

INTERIM REPORT

2 • 2025

- › **SALES** amounted to SEK 19,755 (19,529) million
- › **OPERATING PROFIT** amounted to SEK 1,726 (90) million
- › **ADJUSTED OPERATING PROFIT** amounted to SEK 1,726 (1,185) million
- › **PROFIT AFTER NET FINANCIAL ITEMS** amounted to SEK 1,214 (-515) million
- › **ADJUSTED PROFIT AFTER NET FINANCIAL ITEMS** amounted to SEK 1,214 (580) million
- › **PROFIT AFTER TAX** was SEK 885 (-645) million
- › **ADJUSTED PROFIT AFTER TAX** amounted to SEK 885 (257) million
- › **EARNINGS** per share before and after dilution, based on the average number of shares outstanding during the period, amounted to SEK 0.44 (-0.32)
- › **EARNINGS** per share adjusted for items affecting comparability before and after dilution, based on the average number of shares outstanding during the period, amounted to SEK 0.44 (0.13)

A QUARTER OF CONTINUED RECOVERY AND A BRIGHTER OUTLOOK

The second quarter confirmed that the signs of improvement that we have observed since the end of the previous year have continued. While the effects of duties and tariffs have had some negative impact, it is primarily the politically unstable climate that has adversely affected the Group in the form of lower consumption and cautious consumers. The stronger Swedish krona is also partly obscuring the positive trend.

The Group's sales in the second quarter amounted to SEK 10,082 million, an increase of only 0.5% on the second quarter of the previous year but, given the significantly stronger Swedish krona, we are clearly set on a course of continued growth. Operating profit in the quarter rose by SEK 275 million to SEK 944 million, an improvement of 41.1% compared with the second quarter of 2024. The operating margin improved by 2.7 percentage points, from 6.7% in the second quarter of the previous year to 9.4% in the second quarter of this financial year. An increase in sales, together with better productivity and continued good cost control, were the main reasons for the positive earnings growth in the quarter.

In both the first and the second quarters, we have, to the best of our ability, navigated in a world around us that is beset by an unusually turbulent political environment. This has, of course, been more challenging than expected but, at the same time, we can once again say that our broad international presence, together with our decentralized organization and our broad product offering, have ensured a relatively stable performance.

Calendar

August 22, 2025

8:00 AM (CEST) Interim Report 2, January – June 2025
11:00 AM (CEST) Teleconference (in English)
Presentation of Interim Report 1, 2025
with opportunity to ask questions.

Registration on our website www.nibe.com is required in order to access the presentation images and obtain a code for asking questions.

November 14, 2025

08:00 (CET) Interim Report 3, January – September 2025
11:00 AM (CET) Teleconference (in English)

Business area NIBE Climate Solutions

In line with previous assumptions, we have seen a continued relative improvement in demand for heat pumps in Europe. The fact that the improvement in demand is also visible at the manufacturing stage provides confirmation that the inventories that had been built up by retailers and installation companies have dropped to more acceptable levels, resulting in a more predictable order and production situation.

The majority of the European markets are showing some degree of growth, with Germany, Italy, the Netherlands and Sweden accounting for the majority of overall growth.

Even though the overall heat pump market in Europe is still some way off its peak in 2023, future development seems positive. It is pleasing to see that end consumers are showing a preference for heat pumps instead of heating options that use fossil fuels.

The US heat pump market remained stable in the quarter. As regards the recently decided tariffs on trade between the EU and the USA, we note that these will, in principle, not affect our products, as the majority of our products aimed at the US market are produced in the USA. The current tax subsidies for heat pump installations undertaken by private individuals will be discontinued after the turn of the year but, at the same time, new financing opportunities will be introduced that will create new prospects, not least for the commercial side of our sector.

The business area's financial performance both in the second quarter and in the first half of the year signaled a continued gradual recovery. Because of this, as well as expectations of a more traditionally season-oriented pattern in demand, meaning a stronger second half of the year, it remains our ambition to return to an operating margin level within the business area's historical range during the full year. However, we also recognize that factors such as the uncertain external environment and the stronger Swedish krona will likely complicate matters.

Business area NIBE Element

As in the first quarter of the year, demand was relatively stable in the majority of the business area's market segments in the second quarter. However, there are still significant variations between the segments. The industrial electrification and semiconductor segments recorded a strong performance, while demand in the segments for new property production and consumer-related products continued to report a weaker performance.

An improvement in both profit and margin was achieved by means of great flexibility, improved productivity and strict cost control despite challenging external factors.

In view of the performance in the first half of the year, together with expectations of somewhat improved demand in the second half, it remains our ambition to return to an operating margin level within the business area's historical range. However, it is difficult to assess the consequences of the uncertain external business environment.



Gerteric Lindquist
Managing Director and CEO

Business area NIBE Stoves

Of the Group's business areas, NIBE Stoves reported the weakest performance compared with the second quarter of the previous year.

The main reasons for this were a clear downward trend in the European stove market due to greater caution from end consumers in a turbulent world and the return to a more pronounced traditional seasonal pattern, with the majority of sales taking place in the second half of the year.

The trend in the North American market was positive, but because all our production of stoves intended for North America is based in Canada, the tariffs introduced between the USA and Canada have impacted the operating margin.

A clear improvement in demand is expected in the second half of the year thanks to successful marketing activities in the first half, as well as new product launches.

As in the case of the other two business areas, our ambition is to return to an operating margin level within the business area's historical range in 2025 but, realistically speaking, the recovery in this sector might take a little longer.

Thanks to well-adjusted cost structures, strong product ranges, a good market presence and well-invested facilities, all three of our business areas are well equipped for the future.

Our strategy of moving towards continent-based manufacture and primarily continent-based sub-suppliers is also creating more secure supply chains and reducing vulnerability in respect of needs to be respect of trade obstacles.

We are also convinced that our products are a good fit for the times, with our whole society needing to gradually transition to a more sustainable way of living.

In summary, we are, therefore, looking to the future with a significant amount of confidence.

We will not by any means hold back in our efforts to achieve our ambition to return to our three business areas' respective historical operating margin ranges for the full year 2025.

Outlook for 2025

- Our corporate philosophy and our strong range of products, with their focus on sustainability and energy efficiency, are in tune with the times in which we are living.
- We are well prepared to continue being proactive on acquisitions.
- Our internal efforts to enhance efficiency, combined with our rigorous cost-control measures, will ensure consistently healthy margins.
- All three business areas have a good geographical spread, which makes us less vulnerable to local downturns in demand.
- Our decentralized organization, based on independent units, is well proven and creates the conditions for greater motivation and flexibility.
- The more acceptable inventory levels in the distribution chains will promote demand at the manufacturing level, while the already lower interest rates and hopes of one or more cuts will act as a stimulus for general consumption and thus the economy.
- The effects of the current security situation around the world, a political development that is difficult to assess in both Europe and North America as well as in Asia, and the price volatility in relation to different types of energy, are difficult to predict.
- However, as is our habit, and based on experience, we remain optimistic about our long-term performance, even though, in view of the above, it is difficult to assess the situation.

Markaryd, Sweden, August 22, 2025

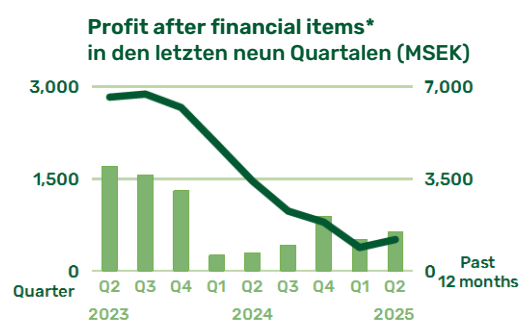
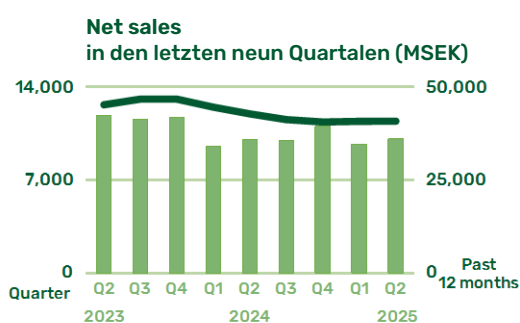
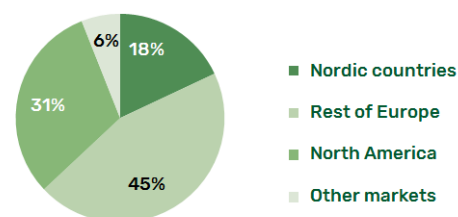
Gerteric Lindquist
Managing Director and CEO

NIBE GROUP

Key ratios		Q1-Q2 2025	Q1-Q2 2024	Past 12 months	Full year 2024
Net sales	SEK m	19,755	19,529	40,747	40,521
Growth	%	1.2	-16.8	-4.6	-13.1
of which acquired	%	0.2	5.5	0.6	3.3
Operating profit	SEK m	1,726	1,185 *	3,767 *	3,226 *
Operating margin	%	8.7	6.1 *	9.2 *	8.0 *
Profit after net financial items	SEK m	1,214	580 *	2,725 *	2,091 *
Profit margin	%	6.1	3.0 *	6.7 *	5.2 *
Equity/assets ratio	%	44.0	42.6	44.0	45.6
Return on equity	%	8.4	9.5 *	7.3 *	5.4 *

* Profit and key ratios have been calculated excl. items affecting comparability

Group sales by geographical region



* excl. items affecting comparability

Sales

The Group's net sales amounted to SEK 19,755 (19,529) million, corresponding to growth of 1.2%. Purely organic sales increased by 1.0%, while acquired sales growth was 0.2%.

Profit

Profit for the period after net financial items was SEK 1,214 million, corresponding to an increase of 335% compared with the same period in 2024, when it amounted to SEK -515 million (adjusted SEK 580 million). Net financial items amounted to SEK -512 million at the end of the period, an improvement of SEK 93 million compared with the same period in the previous year. Profit for the period was negatively affected by acquisition expenses of SEK 2 (8) million. Return on equity was 8.4% (9.5%).

Investments

The Group's investments during the year amount to SEK 1,101 (1,263) million and are mainly investments in buildings and machinery and equipment in existing operations. Excluding leases, the depreciation rate was SEK 727 million, compared with SEK 749 million in the corresponding period in the previous year.

The majority of the SEK 10 billion investment program adopted in 2020 has been implemented and the remaining investments in buildings will be completed during the year. The remaining investments in capacity expansion will be gradually implemented as needed to meet any increase in demand.

Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 1,615 (721) million. Cash flow after changes in working capital amounted to SEK 609 (347) million. Focused efforts to reduce high inventory levels continued. Interest-bearing liabilities at the end of the period amounted to SEK 25,809 million, compared with SEK 24,711 million at the start of the year. The Group's available cash and cash equivalents amounted to SEK 6,033 million at the end of the period, compared with SEK 6,177 million at the start of the period. The equity/assets ratio at the end of the period was 44.0%, compared with 45.6% at the start of the year.

Parent

Parent activities comprise Group executive management functions, certain shared Group functions and financing. Sales for the period totaled SEK 41 (35) million and profit after financial items amounted SEK 1,118 (-25) million.

The difference in earnings was primarily due to larger dividends from subsidiaries, lower interest expenses and positive currency effects.

BUSINESS AREA TRENDS

Quarterly data

Consolidated income statement (SEK million)	2025		2024				2023		
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4
Net sales	9,673	10,082	9,494	10,035	9,967	11,025	11,833	11,514	11,656
Operating expenses	-8,891	-9,138	-10,073	-9,366	-9,055	-9,356	-9,986	-9,735	-10,064
Operating profit	782	944	-579	669	912	1,669	1,847	1,779	1,592
Net financial items	-268	-244	-332	-273	-286	-244	-146	-181	-214
Profit after net financial items	514	700	-911	396	626	1,425	1,701	1,598	1,378
Tax	-123	-206	50	-180	-193	-51	-378	-378	-399
Net profit	391	494	-861	216	433	1,374	1,323	1,220	979
Net sales, business areas									
NIBE Climate Solutions	6,022	6,824	5,834	6,516	6,502	7,185	8,122	7,839	7,676
NIBE Element	2,888	2,792	2,711	2,819	2,711	2,851	2,957	2,945	2,983
NIBE Stoves	926	678	1,052	802	847	1,163	1,086	1,096	1,326
Elimination of Group transactions	-163	-212	-103	-102	-93	-174	-332	-366	-329
Group total	9,673	10,082	9,494	10,035	9,967	11,025	11,833	11,514	11,656
Operating profit, business areas									
NIBE Climate Solutions	555	842	-462	506	726	830	1,538	1,484	1,221
NIBE Element	179	184	-126	142	160	186	243	235	184
NIBE Stoves	61	-51	27	-3	24	95	101	99	168
Elimination of Group transactions	-13	-31	-18	24	2	558	-35	-39	19
Group total	782	944	-579	669	912	1,669	1,847	1,779	1,592
Items affecting comparability, business areas*									
NIBE Climate Solutions	0	0	-794	0	0	-31			
NIBE Element	0	0	-263	0	0	-4			
NIBE Stoves	0	0	-38	0	0	-22			
Acquisition-related revaluations	0	0	0	0	0	597			
Group total	0	0	-1,095	0	0	540			
Adjusted operating profit, business areas									
NIBE Climate Solutions	555	842	332	506	726	861			
NIBE Element	179	184	137	142	160	190			
NIBE Stoves	61	-51	65	-3	24	117			
Elimination of Group transactions	-13	-31	-18	24	2	-39			
Group total	782	944	516	669	912	1,129			

* Items affecting comparability

- Action plan costs: SEK 1,095 million (Q1) + SEK 57 million (Q4) = SEK 1,152 million (full year)

- Positive effect of acquisition-related revaluations: SEK 597 million

BUSINESS AREA NIBE CLIMATE SOLUTIONS

Key ratios		Q1-Q2 2025	Q1-Q2 2024	Past 12 months	Full year 2024
Net sales	SEK m	12,846	12,350	26,534	26,037
Growth	%	4.0	-22.1	-4.8	-17.0
of which acquired	%	0.0	7.2	0.6	4.2
Operating profit	SEK m	1,397	838 *	2,984 *	2,425 *
Operating margin	%	10.9	6.8 *	11.2 *	9.3 *
Assets	SEK m	45,360	47,099	45,360	48,102
Liabilities	SEK m	6,170	5,665	6,170	5,782
Investments in non-current assets	SEK m	521	838	1,449	1,767
Amortization/Depreciation	SEK m	646	646	1,263	1,263

* Profit and key ratios have been calculated excl. items affecting comparability

Sales and profit

Sales totaled SEK 12,846 million, compared with SEK 12,350 million in the corresponding period in the previous year.

The increase in organic sales was 4.0%, corresponding to SEK 496 million. No acquired sales were recognized in the period.

Operating profit for the period amounted to SEK 1,397 million, compared with SEK 44 million in the corresponding period in the previous year. The operating margin was 10.9%, compared with 0.4% in the previous year. Adjusted operating profit in the previous year was SEK 838 million, corresponding to a margin of 6.8%.

CONTINUED INCREASE IN SALES AND IMPROVED MARGINS

Following the slightly muted growth in sales in the first three months of the year, we saw an improvement in both sales and margin in the second quarter.

The operating margin improved to 12.3% thanks to consistent marketing and continued good cost control. Implemented and future product launches in Europe and North America are paving the way for continued profitable growth.

It remains our ambition to once again achieve an operating margin level within the business area's historical range during the year even though the geopolitical situation in the external environment continues to present challenges that are difficult to assess.

Market

Demand for heat pumps in Europe showed continued signs of a recovery during the quarter, confirming our previous assessment that there is underlying stable demand from end customers. Because inventory levels in the distribution chain have fallen to more acceptable levels, the increase in demand can also clearly be seen at the manufacturing stage.

An increase in demand has been observed in the Nordic countries and parts of Central Europe, where countries that offer subsidy schemes, such as Germany, report a clear trend based on the rising number of applications. Demand in the UK is also rising, driven, among other things, by a long-term government incentive on heat pump funding, and simplified building permit regulations in respect of the actual installation. We are also seeing positive signals in France and parts of Eastern Europe, but the recovery in these markets is progressing at a slower pace.

The interest rate cuts carried out in the last 12-month period have had a positive impact on demand in our product segments. At the same time, the market is clearly marked by the current political uncertainty, not least in respect of the focus of energy policy. The uncertainty is creating a challenging environment for investments in sustainable energy solutions and easily leads to a more cautious approach by both private individuals and commercial players in both Europe and North America.

Despite the political uncertainty and challenging situation for consumers, our assessment is that demand for heat pumps in Europe will continue to show clear, long-term growth. As previously communicated, our assessment is based on a healthy, underlying demand rather than the explosive growth predicted by both political decision-makers and industry operators just a few years ago.

In North America, the heat pump market continued to report stable demand during the year, despite continued political uncertainty. While our local production gives us clear advantages, the decision by the US administration to dismantle parts of the current subsidy scheme after the turn of the year is having the opposite effect. As a result, there is likely to be a shift towards more leasing-based programs for products intended for the residential market.

The market for commercial cooling and ventilation continued to show stable development in the quarter in both Europe and North America. Thanks to our broad and competitive product program, we see continued good opportunities for growth in this segment, which is also a prioritized area for the future development of the business area.

After a number of years of highly volatile demand, the demand pattern is expected to return to a more traditional, seasonal behavior in 2025. This pattern consists of a weaker market in the first half of the year, followed by a clear upturn in the second half.

Operations

In the quarter, the business area continued to successfully conduct active sales activities while also maintaining strict cost control. This approach, together with ongoing efficiency measures, is creating the conditions for profitable and durable growth.

A continued high level of activity in product and business development, together with the investments in our production units in recent years, have clearly strengthened our operational platform. This platform is now characterized by a high level of efficiency, scalability and flexibility. This means we are well placed to meet an expected increase in demand.

Internal collaboration within the Group intensified further in the quarter, with a particular focus on realizing synergies in purchasing, quality, production technology and product development.

This work, which is expected to contribute to additional efficiency measures, will continue to be prioritized.

A concrete result of the increased collaboration is the growing proportion of internal sales, with purchases from both the business area NIBE Element and cross-selling within our own business area. Another example is the planned launch in the autumn of a new air to water heat pump, which is based on a platform developed as a Group-wide project. The product will be sold by multiple companies in multiple markets. Additional jointly developed product platforms will be launched in 2026. Resources for development and testing will in the future be shared between the companies to a greater extent to increase the efficiency of product development projects.

Our clear ambition is to return to an operating margin level within the business area's historical range during 2025. However, we are aware that the unpredictable external environment makes this harder.

Launch of NIBE's updated MyUplink app for control of the heat pump

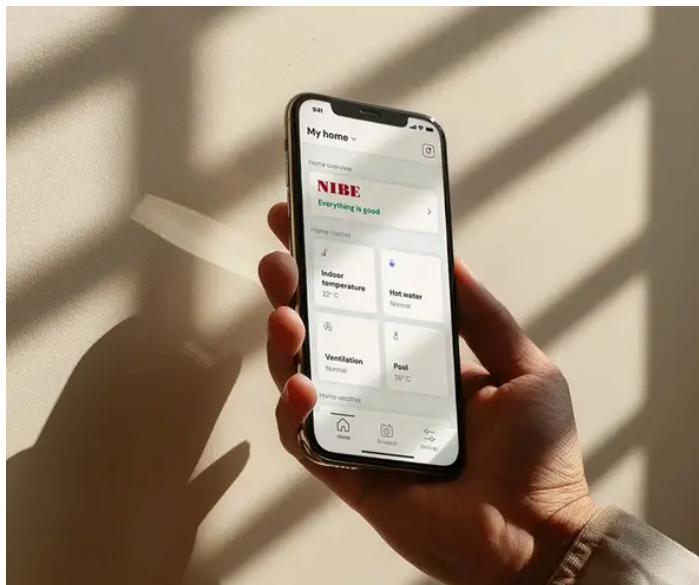
In June, NIBE launched its updated smartphone app for the control and monitoring of heat pump functions and operations. The updated app gives the user full control of indoor climate.

To ensure that the user of a heat pump from NIBE will be able to make the most out of the heat pump's capabilities, we are improving the app on a continuous basis – adding new functions, better user experiences and safety updates. In the same way that the heat pump software is automatically updated on a regular basis, the app follows the same pattern.

The myUplink update makes everyday use of the NIBE heat pump easier and smoother and the user can now monitor and control even more parameters and functions.

The basic version now offers the opportunity to control the heat pump, a function that was previously reserved for premium users. The premium version offers a higher level of detail for those that are interested in more in-depth data.

Regardless of which version a buyer of a NIBE heat pump decides to use, users of the app will find that the comprehensive overview of the system is both simpler and more easily accessible than in the previous version.



BUSINESS AREA NIBE ELEMENT

Key ratios		Q1-Q2 2025	Q1-Q2 2024	Past 12 months	Full year 2024
Net sales	SEK m	5,680	5,530	11,241	11,092
Growth	%	2.7	-7.4	-1.9	-6.8
of which acquired	%	0.5	1.9	0.9	1.6
Operating profit	SEK m	363	279 *	713 *	629 *
Operating margin	%	6.4	5.0 *	6.3 *	5.7 *
Assets	SEK m	15,428	15,470	15,428	16,421
Liabilities	SEK m	2,686	2,674	2,686	2,587
Investments in non-current assets	SEK m	168	329	411	571
Amortization/Depreciation	SEK m	286	285	565	564

* Profit and key ratios have been calculated excl. items affecting comparability

Sales and profit

Sales amounted to SEK 5,680 million, compared with SEK 5,530 million in the corresponding period in the previous year.

The increase in organic sales was 2.2%, corresponding to SEK 120 million. With acquired sales corresponding to SEK 30 million, the total increase in sales was SEK 150 million.

Operating profit for the period totaled SEK 363 million, compared with SEK 16 million in the previous year. The operating margin was 6.4%, compared with 0.3% in the previous year. Adjusted operating profit in the previous year was SEK 279 million, corresponding to a margin of 5.0%.

FLUCTUATING DEMAND IN A TURBULENT ENVIRONMENT

Demand was relatively stable in the majority of the business area's market segments in the second quarter. However, there were still significant variations between the different segments. We are seeing strong demand in industrial electrification, while a continued generally weak development in the industrial sector in general, new property construction and consumer-related products is having a negative impact on the business area. The semiconductor industry, which is important to us, continues to improve. While it remains our ambition to return to an operating margin level within the business area's historical range during the year, this has been made more difficult by the strengthening of the Swedish krona and the duties and tariffs already introduced, with suggestions of further increases.

Market

We saw relatively stable demand in the majority of the business area's market segments both in the second quarter and the first half of the year. There are large variations between the segments, which continued to require significant flexibility and preparedness in the business area.

Continued weak development in new property construction in Europe adversely affected the business area's sales of products aimed at this market segment in particular.

However, demand from our customers in the property heating segment, which is important to the business area, improved in recent months. This was probably mainly due to manufacturers' inventory levels now being at more acceptable levels, meaning that purchasing behavior is returning to normal.

The ambition to reduce CO₂ emissions increases the number of industrial projects based on electric heating, as well as the need for various energy storage solutions. Most of these projects involve some form of electric heating and control, which benefits the business area because of its well-established position internationally in these product areas. However, overall demand from industry declined in the first half because of the uncertain external environment.

The electrification of vehicles is presenting new business opportunities for the business area, with regard to both passenger cars and commercial vehicles. However, this market too is currently characterized by increased uncertainty due to political decisions and technical challenges in launching electrified vehicles. Demand for products linked to vehicles with combustion engines decreased in the first half of the year.

Demand in the railway sector is growing, both in respect of infrastructure and heating of railway vehicles.

The semiconductor segment has grown steadily since the beginning of 2024. Large investments in expanding the semiconductor industry in both North America and Europe are currently being made, with the aim of reducing dependence on Asian suppliers in what is a key technology area for many industries. This will increase demand for our components and systems. The business area's performance is also being driven by the launch of a number of new products aimed at this market segment.

General market uncertainty increased in the first half of the year because of the rise in trade conflicts around the world following the changes in US trade policy. We are closely monitoring developments and will take any measures we consider appropriate. Our large, international organization, with around 100 production units spread across the world, ensures we are able to respond to new situations.

Overall, we believe there is an imminent risk that the current development will lead to a general decline in demand in several of the business area's product segments.

Operations

In order to be able to meet the expected increase in demand in segments with potentially strong organic growth in a cost-effective and flexible way, we have, in recent years, increased production capacity both in terms of automation and capacity investments. At the same time, the decline in demand in the construction industry has resulted in increased costs due to excess capacity in the short term. The semiconductor industry too saw a slight build-up of excess capacity. This is in the process of being eliminated, however.

As part of the extensive action plan implemented in 2024, we reduced the number of employees in the organization and made a number of changes in production flows. At the same time, as a subcontractor we need to be able to quickly increase capacity again at relatively short notice when demand picks up.

There is continued turbulence relating to exchange rate volatility and changes to duties and tariffs and this is having a considerable effect on pricing and competitiveness in our market segments. However, in this situation, our international presence with production units in different currency zones gives us a certain advantage.

In general, there are continuing shortages of skilled labor in several of the countries in which we have production units.

Thanks to our completed action plan and increased sales, we have a clear ambition to return to an operating margin within the business area's historical range in 2025. However, the external geopolitical situation, the stronger Swedish krona and the uncertainty created by duties and tariffs present challenges that are difficult to assess.

BUSINESS AREA NIBE STOVES

Key ratios		Q1-Q2 2025	Q1-Q2 2024	Past 12 months	Full year 2024
Net sales	SEK m	1,604	1,854	3,614	3,864
Growth	%	-13.5	-20.6	-15.5	-18.8
of which acquired	%	0.0	1.7	0.1	1.0
Operating profit	SEK m	10	62 *	151 *	203 *
Operating margin	%	0.6	3.3 *	4.2 *	5.3 *
Assets	SEK m	6,106	6,775	6,106	7,005
Liabilities	SEK m	689	930	689	1,182
Investments in non-current assets	SEK m	48	139	68	159
Amortization/Depreciation	SEK m	106	113	216	222

* Profit and key ratios have been calculated excl. items affecting comparability

Sales and profit

Sales amounted to SEK 1,604 million, compared with SEK 1,854 million in the corresponding period in the previous year.

The decline in organic sales was 13.5%, corresponding to SEK 250 million. No acquired sales were recognized in the period.

Operating profit for the period totaled SEK 10 million, compared with SEK 24 million in the previous year. The operating margin was 0.6%, compared with 1.3% in the previous year. Adjusted operating profit in the previous year was SEK 62 million, corresponding to a margin of 3.3%.

A CONTINUED CHALLENGING MARKET BUT WITH FUTURE-ORIENTED INITIATIVES

We note that demand for the business area's products in the North American market is showing positive development, while the European market is showing weaker development with reduced consumer confidence. In line with the return to a more traditional sales pattern, marketing activities and efficient production ahead of sales in the second half of the year dominated operations. Declining total sales and the introduction of trade tariffs between Canada and the USA had an adverse effect on the operating margin but this was largely offset by reduced costs as a result of the previous year's action plan.

Market

The general economic development and cautious consumers have contributed to a decline in demand for stove products in Europe. The development in the second quarter followed the pattern we saw in the first quarter of the year. However, demand in North America is showing a positive trend. It is clear that the stove heating sector is returning to a traditional seasonal pattern where sales are lower in the first half of the year and the majority of sales takes place in the second half. The excessive inventories of finished products in the distribution chain in Europe that have affected sales from manufacturers in recent years have gradually declined to more acceptable levels, and orders received by manufacturers are now followed by sales to end consumers in the usual manner.

Uncertain geopolitical conditions and uncertainty around the implementation of additional interest rate cuts are adversely impacting demand for consumer durables and interest in renovation. Low energy prices, combined with a low level of new construction of all types of residential property and holiday homes were other factors that had a dampening effect on demand for stove products.

In the Scandinavian countries, demand fell in Sweden and Norway, which are the big markets for stove products, while demand increased slightly in the relatively small market in Denmark.

In Germany, demand has shown a clear downward trend in the year to date and the uncertainty regarding the external business environment is affecting German consumers' willingness to invest in consumer durables. High comparative figures in the previous year and continued low energy prices are other factors contributing to the comparatively weak demand in the country.

In the UK, the trend towards a return to a traditional pattern of demand for the various types of stove products continued. Gas-fired

products are once again becoming the dominant category, while demand for wood-fired products has bottomed out at a comparatively low level. Demand for electric stoves remains good and relatively stable. However, overall demand in the UK has declined.

Although demand has fallen in France, the downward trend is much less marked than in many other European markets, a development that is explained by increased interest in pellet-fired stoves.

In North America and primarily in the USA, demand has shown a positive trend in the year to date. US consumers are not so far from sharing European consumers' concerns about future economic developments. Demand for gas-fired products, which is the clearly dominant product group in North America, increased, while the trend of increased interest in electric stoves continued.

Operations

All our North American operations have for a long time been located in Canada, where their manufacturing and distribution are based. A large proportion of our sales takes place in the USA, which means our products are affected by the recently introduced trade tariffs between Canada and the USA. Carefully considered price rises, together with cost-saving measures, have enabled us to offset the high costs of customs duties to some extent, but overall this has had a negative effect on our operating margin.

In the second quarter, we acquired the outstanding 35% of the shares in Miles Industries Inc. of Canada, which sells its products under the well-known and prestigious trademark Valor and which became part of the business area at the start of 2023.

The entire first half of the year was characterized by a large number of marketing activities and product launches in all main markets. The aim was both to conduct sales-driving activities ahead of the important peak season in the second half of the year and to strengthen our market position in the long term.

Our operating margin was adversely affected by lower sales and the effects of the trade tariffs between Canada and the USA but we were able to partially offset this through cost savings resulting from the action plan implemented in 2024. Additionally, we are continuing our long-term investments in sales, marketing and product development with the ambition to approach an operating margin level within the business area's historical range in 2025. However, in view of the weak performance in the first half of the year, this recovery will take an additional few quarters.

Condensed income statement

(SEK million)	Group						Parent	
	Q2 2025	Q2 2024	Jan-Jun 2025	Jan-Jun 2024	Past 12 months	Full year 2024	Jan-Jun 2025	Jan-Jun 2024
Net sales	10,082	10,035	19,755	19,529	40,747	40,521	41	35
Cost of goods sold	-7,033	-7,131	-13,837	-14,920	-28,464	-29,547	0	0
Gross profit	3,049	2,904	5,918	4,609	12,283	10,974	41	35
Selling expenses	-1,346	-1,485	-2,706	-2,969	-5,635	-5,898	0	0
Administrative expenses	-878	-913	-1,730	-1,836	-3,448	-3,554	-101	-83
Other operating income	119	163	244	286	1,107	1,149	0	0
Operating profit	944	669	1,726	90	4,307	2,671	-60	-48
Net financial items	-244	-273	-512	-605	-1,042	-1,135	1,178	23
Profit after net financial items	700	396	1,214	-515	3,265	1,536	1,118	-25
Tax	-206	-180	-329	-130	-573	-374	-4	3
Net profit	494	216	885	-645	2,692	1,162	1,114	-22
Net profit attributable to Parent shareholders	492	219	884	-638	2,695	1,173	1,114	-22
Net profit attributable to non-controlling interests	2	-3	1	-7	-3	-11	0	0
Net profit	494	216	885	-645	2,692	1,162	1,114	-22
Includes amortization/depreciation according to plan as follows	511	541	1,038	1,044	2,043	2,049	0	0
Earnings per share before and after dilution, SEK	0.24	0.11	0.44	-0.32	1.34	0.58	0	0

Statement of comprehensive income

Net profit	494	216	885	-645	2,692	1,162	1,114	-22
Other comprehensive income								
Items that will not be reclassified to profit or loss								
Actuarial gains and losses in retirement benefit plans	0	0	0	0	-47	-47	0	0
Tax	0	0	0	0	6	6	0	0
	0	0	0	0	-41	-41	0	0
Items that may be reclassified to profit or loss								
Cash flow hedges	-3	-31	35	-40	8	-67	0	0
Hedging of net investments	-100	92	167	-106	129	-144	0	0
Exchange differences on translation of foreign operations	32	-335	-2,933	1,402	-1,902	2,436	0	0
Tax	99	-6	175	-51	125	-101	0	0
	28	-280	-2,556	1,205	-1,640	2,124	0	0
Total other comprehensive income	28	-280	-2,556	1,206	-1,681	2,083	0	0
Total comprehensive income	522	-64	-1,671	560	1,011	3,245	1,114	-22
Comprehensive income attributable to Parent shareholders	513	-61	-1,672	567	1,014	3,248	1,114	-22
Comprehensive income attributable to non-controlling interests	9	-3	1	-7	-3	-3	0	0
Total comprehensive income	522	-64	-1,671	560	1,011	3,245	1,114	-22

Condensed balance sheet

(SEK million)	Group			Parent		
	30 Jun 2025	30 Jun 2024	31 Dec 2024	30 Jun 2025	30 Jun 2024	31 Dec 2024
Intangible assets	30,067	31,856	32,241	0	0	0
Property, plant and equipment	12,687	12,389	13,214	0	0	0
Financial assets	1,708	1,383	1,524	28,162	25,961	26,170
Total non-current assets	44,462	45,628	46,979	28,162	25,961	26,170
Inventories	9,931	12,146	10,644	0	0	0
Current receivables	7,868	7,376	7,176	361	165	505
Investments in securities, etc	416	401	579	0	0	0
Cash and bank balances	5,207	3,680	5,028	1	0	1
Total current assets	23,422	23,603	23,427	362	165	506
Total assets	67,884	69,231	70,406	28,524	26,126	26,676
Equity	29,863	29,458	32,140	8,761	8,017	8,252
Non-current liabilities, non-interest bearing	4,327	5,393	4,990	1,090	1,319	1,119
Non-current liabilities, interest bearing	17,195	19,906	17,625	12,785	14,353	12,295
Current liabilities, non-interest bearing	7,886	8,864	8,565	88	737	1,211
Current liabilities, interest bearing	8,613	5,610	7,086	5,800	1,700	3,800
Total equity and liabilities	67,884	69,231	70,406	28,524	26,126	26,676

Key ratios

		Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Growth	%	1.2	-16.8	-13.1
Operating profit	SEK m	1,726	90	2,671
Operating profit excl. items affecting comparability	SEK m	1,726	1,185	3,226
Operating margin	%	8.7	0.5	6.6
Operating margin excl. items affecting comparability	%	8.7	6.1	8.0
Profit margin	%	6.1	-2.6	3.8
Profit margin excl. items affecting comparability	%	6.1	3.0	5.2
Investments in non-current assets incl. acquisitions	SEK m	1,101	1,263	2,328
Available cash and cash equivalents	SEK m	6,033	4,643	6,177
Working capital incl. cash and bank balances	SEK m	15,536	14,739	14,862
as share of net sales	%	38.1	34.5	36.7
Working capital excl. cash and bank balances	SEK m	9,913	10,658	9,255
as share of net sales	%	24.3	25.0	22.8
Interest-bearing liabilities/Equity	%	86.4	86.6	76.9
Equity/assets ratio	%	44.0	42.6	45.6
Return on capital employed	%	8.5	7.3	5.8
Return on capital employed excl. items affecting comparability	%	7.5	9.3	6.8
Return on equity	%	8.4	6.6	4.0
Return on equity excl. items affecting comparability	%	7.0	9.5	5.4
Net debt/EBITDA	times	3.2	3.7	3.9
Net debt/EBITDA excl. action plan	times	3.2	3.1	3.2
Net debt/EBITDA excl. items affecting comparability	times	3.5	3.1	3.5
Interest coverage ratio	times	2.7	0.4	1.9
Interest coverage ratio excl. items affecting comparability	times	2.7	1.7	2.3

Data per share

		Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Earnings per share (total 2,016,066,488 shares)	SEK	0.44	-0.32	0.58
Earnings per share excl. items affecting comparability	SEK	0.44	0.13	0.80
Equity per share	SEK	14.79	14.59	15.92
Closing day share price	SEK	40.34	44.94	43.24

Sales by geographical region

(SEK million)	NIBE Climate Solutions	NIBE Element	NIBE Stoves	Eliminations	Total
Nordic region	2,787	783	267	-269	3,568
Europe (excl. Nordic region)	6,576	1,716	684	-92	8,884
North America	3,106	2,342	607	-16	6,039
Other countries	377	839	46	2	1,264
Total	12,846	5,680	1,604	-375	19,755

Timing of revenue recognition

(SEK million)	NIBE Climate Solutions	NIBE Element	NIBE Stoves	Eliminations	Total
Deliverables recognized as revenue at a point in time	12,584	5,378	1,604	-375	19,191
Deliverables recognized as revenue over time	262	302	0	0	564
Total	12,846	5,680	1,604	-375	19,755

SERVICE CONTRACTS

For certain products in Climate Solutions, NIBE offers customers the opportunity to sign one-year service contracts, under which NIBE undertakes to perform maintenance service and remedy certain defects that are not covered by the warranty provided. The scope of defects cannot be reliably predicted, so pricing is based on experience. Payment is received from customers annually in advance, so deferred income will be recognized as revenue gradually over the coming 12-month period.

EXTENDED WARRANTY PERIOD CONTRACTS

For certain products in Climate Solutions, NIBE offers customers the opportunity to sign contracts for warranty periods that exceed those provided as standard. Standard warranty periods depend both on the type of product and the market in question. The longest contracts expire within six years. The scope of defects cannot be reliably predicted, so pricing is based on experience. Payment is received from customers on delivery of goods. Deferred income will be recognized as revenue gradually over the coming six-year period.

Financial instruments measured at fair value

(SEK million)	30 Jun 2025	30 Jun 2024	31 Dec 2024
Current receivables			
Currency futures	-4	6	-22
Commodity futures	0	0	0
Total	-4	6	-22
Current liabilities and provisions, non-interest bearing			
Currency futures	0	0	0
Commodity futures	-1	-1	-1
Total	-1	-1	-1
Non-current liabilities and provisions, interest bearing			
Interest rate derivatives	67	-14	53
Total	67	-14	53

No instruments have been offset in the statement of financial position, so all instruments are recognized at their gross value. For a detailed account of the measurement process, see Note 29 in the Annual Report for 2024. For other consolidated financial assets and liabilities, the carrying amounts represent a reasonable approximation of their fair value. A specification of the financial assets and liabilities involved is given in Note 29 in the Annual Report for 2024.

Condensed cash flow statement

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Cash flow from operating activities	1,615	721	3,826
Change in working capital	-1,006	-374	180
Investing activities	-1,101	-1,770	-2,845
Financing activities	933	1,088	-64
Exchange difference in cash and cash equivalents	-425	133	227
Change in cash and cash equivalents	16	-202	1,324

Condensed statement of changes in equity

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Opening equity	32,140	30,207	30,207
Shareholders' dividend	-605	-1,310	-1,310
Dividend to non-controlling interests	-1	-2	-2
Change in non-controlling interests	0	3	3
Comprehensive income for the period	-1,671	560	3,242
Closing equity	29,863	29,458	32,140

Alternative performance measures

Operating margin excl. items affecting comparability

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Operating profit	1,726	90	2,671
Items affecting comparability	0	1,095	555
Operating profit excl. items affecting comparability	1,726	1,185	3,226
Net sales	19,755	19,529	40,521
Operating margin excl. items affecting comparability, %	8.7	6.1	8.0

Profit margin excl. items affecting comparability

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Profit after financial items	1,214	-515	1,536
Items affecting comparability	0	1,095	555
Profit excl. items affecting comparability	1,214	580	2,091
Net sales	19,755	19,529	40,521
Profit margin excl. items affecting comparability, %	6.1	3.0	5.2

Net investments in non-current assets

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Acquisition of non-current assets	1,140	1,302	2,352
Disposal of non-current assets	-39	-39	-24
Net investments in non-current assets, incl. acquisitions	1,101	1,263	2,328

Available cash and cash equivalents

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Cash and bank balances	5,207	3,680	5,028
Investments in securities, etc.	416	401	579
Unutilized overdraft facilities	410	562	570
Available cash and cash equivalents	6,033	4,643	6,177

Working capital incl. cash and bank balances

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Total current assets	23,422	23,603	23,427
Current liabilities and provisions, non-interest bearing	-7,886	-8,864	-8,565
Working capital incl. cash and bank balances	15,536	14,739	14,862
Net sales, past 12 months	40,747	42,699	40,521
Working capital incl. cash and bank balances in relation to net sales, %	38.1	34.5	36.7

Alternative performance measures are financial measures that are used by the company's management and by investors to evaluate the Group's profit and financial position using calculations that cannot be directly derived from the financial statements. The alternative performance measures provided in this report may be calculated using methods that differ from those used to produce similar measures that are used by other companies.

Working capital excl. cash and bank balances

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Inventories	9,931	12,146	10,644
Current receivables	7,868	7,376	7,176
Current liabilities and provisions, non-interest bearing	-7,886	-8,864	-8,565
Working capital excl. cash and bank balances	9,913	10,658	9,255
Net sales, past 12 months	40,747	42,699	40,521
Working capital excl. cash and bank balances in relation to net sales, %	24.3	25.0	22.8

Return on capital employed

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Profit after net financial items, past 12 months	3,265	2,461	1,536
Financial expenses, past 12 months	1,518	1,468	1,647
Profit before financial expenses	4,783	3,929	3,183
Items affecting comparability	-540	1,095	555
Profit excl. items affecting comparability	4,243	5,024	3,738
Capital employed at start of period	56,851	52,979	52,979
Capital employed at end of period	55,671	54,974	56,851
Average capital employed	56,261	53,977	54,915
Return on capital employed, %	8.5	7.3	5.8
Return excl. items affecting comparability, %	7.5	9.3	6.8

Return on equity

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Profit after net financial items, past 12 months	3,265	2,461	1,536
Standard tax rate, %	20.6	20.6	20.6
Profit after net financial items, after tax	2,592	1,954	1,220
Of which attributable to Parent shareholders	2,595	1,958	1,231
Equity at start of period	32,098	30,160	30,160
Equity at end of period	29,825	29,419	32,098
Average equity	30,962	29,790	31,129
Return on equity, %	8.4	6.6	4.0

Return on equity excl. items affecting comparability

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Profit after net financial items, past 12 months	3,265	2,461	1,536
Items affecting comparability	-540	1,095	555
Profit excl. Items affecting comparability	2,725	3,556	2,091
Standard tax rate, %	20.6	20.6	20.6
Profit after net financial items, after tax	2,164	2,823	1,660
Of which attributable to Parent shareholders	2,167	2,827	1,671
Equity at start of period	32,098	30,160	30,160
Equity at end of period	29,825	29,419	32,098
Average equity	30,962	29,790	31,129
Return on equity excl. items affecting comparability, %	7.0	9.5	5.4

Net debt/EBITDA

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Non-current liabilities and provisions, interest bearing	17,195	19,906	17,625
Current liabilities and provisions, interest bearing	8,613	5,610	7,086
Cash and bank balances	-5,207	-3,680	-5,028
Investments in securities, etc.	-416	-401	-579
Net debt	20,185	21,435	19,104
Operating profit, past 12 months	4,307	3,461	2,671
Depreciation/amortization and impairment, past 12 months	1,973	2,307	2,245
EBITDA	6,280	5,768	4,916
Items affecting comparability, action plan	57	1,095	1,152
Items affecting comparability	-540	1,095	555
EBITDA excl. action plan	6,337	6,863	6,068
EBITDA excl. items affecting comparability	5,740	6,863	5,471
Net debt/EBITDA, times	3.2	3.7	3.9
Net debt/EBITDA excl. action plan, times	3.2	3.1	3.2
Net debt/EBITDA excl. items affecting comparability, times	3.5	3.1	3.5

Interest coverage ratio

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Profit after net financial items	1,214	-515	1,536
Financial expenses	727	856	1,647
Profit before financial expenses	1,941	341	3,183
Items affecting comparability	0	1,095	555
Profit excl. items affecting comparability	1,941	1,436	3,738
Interest coverage ratio, times	2.7	0.4	1.9
Interest coverage ratio excl. items affecting comparability, times	2.7	1.7	2.3

Earnings per share excl. items affecting comparability

(SEK million)	Jan-Jun 2025	Jan-Jun 2024	Full year 2024
Net profit attributable to Parent shareholders	885	-638	1,173
Items affecting comparability	0	895	441
Net profit excl. items affecting comparability	885	257	1,614
Earnings per share excl. items affecting comparability	0.44	0.13	0.80

Accounting policies

NIBE Industrier's consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's interim report for the second quarter of 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting. Disclosures in accordance with IAS 34 16A are presented in the financial statements and related notes as well as in other parts of the interim report.

For the Group, the accounting policies applied in this report are the same as those described on pages 140–175 of the Annual Report for 2024.

Reporting for the Parent follows the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities.

Related party transactions have taken place to the same extent as in the previous year and the same accounting policies apply as described on page 141 of the Annual Report for 2024.

Risks and uncertainties

NIBE Industrier is an international industrial group that is represented in around 40 countries. As such, it is exposed to several business and financial risks. Risk management is, therefore, an important process relative to the goals set by the company. Throughout the Group, efficient risk management routines are an ongoing process within the framework of the Group's operational management and a natural part of the continual follow-up of activities. It is our opinion that no significant risks or uncertainties have arisen in addition to those described in NIBE Industrier's Annual Report for 2024.

The information in this report has not been reviewed by the company's auditors.
For further information on definitions, please refer to the company's Annual Report for 2024.

The interim report provides a fair review of the business, financial position and results of the Parent and the Group and describes the principal risks and uncertainties facing the Parent and companies in the Group.

Markaryd, Sweden, August 22, 2025

Hans Linnarson
Chairman of the Board

James Ahrgren
Board member

Camilla Ekdahl
Board member

Eva Karlsson
Board member

Gerteric Lindquist
Managing Director and CEO

Anders Pålsson
Board member

Eva Thunholm
Board member

The NIBE share

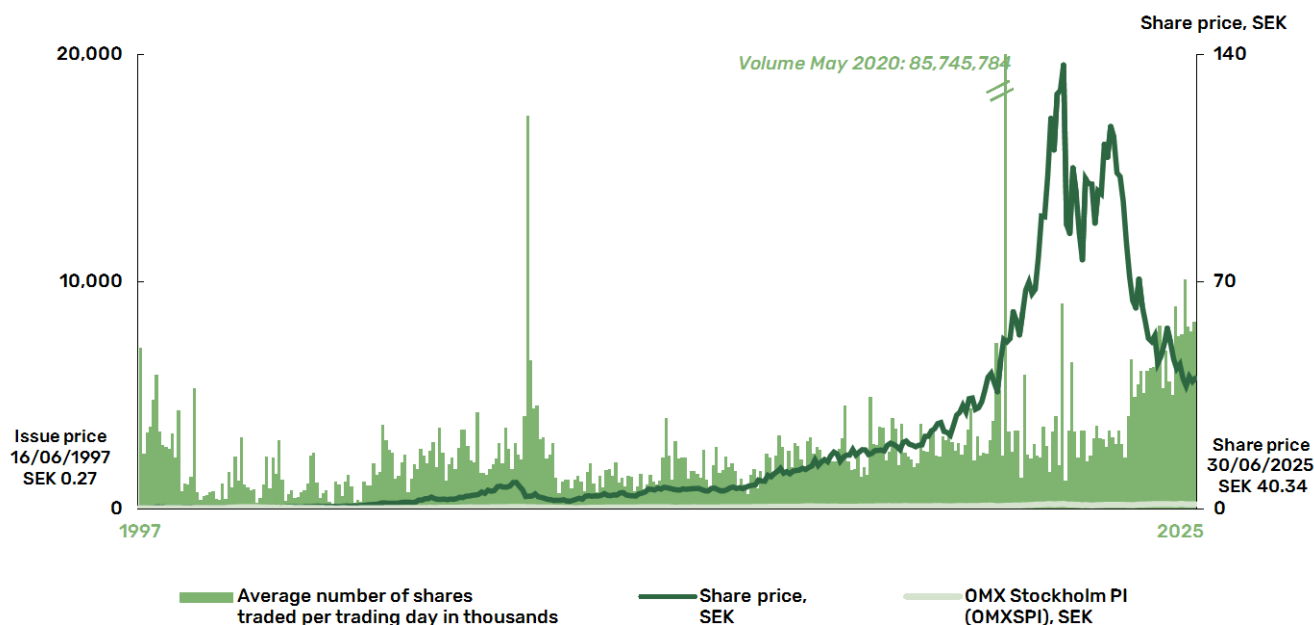
NIBE's Class B shares are listed on the NASDAQ Nordic Large Cap list in Stockholm, with a secondary listing on the SIX Swiss Exchange in Zurich. The NIBE share's closing price on June 30, 2025 was SEK 40.34.

In the first half of the year, NIBE's share price fell by 6.7%, from SEK 43.24 to SEK 40.34. In the same period, the OMX Stockholm PI (OMXSPI) fell by 0.15% and the OMX Stockholm 30 (OMXS30) increased by 0.42%.

At the end of June 2025, NIBE's market capitalization, based on the latest price paid, was SEK 81,328 million. A total of 965,128,953 NIBE shares were traded, which corresponds to a share turnover of 95.7% in the first half of 2025.

All figures were restated following the 4:1 splits implemented in 2003, 2006, 2016 and May 2021, and the dilutive effect of the preferential rights issue in October 2016.

Number of shares traded per trading day in thousands



The information in this Interim Report is information that NIBE Industrier AB is obliged to publish under the Swedish Securities Market Act and/or the Financial Instruments Trading Act. This information was submitted for publication at 8:00 AM (CEST) on August 22, 2025.

Please email any questions to:

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Hans Backman, CFO, hans.backman@nibe.se



NIBE GROUP

- AN INTERNATIONAL GROUP WITH COMPANIES AND A PRESENCE WORLDWIDE

The NIBE Group is an international Group that contributes to a reduced carbon footprint and better utilization of energy. In our three business areas – Climate Solutions, Element and Stoves – we develop, manufacture and market a wide range of environmentally friendly, energy-efficient solutions for indoor climate comfort in all types of properties, plus components and solutions for intelligent heating and control in industry and infrastructure.

Since its beginnings in the town of Markaryd in the Swedish province of Småland more than 70 years ago, NIBE has grown into an international company with an average of 20,600 (22,500) employees and an international presence. From the very start, the company has been driven by a strong culture of entrepreneurship and a passion for corporate responsibility. In 2024, the Group's sales amounted to just over SEK 40 (47) billion.

NIBE has been listed under the name NIBE Industrier AB on the Nasdaq Nordic Large Cap list since 1997, with a secondary listing on the SIX Swiss Exchange since 2011.

NIBE

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