INTERIM REPORT

JANUARY - JUNE 2025

Q2

18 JULY 2025

Karnell.

Today's agenda and presenters:

01. Introduction

02. Q2 2025

03. New companies

04. Q&A

Petter Moldenius
CEO

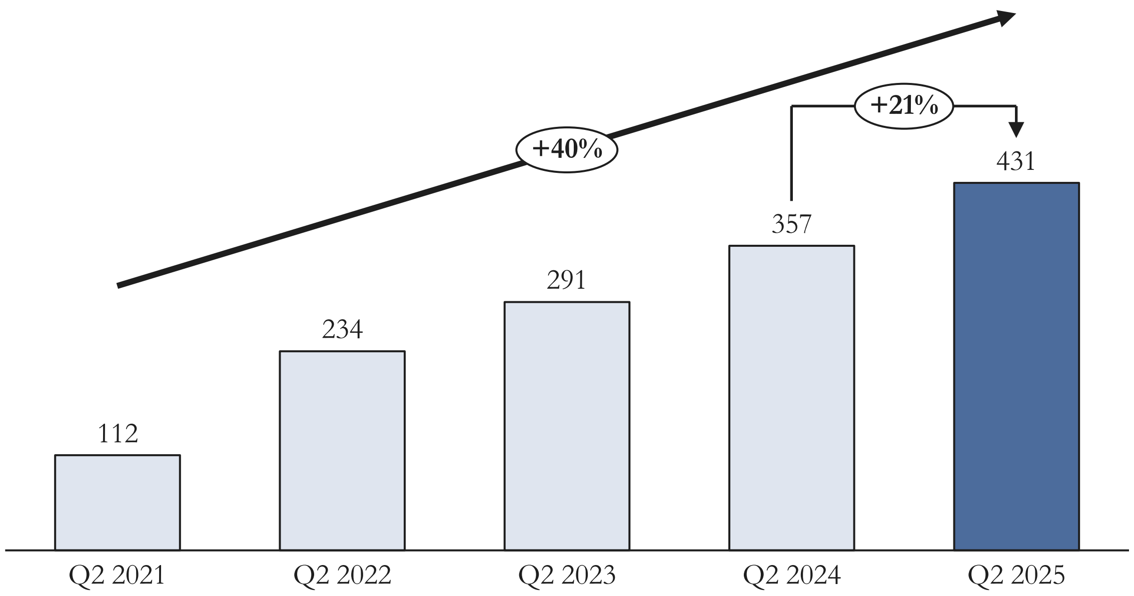
Lars Neret
CFO

Karnell Group Q2 2025 – a quarter of solid performance (SEKm)

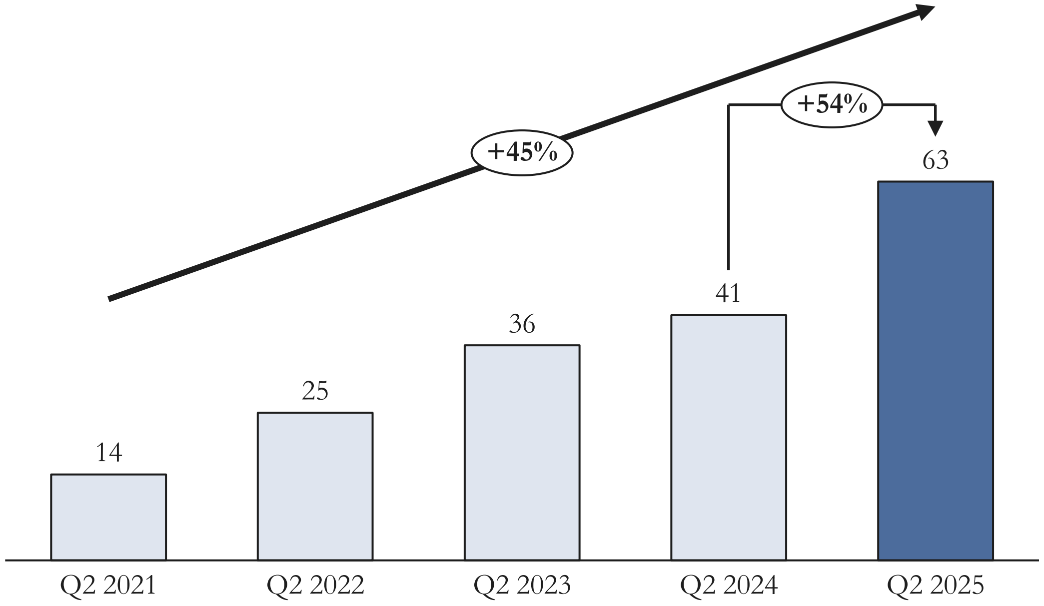
Net Sales	EBITA	Operating cash flow	Net debt / EBITDA*
431	63	20	1.4x
(Q2 2024: 357)	(Q2 2024: 41)	(Q2 2024: 30)	(Q2 2024: 0.6x)

*Net debt excl. leasing / EBITDA excl. leasing

Net Sales (SEKm)

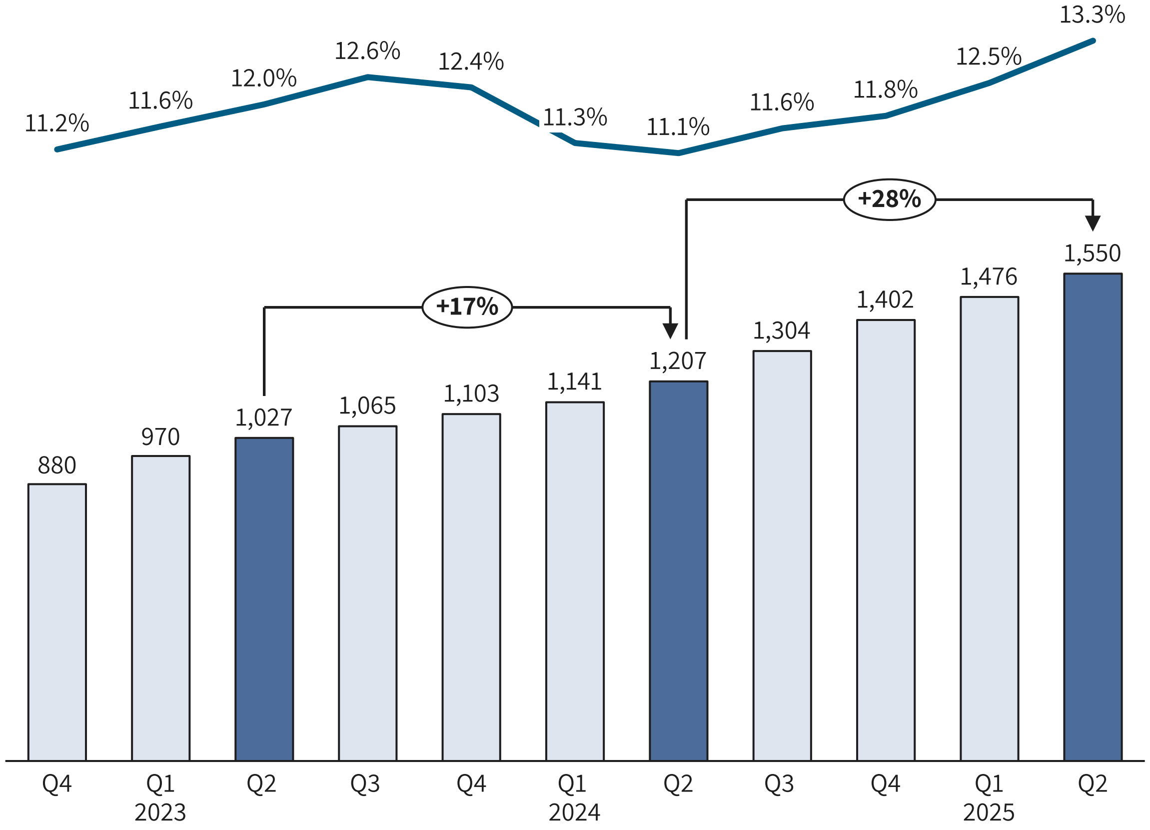


EBITA (SEKm)



2025 Q2: A solid performance in the second quarter of 2025, platform acquisition, organic growth and a record high EBITA margin on LTM basis.

Net Sales and EBITA% development LTM (SEKm)

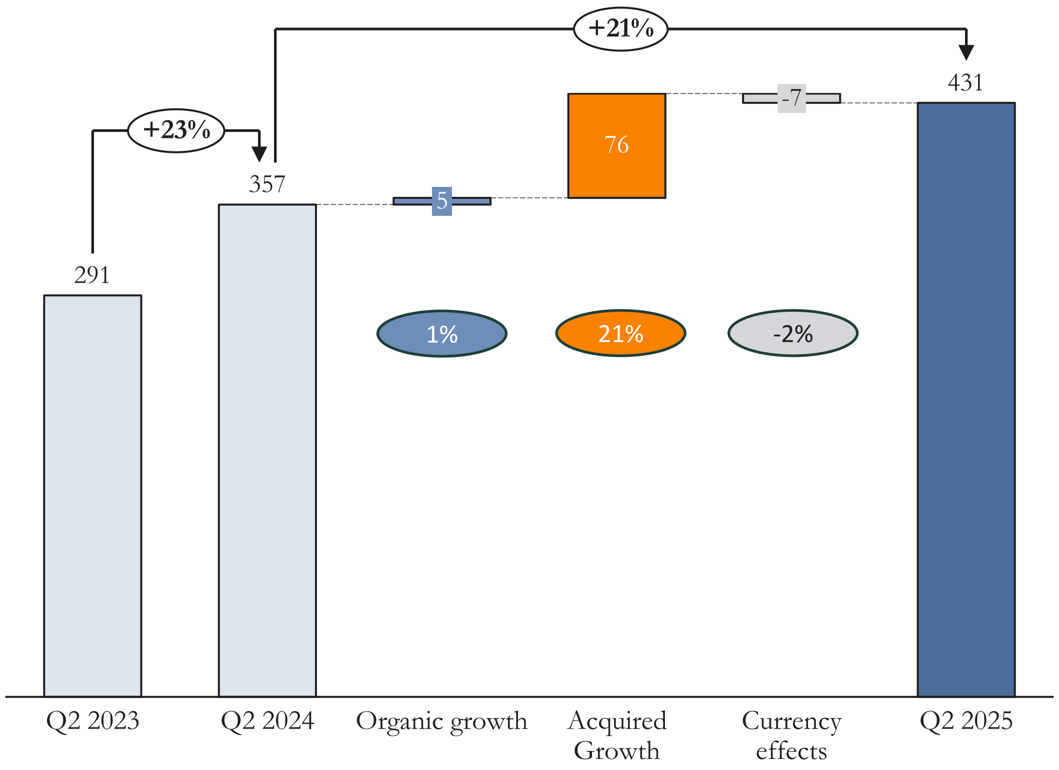


Highlights during the quarter:

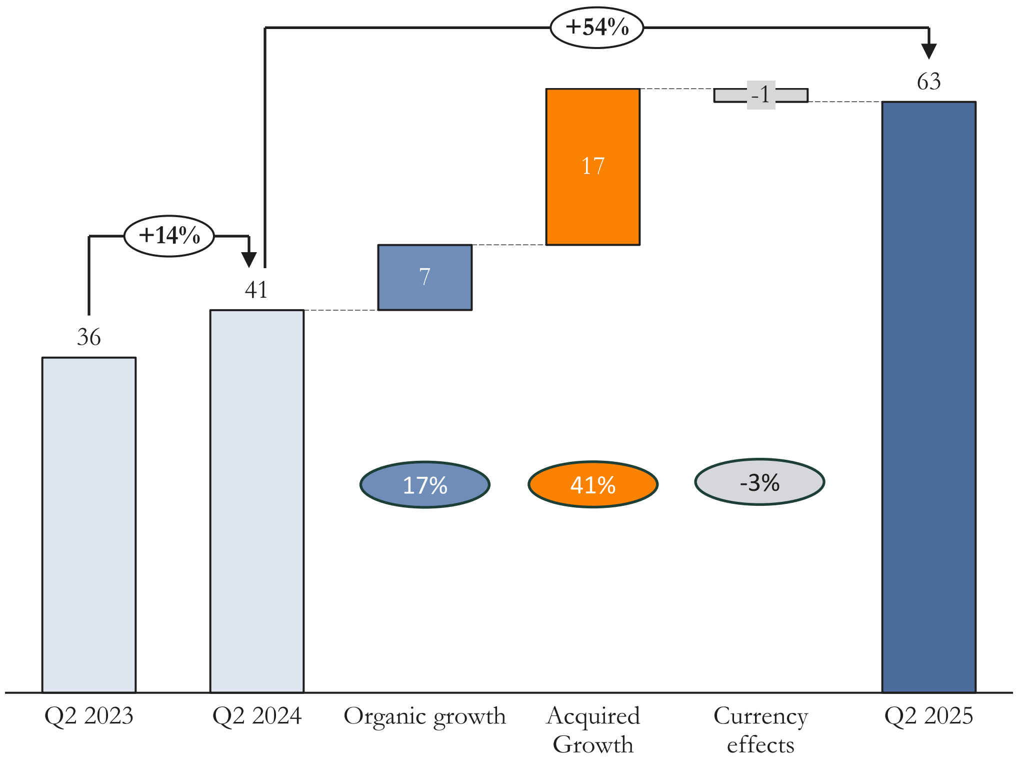
- Net sales for the period increased by 20.7% to 431 MSEK (357), with organic growth of 1.4%.
- EBITA amounted to 63 MSEK (41), an increase of 54.4%, of which organic growth was 17.0%.
- LTM EBITA margin above 13% for the first time. Working our way towards our financial targets.
- Cash flow from operating activities for the period amounted to 20.0 MSEK (30.5).
- Completed one platform acquisitions during the quarter, further strengthening our portfolio and providing a solid foundation for future expansion.
- Maintained low debt levels and a strong M&A pipeline position us well to continue executing our growth strategy.

Breakdown of quarterly performance in net sales and EBITA

Net Sales (SEKm)



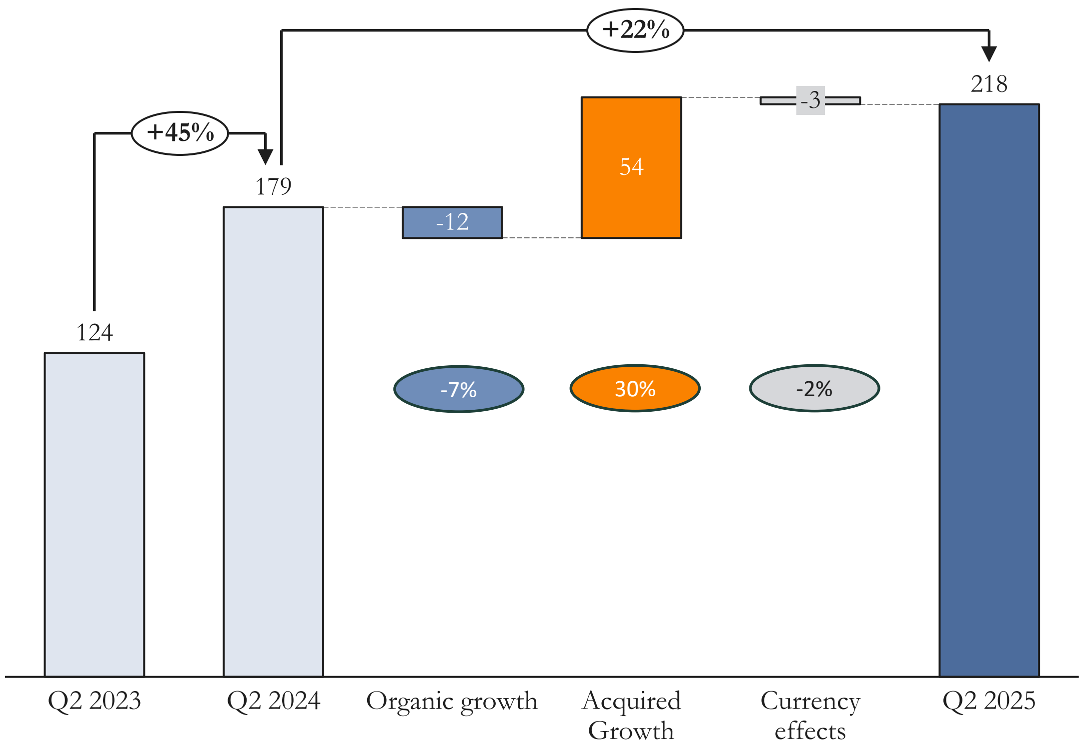
EBITA (SEKm)



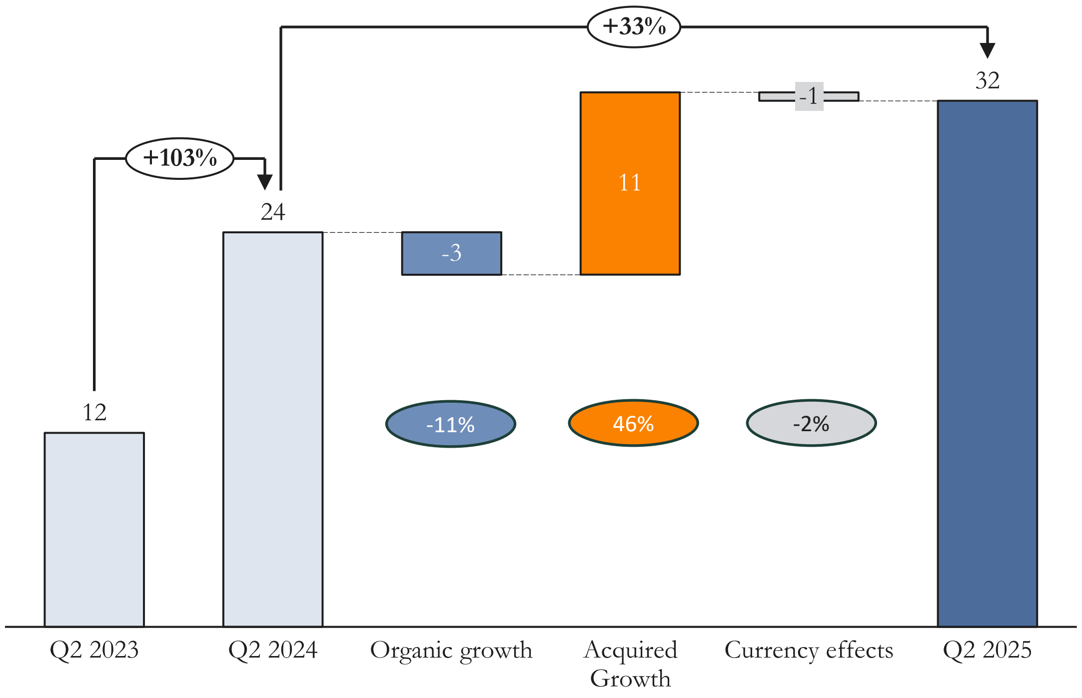
- EBITA margin increased from 11.4% to 14.6%

Product owning companies
– Continued Q2 growth, driven by acquisitions

Net Sales (SEKm)



EBITA (SEKm)

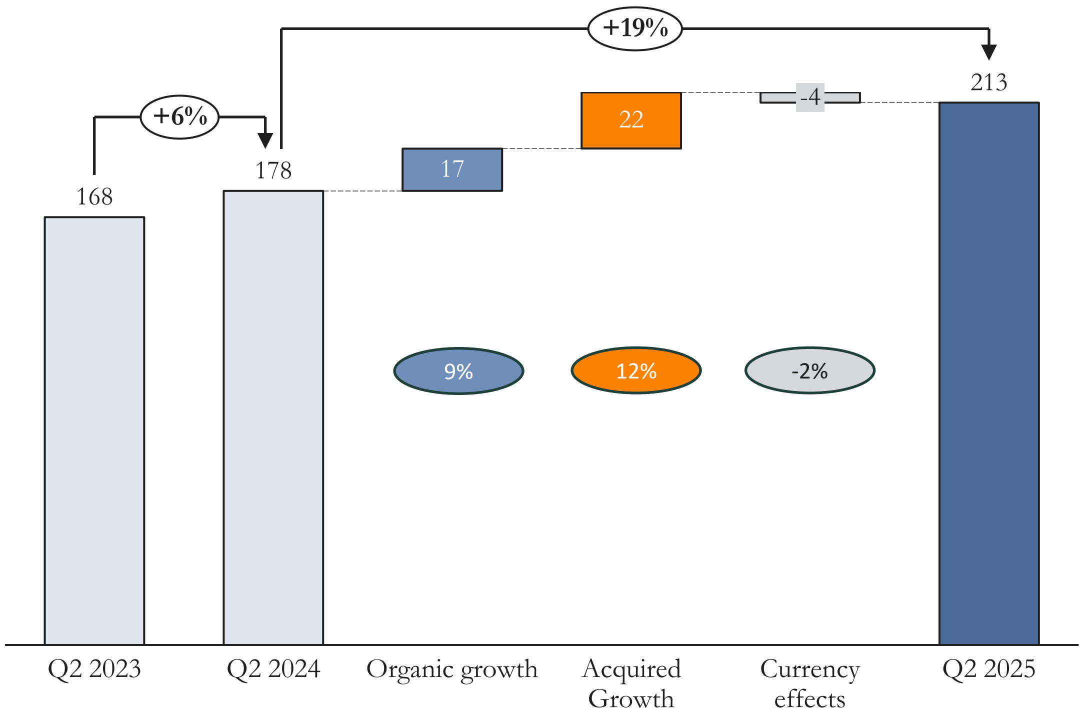


- EBITA margin increased from 13.5% to 14.8%

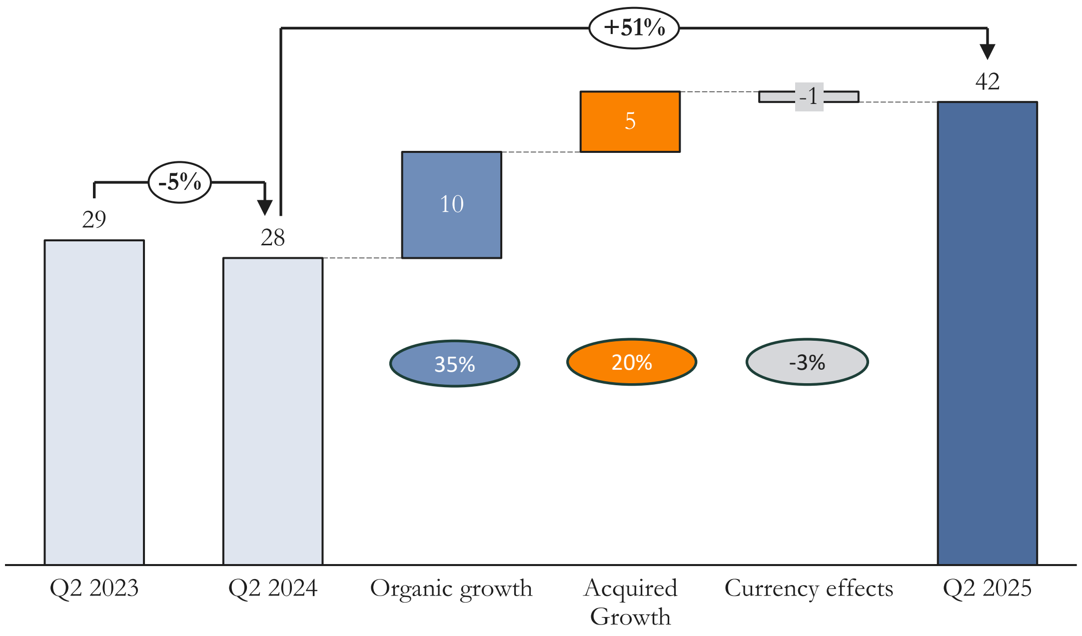
Niched manufacturers

– Gradually normalized markets – driven by strong organic performance compared to softer previous year

Net Sales (SEKm)



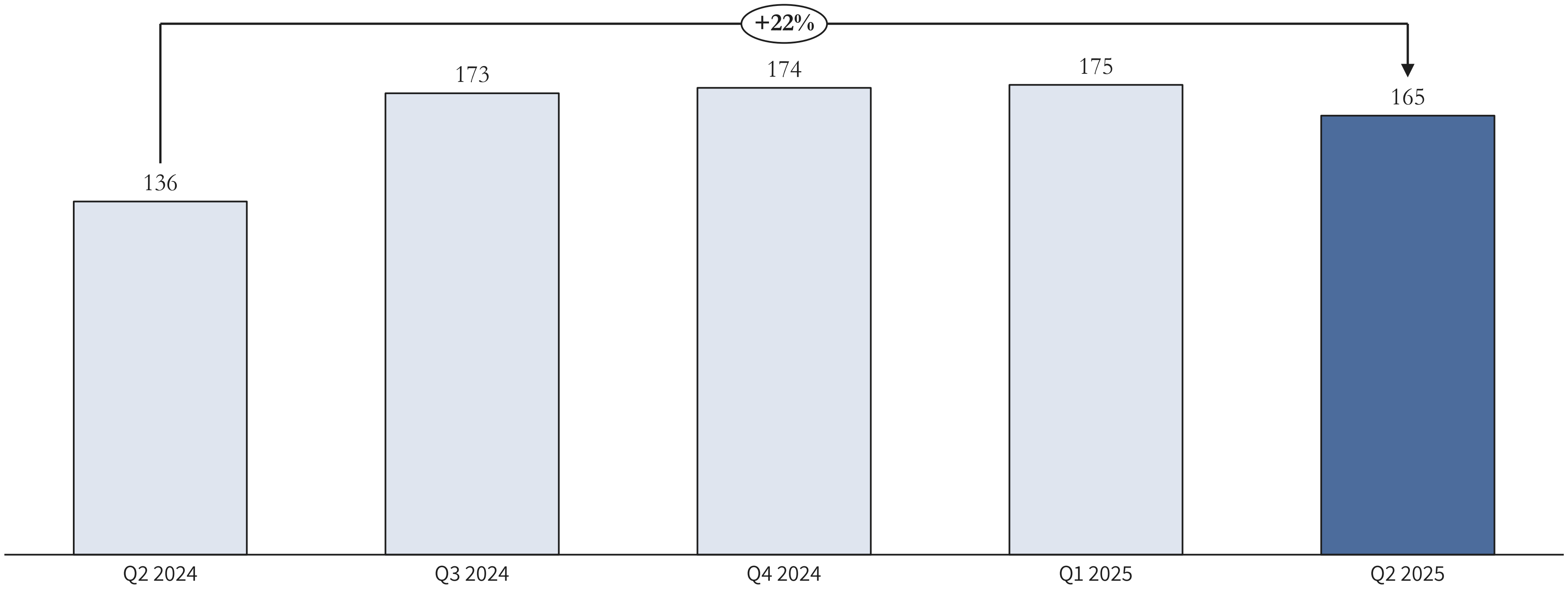
EBITA (SEKm)



- EBITA margin increased from 15.6% to 19.7%

Growing cash flow from operating activities

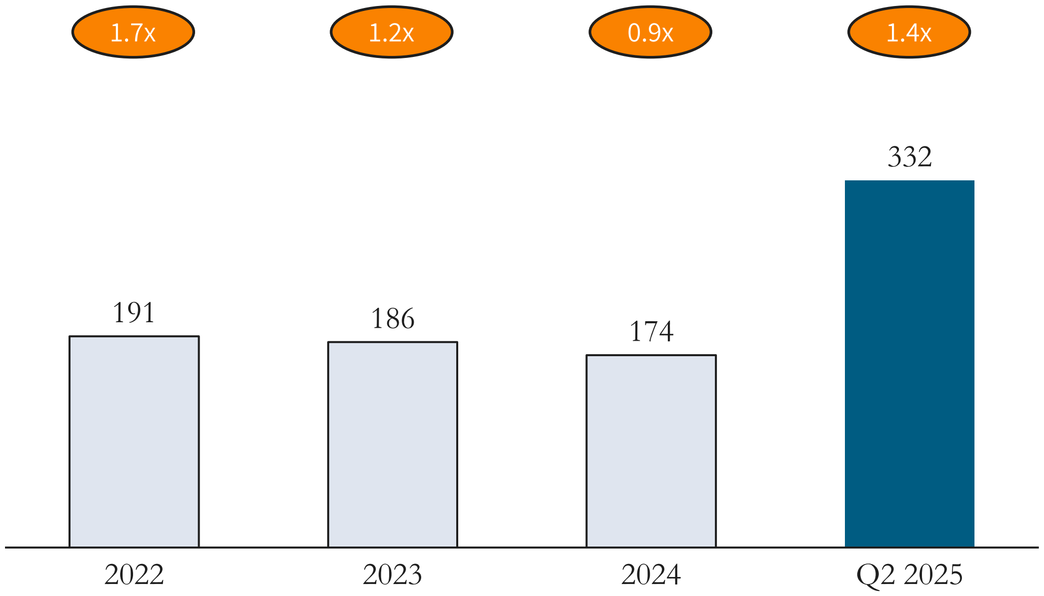
Cash flow from operating activities (LTM) (SEKm)



- Increased cash flow in Q2 on an LTM basis compared to Q2 2024 but decreased on LTM basis compared to Q1 2025. Increased profits but higher working capital
- Cashflow from operating activities increased 22% on an LTM basis from Q2 2024

Stable capital structure with low leverage as a base for further acquisitions

Net debt excl. leasing (SEKm)



SEKm	2022	2023	2024	Q2 2025
Interest bearing debt	340	376	460	501
Cash and cash equivalents	149	190	286	169
Net debt excl. leasing	**191**	**186**	**174**	**332**
EBITDA LTM excl. leasing	113	161	198	243
Net debt excl. leasing / EBITDA LTM excl. leasing	**1.7**	**1.2**	**0.9**	**1.4**
Other non-operating liabilities				
Leasing	81	68	139	149
Contingent purchase considerations (Earn-outs)	8	37	47	39
Put/Call - options attributable to non-controlling interests	81	97	136	110

- Maintained a low level of leverage during the past years while continuing to acquire companies, reaching 1.4x in Q2 2025
- Payment of put/call options and earnout in the quarter
- Karnell typically acquires majority stakes above 90% with an option and long-term target to increase its share. Value of the option is reported as a liability on the balance sheet consisting of put/call options

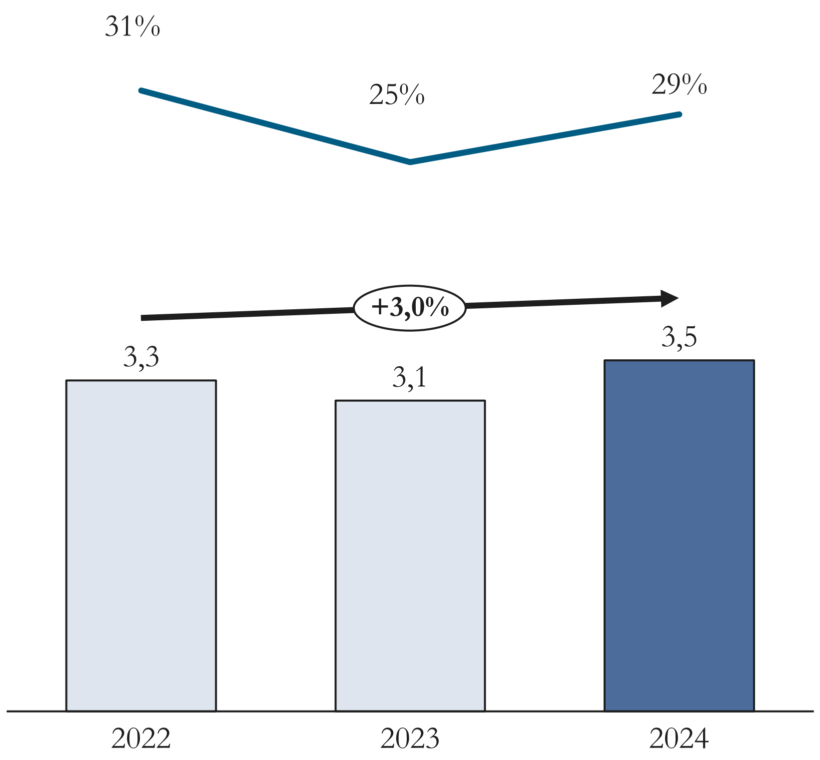
Warwick SASCo

– A provider of medical hollowware for hospital decontamination, surgery rooms and patient care.

Medical product company

- Warwick SASCo designs and supplies reusable specialist plastic products for hospital decontamination, surgery, nursing and patient care.
- The company offers an extensive range of EU MDR-certified products including instrument trays, gallipots, autoclavable containers, disinfection kits, kidney dishes and more.
- The company has a global customer base of specialist medical distributors, with exports to over 60 countries. Their reusable products are expected to benefit from environmental trends and outgrow disposable plastic products, which are widely used in global healthcare today.
- A family business founded in 1981 by the father of the current Managing Director. He was one of the originators in the industry who developed and introduced reusable and sterilizable polypropylene products in healthcare.
- Karnell acquires 90.1% of shares, with an option for full ownership. Darby Booth remains as CEO and the sellers retain 9.9% ownership, ensuring continuity and expertise.

Pro-forma sales and EBITA margin (GBPm)



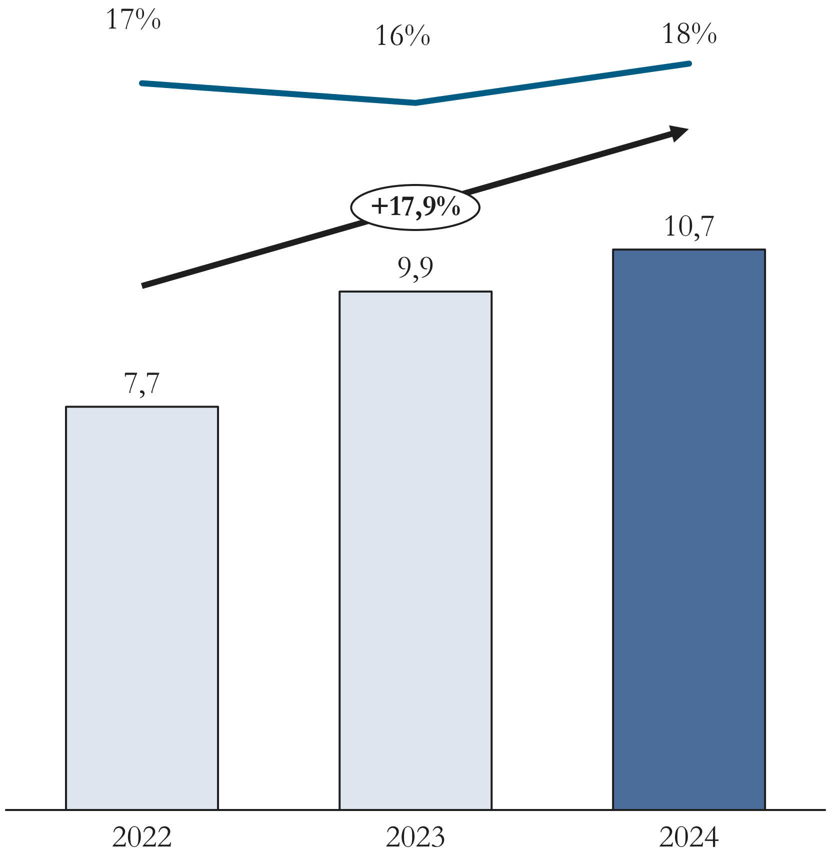
Examples of products:

LundHalsey - Premium consoles used in control rooms to monitor mission-critical operations across sectors including broadcast, security, industrial processes and aviation

Product company with an attractive market position

- The Company offers an extensive range of modular control room consoles, each capable of satisfying strict ergonomic and design criteria needed by LH's clients, to ensure their continuous 24/7 critical operations in situations demanding operator continuity and monitoring.
- The Company's products serve a global customer base and are positioned to benefit from tailwinds for infrastructure, growth in industrial processing and aviation, and operational centralization.
- Founded in 1982 by Chairman, Christopher Lund, the Company has a professional management team that have the driven its expansion from its original broadcast vertical into new target verticals and geographic markets,
- The acquisition strengthens Karnell's Product Companies segment, complementing our existing businesses and driving long-term opportunities in global growth markets.
- Karnell acquires 90.0% of shares, with an option for full ownership. The seller will retain 10.0% ownership, ensuring continuity and expertise in LH's operations.

Pro-forma sales and EBITA margin (GBPm)



Examples of products:

Q2 2025 - Both revenue and EBITA increased at the group level, organic growth, a strengthened portfolio through one platform acquisition, and a solid foundation to drive further expansion in 2025

Key take aways:

- Solid financial performance in Q2, supported by organic growth, one platform acquisition and resilience in challenging market conditions
- Across the broader market, we are seeing early signs of stabilization, with interest rates gradually easing. We enter the second half of 2025 with confidence. Our portfolio companies are performing well, particularly within Niche production, and our decentralized operating model continues to demonstrate its strength in navigating mixed market conditions.
- With low debt levels, robust cash flows, and a solid M&A pipeline, we are well-positioned to advance our growth strategy, leveraging our proven acquisition and ownership model to identify and acquire promising industrial technology companies

Thanks for listening

Questions?

Karnell.