



Karnell.

Q2

Interim report

January – June 2025

January - June 2025

Second quarter

- Net sales for the second quarter increased by 20.7% to SEK 431.0 million (357.2), of which organic growth amounted to 1.4%.
- EBITA increased by 54.4% and amounted to SEK 62.9 million (40.8), corresponding to a margin of 14.6% (11.4).
- The quarter was affected by SEK 1.2 million (0.9) of acquisition costs.
- Operating profit (EBIT) amounted to SEK 56.9 million (37.5), an increase of 51.8%.
- Cash flow from operating activities for the quarter amounted to SEK 20.0 million (30.5).
- Earnings per share for the quarter after dilution amounted to SEK 0.68 (0.29).
- In April, the acquisition of the British company Warwick SASCo Ltd was completed.
- After the end of the period, the acquisition of the British company LundHalsey Ltd was completed.

January - June

- Net sales for the first half of the year increased by 23.0% to SEK 790.4 million (642.8), of which organic growth amounted to 3.4%.
- EBITA increased by 66.8% and amounted to SEK 101.3 million (60.7), corresponding to a margin of 12.8% (9.4).
- The period was affected by SEK 3.2 million (4.1) of acquisition costs.
- Operating profit (EBIT) amounted to SEK 90.5 million (54.5), an increase of 66.2%.
- Cash flow from operating activities for the first half of the year amounted to SEK 33.3 million (42.5).
- Earnings per share for the first half of the year after dilution amounted to SEK 1.04 (0.36).
- During the period, two acquisitions were completed.

Karnell.

431 SEKm

Sales Q2

63 SEKm

EBITA Q2

14.6%

EBITA margin Q2

Key figures

| MSEK | Q2 | | | Jan-Jun | | | LTM | Jan-Dec |
|--|--------|--------|------|---------|--------|------|---------|---------|
| | 2025 | 2024 | Δ | 2025 | 2024 | Δ | Jul-Jun | 2024 |
| Net sales | 431,0 | 357,2 | 21% | 790,4 | 642,8 | 23% | 1 549,9 | 1 402,3 |
| EBITDA | 84,2 | 56,7 | 48% | 142,6 | 92,4 | 54% | 285,8 | 235,7 |
| EBITA | 62,9 | 40,8 | 54% | 101,3 | 60,7 | 67% | 206,4 | 165,8 |
| EBITA margin. % | 14,6% | 11,4% | | 12,8% | 9,4% | | 13,3% | 11,8% |
| Operating profit (EBIT) | 56,9 | 37,5 | 52% | 90,5 | 54,5 | 66% | 186,8 | 150,7 |
| Net profit after tax for the period | 36,8 | 15,8 | 132% | 56,6 | 18,0 | 214% | 116,0 | 77,5 |
| Net debt excl. leasing/ EBITDA excl. leasing | | | | | | | 1,4 | 0,9 |
| Cash flow from operating activities | 20,0 | 30,5 | -34% | 33,3 | 42,5 | -22% | 164,9 | 174,1 |
| Earnings per share before dilution (SEK) | 0,70 | 0,30 | 132% | 1,07 | 0,38 | 184% | 2,19 | 1,54 |
| Earnings per share after dilution (SEK) | 0,68 | 0,29 | 132% | 1,04 | 0,36 | 186% | 2,14 | 1,49 |
| Number of employees, closing day | 733 | 646 | 13% | 733 | 646 | 13% | 733 | 671 |
| Number of shares outstanding ('000) | 52 921 | 52 921 | - | 52 921 | 52 921 | - | 52 921 | 52 921 |

CEO comments

Despite continued cautious sentiment in several of our end markets, we delivered a solid result in the second quarter of 2025. EBITA increased by 54% and the margin improved significantly, which clearly reflects the strength of our combination of Niche production companies and Product companies with long-term potential. The quarter confirms that our strategy holds up well even in a more challenging market environment. We continue to grow both organically and through acquisitions, while our focus on international expansion is showing tangible results. With two acquisitions in the UK, we strengthen both our position and geographical presence.

Group development

Net sales for the quarter amounted to SEK 431 million (357), representing a 20.7% increase year-on-year, with organic growth of 1.4 percent. The top-line growth was driven primarily by acquisitions, complemented by solid organic performance in Niche production. Product companies, on the other hand, saw an organic revenue decline, reflecting softer demand.

EBITA amounted to SEK 63 million (41), a 54% increase versus last year, with an organic EBITA growth of 17.0%. The EBITA margin strengthened from 11.4% to 14.6%, corresponding to an improvement of 3.2 percentage points. We also noted a significant increase in both earnings per share and ROCE during the quarter. Niche production contributed positively, while Product companies showed more varied development.

The quarter followed a steady pattern without any major shifts in market conditions. Although the overall environment is somewhat reserved, we are seeing increased resilience and predictability in large parts of the Group.

Business areas

Niche production delivered a strong quarter with continued recovery and performance in line with our long-term expectations. The businesses in this area showing strong operational focus and adaptability, which has contributed to both growth and margin improvement.

Product companies started the year strongly but had a more mixed development in the second quarter. Organic growth declined, driven by slightly weaker demand in the short term. That said, we have had organic growth of 2.2% so far this year.

"Karnell's ability to grow EBITA in the current market conditions highlights the strength of our model and the quality of our companies."

Acquisition activity

On April 1, we completed the acquisition of Warwick SASCo, a UK-based supplier of reusable medical plastic products used in hospital decontamination and patient care. This represents Karnell's first entry into the healthcare sector, a new vertical and a company that fits well with our strategy of acquiring family-owned, niched product companies with long-term potential.

Shortly after the end of the quarter, we also completed the acquisition of LundHalsey, a UK-based designer and manufacturer of high-end technical consoles for mission-critical control rooms in industries such as aviation, infrastructure, and broadcast. This was our first proactively sourced acquisition in the UK, and a direct result of the focused and systematic efforts by the Karnell team to identify and engage with attractive companies beyond the Nordic markets.

Market environment

Overall market sentiment remains cautious but stable. While decision cycles are longer and some hesitation in new investments persists, underlying activity levels are holding up. The broader macro environment continues to be shaped by interest rates, supply chain dynamics, and geopolitical uncertainty. None of which currently have a material impact on our group of companies, though we continue to monitor developments closely.

Outlook

We enter the second half of 2025 with confidence. Our portfolio companies are performing well, and our decentralized operating model continues to demonstrate its strength in navigating mixed market conditions. With two high-quality acquisitions completed, a solid balance sheet, and a strong pipeline of opportunities, we remain focused on creating long-term value through operational excellence and disciplined growth.

Petter Moldenius

Chief executive officer

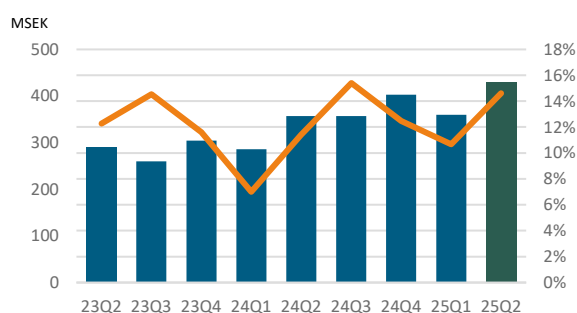


Group performance

Net sales

Net sales increased in the second quarter by 20.7% compared to the same period last year and amounted to SEK 431.0 million (357.2). The growth was mainly related to acquisitions, 21.2%. Exchange rate effects accounted for -1.9% and organically sales increased by 1.4%. The market situation in the second quarter remained a little cautious but stable. The Group achieved an organic increase in sales, driven by Niche production. Product companies had negative organic growth compared to a strong quarter last year. Niche production has seen a continued stable market in the second quarter compared to the previous year, and most companies in the business area reported increased sales.

Net sales for the first six months increased by 23.0% compared to the same period last year and amounted to SEK 790.4 million (642.8). The growth is mainly explained by completed acquisitions. Organic growth amounted to 3.4%.



Net sales and EBITA margin in percent

In the second quarter, the EBITA margin amounted to 14.6% (11.4). The EBITA margin for Q4 2023 and Q1 2024 was impacted by costs related to the IPO.

Profit

EBITA increased in the second quarter by 54.4% to SEK 62.9 million (40.8). Acquisitions accounted for 40.8% and currency -3.4%. Organically, EBITA increased by 17.0%. The increase is mainly attributable to a strong performance for Niche production, where the recovery from a softer previous year continues. For the operating companies, EBITA increased organically by 13.5%. The Group had acquisition costs for the quarter amounting to SEK 1.2 million (0.9).

Operating profit increased by 51.8% compared to the same quarter last year and amounted to SEK 56.9 million (37.5).

Product companies had a slightly softer quarter than last year, where several units had high sales and high margins. Niche

production had a stronger quarter compared to the same period last year, with higher demand and solid margins.

For the first half of the year, EBITA increased by 66.8% and amounted to SEK 101.3 million (60.7). Acquisitions accounted for a 45.6% year-over-year increase, and exchange rate effects amounted to -2.0%. EBITA increased organically by 23.2%. A large part of the increase is explained by the fact that the central costs decreased compared to the same period last year, as these included listing costs of SEK 7.2 million. In addition, the operating companies have developed positively with an organic EBITA increase of 9.3%. During the period, the Group had acquisition costs of SEK 3.2 million (4.1).

Operating profit increased by 66.2% compared to the same period last year and amounted to SEK 90.5 million (54.5). Product companies first six months showed slightly increased sales and with mixed development in the companies' margins. Niche production have generally had a stronger period compared to the first half of last year, with slightly higher demand and solid margins.

Net financial items

Net financial items for the second quarter amounted to SEK -9.2 million (-11.3). Net financial items consisted of interest expenses to credit institutions of SEK -6.7 million (-7.6), interest on lease liabilities of SEK -2.4 million (-1.4), interest income of SEK 1.3 million (2.6) and SEK 0.3 million (-1.9) of currency effects. Net financial items were affected in the second quarter by revaluation of put/call options and earn-outs of SEK -1.9 million (-3.1). See note 5.

For the first half of the year, net financial items amounted to SEK -17.3 million (-21.2). Net financial items consist of interest expenses to credit institutions of SEK -13.7 million (-16.7), interest on lease liabilities of SEK -4.5 million (-2.9), interest income of SEK 2.6 million (4.1) and SEK 1.5 million (-1.7) of currency effects. Net financial items are also affected by the revaluation of put/call options and earn-outs of SEK -3.3 million (-5.7). See note 5.

Income tax

For the Group, the weighted tax rate for the second quarter was 22.8% (39.4).

The Group's weighted tax rate for the first half of the year was 22.8% (45.9). The high tax rate last year was mainly due to the increased costs in the parent company, where no deferred tax was booked.

Cash flow and financial position

Cash flow

Cash flow from operating activities for the second quarter amounted to SEK 20.0 million (30.5). The decrease compared with the previous year is a consequence of higher tied-up capital, primarily in inventories, due to several companies that have increased inventories for future deliveries.

During the quarter, SEK 9.6 million (11.9) was invested in property, plant and equipment and SEK 0.5 million (0.9) in intangible non-current assets. One acquisition was completed in the quarter, which affected cash flow by SEK -39.9 million. Earn-outs amounting to SEK 10.6 million were paid during the quarter. Cash flow from financing activities amounted to SEK -82.4 million (-3.6) and consisted of, among other things, amortization of loans of SEK 78.6 million and payments for put/call options of SEK 38.3 million.

Cash flow from operating activities for the first six months amounted to SEK 33.3 million (42.5). The decrease compared with the previous year is primarily due to increased working capital, both inventories and accounts receivable. During the period, SEK 17.5 million (18.2) was invested in property, plant and equipment and SEK 1.0 million (1.9) in intangible fixed assets. During the period, two acquisitions were completed, which affected cash flow by SEK -96.9 million, and earn-outs of SEK 10.6 million relating to previous acquisitions were paid. Cash flow from financing activities amounted to SEK -19.4 million (313.4).

Financial position

Amounts in brackets in the Financial position section refer to corresponding values as of 31 December 2024.

Equity at the end of the period amounted to SEK 1,179.1 million (1,164.9). No new issues were carried out during the year (SEKm 326.0).

Total assets amounted to SEK 2,318.7 million (2,233.1) and the equity/assets ratio was 50.9% (52.2).

Non-current interest-bearing liabilities amounted to SEK 344.1 million (367.3) at the end of the period and consisted

of corporate loans from credit institutions. Other non-current liabilities consisted of put/call options and earn-outs amounting to SEK 114.6 million (129.9). Non-current lease liabilities amounted to SEK 104.5 million (97.7). Total non-current liabilities and provisions amounted to SEK 645.2 million (665.8) at the end of the period. Current interest-bearing liabilities consisted of short-term corporate loans and overdraft facilities and amounted to SEK 156.9 million (93.0). The large increase is due to a reduction in the utilization of credit facilities and increased use of overdrafts, in order to achieve greater flexibility and to optimization of net interest. Current lease liabilities amounted to SEK 44.3 million (40.8) and the current part of put/call options and earn-outs amounted to SEK 34.5 million (54.5).

Cash and cash equivalents at the end of the period amounted to SEK 168.7 million (286.3). Part of the change is due to a reduction of the outstanding credit facilities during the quarter to optimize net interest in the Group. The Group's financial capacity remains.

Property, plant and equipment at the end of the period amounted to SEK 274.0 million (276.4). Right-of-use assets at the end of the period amounted to SEK 145.4 million (136.2).

At the end of the period, the Group's goodwill amounted to SEK 845.6 million (806.5). Other intangible non-current assets at the end of the period amounted to SEK 224.7 million (176.9). The increase compared to the beginning of the year is attributable to acquisitions.

Acquisition

During the second quarter, one acquisition was completed. On 1 April 2025, the acquisition of Warwick SASCo Ltd was finalized. The acquisition balance is preliminary as retroactive adjustments may still be made if they reflect new information about the circumstances that existed at the time of acquisition. For more information, see Note 3.

Other information

Significant risks and uncertainties

The uncertainty factors that are primarily expected to affect the Group are as follows:

- **Economic activity** – the general industrial economy is expected to have a major impact on the Group as the majority of the companies sell to other manufacturing companies. However, the geographical spread in sales means that dependence on an individual country's economic situation is not decisive.
- **Geopolitical unrest** – the ongoing war against Ukraine and other conflicts have not had any significant impact on the Group's operations. The long-term economic consequences depend on the duration of the war as well as the measures taken by governments, central banks and other authorities.

The increased tariffs announced by the United States may affect the Group's companies and financial position. Direct exposure to the United States is limited, but indirect and global effects are currently uncertain.

- **Currencies** – The Group has a certain dependence on the development of the Swedish krona against the leading currencies in that a certain part of costs are paid in SEK while corresponding sales are made in foreign currencies. Therefore, a strengthening of the Swedish krona would affect competitiveness. The primary currency risk consists of translation exposure to EUR in the Finnish subsidiaries but is also starting to increase against GBP in line with new acquisitions in the UK.
- **Interest** – the Group is partly financed by external borrowing. A significant increase in interest rates would thus increase financial costs and reduce liquidity.

For more information, please refer to the section "Risks and uncertainties" on page 45 and note 20 in the Annual Report for 2024.

Personnel

At the end of the period, the Group had 733 employees (671). The change is mainly due to recent acquisitions.

Number of shares

At the end of the period, the share capital of SEK 5.3 million (5.3) consisted of 52,920,992 shares (52,920,992).

Parent company

Operating profit for the second quarter amounted to SEK -9.2 million (-10.6). Operating profit for the first half of the year was SEK -18.4 million (-23.8), the difference is mainly attributable to costs related to the IPO last year.

Events after the end of the reporting period

On July 4, the acquisition of LundHalsey (Console Systems) Ltd ("LundHalsey"), a British designer and manufacturer of premium consoles used to equip control rooms, was finalized. LundHalsey, based in Aylesbury, England, has annual sales of approximately GBP 10 million and will be part of the Product companies business area.

Related party transactions

All transactions between Karnell Group AB (publ) and its subsidiaries have been eliminated in the consolidated financial statements. Fees to the Board of Directors can be found in Note 5 in the Annual Report for 2024.

Financial targets

Karnell's financial targets are set to help create long-term and sustainable profitable growth by acquiring and developing profitable businesses.

- **EBITA growth** – Average annual EBITA growth should amount to at least 15% over a business cycle. Growth will be achieved both organically and through acquisitions.
- **EBITA margin** – The EBITA margin shall amount to at least 15% in the medium term.
- **Net debt/EBITDA** – Net debt excl. leasing/EBITDA excl. leasing should normally not exceed 2x. The ratio may temporarily exceed this level in connection with acquisitions.
- **Dividend** – Karnell's earnings and available cash flows will be reinvested in the business in the short term and will mainly be used for expansion through new acquisitions. In the medium term (3-5 years), Karnell intends to distribute 20-30% of the year's profit.

Business area – Product companies

Sales in the second quarter increased by 21.9% and amounted to SEK 218.3 million (179.1). Acquisitions contributed 30.0% and currency impacted by -1.5%. Organically, sales decreased by 6.6%. EBITA increased by 33.4% and amounted to SEK 32.3 million (24.2). Acquisitions accounted for 46.2% and currency -2.1%. Organically, EBITA decreased by 10.7%.

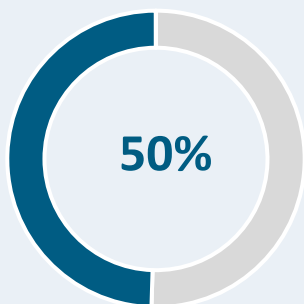
Product companies have had a mixed development in the second quarter, after a strong start to the year. Organically, both sales and EBITA have decreased, because of lower demand in the short term. The business area has shown growth, thanks to strategic and successful acquisitions that have contributed to increased sales, improved EBITA and strengthened margins.

Net sales during the first half of the year increased by 32.0% and amounted to SEK 391.3 million (296.5). Acquisitions accounted for 30.6% of the increase and currency effects were -0.8%. Organically, sales increased by 2.2%. EBITA increased by 39.9% and amounted to SEK 49.8 million (35.6). Acquisitions accounted for 46.9% and currency effects -0.8%. Organically, EBITA decreased by 6.1%.



The Product Company business area focuses on B2B industrial technology companies. These are companies that develop, own the rights and have a unique product offering. The business area consists of eleven business units.

Share of Group sales



| MSEK | Q2 | | | Jan-Jun | | |
|--------------|-------|-------|-----|---------|-------|-----|
| | 2025 | 2024 | Δ | 2025 | 2024 | Δ |
| Net sales | 218.3 | 179.1 | 22% | 391.3 | 296.5 | 32% |
| EBITA | 32.3 | 24.2 | 33% | 49.8 | 35.6 | 40% |
| EBITA margin | 14.8% | 13.5% | | 12.7% | 12.0% | - |

| MSEK | R12 | Jan-Dec |
|--------------|---------|---------|
| | Jul-Jun | 2024 |
| Net sales | 773.3 | 678.5 |
| EBITA | 110.1 | 95.9 |
| EBITA margin | 14.2% | 14.1% |

Companies in the business area as of June 30, 2025



Business area – Niche production

Net sales increased in the second quarter by 19.4% and amounted to SEK 212.7 million (178.1), of which organic growth accounted for 9.3%. Acquisitions and currency contributed 12.4% and -2.3%, respectively. EBITA increased by 50.9% during the quarter and amounted to SEK 41.9 million (27.8). Organically EBITA increased by 34.6%, acquisitions contributed positively by 19.7% and currency effects by -3.4%.

The business area had a strong second quarter, with continued recovery. The companies in the business area showed both increased sales and improved margins compared with the corresponding period last year. Growth was driven by both completed acquisitions and strong organic development, through a clear operational focus and good adaptability.

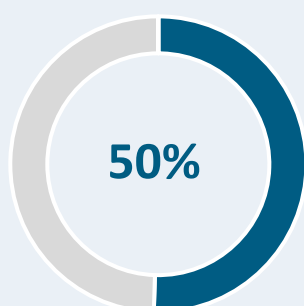
During the first half of the year, sales increased by 15.2% and amounted to SEK 399.0 million (346.4), of which organic growth accounted for 4.3%. Acquisitions and currency contributed 12.3% and -1.4%, respectively. EBITA increased by 38.7% during the first half of the year and amounted to SEK 73.2 million (52.8). Organically EBITA increased by 19.7%, acquisitions contributed positively by 20.8% and currency effects by -1.8%.

The market is perceived as more stable than at the end of 2024, and the level of activity appears to be gradually returning to more normal levels after a weaker previous year, a development that is in line with our long-term expectations.



The Niche Production business area focuses on companies that are market leaders in producing products in their niche area. Often, our companies work closely with the customers' development department and add value in the development of the product. Niche production consists of six business units.

Share of Group sales



| MSEK | Q2 | | | Jan-Jun | | |
|--------------|-------|-------|-----|---------|-------|-----|
| | 2025 | 2024 | Δ | 2025 | 2024 | Δ |
| Net sales | 212.7 | 178.1 | 19% | 399.0 | 346.4 | 15% |
| EBITA | 41.9 | 27.8 | 51% | 73.2 | 52.8 | 39% |
| EBITA margin | 19.7% | 15.6% | | 18.3% | 15.2% | - |

| MSEK | R12 | Jan-Dec |
|--------------|---------|---------|
| | Jul-Jun | 2024 |
| Net sales | 776.5 | 723.8 |
| EBITA | 134.1 | 113.6 |
| EBITA margin | 17.3% | 15.7% |

Companies in the business area as of June 30, 2025



Certification by the Board of Directors and the CEO

The undersigned declares that the interim report provides a true and fair overview of the Group's and the Parent Company's operations, position and results, and describes material risks and uncertainties faced by the Parent Company and the companies that are part of the Group.

The report has not been subject to the auditors' review.

Stockholm, July 18, 2025

Patrik Rignell

Chairperson

Per Nordgren

Board member

Dajana Mirborn

Board member

Hans Karlander

Board member

Helena Nordman-Knutson

Board member

Lena Wäppling

Board member

Petter Moldenius

CEO

Consolidated income statement in summary

| MSEK | Note | Q2 | | Jan-Jun | | LTM | Jan-Dec |
|--|------|--------------|--------------|--------------|--------------|----------------|----------------|
| | | 2025 | 2024 | 2025 | 2024 | Jul-Jun | 2024 |
| Net sales | 2 | 431,0 | 357,2 | 790,4 | 642,8 | 1 549,9 | 1 402,3 |
| Other operating revenue | | 2,4 | 1,1 | 4,8 | 3,4 | 9,3 | 7,9 |
| Total income | | 433,4 | 358,3 | 795,3 | 646,2 | 1 559,2 | 1 410,2 |
| Change in inventories | | 10,6 | -5,7 | 19,8 | 6,6 | 3,4 | -9,8 |
| Raw materials and consumables | | -195,3 | -145,4 | -356,7 | -283,3 | -665,0 | -591,6 |
| Employee benefits expense | | -122,7 | -113,9 | -228,0 | -195,1 | -435,8 | -402,9 |
| Other external expenses | | -41,8 | -36,5 | -87,8 | -82,0 | -176,0 | -170,2 |
| Depreciation and amortisation of property, plant and equipment | | -11,0 | -8,6 | -21,5 | -17,1 | -42,3 | -37,9 |
| Depreciation and amortisation of right-to-use assets | | -10,3 | -7,3 | -19,8 | -14,6 | -37,1 | -31,9 |
| Depreciation and amortisation of intangible assets | | -6,0 | -3,3 | -10,7 | -6,3 | -19,6 | -15,1 |
| Operating income | | 56,9 | 37,5 | 90,5 | 54,5 | 186,8 | 150,7 |
| Net financial items | 5 | -9,2 | -11,3 | -17,3 | -21,2 | -32,3 | -36,1 |
| Profit/loss before tax | | 47,7 | 26,2 | 73,2 | 33,3 | 154,5 | 114,6 |
| Tax on profit/loss for the period | | -10,9 | -10,3 | -16,7 | -15,3 | -38,5 | -37,1 |
| Profit/loss for the period | | 36,8 | 15,8 | 56,6 | 18,0 | 116,0 | 77,5 |
| Earnings per share, SEK | | | | | | | |
| - before dilution | | 0,70 | 0,30 | 1,07 | 0,38 | 2,19 | 1,54 |
| - after dilution | | 0,68 | 0,29 | 1,04 | 0,36 | 2,14 | 1,49 |

Consolidated comprehensive income report in summary

| MSEK | Q2 | | Jan-Jun | | LTM | Jan-Dec |
|--|-------------|-------------|--------------|-------------|--------------|--------------|
| | 2025 | 2024 | 2025 | 2024 | Jul-Jun | 2024 |
| Profit/loss for the period | 36,8 | 15,8 | 56,6 | 18,0 | 116,0 | 77,5 |
| Items that may be reversed to the statement of income | | | | | | |
| Translation differences | 18,0 | -7,5 | -30,0 | 15,8 | -19,4 | 26,4 |
| Other comprehensive income | 18,0 | -7,5 | -30,0 | 15,8 | -19,4 | 26,4 |
| Total comprehensive income for the year | 54,8 | 8,3 | 26,6 | 33,9 | 96,6 | 103,9 |

Consolidated statement of Financial Position in summary

| MSEK | Note | 30 Jun 2025 | 30 Jun 2024 | 31 Dec 2024 |
|--|------|----------------|----------------|----------------|
| Fixed assets | | | | |
| Intangible fixed assets | 3 | 1,070.4 | 824.7 | 983.3 |
| Right of use asset | | 145.4 | 87.3 | 136.2 |
| Property plant and equipment | | 274.0 | 234.6 | 276.4 |
| Other financial assets | 4 | 2.6 | 4.6 | 1.8 |
| Total non-current assets | | 1,492.4 | 1,151.3 | 1,397.7 |
| Current assets | | | | |
| Inventories | | 326.1 | 301.9 | 293.0 |
| Accounts receivable | 4 | 303.1 | 244.4 | 239.6 |
| Other current receivables | | 21.6 | 22.7 | 8.4 |
| Prepaid expenses and accrued income | | 6.8 | 9.6 | 8.0 |
| Cash and cash equivalents | 4 | 168.7 | 339.9 | 286.3 |
| Total current assets | | 826.3 | 918.5 | 835.3 |
| Total assets | | 2,318.7 | 2,069.8 | 2,233.1 |
| Equity | | 1,179.1 | 1,094.8 | 1,164.9 |
| Deferred tax asset | | 77.1 | 47.4 | 66.1 |
| Provisions | | 4.9 | 4.8 | 4.8 |
| Non-current interest-bearing liabilities | 4 | 344.1 | 309.2 | 367.3 |
| Other non-current liabilities | 4 | 114.6 | 161.4 | 129.9 |
| Non-current leasing liabilities | | 104.5 | 58.2 | 97.7 |
| Total non-current liabilities | | 645.2 | 581.0 | 665.8 |
| Current liabilities | | | | |
| Current interest-bearing liabilities | 4 | 156.9 | 123.3 | 93.0 |
| Trade payables | 4 | 111.4 | 92.2 | 94.8 |
| Contract liabilities | 4 | 6.2 | 15.0 | 6.4 |
| Current tax liabilities | | 10.8 | 11.5 | 2.0 |
| Current leasing liabilities | | 44.3 | 31.5 | 40.8 |
| Other current liabilities | | 87.3 | 63.4 | 95.9 |
| Accrued expenses and prepaid income | | 77.5 | 57.0 | 69.6 |
| Total current liabilities | | 494.4 | 393.9 | 402.4 |
| Total equity and liabilities | | 2,318.7 | 2,069.8 | 2,233.1 |

Consolidated report on changes in equity in summary

| MSEK | Share capital | Other contributed capital | Translation reserve | Retained earnings incl. this year's profit/loss | Total equity |
|--|---------------|---------------------------|---------------------|---|----------------|
| Opening balance, equity 1 Jan 2025 | 5.3 | 987.3 | 42.4 | 130.0 | 1,164.9 |
| Net profit for the year | | | | 56.6 | 56.6 |
| Other comprehensive income for the year | | | -30.0 | | -30.0 |
| Comprehensive income for the year | | | -30.0 | 56.6 | 26.6 |
| New share issue | | | | -2.4 | -2.4 |
| Option premiums | | 5.3 | | | 5.3 |
| Repurchase warrants | | | | -15.3 | -15.3 |
| Closing balance, equity 30 Jun 2025 | 5.3 | 992.6 | 12.4 | 168.9 | 1,179.1 |

| MSEK | Share capital | Other contributed capital | Translation reserve | Retained earnings incl. this year's profit/loss | Total equity |
|--|---------------|---------------------------|---------------------|---|----------------|
| Opening balance, equity 1 Jan 2024 | 4.2 | 677.4 | 16.0 | 76.9 | 774.5 |
| Net profit for the year | | | | 18.0 | 18.0 |
| Other comprehensive income for the year | | | 15.8 | | 15.8 |
| Comprehensive income for the year | | | 15.8 | 18.0 | 33.9 |
| New share issue | 1.1 | 324.9 | | | 326.0 |
| Issue costs | | -17.3 | | | -17.3 |
| Option premiums | | 2.2 | | | 2.2 |
| Repurchase warrants | | | | -24.5 | -24.5 |
| Closing balance, equity 30 Jun 2024 | 5.3 | 987.3 | 31.8 | 70.5 | 1,094.8 |

Consolidated cash flow statement in summary

| | | Q2 | | Jan-Jun | | LTM | Jan-Dec |
|---|------|--------|-------|---------|--------|---------|---------|
| MSEK | Note | 2025 | 2024 | 2025 | 2024 | Jul-Jun | 2024 |
| Operating activities | | | | | | | |
| Operating profit (EBIT) | | 56.9 | 37.5 | 90.5 | 54.5 | 186.8 | 150.7 |
| Adjustments for non-cash items | | 24.5 | 21.6 | 51.3 | 38.5 | 98.8 | 85.9 |
| Interest received | | 1.3 | 2.6 | 2.6 | 4.1 | 6.1 | 7.6 |
| Interest paid | | -9.0 | -9.0 | -18.1 | -19.6 | -35.5 | -37.0 |
| Paid tax | | -5.5 | -4.6 | -18.1 | -16.9 | -47.6 | -46.5 |
| Cash flow before changes in working capital | | 68.3 | 48.2 | 108.3 | 60.4 | 208.6 | 160.7 |
| Changes in working capital | | | | | | | |
| Changes in inventories | | -14.9 | 20.6 | -29.8 | -4.4 | -1.3 | 24.1 |
| Changes in trade receivables | | -38.9 | -34.5 | -58.1 | -13.1 | -32.1 | 12.9 |
| Change in other operating receivables | | 4.4 | -8.7 | -2.4 | -4.7 | 7.4 | 5.1 |
| Change in trade payables | | -2.9 | -7.4 | 9.7 | -2.4 | -6.2 | -18.3 |
| Change in other operating liabilities | | 4.1 | 12.2 | 5.7 | 6.7 | -11.6 | -10.5 |
| Cash flow from changes in working capital | | -48.3 | -17.7 | -75.0 | -17.9 | -43.7 | 13.4 |
| Cash flow from operating activities | | 20.0 | 30.5 | 33.3 | 42.5 | 164.9 | 174.1 |
| Investing activities | | | | | | | |
| Acquisition of subsidiaries | | -50.5 | -60.2 | -107.5 | -188.6 | -255.2 | -336.4 |
| Investments in intangible assets | | -0.5 | -0.9 | -1.0 | -1.9 | -3.3 | -4.2 |
| Investments in property, plant and equipment | | -9.6 | -11.9 | -17.5 | -18.2 | -47.4 | -48.2 |
| Divestments of tangible assets | | - | -0.0 | - | 0.5 | 1.5 | 2.0 |
| Changes in other financial assets | | -0.0 | -0.2 | -0.4 | -0.2 | -0.0 | 0.2 |
| Cash flow from investing activities | | -60.6 | -73.3 | -126.4 | -208.5 | -304.4 | -386.5 |
| Financing activities | | | | | | | |
| Borrowings | | - | - | 57.9 | 82.0 | 128.8 | 153.0 |
| Loan repayments | | -78.6 | - | -91.4 | -26.0 | -104.5 | -39.1 |
| Loan repayments, leasing | | -9.2 | -7.6 | -18.6 | -14.7 | -36.0 | -32.1 |
| Change in current credit facility | | 56.1 | -29.9 | 85.7 | -10.5 | 38.3 | -57.9 |
| Dividends paid to non-controlling interests | | -2.4 | - | -2.4 | - | -2.4 | - |
| New share issue | | - | 35.4 | - | 287.0 | - | 287.0 |
| Warrants | | -10.0 | 2.2 | -10.0 | -0.5 | -10.0 | -0.5 |
| Cash-settled put/call options and earn-outs | | -38.3 | -3.8 | -40.7 | -3.8 | -43.1 | -6.3 |
| Cash flow from financing activities | | -82.4 | -3.6 | -19.4 | 313.4 | -28.8 | 304.0 |
| Cash flow for the period | | -123.1 | -46.4 | -112.5 | 147.4 | -168.3 | 91.6 |
| Cash and cash equivalents at the beginning of the period | | 289.7 | 387.1 | 286.3 | 190.4 | 339.9 | 190.4 |
| Effects of translation differences in cash and cash equivalents | | 2.0 | -0.8 | -5.1 | 1.9 | -2.7 | 4.3 |
| Cash and cash equivalents at the end of the period | | 168.7 | 339.9 | 168.7 | 339.9 | 168.7 | 286.3 |

Summary of the Parent Company's income statement

| MSEK | Q2 | | Jan-Jun | | LTM | Jan-Dec |
|--|-------------|--------------|--------------|--------------|--------------|--------------|
| | 2025 | 2024 | 2025 | 2024 | Jul-Jun | 2024 |
| Net sales | 0.9 | 0.7 | 1.8 | 1.3 | 3.7 | 3.3 |
| Other operating revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total income | 0.9 | 0.7 | 1.8 | 1.3 | 3.8 | 3.3 |
| Operating costs | | | | | | |
| Employee benefits expense | -8.5 | -8.1 | -13.7 | -12.8 | -22.8 | -21.9 |
| Other external expenses | -1.5 | -3.1 | -6.5 | -12.3 | -12.9 | -18.7 |
| Depreciation of tangible and intangible fixed assets | -0.0 | -0.0 | -0.1 | -0.1 | -0.1 | -0.1 |
| Other operating expenses | -0.0 | -0.0 | -0.0 | -0.1 | -0.0 | -0.1 |
| Operating income | -9.2 | -10.6 | -18.4 | -23.8 | -32.1 | -37.6 |
| Profit/loss from financial items | | | | | | |
| Other interest income and similar profit/loss items | 20.2 | 21.1 | 39.9 | 32.7 | 60.8 | 53.7 |
| Interest expenses and similar profit/loss items | -6.1 | -14.4 | -29.4 | -23.1 | -45.7 | -39.4 |
| Profit/loss after financial items | 4.8 | -3.9 | -7.8 | -14.2 | -17.0 | -23.4 |
| Group contribution received | - | - | - | - | 16.6 | 16.6 |
| Profit/loss before tax | 4.8 | -3.9 | -7.8 | -14.2 | -0.3 | -6.7 |
| Tax on profit/loss for the period | - | - | - | - | - | - |
| Profit/loss after tax | 4.8 | -3.9 | -7.8 | -14.2 | -0.3 | -6.7 |

The result for the period is in line with the comprehensive income for the period.

Summary of the Parent Company's Financial Position Report

| MSEK | 30 Jun 2025 | 30 Jun 2024 | 31 Dec 2024 |
|---|----------------|----------------|----------------|
| Fixed assets | | | |
| Intangible fixed assets | 0,1 | 0,2 | 0,2 |
| Property plant and equipment | 0,1 | 0,2 | 0,2 |
| Shares in subsidiaries | 1 067,8 | 724,6 | 947,9 |
| Non-current receivables from subsidiaries | 329,0 | 434,3 | 375,7 |
| Total non-current assets | 1 397,1 | 1 159,3 | 1 324,0 |
| Current assets | | | |
| Accounts receivable | - | - | - |
| Current receivables from subsidiaries | 5,7 | 0,6 | 16,8 |
| Other current receivables | 0,9 | 2,1 | 0,6 |
| Prepaid expenses and accrued income | 0,4 | 4,3 | 0,4 |
| Cash and cash equivalents | 11,4 | 204,1 | 107,4 |
| Total current assets | 18,4 | 211,1 | 125,3 |
| Total assets | 1 415,4 | 1 370,4 | 1 449,2 |
| Equity | | | |
| Restricted equity | 5,3 | 5,3 | 5,3 |
| Non-restricted equity | 837,3 | 847,7 | 855,1 |
| Total equity | 842,6 | 852,9 | 860,4 |
| Non-current liabilities | | | |
| Liabilities to credit institutions | 332,0 | 302,7 | 351,7 |
| Other non-current liabilities | 89,6 | 130,7 | 116,2 |
| Current liabilities | | | |
| Liabilities to credit institutions | 104,8 | 76,0 | 71,4 |
| Trade payables | 1,0 | 2,8 | 0,8 |
| Other current liabilities | 41,7 | 2,4 | 45,0 |
| Accrued expenses and prepaid income | 3,9 | 2,9 | 3,6 |
| Total liabilities | 572,8 | 517,5 | 588,8 |
| Total equity and liabilities | 1 415,4 | 1 370,4 | 1 449,2 |

Notes

This quarterly report covers the Swedish parent company Karnell Group AB (publ), corporate identity number 559043-3214, hereinafter referred to as Karnell, with its registered office in Stockholm, Sweden, and its subsidiaries (the consolidated financial statements). The address of the head office is Riddargatan 13D, 114 51 Stockholm. Its main business is to conduct investment activities.

Note 1. Accounting principles

Karnell's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and related interpretations (IFRIC), as adopted by the EU. The Group's interim report has been prepared in accordance with applicable parts of the Annual Accounts Act and IAS 34 Interim reporting. The interim report for the parent company has been prepared in accordance with Chapter 9 of the Annual Accounts Act, Interim Report. For the

Group and the Parent Company, the same accounting principles, calculation bases and assessments have been applied as in the most recent Annual Report.

A more detailed description of the Group's applied accounting principles and new and future standards can be found in the most recently published Annual Report.

Disclosures pursuant to IAS 34.16A, in addition to the financial statements and their related notes in the interim information, are set out on pages 3 to 7 which form an integral part of this financial statement.

All amounts in this report are stated in millions of Swedish kronor (MSEK) unless otherwise stated. Rounding may occur in tables and counts, with the result that the stated totals are not always an exact sum of the rounded partial amounts.

Note 2. Segment and distribution of net sales

| MSEK | Q2 | | Jan-Jun | | Jan-Dec |
|---------------------------------|--------------|--------------|--------------|--------------|----------------|
| | 2025 | 2024 | 2025 | 2024 | 2024 |
| Product companies | 218.3 | 179.1 | 391.3 | 296.5 | 678.5 |
| Sale of products | 198.7 | 150.2 | 356.2 | 255.0 | 591.5 |
| Project sales | 13.4 | 20.9 | 24.2 | 28.8 | 52.1 |
| Sale of services | 6.2 | 8.0 | 10.9 | 12.6 | 34.9 |
| Niche production | 212.7 | 178.1 | 399.0 | 346.4 | 723.8 |
| Sale of products | 212.7 | 178.1 | 399.0 | 346.4 | 723.8 |
| Project sales | - | - | - | - | - |
| Sale of services | - | - | - | - | - |
| Central and eliminations | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 |
| Total Group | 431.0 | 357.2 | 790.4 | 642.8 | 1,402.3 |

Net sales are attributable to external income from agreements with customers. Sales of services are recognised as revenue over time, other income is recognised at one point in time.

Note 2. Segment and distribution of net sales, continued.

Net sales by geographic area

| MSEK | Q2 | | Jan-Jun | | Jan-Dec |
|-----------------|--------------|--------------|--------------|--------------|----------------|
| | 2025 | 2024 | 2025 | 2024 | 2024 |
| Sweden | 90.9 | 73.3 | 191.0 | 157.8 | 362.0 |
| Finland | 215.7 | 199.7 | 378.5 | 335.6 | 698.3 |
| UK | 41.8 | 15.0 | 74.7 | 30.3 | 93.5 |
| Europe, other | 60.6 | 47.9 | 107.5 | 86.1 | 191.7 |
| Other countries | 22.0 | 21.3 | 38.7 | 33.0 | 56.8 |
| Total | 431.0 | 357.2 | 790.4 | 642.8 | 1,402.3 |

Net sales are based on the customer's geographical residence.

| Q2 2025 (MSEK) | Product companies | | | Niche production | HQ and other | Total Group |
|--|-------------------|-------|--|------------------|--------------|-------------|
| Net sales | | 218.3 | | 212.7 | 0.0 | 431.0 |
| EBITA | | 32.3 | | 41.9 | -11.2 | 62.9 |
| Depreciation and amortisation of intangible fixed assets | | - | | - | - | -6.0 |
| Net financial items | | | | | | -9.2 |
| Profit/loss before tax | | | | | | 47.7 |

| Q2 2024 (MSEK) | Product companies | | | Total Group |
|--|-------------------|--------------|-------|-------------|
| | Niche production | HQ and other | | |
| Net sales | 179.1 | 178.1 | 0.0 | 357.2 |
| EBITA | 24.2 | 27.8 | -11.2 | 40.8 |
| Depreciation and amortisation of intangible fixed assets | - | - | - | -3.3 |
| Net financial items | | | | -11.3 |
| Profit/loss before tax | | | | 26.2 |

| Jan-Jun 2025 (MSEK) | Product companies | | | Niche production | HQ and other | Total Group |
|--|-------------------|-------|-------|------------------|--------------|-------------|
| Net sales | 391.3 | 399.0 | 0.1 | | 790.4 | |
| EBITA | 49.8 | 73.2 | -21.8 | | 101.3 | |
| Depreciation and amortisation of intangible fixed assets | - | - | - | | -10.7 | |
| Net financial items | | | | | -17.3 | |
| Profit/loss before tax | | | | | 73.2 | |

| | Product | | | |
|--|-----------|------------------|--------------|-------------|
| Jan-Jun 2024 (MSEK) | companies | Niche production | HQ and other | Total Group |
| Net sales | 296.5 | 346.4 | 0.0 | 642.8 |
| EBITA | 35.6 | 52.8 | -27.7 | 60.7 |
| Depreciation and amortisation of intangible fixed assets | - | - | - | -6.3 |
| Net financial items | | | | -21.2 |
| Profit/loss before tax | | | | 33.3 |

Note 3. Acquisitions

Männistö

On 31 January 2025, Karnell completed the acquisition of Männistö Oy Metallituote ("Männistö"), which was acquired at 90.4%. The acquisition includes a put/call option that entails a right and an obligation to acquire the remaining 9.6% of the shares from other owners. Hence, the acquisition is reported to be 100% without any non-controlling interest. The expected purchase price for the remaining 9.6% is reported as a liability.

Männistö, located in Rauma, Finland, is a manufacturer specializing in pipe support systems for the maritime industry and its own products for HVAC and insulation applications. The company has a turnover of approximately EUR 6 million and is part of the Product companies business area.

The acquired goodwill is attributable to the company's expected future earning capacity and the competence of its personnel. No part of the goodwill is expected to be tax deductible. Transaction costs for the acquisition amount to approximately SEK 2.0 million, a large part of which is attributable to transfer tax, and are included in the item Other external expenses in the Group's income statement.

Warwick SASCo

On April 1, the acquisition of Warwick SASCo Ltd was completed, which was acquired at 90.1%. The acquisition includes a put/call option that entails a right and an obligation to acquire the remaining 9.9% of the shares from other owners. Hence, the acquisition is reported to be 100% without any non-controlling interest. The expected purchase price for the remaining 9.9% is reported as a liability.

Based in Leamington Spa, England, Warwick SASCo is a designer and supplier of reusable plastic reusable products used in hospital and healthcare environments for sterilization, surgery, and patient care. Warwick is a part of the Product companies business area.

The acquired goodwill is attributable to the company's expected future earning capacity and the competence of its personnel. No part of the goodwill is expected to be tax deductible. Transaction costs for the acquisition amount to approximately SEK 1.2 million, and are included in the item Other external expenses in the Group's income statement.

Acquisitions made after the end of the period

On July 4, the acquisition of LundHalsey (Console Systems) Ltd ("LundHalsey"), a British designer and manufacturer of premium consoles used to equip control rooms, was completed. LundHalsey, based in Aylesbury, England, has annual sales of approximately GBP 10 million and will be part of the Product companies business area. The acquisition is expected to have a positive effect on Karnell's earnings per share on an annual basis. The work of establishing an acquisition analysis is ongoing.

Purchase price allocation 2025

| MSEK | Männistö | Warwick | Total |
|---|--------------|--------------|--------------|
| Intangible fixed assets | 39,0 | 24,5 | 63,5 |
| Property plant and equipment | 9,6 | 8,1 | 17,8 |
| Inventories | 4,1 | 3,4 | 7,5 |
| Current receivables | 3,2 | 8,7 | 11,9 |
| Cash and cash equivalents | 3,2 | 2,8 | 6,0 |
| Deffered tax | -7,8 | -6,6 | -14,4 |
| Non-current liabilities | -3,2 | -5,4 | -8,6 |
| Current liabilities | -15,5 | -6,7 | -22,2 |
| Net identifiable assets and liabilities | 32,5 | 29,0 | 61,4 |
| Cash purchase price | 60,2 | 42,7 | 102,9 |
| Contingent liability | - | 5,1 | 5,1 |
| Put/call option | 7,8 | 4,7 | 12,5 |
| Total purchase price | 68,0 | 52,5 | 120,5 |
| Net assets acquired | 32,5 | 29,0 | 61,4 |
| Goodwill | 35,5 | 23,6 | 59,1 |
| | 68,0 | 52,5 | 120,5 |
| Impact on the Group's cash and cash equivalents | | | |
| Cash compensation | -60,2 | -42,7 | -102,9 |
| Acquired cash and cash equivalents | 3,2 | 2,8 | 6,0 |
| Net cash and cash equivalents | -57,0 | -39,9 | -96,9 |

| MSEK | Männistö | Warwick | Total |
|--|----------|---------|-------|
| Impact after acquisition date included in consolidated earnings | | | |
| Net sales | 29,4 | 9,2 | 38,7 |
| Operating income | 6,6 | 1,8 | 8,4 |
| Impact if the acquisitions were completed on Jan 1 | | | |
| Net sales | 35,3 | 20,8 | 56,0 |
| Operating income | 7,7 | 5,1 | 12,7 |

Note 4. Financial assets and liabilities

| 30 Jun 2025 (MSEK) | Financial assets and liabilities measured at fair value through profit/loss | Financial assets and liabilities measured at amortised cost | Total fair value |
|--|---|--|------------------|
| Financial assets | | | |
| Non-current receivables | - | 1.0 | 1.0 |
| Accounts receivable | - | 303.1 | 303.1 |
| Cash and cash equivalents | - | 168.7 | 168.7 |
| Total | - | 472.8 | 472.8 |
| Financial liabilities | | | |
| Liabilities to credit institutions | - | 501.1 | 501.1 |
| Trade payables | - | 111.4 | 111.4 |
| Contract liabilities | - | 6.2 | 6.2 |
| Contingent liabilities | 38.9 | - | 38.9 |
| Put/call options attributable to non-controlling interests | 110.2 | - | 110.2 |
| Total | 149.0 | 618.6 | 767.7 |

| 30 Jun 2024 (MSEK) | Financial assets and liabilities measured at fair value through profit/loss | Financial assets and liabilities measured at amortised cost | Total fair value |
|--|---|--|------------------|
| Financial assets | | | |
| Non-current receivables | - | 0.9 | 0.9 |
| Accounts receivable | - | 244.4 | 244.4 |
| Cash and cash equivalents | - | 339.9 | 339.9 |
| Total | - | 585.2 | 585.2 |
| Financial liabilities | | | |
| Liabilities to credit institutions | - | 432.5 | 432.5 |
| Trade payables | - | 92.2 | 92.2 |
| Contract liabilities | - | 15.0 | 15.0 |
| Contingent liabilities | 43.5 | - | 43.5 |
| Put/call options attributable to non-controlling interests | 117.9 | - | 117.9 |
| Total | 161.4 | 539.7 | 701.2 |

The carrying amount is considered a good approximation of the fair value. For the period 2025, there are two items measured at fair value via the income statement. Fair value of contingent liabilities (earn-outs) has been calculated based on the expected outcome of financial and operational targets for each individual agreement. The estimated expected adjustment will vary over time depending on, among other things, the degree of fulfilment of the conditions for the contingent earn-outs and the development of certain exchange rates against the Swedish krona. Contingent liabilities classified as financial liabilities are measured at fair value. The measurement is therefore in accordance with level 3 in the valuation hierarchy. Significant unobservable input information consists of forecasted sales and a risk-adjusted discount rate as well as operational targets.

The put/call options for non-controlling interests apply to put/call options in completed transactions where the selling shareholder retains a certain ownership in connection with subsequent transactions and there is an agreement that Karnell will purchase the remaining holdings if the owner of the put/call option chooses to exercise the right to sell. The liability relating to the put/call options is usually reported

as non-current. When there is an indication that option holders want to exercise their option, the debt is reported as current.

The valuation and payment are made in a similar manner as for contingent earn-outs (Level 3 Fair Valuation). The fair value of the put/call options in respect of non-controlling interests has been calculated by assessing the likely outcome of the financial and operational targets for each individual agreement. The estimated probability of payment will vary over time depending on, among other things, the extent to which conditions for the put/call options have been met, as well as how exchange rates develop.

The levels available are as follows;

- **Level 1:** Financial instruments are valued according to prices quoted on an active market.
- **Level 2:** Financial instruments are valued on the basis of directly or indirectly observable market data and are not included in Level 1.
- **Level 3:** Financial instruments are valued based on inputs that are not observable in the market.

Reconciliation of put/call options and earn-outs

Changes in put/call options, MSEK

| | |
|---------------------------------------|-------|
| Opening balance, Jan 1 2025 | 136.4 |
| Additional put/call options | 12.5 |
| Settled liabilities during the period | -40.7 |
| Revaluations through profit/loss | 4.1 |
| Exchange rate differences | -2.1 |
| Closing balance, Jun 30 2025 | 110.2 |

Changes in earn-outs, MSEK

| | |
|---------------------------------------|-------|
| Opening balance, Jan 1 2025 | 47.2 |
| Additional earn-outs | 5.1 |
| Settled liabilities during the period | -10.6 |
| Revaluations through profit/loss | -0.8 |
| Exchange rate differences | -2.1 |
| Closing balance, Jun 30 2025 | 38.8 |

Note 5. Net financial items

| MSEK | Q2 | | Jan-Jun | |
|---|-------------|--------------|--------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| Interest income | 1.3 | 2.6 | 2.6 | 4.1 |
| Interest expenses | -6.7 | -7.6 | -13.7 | -16.7 |
| Interest expenses leasing | -2.4 | -1.4 | -4.5 | -2.9 |
| Net interest | -7.7 | -6.3 | -15.6 | -15.6 |
| Net exchange rate effects | 0.4 | -1.9 | 1.6 | -1.7 |
| Revaluation of put/call options and earn-outs | -1.9 | -3.1 | -3.3 | -5.7 |
| Other financial items | - | - | - | 1.8 |
| Net financial items | -9.2 | -11.3 | -17.3 | -21.2 |

Key figures – Group

| MSEK | Q2 | | Jan-Jun | | LTM | Jan-Dec |
|--|--------|--------|---------|--------|---------|---------|
| | 2025 | 2024 | 2025 | 2024 | Jul-Jun | 2024 |
| Net sales | 431.0 | 357.2 | 790.4 | 642.8 | 1,549.9 | 1,402.3 |
| EBITDA ¹ | 84.2 | 56.7 | 142.6 | 92.4 | 285.8 | 235.7 |
| EBITA ¹ | 62.9 | 40.8 | 101.3 | 60.7 | 206.4 | 165.8 |
| EBITA margin. % ¹ | 14.6% | 11.4% | 12.8% | 9.4% | 13.3% | 11.8% |
| EBITA growth. % ¹ | 54.4% | 14.1% | 66.8% | -4.5% | - | 21.4% |
| Operating profit (EBIT) | 56.9 | 37.5 | 90.5 | 54.5 | 186.8 | 150.7 |
| EBIT margin. % | 13.2% | 10.5% | 11.5% | 8.5% | 12.1% | 10.7% |
| Profit/loss before tax | 47.7 | 26.2 | 73.2 | 33.3 | 154.5 | 114.6 |
| Cash flow from operating activities | 20.0 | 30.5 | 33.3 | 42.5 | 164.9 | 174.1 |
| Earnings per share before dilution (SEK) | 0.70 | 0.30 | 1.07 | 0.38 | 2.19 | 1.54 |
| Earnings per share after dilution (SEK) | 0.68 | 0.29 | 1.04 | 0.36 | 2.14 | 1.49 |
| Return on equity ¹ | - | - | - | - | 10.2% | 8.0% |
| Return capital employed ¹ | - | - | - | - | 13.5% | 12.6% |
| Equity ratio. % ¹ | 50.9% | 52.9% | 50.9% | 52.9% | 50.9% | 52.2% |
| Financial net debt ¹ | 630.3 | 343.8 | 630.3 | 343.8 | 630.3 | 496.0 |
| Net debt ¹ | 481.2 | 182.4 | 481.2 | 182.4 | 481.2 | 312.5 |
| Net debt excl. leasing ¹ | 332.4 | 92.6 | 332.4 | 92.6 | 332.4 | 174.0 |
| Financial net debt/EBITDA ¹ | - | - | - | - | 2.2 | 2.1 |
| Net debt/EBITDA ¹ | - | - | - | - | 1.7 | 1.3 |
| Net debt excl. leasing/EBITDA excl. leasing ¹ | - | - | - | - | 1.4 | 0.9 |
| Number of employees, closing day | 733 | 646 | 733 | 646 | 733 | 671 |
| Average number of shares. before dilution ('000) | 52,921 | 52,782 | 52,921 | 47,912 | 52,921 | 50,430 |
| Average number of shares. diluted ('000) | 54,330 | 54,202 | 54,281 | 49,407 | 54,212 | 51,989 |

1) The key figure is an alternative key figure in accordance with ESMA's guidelines

Net sales and EBITA per quarter

| MSEK | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net sales | | | | | | | | | |
| Product companies | 218.3 | 173.0 | 210.6 | 171.4 | 179.1 | 117.4 | 137.5 | 103.7 | 123.5 |
| Niche production | 212.7 | 186.3 | 192.2 | 185.2 | 178.1 | 168.3 | 166.9 | 156.2 | 167.8 |
| Central and eliminations | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| Total Group | 431.0 | 359.4 | 402.9 | 356.6 | 357.2 | 285.6 | 304.4 | 260.0 | 291.3 |
| EBITA | | | | | | | | | |
| Product companies | 32.3 | 17.6 | 31.8 | 28.5 | 24.2 | 11.4 | 18.6 | 14.0 | 11.9 |
| Niche production | 41.9 | 31.3 | 26.1 | 34.7 | 27.8 | 25.0 | 28.6 | 32.3 | 29.4 |
| Central and eliminations | -11.2 | -10.6 | -7.7 | -8.3 | -11.2 | -16.5 | -11.9 | -8.5 | -5.6 |
| Total Group | 62.9 | 38.3 | 50.2 | 54.9 | 40.8 | 20.0 | 35.3 | 37.8 | 35.7 |
| EBITA margin. % | | | | | | | | | |
| Product companies | 14.8% | 10.2% | 15.1% | 16.6% | 13.5% | 9.7% | 13.5% | 13.5% | 9.6% |
| Niche production | 19.7% | 16.8% | 13.6% | 18.8% | 15.6% | 14.9% | 17.1% | 20.7% | 17.5% |
| Total Group | 14.6% | 10.7% | 12.5% | 15.4% | 11.4% | 7.0% | 11.6% | 14.5% | 12.3% |

Definitions

Net sales growth:

Change in the Group's net sales compared to the comparison period. The purpose is to show the total growth in net sales for all Group companies that are part of the Group in relation to the comparison period.

Organic net sales growth:

Change in net sales adjusted for currency effects and net sales acquired and divested, compared to the same period last year. Acquired companies are included in organic growth from the time they have comparative figures for the period in question. The purpose is to analyse the underlying net sales growth in current operations.

EBITA growth:

Change in EBITA compared to the same period last year. The purpose is to analyse the growth in earnings.

Organic EBITA growth:

Change in EBITA adjusted for exchange rate effects and acquired and divested EBITA, compared to the same period last year. Acquired companies are included in organic growth from the time they have comparative figures for the period in question. The purpose is to analyse the underlying earnings growth in current operations.

EBITDA:

Operating profit before depreciation. EBITDA is a complement to operating profit. The purpose is to measure the result from operating activities, regardless of depreciation.

EBITDA excl. leasing:

Operating profit before depreciation adjusted for the reversal of leasing expenses in accordance with IFRS 16. EBITDA excl. leases is a complement to operating profit. The purpose is to measure the result of operating activities, regardless of depreciation and adjustments for leasing in accordance with IFRS 16.

EBITA:

Operating profit before amortization of intangible non-current assets. EBITA is a complement to operating profit. The purpose is to measure the underlying result from operating activities, excluding depreciation and amortization of intangible assets.

Return on equity:

Net profit for the year as a percentage of average equity (opening balance plus closing balance for the period, divided by two). The purpose is to show the return on the shareholders' invested capital during the period.

Return on capital employed:

Profit after financial items plus financial expenses as a percentage of average capital employed (opening balance plus closing balance for the period, divided by two). The

purpose is to demonstrate the profitability of the business in relation to its capital employed.

EBIT margin:

Operating profit as a percentage of net sales. The purpose is to give an indication of profitability in relation to sales.

EBITA margin:

EBITA as a percentage of net sales. The purpose is to demonstrate the operational profitability of the business regardless of depreciation and amortization of intangible fixed assets.

Net debt:

Non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities and current lease liabilities decreased by cash and cash equivalents. The purpose is to clarify how large the debt is minus current cash and cash equivalents (which in theory could be used to amortize loans).

Net debt excl. leasing:

Non-current interest-bearing liabilities, current interest-bearing liabilities reduced by cash and cash equivalents. The purpose is to assess the Group's debt, without including lease liabilities, as these have a different maturity structure.

Capital employed:

Balance sheet total reduced by non-interest-bearing provisions and liabilities. The purpose is to show the capital financed by owners and lenders.

Equity ratio:

Equity as a percentage of total assets. The purpose is to assess financial risk and shows what proportion of the assets are financed with equity.

Net debt/EBITDA:

Net debt divided by EBITDA for the last twelve-month period. The key figure is relevant for assessing the company's ability to make investments and live up to its financial commitments.

Net debt excl. leasing/EBITDA excl. leasing:

Net debt excl. lease liabilities divided by EBITDA excl. leases for the most recent twelve-month period. The ratio provides an indication of the Group's ability to service its debts, excluding items related to IFRS 16, leasing.

Earnings per share, before dilution:

Profit after tax divided by weighted average number of outstanding shares during the period.

Earnings per share, diluted:

Profit after tax divided by weighted average number of outstanding shares during the period, plus the number of shares that would have been issued as an effect of ongoing incentive programs.

Financial net debt:

Net debt as described above, plus put/call options and earn-outs. The purpose is to clarify how large the total debt is minus current cash and cash equivalents (which in theory could be used to amortize loans).

Financial net debt/EBITDA:

The net financial debt divided by EBITDA for the last twelve-month period. The key figure is relevant for assessing the company's ability to make investments and live up to its financial commitments.

Reconciliation and calculation of alternative performance measures (APMs)

Karnell uses financial measures that are not defined in IFRS but are so-called alternative performance measures (APMs). These KPIs provide the reader with complementary data and facilitate further analysis of the group's performance over time. Below are reconciliations and an account of sub-

components included in the alternative performance measures used in this report. Reconciliation is made against the most directly reconcilable item, subtotal, or total stated in the financial statements for the corresponding period.

EBITDA, EBITA and Operating Profit (EBIT)

| MSEK | Q2 | | Jan-Jun | | LTM | Jan-Dec |
|--|-------------|-------------|--------------|-------------|--------------|--------------|
| | 2025 | 2024 | 2025 | 2024 | Jul-Jun | 2024 |
| EBITDA | 84.2 | 56.7 | 142.6 | 92.4 | 285.8 | 235.7 |
| Depreciation and amortization | -21.3 | -16.0 | -41.3 | -31.7 | -79.4 | -69.8 |
| EBITA | 62.9 | 40.8 | 101.3 | 60.7 | 206.4 | 165.8 |
| Depreciation and amortisation of intangible assets | -6.0 | -3.3 | -10.7 | -6.3 | -19.6 | -15.1 |
| Operating profit (EBIT) | 56.9 | 37.5 | 90.5 | 54.5 | 186.8 | 150.7 |

EBITA margin and operating margin

| MSEK | Q2 | | Jan-Jun | | LTM | Jan-Dec |
|----------------------------|--------------|--------------|--------------|-------------|--------------|--------------|
| | 2025 | 2024 | 2025 | 2024 | Jul-Jun | 2024 |
| Net sales | 431.0 | 357.2 | 790.4 | 642.8 | 1,549.9 | 1,402.3 |
| EBITA | 62.9 | 40.8 | 101.3 | 60.7 | 206.4 | 165.8 |
| EBITA margin. % | 14.6% | 11.4% | 12.8% | 9.4% | 13.3% | 11.8% |
| Operating profit (EBIT) | 56.9 | 37.5 | 90.5 | 54.5 | 186.8 | 150.7 |
| Operating margin. % | 13.2% | 10.5% | 11.5% | 8.5% | 12.1% | 10.7% |

Organic net sales growth. %

| MSEK. % | Q2 | | | | Jan-Jun | | | |
|---------------------------------|------------|-------------|------------|-------------|-------------|-------------|------------|-------------|
| | 2025 | | 2024 | | 2025 | | 2024 | |
| Growth net sales | 73.8 | 20.7% | 65.9 | 22.6% | 147.6 | 23.0% | 103.9 | 19.3% |
| Net sales | 431.0 | - | 357.2 | - | 790.4 | - | 642.8 | - |
| Acquired net sales growth | 75.7 | 21.2% | 64.4 | 22.1% | 133.4 | 20.8% | 96.4 | 17.9% |
| Net exchange rate effects | -6.7 | -1.9% | -0.9 | -0.3% | -7.3 | -1.1% | -1.1 | -0.2% |
| Organic net sales growth | 4.9 | 1.4% | 2.3 | 0.8% | 21.6 | 3.4% | 8.6 | 1.6% |

Organic EBITA growth. %

| MSEK. % | Q2 | | | | Jan-Jun | | | |
|-----------------------------|------------|--------------|-------------|---------------|-------------|--------------|--------------|---------------|
| | 2025 | | 2024 | | 2025 | | 2024 | |
| Growth EBITA | 22.2 | 54.4% | 5.0 | 14.1% | 40.5 | 66.8% | -2.9 | -4.5% |
| EBITA | 62.9 | - | 40.8 | - | 101.3 | - | 60.7 | - |
| Acquired EBITA growth | 16.6 | 40.8% | 12.7 | 35.7% | 27.7 | 45.6% | 14.8 | 23.2% |
| Net exchange rate effects | -1.4 | -3.4% | -0.1 | -0.4% | -1.2 | -2.0% | -0.2 | -0.2% |
| Organic EBITA growth | 6.9 | 17.0% | -7.5 | -21.1% | 14.1 | 23.2% | -17.5 | -27.5% |

Net debt

| MSEK | Q2 | | Jan-Jun | | LTM | Jan-Dec |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2025 | 2024 | 2025 | 2024 | Jul-Jun | 2024 |
| Interest-bearing liabilities | 501.1 | 432.5 | 501.1 | 432.5 | 501.1 | 460.2 |
| Cash and cash equivalents | 168.7 | 339.9 | 168.7 | 339.9 | 168.7 | 286.3 |
| Net debt excl. leasing | 332.4 | 92.6 | 332.4 | 92.6 | 332.4 | 174.0 |
| Lease liabilities | 148.9 | 89.8 | 148.9 | 89.8 | 148.9 | 138.5 |
| Net debt | 481.2 | 182.4 | 481.2 | 182.4 | 481.2 | 312.5 |
| Other liabilities | 149.1 | 161.4 | 149.1 | 161.4 | 149.1 | 183.6 |
| Financial net debt | 630.3 | 343.8 | 630.3 | 343.8 | 630.3 | 496.0 |

Leasing impact EBITDA

| MSEK | LTM | Jan-Dec |
|---------------------------------|--------------|--------------|
| | Jul-Jun | 2024 |
| EBITDA | 285.8 | 235.7 |
| Leasing impact EBITDA | -43.0 | -37.6 |
| EBITDA LTM excl. leasing | 242.9 | 198.0 |

Net debt/EBITDA

| MSEK | LTM | Jan-Dec |
|---|---------|---------|
| | Jul-Jun | 2024 |
| Financial net debt/EBITDA | 2.2 | 2.1 |
| Net debt/EBITDA | 1.7 | 1.3 |
| Net debt excl. leasing/EBITDA excl. leasing | 1.4 | 0.9 |

Return on equity

| MSEK | LTM | Jan-Dec |
|----------------------------|--------------|-------------|
| | Jul-Jun | 2024 |
| Profit/loss for the period | 116.0 | 77.5 |
| Equity, average | 1,136.9 | 969.7 |
| Return on equity | 10.2% | 8.0% |

Return on capital employed

| MSEK | LTM | Jan-Dec |
|---|----------------|----------------|
| | Jul-Jun | 2024 |
| Profit/loss after financial items | 154.5 | 114.6 |
| Financial expenses (+) | -78.4 | -71.1 |
| Profit after financial items plus financial expenses | 232.9 | 185.7 |
| Balance sheet total, average | 2,194.2 | 1,916.7 |
| Non-interest-bearing liabilities (-), average | 404.1 | 388.4 |
| Non-interest-bearing provisions (-), average | 67.1 | 56.5 |
| Capital employed | 1,723.1 | 1,471.8 |
| Return on capital employed. % | 13.5% | 12.6% |

Financial Calendar

Interim Report Q3 2025

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