cost reduction program "Robust 22") of SEK 0.0m (SEK 5.2m), with adjusted EBIT of SEK 14.3m (SEK -1.0m).

Gross margin for the Group at the end of March 2023 was 42.4% (38.1%). Gross margin tends to fluctuate somewhat from quarters to quarters 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 120.4m in revenue (SEK 111.2m) and SEK 14.4m in EBITDA (SEK 6.3m) year to date March. Sweden reported revenue of SEK 121.4m (SEK 108.3m) and EBITDA of SEK 18.4m (SEK 9.5m).

### Cash flow

The Group's net cash flow from operations was positive with SEK 28.5m (SEK -7.2m). The Cash and cash equivalents as of 31<sup>st</sup> of March 2023 amounts to SEK 27.9m (SEK 23.6m). The group has undrawn credit line of SEK 30.0m (SEK 30.0m) as of 31<sup>st</sup> of March 2023, e.g., total available funds of SEK 57.9m. The liquidity situation of the Group is adequate to meet our ambitions going forward.

### Balance sheet

As of 31<sup>st</sup> of March 2023, the Group had assets of SEK 923.3m (SEK 841.2), mainly related to goodwill, right of use assets, inventory, and accounts receivables. The increase in right of use assets and lease liabilities is related to our new warehouse we rent in Jönköping, which is rented to fulfil obligations towards new customers within the 3PL area. The warehouse is fully rented to the customer on a back to back basis.

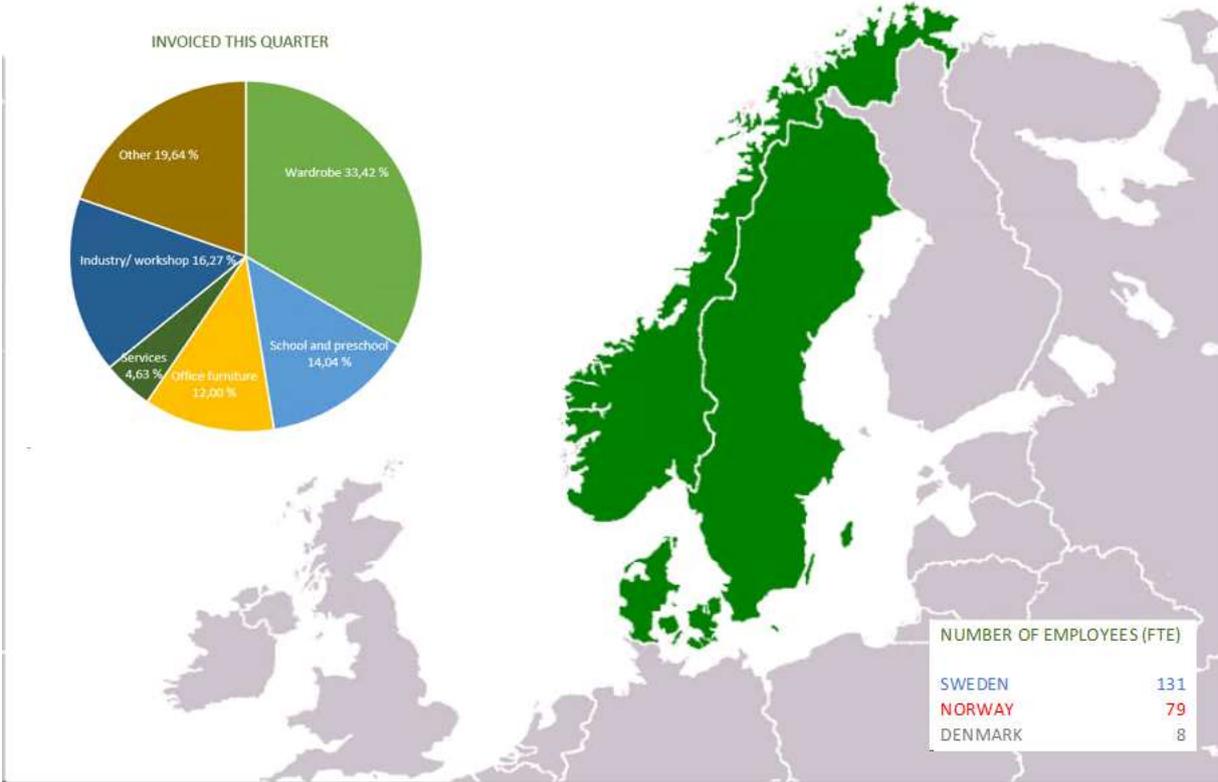
Net interest-bearing debt (excl. Lease liabilities) was SEK 253.9m (SEK 255.6m).

### 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 risk 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.

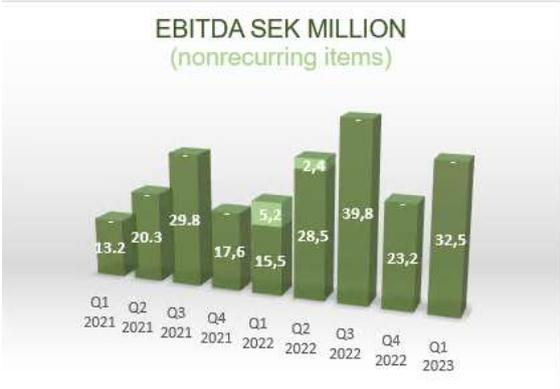
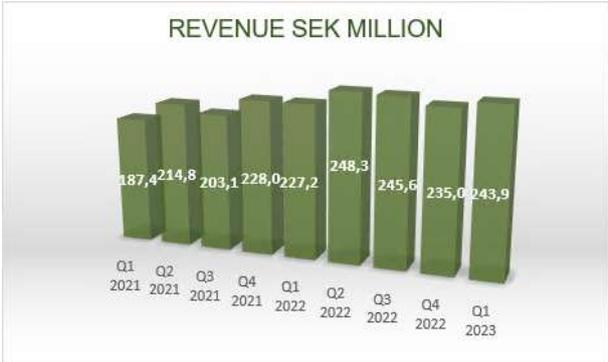
For more information related to risks, see annual statement 2022.



# OUTLOOK

We are pleased to see that the strong focus on cost management and gross margins have started to give full effect in our financial statement and there is still potential for further improvements. In terms of volumes there is in general a high activity level in the sales organization with increase in amount of offers to customers compared to same period last year. All though the building activities and housing market in especially Sweden has dropped the last year, the unemployment is still on a very low level in all Scandinavian countries. Most part of the Scandinavian business life have a very good development with high activity. Our wide presence in the market and that we still have low market share in several of our categories make us optimistic for the future even if the economies will turn downwards.

2<sup>nd</sup> quarter is an important month for the group in terms of order income. Especially towards the school market in Sweden this is an important time of the year. We have made several renewals and improvements of our product portfolio in this business areas and expect to get positive effects of this. In general, our products have a quite even distribution between public and private sector in all countries. We see positive signals from the governments, especially in Norway that they will make sure the communes will be almost fully compensated for the increased costs related to inflation and salary increases. This distribution between public and private sector has proven earlier years to be a good business model when the economy turns downwards.



## GROUP FINANCIAL STATEMENT

### CONSOLIDATED INCOME STATEMENT

| All amounts in SEK thousand  | Jan-Mar<br>2023 | Jan-Mar<br>2022 | Jan-Dec<br>2022 |
|--|-----------------|-----------------|-----------------|
| Revenue  | 241 814         | 219 480         | 941 953         |
| Other operating revenue  | 2 098           | 7 745           | 14 195          |
| <b>Total operating revenue</b>   | <b>243 912</b>  | <b>227 225</b>  | <b>956 148</b>  |
| Cost of goods sold   | (139 164)       | (135 882)       | (565 741)       |
| Other external cost  | (22 778)        | (18 851)        | (81 604)        |
| Salaries and personnel expense   | (48 822)        | (55 440)        | (198 833)       |
| Other operating expense  | (691)           | (1 527)         | (2 935)         |
| <b>EBITDA</b>  | <b>32 457</b>   | <b>15 525</b>   | <b>107 035</b>  |
| Depreciation and amortization expense                                  | (18 202)        | (14 274)        | (64 046)        |
| <b>Operating profit</b>  | <b>14 255</b>   | <b>1 251</b>    | <b>42 989</b>   |
| Interest income and similar  | 2 695           | 2 789           | 5 062           |
| Interest expense and similar   | (14 759)        | (11 979)        | (47 930)        |
| Net financial income (expenses)  | (12 064)        | (9 190)         | (42 868)        |
| <b>Profit before income tax</b>  | <b>2 191</b>    | <b>(7 939)</b>  | <b>121</b>      |
| Income taxes   | (693)           | 1 747           | (4 846)         |
| <b>Net profit for the period</b>                                       | <b>1 498</b>    | <b>(6 192)</b>  | <b>(4 725)</b>  |
| <b>Consolidated statement of comprehensive income</b>                  |                 |                 |                 |
| <b>Items that may be reclassified subsequently to income statement</b> |                 |                 |                 |
| Translation differences on net investment in foreign operations        | (13 478)        | 5 971           | 5 140           |
| <b>Items that will not be reclassified to income statement</b>         |                 |                 |                 |
| Remeasurement of defined benefit pension plans                         | -               | -               | 7 811           |
| Income taxes   | -               | -               | (1 609)         |
| <b>Other comprehensive income (loss), net of taxes</b>                 | <b>(13 478)</b> | <b>5 971</b>    | <b>11 342</b>   |
| <b>Total comprehensive income</b>                                      | <b>(11 980)</b> | <b>(221)</b>    | <b>6 617</b>    |

## CONSOLIDATED BALANCE SHEET

| <b>ASSETS</b>                              | <b>2023</b>    | <b>2022</b>    | <b>2022</b>    |
|--|----------------|----------------|----------------|
| All amounts in SEK thousand                | <b>03.31</b>   | <b>03.31</b>   | <b>12.31</b>   |
| Software, licences, etc.                   | 7 980          | 11 473         | 9 147          |
| Goodwill                                   | 235 805        | 248 518        | 245 700        |
| <b>Total intangible assets</b>             | <b>243 785</b> | <b>259 991</b> | <b>254 847</b> |
| Right of use assets                        | 410 916        | 315 239        | 294 455        |
| Land, buildings and other property         | 1 607          | 1 302          | 1 506          |
| Machinery and plant                        | 130            | 91             | 155            |
| Office machinery, equipment and similar    | 6 919          | 1 707          | 5 574          |
| <b>Total property, plant and equipment</b> | <b>419 572</b> | <b>318 339</b> | <b>301 690</b> |
| Other long term receivables                | 128            | 134            | 133            |
| <b>Total non-current financial assets</b>  | <b>128</b>     | <b>134</b>     | <b>133</b>     |
| Deferred tax receivables                   | 23 658         | 32 723         | 24 550         |
| <b>TOTAL NON-CURRENT ASSETS</b>            | <b>687 143</b> | <b>611 187</b> | <b>581 220</b> |
| <b>Inventories</b>                         |                |                |                |
| Raw materials                              | 13 023         | 12 962         | 12 955         |
| Work in progress                           | 912            | 673            | 611            |
| Finished products                          | 64 939         | 74 225         | 75 263         |
| Advance payments to suppliers              | 400            | 1 463          | 0              |
| <b>Total inventories</b>                   | <b>79 274</b>  | <b>89 323</b>  | <b>88 829</b>  |
| Accounts receivables                       | 113 662        | 104 052        | 113 215        |
| Other short term receivables               | 6 503          | 6 592          | 4 629          |
| Prepaid expenses and accrued income        | 8 815          | 6 413          | 7 097          |
| Cash and cash equivalents                  | 27 913         | 23 595         | 17 508         |
| <b>Total receivables</b>                   | <b>156 893</b> | <b>140 652</b> | <b>142 449</b> |
| <b>TOTAL CURRENT ASSETS</b>                | <b>236 167</b> | <b>229 975</b> | <b>231 278</b> |
| <b>TOTAL ASSETS</b>                        | <b>923 310</b> | <b>841 162</b> | <b>812 498</b> |

## CONSOLIDATED BALANCE SHEET

| <b>EQUITY AND LIABILITIES</b>                       | <b>2023</b>    | <b>2022</b>    | <b>2022</b>    |
|---|----------------|----------------|----------------|
| All amounts in SEK thousand                         | <b>03.31</b>   | <b>03.31</b>   | <b>12.31</b>   |
| Share capital                                       | 105 619        | 105 619        | 105 619        |
| Other equity  | (11 871)       | (11 871)       | (11 871)       |
| Retained earnings                                   | (71 629)       | (66 487)       | (59 649)       |
| <b>Equity attributable to majority shareholders</b> | <b>22 119</b>  | <b>27 261</b>  | <b>34 099</b>  |
| Bonds   | 281 796        | 279 232        | 281 154        |
| Pension liabilities                                 | 21 497         | 30 453         | 21 262         |
| Other provisions                                    | -              | 4 408          | 208            |
| Non-current Lease liabilities                       | 362 296        | 278 230        | 271 639        |
| <b>Total non-current liabilities</b>                | <b>665 589</b> | <b>592 323</b> | <b>574 263</b> |
| Current lease liabilities                           | 67 015         | 56 752         | 41 084         |
| Prepayments from customers                          | 1 454          | 3 096          | 1 712          |
| Accounts payable                                    | 78 151         | 63 601         | 79 001         |
| Tax payable   | -              | 1 649          | -              |
| Other short-term liabilities                        | 31 807         | 27 970         | 27 602         |
| Accrued expenses and deferred income                | 57 175         | 68 510         | 54 737         |
| <b>Total current liabilities</b>                    | <b>235 602</b> | <b>221 578</b> | <b>204 136</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b>923 310</b> | <b>841 162</b> | <b>812 498</b> |

## STATEMENT OF CHANGES IN EQUITY

|  | Attributable to equity holders of the parent company |                 |                   |                    | Total equity  |
|--|--|-----------------|-------------------|--------------------|---------------|
|  | Share capital  | Other Equity    | Retained earnings | Total other equity |               |
| All amounts in SEK thousand                                  |  |                 |                   |                    |               |
| <b>Equity as at 01.01.2022</b>                               | <b>105 619</b>                                       | <b>(11 871)</b> | <b>(66 266)</b>   | <b>(78 137)</b>    | <b>27 482</b> |
| <b>Comprehensive income</b>                                  |  |                 |                   |                    |               |
| Profit for the period  |  |                 | (6 192)           | (6 192)            | (6 192)       |
| <b>Other comprehensive income</b>                            |  |                 |                   |                    |               |
| <i>Items that may be reclassified in profit or loss</i>      |  |                 |                   |                    |               |
| Translation difference, net assets in foreign currency       |  |                 | 5 971             | 5 971              | 5 971         |
| Deffered tax   |  |                 | -                 | -                  | -             |
| <b>Total comprehensive income</b>                            | -  | -               | (221)             | (221)              | (221)         |
| <b>Equity as at 31.03.2022</b>                               | <b>105 619</b>                                       | <b>(11 871)</b> | <b>(66 487)</b>   | <b>(78 358)</b>    | <b>27 261</b> |
| Profit for Q2-Q4   |  |                 | 1 467             | 1 467              | 1 467         |
| <b>Other Comprehensive income</b>                            |  |                 |                   |                    |               |
| <i>Items that will not be reclassified in profit or loss</i> |  |                 |                   |                    |               |
| Issue of share capital                                       |  |                 | 7 811             | 7 811              | 7 811         |
| Actuarial loss on pension obligations                        |  |                 |                   |                    |               |
| <i>Items that may be reclassified in profit or loss</i>      |  |                 |                   |                    |               |
| Translation difference, net assets in foreign currency       |  |                 | (831)             | (831)              | (831)         |
| Deffered tax   |  |                 | (1 609)           | (1 609)            | (1 609)       |
| <b>Total comprehensive income</b>                            | -  | -               | 6 838             | 6 838              | 6 838         |
| <b>Total shareholders transactions</b>                       | -  | -               | -                 | -                  | -             |
| <b>Equity as at 31.12.2022</b>                               | <b>105 619</b>                                       | <b>(11 871)</b> | <b>(59 649)</b>   | <b>(71 520)</b>    | <b>34 099</b> |
| <b>Equity as at 01.01.2023</b>                               | <b>105 619</b>                                       | <b>(11 871)</b> | <b>(59 649)</b>   | <b>(71 520)</b>    | <b>34 099</b> |
| Profit for the period  |  |                 | 1 498             | 1 498              | 1 498         |
| <b>Other comprehensive income</b>                            |  |                 |                   |                    |               |
| <i>Items that will not be reclassified in profit or loss</i> |  |                 |                   |                    |               |
| Actuarial loss on pension obligations                        |  |                 | -                 | -                  | -             |
| <i>Items that may be reclassified in profit or loss</i>      |  |                 |                   |                    |               |
| Translation difference, net assets in foreign currency       |  |                 | - (13 478)        | (13 478)           | (13 478)      |
| Deffered tax   |  |                 | -                 | -                  | -             |
| <b>Total comprehensive income</b>                            | -  | -               | (11 980)          | (11 980)           | (11 980)      |
| <b>Total shareholders transactions</b>                       | -  | -               | -                 | -                  | -             |
| <b>Equity as at 31.03.2023</b>                               | <b>105 619</b>                                       | <b>(11 871)</b> | <b>(71 629)</b>   | <b>(83 500)</b>    | <b>22 119</b> |

## CONSOLIDATED STATEMENT OF CASH FLOWS

|  | Jan-Mar 2023    | Jan-Mar 2022    | Jan-Dec 2022    |
|--|-----------------|-----------------|-----------------|
| <i>All amounts in SEK thousand</i>                             |                 |                 |                 |
| <b>Cash flows from operations</b>                              |                 |                 |                 |
| Profit/(loss) before income taxes                              | 2 191           | (7 939)         | 121             |
| Taxes paid in the period                                       | -               | -               | (1 583)         |
| Adjustments for items without cash effects                     | -               | -               | -               |
| Net (gains) losses from disposals of assets                    | 44              | -               | 77              |
| Depreciation   | 18 202          | 14 274          | 64 046          |
| Other adjustments  | 235             | 203             | (1 177)         |
| Currency (gains) losses not related to operating activities    | (3 312)         | 4 518           | 4 495           |
| <b>Net cash flow from operations before changes in working</b> | <b>17 360</b>   | <b>11 056</b>   | <b>65 979</b>   |
| Change in inventory  | 9 752           | (3 570)         | (3 113)         |
| Change in trade debtors  | (181)           | (9 044)         | (19 710)        |
| Change in trade creditors                                      | (998)           | (12 742)        | 2 689           |
| Change in other provisions and receivables                     | 2 599           | 7 063           | (6 134)         |
| <b>Net cash flow from operations</b>                           | <b>28 532</b>   | <b>-7 237</b>   | <b>39 711</b>   |
| <b>Cash flows from investments</b>                             |                 |                 |                 |
| Purchase of intangible assets                                  | (507)           | (570)           | (2 157)         |
| Purchase of fixed assets                                       | (2 063)         | (603)           | (6 187)         |
| Sale of fixed assets   | -               | -               | -               |
| <b>Net cash flows from investments</b>                         | <b>(2 570)</b>  | <b>(1 173)</b>  | <b>(8 344)</b>  |
| <b>Cash flow from financing</b>                                |                 |                 |                 |
| Repayment of leasing liabilities                               | (15 543)        | (13 518)        | (59 397)        |
| <b>Net cash flow from financing</b>                            | <b>(15 543)</b> | <b>(13 518)</b> | <b>(59 397)</b> |
| <b>Net change in cash and cash equivalents</b>                 | <b>10 419</b>   | <b>(21 928)</b> | <b>-28 030</b>  |
| Cash and cash equivalents at the beginning of the period       | 17 508          | 45 530          | 45 530          |
| Exchange rate differences in cash and cash equivalents         | (14)            | (7)             | 8               |
| <b>Cash and cash equivalents at the end of the period</b>      | <b>27 913</b>   | <b>23 595</b>   | <b>17 508</b>   |

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

Income statement

All amounts in SEK thousand

|  | jan-mar<br>2023 | jan-mar<br>2022 |
|--|-----------------|-----------------|
| Other external cost                    | (270)           | (427)           |
| <b>Total operating expense</b>         | <b>(270)</b>    | <b>(427)</b>    |
| <b>Operating profit</b>                | <b>(270)</b>    | <b>(427)</b>    |
| Interest income and similar            | 5 604           | 3 870           |
| Interest expense and similar           | (10 510)        | (7 676)         |
| <b>Net financial income (expenses)</b> | <b>(4 906)</b>  | <b>(3 806)</b>  |
|  | -               | -               |
| <b>Profit before income tax</b>        | <b>(5 176)</b>  | <b>(4 233)</b>  |
| Income taxes                           | -               | -               |
| <b>Net profit for the period</b>       | <b>(5 176)</b>  | <b>(4 233)</b>  |

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

| <b>ASSETS</b>                                       | <b>2023</b>    | <b>2022</b>    |
|---|----------------|----------------|
|   | <b>31.03.</b>  | <b>31.03.</b>  |
| Other investments                                   | 306 966        | 306 456        |
| Receivables to group companies                      | 94 310         | 94 310         |
| Deferred tax receivables                            | 321            | 321            |
| <b>Total non-current financial assets</b>           | <b>401 597</b> | <b>401 087</b> |
| <b>TOTAL NON-CURRENT ASSETS</b>                     | <b>401 597</b> | <b>401 087</b> |
| Accounts receivables                                | 0              | 15             |
| Other short term receivables                        | 276            | 627            |
| Shortterm receivables to group companies            | 144 928        | 186 707        |
| Prepaid expenses and accrued income                 | 25             | 31             |
| Cash and cash equivalents                           | 26 896         | 20 741         |
| <b>Total receivables</b>                            | <b>172 125</b> | <b>208 121</b> |
| <b>TOTAL CURRENT ASSETS</b>                         | <b>172 125</b> | <b>208 121</b> |
| <b>TOTAL ASSETS</b>                                 | <b>573 722</b> | <b>609 208</b> |
| <b>EQUITY AND LIABILITIES</b>                       | <b>2023</b>    | <b>2022</b>    |
|   | <b>31.03.</b>  | <b>31.03.</b>  |
| Share capital                                       | 105 619        | 105 619        |
| Other equity  | -31 637        | -12 013        |
| This years result                                   | -6 979         | -4 123         |
| <b>Equity attributable to majority shareholders</b> | <b>67 003</b>  | <b>89 483</b>  |
| Bonds   | 281 796        | 279 232        |
| <b>Total non-current liabilities</b>                | <b>281 796</b> | <b>279 232</b> |
| Accounts payable                                    | 6              | 101            |
| Liabilities to associated companies                 | 219 834        | 236 623        |
| Accrued expenses and deferred income                | 5 083          | 3 769          |
| <b>Total current liabilities</b>                    | <b>224 923</b> | <b>240 493</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b>573 722</b> | <b>609 208</b> |

## 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 2022 Annual Report. The 2022 Annual Report is available at [www.sono-group.com](http://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 3rd quarter.

## RELATED PARTY TRANSACTIONS

The Group had no significant transactions with related parties so far in 2023. 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 have 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 2023 |              | Jan-Mar 2022 |              | Jan-Dec 2022 |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
|   | Sono Norway  | Sono Sweden  | Sono Norway  | Sono Sweden  | Sono Norway  | Sono Sweden  |
| Revenue per segment   | 129,2        | 136,3        | 123,9        | 122,2        | 497,2        | 543,4        |
| Net sales to other segments   | (8,7)        | (14,9)       | -12,7        | -13,9        | -38,7        | -60,0        |
| <b>Revenue from external customers</b>  | <b>120,4</b> | <b>121,4</b> | <b>111,2</b> | <b>108,3</b> | <b>458,5</b> | <b>483,5</b> |
|   |              |              |              |              |              |              |
|   | Jan-Mar 2023 |              | Jan-Mar 2022 |              | Jan-Dec 2022 |              |
| Sono Norway   | 14,4         |              | 6,3          |              | 39,7         |              |
| Sono Sweden   | 18,4         |              | 9,5          |              | 68,3         |              |
| <b>EBITDA</b>   | <b>32,8</b>  |              | <b>15,7</b>  |              | <b>108,1</b> |              |
| for the Group's operating segments is reconciled with the Group's profit before tax in accordance with the following: |              |              |              |              |              |              |
| NIG AB and elimination  | (0,3)        |              | (0,2)        |              | (1,0)        |              |
| <b>EBITDA for the Group</b>   | <b>32,5</b>  |              | <b>15,5</b>  |              | <b>107,0</b> |              |
| Amortisation and depreciation   | (18,2)       |              | (14,3)       |              | (64,0)       |              |
| Financial items net   | (12,1)       |              | (9,2)        |              | (42,9)       |              |
| <b>Profit before tax</b>  | <b>2,2</b>   |              | <b>(7,9)</b> |              | <b>0,1</b>   |              |

## FINANCIAL CALENDAR

2023 Q2 Report: 25.08.2023

2023 Q3 Report: 14.11.2023

## ADDITIONAL INFORMATION

Please contact



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