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## Karnell publishes prospectus and announces price range for its initial public offering on Nasdaq Stockholm

**On 4 March 2024, Karnell Group AB (publ) ("Karnell", the "Company" or the "Group"), an active and long-term owner of industrial technology companies, announced its intention to list its shares of class B on Nasdaq Stockholm, Main Market (the "Listing"). Today Karnell publishes its prospectus and announces the price range for the offering (the "Offering"). The first day of trading is expected to be on 22 March 2024. Funds managed by Berenberg Asset Management, Sp-Fund Management Company (Säästöpankki), Handelsbanken Fonder, Swedbank Robur and Östersjöstiftelsen are cornerstone investors and have, subject to certain customary conditions, committed to subscribe for shares in the Offering for a total amount of SEK 142 million at a price of up to SEK 30 per share.**

### The Offering in brief

- The final price in the Offering is expected to be set within a range of SEK 26–30 per share of class B (the "**Price Range**"), corresponding to a pre-money equity valuation of approximately SEK 1,108–1,278 million. The final price is expected to be announced through a press release on or about 21 March 2024.
- The Offering comprises a maximum of 9,615,385 newly issued shares of class B in the Company. The newly issued shares of class B (excluding the Overallotment Option) are expected to provide the Company with approximately SEK 250 million before deduction of costs related to the Offering and the Listing.
- To cover any overallotment in the Offering, the Company will undertake to, at the request of SEB, offer up to 1,442,307 additional newly issued shares of class B, corresponding to a maximum of 15 per cent of the highest number of shares in the Offering, at a price corresponding to the final price in the Offering (the "**Overallotment Option**").
- Assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full, the value of the Offering amounts to approximately SEK 287 million.
- Karnell intends to use the net proceeds, including any proceeds from exercise of the Overallotment Option, to finance future acquisitions, either in the form of acquisitions of new businesses or add-on acquisitions to existing group companies.

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- All members of the Company's board of directors and group management have undertaken towards SEB not to transfer or dispose of their respective direct and indirect shareholdings in the Company (*so-called lock-up undertakings*) for a period of 360 days following the commencement of trading in Karnell's shares of class B on Nasdaq Stockholm. In addition, all other existing shareholders, excluding Handelsbanken Fonder and Swedbank Robur, will make the corresponding undertakings for a period of 180 days.
- The shares of class B will be offered to the general public in Sweden and institutional investors in Sweden and abroad subject to certain restrictions, in accordance with applicable rules and available exemptions.
- The application period for the general public in Sweden is expected to be 13 – 20 March 2024, and the application period for institutional investors in Sweden and abroad is expected to be 13 – 21 March 2024.
- The first day of trading is expected to be on 22 March 2024 and the shares of class B will be traded under the ticker "KARNEL B".
- A prospectus (in Swedish together with an English translation) containing the full terms and conditions for the Offering will be published today on the Company's website, [www.karnell.se](http://www.karnell.se), Skandinaviska Enskilda Banken AB's ("SEB") website, [www.sebgroup.com/prospectuses](http://www.sebgroup.com/prospectuses), and Avanza's website, [www.avanza.se](http://www.avanza.se).

**Petter Moldenius, CEO of Karnell, comments:**

*"Today we are taking the next step in Karnell's journey to become a leading industrial technology group and I look forward to doing it together with existing and new shareholders. Through a listing on Nasdaq Stockholm, we take a significant step towards continuing to grow with a stable acquisition pace and increased awareness among successful companies and entrepreneurs. I am positive about the future and the opportunities to continue developing Karnell as a listed company, together with our employees and group companies."*

**Patrik Rignell, Chairman of the board of Karnell, comments:**

*"Since we founded Karnell, the long-term perspective has been a key focus, both in our acquisitions and in our Group-wide strategy. Now we confidently look forward to taking the next step on this long-term journey through a listing on Nasdaq Stockholm. The opportunities and recognition this brings is an important piece of the puzzle in our continued growth and we warmly welcome all shareholders who want to join us on the journey forward."*

**Background and reasons for the Listing and the Offering**

Karnell's board of directors and management believe that the Company is well positioned to continue the established acquisition and growth strategy, and to support the group companies as an active and long-term owner. A listing on Nasdaq Stockholm and a diversification of the ownership to broaden the Company's shareholder base will give Karnell further access to the Swedish and international capital markets and thereby support the Company's continued acquisition and growth strategy, which the board of directors and management consider favourable for the Company's development. The listing is also expected to increase awareness of Karnell and its business among potential acquisition targets as well as among current and potential future partners. Furthermore, Karnell has identified several acquisition and growth opportunities, and to capitalise on these and enable a continued high growth rate, the board of directors assesses that it is the right time to raise capital and list the Company's shares of class B on Nasdaq Stockholm.

## About Karnell

Karnell is a growth-oriented industrial technology group. The Company applies a systematic and proactive acquisition strategy to invest in industrial technology product companies and niched manufacturers at attractive valuations and thereafter develop these businesses by leveraging the Group's tools and expertise. Karnell seeks to identify and acquire companies with an attractive financial profile in terms of growth, margin and cash flows where the Company believes there is development potential with Karnell as an owner. Karnell currently consists of twelve directly owned group companies, with subsidiaries, divided into two business areas: (i) Product companies and (ii) Niched manufacturers.

During the financial years 2021, 2022 and 2023, Karnell generated net sales of SEK 422.3 million, SEK 880.1 million and SEK 1,103.3 million, respectively, which corresponds to a compound annual net sales growth rate (CAGR) of 61.6 per cent.[1] The largest part of the growth is attributable to completed acquisitions of companies with an underlying stable financial history. Further, the Company has increased its EBITA with a compound annual growth rate (CAGR) of 95.6 per cent[2] between 2021 and 2023, resulting in the EBITA margin increasing from 8.5 per cent 2021 to 12.4 per cent 2023. As of 31 December 2023, the Company's leverage ratio (net debt excl. leasing/EBITDA excl. leasing) was 1.2x, which is in line with the historical level and the Company's current target.[3]

## Prospectus and application

The prospectus (in Swedish together with an English translation) containing the full terms and conditions for the Offering has today been approved and registered by the Swedish Financial Supervisory Authority and will be published today on the Company's website [www.karnell.se](http://www.karnell.se), SEB's website [www.sebgroup.com/prospectuses](http://www.sebgroup.com/prospectuses), and Avanza's website [www.avanza.se](http://www.avanza.se). Applications from the general public in Sweden can be made through the internet service at SEB and Avanza.

## Preliminary time plan

Application period for the general public in Sweden	13 – 20 March 2024
Application period for institutional investors	13 – 21 March 2024
Announcement of the price in the Offering	21 March 2024
First day of trading in the Company's shares on Nasdaq Stockholm	22 March 2024
Settlement date	26 March 2024

## Stabilisation

SEB may, in connection with the Offering, act as stabilisation manager and thereby engage in transactions for the purpose of stabilising, maintaining or otherwise support the market value of the Company's shares of class B (including at a higher level than the one that would otherwise prevail in the open market) for up to 30 days from the first day of trading in the Company's shares of class B on Nasdaq Stockholm. Such stabilisation transactions may be carried out on Nasdaq Stockholm, in the OTC-market or otherwise. SEB is, however, not required to carry out any stabilisation measures and there is no assurance that such activities will be undertaken. In no event will transactions be executed at levels above the price in the Offering.

SEB may use the Overallotment Option to over-allot shares in order to facilitate any stabilisation measures. The stabilisation measures, if implemented, may be discontinued at any time without notice but must be discontinued at the latest within the aforementioned 30-day period. In accordance with Article 5(4) of the EU Market Abuse Regulation 596/2014 ("MAR") and Commission Delegated Regulation (EU) 2016/1052, SEB must, no later than the end of the seventh trading day following the completion of stabilisation transactions, announce that stabilisation measures have been carried out. Within one week after the end of the stabilisation period, SEB, through the Company, will announce whether stabilisation measures were carried out, the date on which stabilisation commenced, the date on which stabilisation was last carried out and the price range within which stabilisation was carried out for each date on which stabilisation measures were carried out.

## Advisors

Skandinaviska Enskilda Banken is Sole Global Coordinator and Bookrunner in connection with the Offering. Advokatfirman Cederquist is acting as legal advisor to Karnell and Roschier Advokatbyrå is acting as legal advisor to SEB. In connection with the Offering, SEB and Avanza Bank are acting as Retail Distributors.

## For more information, please contact:

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*The information was provided, through the agency of the above contact person, for publication at the time indicated by Karnell's news distributor MFN upon publication of this press release.*

## Important information

This announcement is not and does not form a part of any offer for sale of securities.

Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, South Africa, South Korea, Singapore or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the "**Prospectus Regulation**"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

This communication and any other materials in relation to the securities described herein is only being distributed to and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe,” “expect,” “anticipate,” “intends,” “estimate,” “will,” “may,” “continue”, “should” and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice.

The timing of the Listing may be influenced by a variety of factors which include market conditions. Karnell may decide not to go ahead with the Offering and there is therefore no guarantee that the Listing will occur. You should not base your financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested.

Persons considering making investments should consult an authorised person specialising in advising on such investments. This announcement does not form part of or constitute a recommendation concerning any offer. The value of securities can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned.

Skandinaviska Enskilda Banken AB (publ) (the "**Manager**") is acting exclusively for the Company and no one else in connection with any offering of securities referred to herein. The Manager will not regard any other persons as its clients in relation to any offering of securities referred to herein and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to such offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

Neither the Manager nor any of its affiliates, or any of their directors, officers, employees, advisors or agents, accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, in relation to the truth, the accuracy or completeness of the information, statements or opinions, whichever their source, contained in this announcement (or whether any information has been omitted from the announcement) or any oral information provided in connection herewith, or any data it generates and accepts no responsibility, obligation or liability (whether direct or indirect, in contract or otherwise) in relation to any of such information.



In connection with the offer or sale of securities referred to herein, the Manager may over-allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Any stabilization action or over-allotment will be conducted by the Manager in accordance with all applicable laws and rules.

## Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID 2**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID 2; and (c) local implementing measures (together, the "**MiFID 2 Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID 2; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID 2 (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares may decline and investors could lose all or part of their investment; the shares offer no guaranteed income and no capital protection; and an investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manager will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID 2; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares. Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.

[1] Calculated as follows:  $(\text{Last year's amount}/\text{First year's amount})^{(1/\text{number of years})-1}$ , and based on Karnell's net sales of SEK 1,103.3 million for the financial year 2023, SEK 880.1 million for the financial year 2022 and SEK 422.3 million for the financial year 2021.

[2] Calculated as follows:  $(\text{Last year amount}/\text{First year amount})^{(1/\text{number of years})-1}$ , and based on Karnell's EBITA of SEK 136.7 million for the financial year 2023, SEK 98.2 million for the financial year 2022, and SEK 35.7 million for the financial year 2021.

[3] Net sales growth, EBITA growth and Net debt excluding leasing/EBITDA excluding leasing constitute unaudited alternative performance measures that are not defined

according to IFRS. More information on alternative performance measures, including definitions, reasons for their use, and reconciliation tables, are presented in the prospectus that will be published today by the Company in connection with the contemplated Offering.

## **Attachments**

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[Karnell publishes prospectus and announces price range for its initial public offering on Nasdaq Stockholm](#)