

YEAR-END REPORT

Kährs BondCo AB (publ)

Quarter 4 & Full Year 2025

STABILITY AND GROWTH IN RETAIL ACROSS EUROPE, CHALLENGES IN NEW CONSTRUCTION AND THE US

Kährs' order intake decreased organically by -4 per cent in the fourth quarter compared to last year driven by continued weak demand in the US. In the regions Nordics and Europe, order intake increased by 1 per cent and 3 per cent, respectively, driven by an increase in retail sales. New construction in the Nordics region was still down but less than before, and we are starting to see signs of a turnaround here. Consolidated sales decreased organically by -2 per cent, and this decrease is driven as well by the US and new construction in the Nordics region, while Europe and retail sales in the Nordics region are growing. The strong Swedish krona had a significant negative impact on reported sales, -7 per cent. The weak US dollar had a major impact.

FOURTH QUARTER 2025

- Sales amounted to SEK 463 million (545), which was a decrease of -15 per cent. Organic change adjusted for currency was -2 per cent. The currency effect was -7 per cent, and the divestment of Russia, which was completed on 3 December 2024, was -6 per cent
- Operating EBITA amounted to SEK -9 million (4), corresponding to an operating EBITA margin of -2.0 per cent (0.7)
- Operating result totalled SEK -14 million (-29), corresponding to an operating margin of -3.0 per cent (-5.4)
- Result for the period amounted to SEK -39 million (-121)
- Cash flow from operating activities totalled SEK 22 million (70)

JANUARY–DECEMBER 2025

- Sales amounted to SEK 1,972 million (2,391), which was a decrease of -18 per cent. Organic change adjusted for currency was -8 per cent
- Operating EBITA amounted to SEK 38 million (73), corresponding to an operating EBITA margin of 1.9 per cent (3.1)
- Operating result totalled SEK 20 million (-54), corresponding to an operating margin of 1.0 per cent (-2.3)
- Result for the period amounted to SEK -96 million (-253)
- Cash flow from operating activities totalled SEK -12 million (90)

KEY PERFORMANCE INDICATORS FOR THE GROUP

SEKm	Oct-Dec 2025	Oct-Dec 2024 ³	Jan-Dec 2025	Jan-Dec 2024 ³
Net Sales	463	545	1,972	2,391
Organic growth, %	-2%	-11%	-8%	-15%
EBITA	-9	-25	38	-37
EBITA, %	-2.0%	-4.5%	1.9%	-1.5%
Operating EBITA	-9	4	38	73
Operating EBITA, %	-2.0%	0.7%	1.9%	3.1%
Operating result (EBIT)	-14	-29	20	-54
Operating result (EBIT), %	-3.0%	-5.4%	1.0%	-2.3%
Operating EBIT	-14	-1	20	55
Operating EBIT, %	-3.0%	-0.1%	1.0%	2.3%
Result for the period	-39	-121	-96	-253
Result for the period, %	-8.6%	-22.1%	-4.9%	-10.6%
Earnings per share before and after dilution, SEK ¹	-79	-241	-193	-505
Net cash flows from operating activities	22	70	-12	90
Net debt ²	1,309	1,215	1,309	1,215
Equity ratio, %	-16.2%	-6.5%	-16.2%	-6.5%
Return on capital employed, %	1.7%	-2.9%	1.7%	-2.9%

¹ Number of shares in Kährs BondCo AB (publ) (500,000) used to calculate earnings per share before and after dilution, SEK

² Net debt excluding effect of IFRS 16. - Definitions of alternative performance indicators are available on page 23 of this report.

³ Russia is included in the reported figures until December 3, 2024

CHIEF EXECUTIVE'S COMMENTS



Growth in retail and the renovation segment creates confidence in the future, despite challenges in the US and in new construction

Order intake decreased slightly, mainly due to a weak housing market in the US. Our ability to grow in retail in Europe and now also in the Nordics, is proof that our concepts and offerings are appreciated by customers and consumers. Despite a decrease in total sales, we see that the renovation market is increasing in some markets in Europe and the Nordics, which sends positive signals about the future. The project market for new construction remains challenging, especially in the US, while the Nordic region is recovering from low levels.

Geopolitical uncertainty, particularly regarding customs and trade tariffs, continues to impact markets and channels. Kährs has quickly adapted to changes through a flexible supply structure in each market region.

- Nordics: Finland continues to show stable growth in all segments. In Sweden, retail sales are increasing mainly due to increased renovation activity, which compensates for a weak project market. In Norway, demand from inventory-holding customers remained low during the quarter.
- Europe non-Nordics: In Germany, Switzerland and France we continue to strengthen our positions through a very competitive offer towards the renovation market. In the UK, we have changed our distribution model, and we are once again seeing growth despite tough price competition. Kährs also continues to grow in southern Europe with new residential and hotel projects.
- In North America, we continue to see good demand in the education segment. A challenging new construction market combined with inventory speculation in the wake of new tariffs in the US has led to high excess inventory at distributors, which impacted sales and order intake negatively.

Sales outside the main markets decreased, especially in China where the housing market is cautious.

Clear execution and strong commercial momentum in the digital transition strengthen the customer experience, driving margin improvement and value creation forward

Kährs begins 2026 with a clear focus on execution and progress within its main strategic areas, which is reflected in new distribution channels, increased activation in retail, and a growing project pipeline in the Nordics and Europe. The impact of ongoing sales initiatives is visible in the improved product mix, positive margin development, and stronger customer engagement. Furthermore, implemented price adjustments and new agreements contributed to increased business stability.

The digital and operational transition is a key enabler for continued value creation. The launch of the modern customer portal in all main markets led to a significant increase in digital order volumes and further strengthened customer experience.

The implementation of a new fully integrated business system (ERP/MPS) was completed on schedule, which will provide opportunities to further increase the service level. With this, the majority of the Kährs platform has been upgraded.

In parallel, the organization has laid the foundation for a more data-driven way of working by introducing a new data and analytics platform that enables the use of AI technologies as business support.

Due to all of this, combined with a strengthened brand position, successful product launches, and recognized sustainability initiatives, Kährs is considered to be well positioned to driving growth, profitability and financial discipline in a market situation that, despite challenges, is gradually improving.

Outlook

Underlying demand is still affected by geopolitical uncertainties and high interest rates in some markets. Kährs continues to strengthen its position in the European retail sector, driven by a broad and competitive offering in the residential segment. In the US, despite a continued challenging market situation, we see growth opportunities through our direct distribution model.

The project market for new construction remains at low levels. At the same time, we are noting increased activity in the Nordic region. Due to all of this, combined with strong customer relationships and a clear focus on quality, we believe that Kährs is well positioned to take advantage of the opportunities that arise as the market gradually improves.

Johan Magnusson
President and CEO

GROUP PERFORMANCE FOURTH QUARTER & JANUARY-DECEMBER 2025

NET SALES

Total consolidated net sales amounted to SEK 463 million (545) for the fourth quarter. This corresponds to an organic sales decrease of -2 per cent. During the fourth quarter, we see a decline in new construction, particularly in the Nordic region. However, the decrease compared to last year is not as large as earlier in the year and there are some positive signals in the market indicating a trend reversal in 2026. Retail sales, which are primarily targeting the renovation market, show weak growth in the fourth quarter.

In the Nordics region, sales in the fourth quarter are in line with last year. New construction remains weak, although we have seen a turnaround in the renovation market.

Europe continues to be the best-performing region with organic growth of 5 per cent in the quarter. Germany continues to perform significantly better than last year, while development in Eastern Europe has been weaker. Sales in other countries are close to last year. Europe continues to be characterised by fierce price competition and demand for products with lower price points.

North America had a weak quarter characterised by great uncertainty among consumers and weak demand for flooring products in the US, which decreased -20 per cent organically in the quarter.

APIM decreased organically by -3 per cent, related even in the fourth quarter to a continued weak market in the Middle East.

Total consolidated net sales amounted to SEK 1,972 million (2,391) for the period January–December. This corresponds to an organic decrease in sales of -8 per cent. Sales in all regions are decreasing compared to last year, although Europe is reporting the best results with a decrease of -4 per cent, while the Nordic region is decreasing by -9 per cent and North America by -8 per cent mainly due to a weak second half of the year.

OPERATING PROFIT

Operating EBITA totalled SEK -9 million (4), corresponding to an EBITA margin of -2.0 per cent (0.7) for the fourth quarter.

After a stronger third quarter with increased profitability compared to last year, the fourth quarter is weaker than last year, largely due to the weak sales development in North America during the quarter.

During the fourth quarter, Kährs continued its strategic shift towards becoming more digital and making it easier for customers to do business with Kährs through the roll-out of our e-commerce portal for corporate customers. During the fourth quarter, we launched the portal in the US and the Nordic countries.

Operating profit (EBIT) for the fourth quarter amounted to SEK -14 million (-29), corresponding to an operating margin of -3.0 per cent (-5.4), of which comparative items in the quarter amounted to SEK 0 million (-28). For more details, see Note 4 Items affecting comparability.

Consolidated total depreciation/impairment for the quarter totalled SEK 30 million (41), including impairment of right-of-use assets that amounted to SEK 8 million (14).

For the period January–December, Kährs' operating EBITA amounted to SEK 38 million (73), corresponding to an operating EBITA margin of 1.9 per cent (3.1).

Operating profit (EBIT) amounted to SEK 20 million (-54) for the period January–December. This corresponds to an operating margin of 1.0 per cent (-2.3) and has not been affected by any items affecting comparability (-109).

NET SALES PER REGION

Starting in 2025, net sales will be reported in the following regions: Nordics, Europe, North America and APIM.

Due to the divestment of the Russian operations on 3 December 2024, sales for Russia are only included up to this date.

NORDICS

SEKm	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Nordics	237	243	925	1,029
Europe	144	150	644	703
North America	58	86	300	365
APIM Region	13	13	55	66
Divested operations in Russia	-	37	-	171
Other	11	16	48	57
Net sales Group, external customers	463	545	1,972	2,391

Fourth quarter

Net sales for the region Nordics amounted to SEK 237 million (243). This resulted in a decrease of -2 per cent, of which the organic change compared to the previous year was 0 per cent.

Finland continued to show strong development in the fourth quarter driven by strong growth among construction contractors. Net sales in Sweden and Norway continued to decrease in the fourth quarter compared to last year. In Sweden the decrease to be attributable to weak new construction, although there continued to be good retail growth, while in Norway the decrease was attributable to retail sales.

In the fourth quarter, Rasmus Falck took over as CCO for the Nordic region, and he will take on the task of continuing to grow the renovation sector and retail trade in the Nordic countries.

January–December

Net sales for the region Nordics amounted to SEK 925 million for full-year 2025 compared to SEK (1,029) million for the same period the previous year. This resulted in a decrease of -10 per cent, of which the decrease in organic sales was -9 per cent.

During the year, demand remained weak in the new construction area, which mainly affected Sweden. The development in renovation and retail was more positive, and we grew sales in the segment for the full year.

Geographically, Finland posted the most positive development in the Nordic region in 2025, with Kährs growing and gaining market share in an otherwise weak market.

EUROPE

SEKm	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Nordics	237	243	925	1,029
Europe	144	150	644	703
North America	58	86	300	365
APIM Region	13	13	55	66
Divested operations in Russia	-	37	-	171
Other	11	16	48	57
Net sales Group, external customers	463	545	1,972	2,391

Fourth quarter

Net sales for the region Europe amounted to SEK 144 million (150). This represented a decrease of -4 per cent, which was related to currency. Organically, this corresponds to growth of 5 per cent.

In Europe, we saw a positive trend during the fourth quarter with growth in all regions except Eastern Europe, which declined due to weak demand primarily in Poland and Romania. Germany continues to be the best-performing market with growth of 14 per cent. One bright spot was the United Kingdom, which after many quarters of decreased sales began to grow in the fourth quarter.

January - December

Net sales for the region Europe amounted to SEK 644 million in 2025 compared to SEK (703) million in the same period last year. This represents a decrease of -8 per cent, of which the decrease in organic sales was -4 per cent. For the full year, Germany was our best market where we have successfully grown with new product innovations and gained market shares. Germany's growth in 2025 was 5 per cent. Within Europe, the UK has been a weak market characterized by low consumption and financial problems at several large distributors. Sales in the UK decreased by -18 per cent despite growth in the fourth quarter.

NORTH AMERICA

SEKm	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Nordics	237	243	925	1,029
Europe	144	150	644	703
North America	58	86	300	365
APIM Region	13	13	55	66
Divested operations in Russia	-	37	-	171
Other	11	16	48	57
Net sales Group, external customers	463	545	1,972	2,391

Fourth quarter

Net sales for the region North America amounted to 58 million (86). This is a decrease in sales of -33 per cent, of which -20 per cent was organic.

Consumer demand for flooring products continued to decrease in the fourth quarter. This decline has been particularly large at the retail level. Distributor sales were also weak in the fourth quarter.

January-December

Net sales for the region North America amounted to SEK 300 million in 2025 compared to SEK (365) million for the same period last year. This represents a decrease of -18 per cent, of which the decrease in organic sales was -8 per cent.

The first half of 2025 started well, but the second half was characterized by low demand. Kährs continued with its strategy to grow in Retail and gained new customers in prioritized states. This segment, excluding Floor & Decor, is the only one that grew in the USA in 2025. It accounts for 25 per cent of sales, and growth was 3 per cent during the year.

APIM REGION

SEKm	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Nordics	237	243	925	1,029
Europe	144	150	644	703
North America	58	86	300	365
APIM Region	13	13	55	66
Divested operations in Russia	-	37	-	171
Other	11	16	48	57
Net sales Group, external customers	463	545	1,972	2,391

Fourth quarter

Net sales for the region APIM totalled SEK 13 million (13) during the fourth quarter. This was unchanged from last year and an organic decrease of -3 per cent.

The Middle East, which is the largest region, accounts for the largest decrease in the fourth quarter, -18 per cent, while China grew from a low level in the fourth quarter via a new customer, Nature Home, which began selling Kährs products during the quarter. We see great potential in this customer and expect development in China to be positive in 2026.

January-December

Net sales for the region APIM totalled SEK 55 million (66) in 2025, which corresponds to a decrease of -17 per cent compared to last year, of which -18 per cent was organic.

Demand was weak in APIM in 2025. Even during the year as a whole, China and the Middle East were the contributing factors to the decrease in sales.

During the year, Kährs instead established new distribution channels together with strategic key customers in Oceania and China and initiated new distribution in Africa.

These establishments are in line with the company's long-term strategy for growth in prioritised regions and create a good foundation for future growth.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities totalled SEK 22 million (70) in the fourth quarter. Cash flow before interest and taxes totalled SEK -12 million (1). Interest paid totalled SEK 32 million (27), which primarily consists of interest on a bond loan. Adjusted for currency effects, total working capital decreased by SEK 31 million (100) during the quarter. The main reasons for the decrease in working capital, adjusted for currency are a decrease in accounts receivable of SEK 37 million (58) and a decrease in inventories of SEK 20 million (73).

Investments during the fourth quarter were at a relatively low level, SEK 8 million (6).

Total cash flow for the period amounted to SEK 2 million (24).

During the period January–December, cash flow from operating activities totalled SEK 12 million (90). During the period, working capital increased by SEK 8 million (-143) mainly due to a decrease in other current liabilities. Total cash flow for the period January–December was SEK -83 million (-33).

NET FINANCIAL EXPENSES

Net financial expenses totalled SEK 29 million (93) for the fourth quarter of 2025. They consist primarily of interest expenses of SEK 33 million (39), of which bond financing of SEK 31 million (37). Interest income amounted to SEK 1 million (3). In addition, there are other financing costs of SEK 3 million (48) and currency gains of SEK 5 million (-8).

For the period January–December, net financial expenses totalled SEK 125 million (210), of which external interest expenses were SEK 134 million (153).

FINANCIAL POSITION

Consolidated net debt totalled SEK 1,309 million (1,215) as of 31 December 2025. The reason for the increase in leasing liabilities is a newly signed lease contract for the Group's central warehouse in Nybro with a term of 10 years.

NET DEBT

SEKm	31 Dec 2025	31 Dec 2024
Lease liabilities	122	74
Liabilities to credit institutions	1,434	1,428
Other	0	3
Total interest-bearing liabilities	1,556	1,505
<u>Less:</u>		
Lease liabilities	-122	-74
Cash and cash equivalents including Interest-bearing receivables	-125	-216
Net debt	1,309	1,215

Consolidated cash and cash equivalents totalled SEK 106 million (194) as of 31 December 2025. The Group utilised SEK 0 million (0) of the existing revolving credit facility of SEK 550 million (550), of which SEK 100 million (100) is conditional on potential acquisitions. Consequently, available consolidated liquidity as of 31 December 2025 was SEK 656 million (744), allowing good flexibility moving forward.

TAX

Tax revenue for the fourth quarter amounted to SEK 4 million (1) and for the period January–December to SEK 9 million (11). Deferred tax assets have been booked in accordance with how they are likely to be utilised for settlement against future taxable profits.

GENERAL INFORMATION

SIGNIFICANT EVENTS DURING THE QUARTER

No significant events have occurred during the reporting period.

SIGNIFICANT EVENTS AFTER THE QUARTER

No significant events have occurred after the reporting period.

RELATED-PARTY TRANSACTIONS

Transactions with related parties are priced in accordance with current market terms and prices. Related parties refer to companies over which Kährs BondCo AB (publ) has a controlling or significant influence in terms of the operational and financial decisions. Related parties also include those companies and individuals, such as the board of directors and members of management, who have the ability to control or exercise significant influence over the Group's financial and operational decisions.

During the period, no related party transactions were carried out.

RISKS AND UNCERTAINTIES

All business operations involve risk and controlled risk taking is necessary to maintain good and sustainable profitability for a company. Risks may depend on events in the outside world and may affect a specific sector or market; risks can also be specific to an individual company or country. At Kährs Group, risk management is a continual process that is conducted within the framework of operational governance and forms a natural part of the day-to-day monitoring of operations.

Kährs is a global Group that operates in many countries. This means that the Group is exposed to a number of commercial and financial risks. Risk management is therefore an important part of Kährs' work to achieve the goals it has set. Effective risk management is a continual process within operational governance. It forms part of the ongoing review and forward-looking assessments of the business. Kährs' long-term risk exposure is not expected to differ from the exposure from its day-to-day activities.

Risks in terms of financial reporting are mainly assessed to be material errors in the accounts, for example, the valuation of assets. Other risks include fraud and losses through embezzlement. Risk management is built into every process, while various methods are used to assess and limit risks and to ensure that the risks to which Kährs is exposed are managed in accordance with established policies, instructions and follow-up routines designed to reduce potential risks and to promote correct accounting, reporting and information.

The risks identified for financial reporting are managed through the company's control activities, such as authorisation controls in IT systems and approval controls that are based on Kährs' Finance Manual. The control

structure comprises clear organisational roles that enable an efficient allocation of responsibilities for specific control activities; this aims to identify or prevent in time the risk of reporting errors. Every unit has its own controller/finance manager that is involved in evaluating their own reports with the central finance function. The continual analysis of financial reporting, alongside the analysis conducted at Group level, is extremely important to ensure that financial reporting is free of any material errors.

The CEO is responsible for ensuring that the internal control is organised and followed up in accordance with the guidelines adopted by the Board of Directors. The CEO is also responsible for ensuring that independent and objective reviews are conducted in order to systematically assess and propose improvements to the Group's processes for governance, internal control and risk management. Financial governance and control are performed by the central finance function. Kährs' executive management team reviews results on a monthly basis, analysing any deviations from the budget, forecasts and data from previous years. The Board of Directors receives monthly financial reports and follows up on financial reporting at each of its meetings. The Board of Directors and the executive management team review financial reporting ahead of the publication of the annual report. An audit is carried out of the accounts for the period January–September, known as 'hard close', as well as the annual accounts. The company's auditors report their observations to the Board. Executive management is also tasked with annually monitoring the internal control of the Group's subsidiaries.

External risks

Kährs is exposed to competition in the flooring industry and fluctuations in the prices of raw material that affect profit and capital tied-up. External risks such as geopolitical risks including trade policy measures (e.g., tariffs) may also have some impact on Kährs' operations. Pandemics and conflicts/wars are external factors that may impact Kährs, and there is uncertainty as to how these will affect Kährs in the future. The war in Ukraine and Gaza has had a limited impact on Kährs' operations.

Raw material price risk

Raw material price risk refers to the risk that the costs of materials will rise when underlying raw material prices rise on the global market. Kährs is affected by changes in raw material prices through the supply agreements it has entered into where prices are linked to the price of raw materials on the global market.

Operational risks

Kährs is exposed to operational risks, for example faults in manufactured products. Activities to introduce a similar management system at each of the Group's production facilities have been introduced to prevent this from happening.

IT and cyber security risks

The digital transformation of the global economy, and of Kährs in particular, leads to high risks. Kährs continuously prepares for cyber attacks by assessing its cyber security profile and taking measures when recommended to proactively manage its defences. Inadequate cyber security control has become an emerging risk that Kährs is monitoring and working with actively to reduce the likelihood and impact of this risk. IT failures, for example in key applications or hardware, can also have a significant impact on production, delivery, sales and other business-critical systems and functions. Kährs continuously invests in cyber security, such as improved technology and processes for scanning, monitoring and logging to identify intrusions and detect abnormal data traffic. The IT infrastructure is constantly monitored to safeguard operations and continuity.

Legal risks

Kährs operates in many countries, which means that it can become involved in disputes and legal processes. Kährs continually monitors any outstanding and potential disputes and other legal issues. These are reported in the Audit Committee, which assesses them and recommends whether a provision should be made for them.

Foreign exchange risks

The Group's reporting currency is the Swedish krona. As a significant proportion of the Group's operations is carried out outside Sweden, the company has specific risks involved with operational and financial transactions in different countries (foreign currency exposure). The Group is also exposed to foreign exchange risks when translating the balance sheets and income statements of its subsidiaries (translation exposure). The main currencies that the Group is exposed to are: EUR, USD, GBP, NOK, RON and CHF. The Group's foreign currency flows are not hedged.

Financing and interest risk

The Group has a strong financial position and partially finances its operations through borrowing. The financing consists of an RCF facility of SEK 550 million in Kährs Holding AB (publ) and a Corporate bond of SEK 1,450 million in Kährs BondCo AB (publ). No part of the RCF facility was utilized as of December 31, 2025. Loan agreements between banks and Kährs include specific terms, known as covenants. These covenants consist of the following financial key figures:

– Net debt in relation to EBITDA.

The covenant is calculated for the Kährs Holding Group based on quarterly financial reports, which means March 31, June 30, September 30, and December 31. The total outstanding borrowing amount according to the RCF facility agreement is covered by this covenant. Kährs meets the covenant as of December 31, 2025 according to the Loan agreement.

The group's interest rate risk refers to long-term loans. Loans taken out at variable interest rates expose the group to interest rate risks in the cash flow, which are partially offset by cash and cash equivalents at variable interest rates.

The bond runs at a variable interest rate based on three-month STIBOR + 6.25 per cent and is set every three months. The interest rate on the bond as of December 31, 2025, was 8.167 per cent per annum (8.963). If the variable interest rate on the bond changes by +/- 100 points (1 percentage point), given that all other variables are constant, the annual result will be affected by approximately +/- SEK 14.7 million (14.7). The assessment is that the financing risk and the interest rate risk are low.

PARENT COMPANY

Net sales in the parent company for the period January to December 2025 was SEK 0 million (0) with a result after tax of SEK -65 million (-129). The parent company's income statement and balance sheet are presented on pages 14–15 in this interim report.

EMPLOYEES

The average number of employees in the Group as of December 31, 2025, was 771 (818), of which 498 (537) were blue-collar workers and 273 (281) white-collar employees. The reduction in the number of employees is mainly a consequence of lower demand, which has led to restructuring of the operations. For further information, see Note 9, Divestments.

FINANCIAL REPORTING CALENDAR

Kährs BondCo AB (publ)'s interim reporting as well as its annual financial reports are available on the Kährs website, kahrsgroup.com

Reporting calendar:

- | | |
|----------------------------------|------------------|
| • Annual Report 2025 | 16 April 2026 |
| • Interim Report Quarter 1, 2026 | 21 May 2026 |
| • Interim Report Quarter 2, 2026 | 20 August 2026 |
| • Interim Report Quarter 3, 2026 | 19 November 2026 |

GOVERNING TEXT

This interim report has been prepared in both Swedish and English. The Swedish text shall govern for all purposes and prevail in the event of any discrepancy between the versions.

The Board of Directors and the CEO certify that the interim report provides a true and fair overview of the operations, financial position and results of the Parent Company and the Group and describes the material risks and uncertainties faced by the Parent Company and the companies in the Group

Malmö, 19 February 2026 Kährs BondCo AB (publ)

Anders Wassberg

Chairman

Christoffer Marköö

Member

Jonas Köhlin

Member

Mats Therman

Member

Johan Magnusson

President and CEO

The information in this interim report is that which Kährs BondCo AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication at 8 a.m. CET on Thursday 19 February.

This interim report has not been reviewed by the company's auditors

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559339-3621

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

SEKm	Note	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Net sales	3,9	463	545	1,972	2,391
Cost of goods sold	4	-368	-442	-1,554	-1,952
Gross profit		95	103	418	439
Selling and distribution expenses ¹	4	-72	-81	-286	-335
Administrative expenses ¹	4	-39	-42	-128	-154
Other operating income		4	6	17	11
Other operating expenses	4	-2	-15	-1	-15
Operating result (EBIT)	4,9	-14	-29	20	-54
Financial income		7	3	24	11
Financial expenses		-36	-96	-149	-221
Result before tax		-43	-122	-105	-264
Tax		4	1	9	11
Result for the period		-39	-121	-96	-253
Attributable to:					
Shareholders of the company		-39	-121	-96	-253
Non-controlling interests		0	0	0	0
Total		-39	-121	-96	-253
Earnings per share before and after dilution, SEK		-79	-241	-193	-505

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	Note	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Result for the period		-39	-121	-96	-253
Other comprehensive income					
Items that may be reclassified in the income statement:					
Translation differences		-18	17	-67	25
Reclassification of currency translation reserve		-	7	-	7
Items that cannot be reclassified in the income statement:					
Actuarial gains and losses for pensions		0	0	0	0
Total		-18	24	-67	32
Total comprehensive income for the period		-57	-97	-163	-221
Total comprehensive income for the period, attributable to:					
Shareholders of the company		-57	-97	-163	-221
Non-controlling interests		0	0	0	0
Total		-57	-97	-163	-221

¹ As of the fourth quarter of 2025, costs related to ESG are reported under administrative expenses. Comparative figures have also been reclassified.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKm	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
Intangible assets		136	144
Property, plant and equipment, owned		398	446
Property, plant and equipment, right-of-use		118	72
Financial assets	6	33	40
Deferred tax assets		56	59
Total non-current assets		741	761
Current assets			
Inventories		666	717
Trade receivables	6	197	213
Other current assets	6	68	48
Cash and cash equivalents	6	106	194
Total current assets		1,037	1,172
TOTAL ASSETS		1,778	1,933
EQUITY AND LIABILITIES			
Equity			
Share capital		1	1
Reserves		-121	-54
Retained earnings, including the result for the year		-173	-76
Total		-293	-129
Attributable to non-controlling interests		5	4
Total equity		-288	-125
Non-current liabilities			
Interest-bearing liabilities	6,7	1,530	1,469
Provision for pensions		0	1
Other provisions		3	3
Deferred tax liabilities		72	80
Total non-current liabilities		1,605	1,553
Current liabilities			
Interest-bearing liabilities	6,7	26	36
Other provisions		15	30
Trade payables	6	164	141
Income tax payables		5	9
Derivatives	6	1	2
Other current liabilities	6	250	287
Total current liabilities		461	505
TOTAL EQUITY AND LIABILITIES		1,778	1,933

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
As at 1 January 2025	1	-54	-76	-129	4	-125
Result for the year			-97	-97	1	-96
Other comprehensive income		-67	0	-67	0	-67
Total comprehensive income	0	-67	-97	-164	1	-163
Transactions with shareholders:						
Dividend	-	-	-	-	-	-
As at 31 December 2025	1	-121	-173	-293	5	-288

SEKm	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
As at 1 January 2024	1	-86	177	92	4	96
Result for the year	-	-	-253	-253	0	-253
Other comprehensive income	-	32	0	32	0	32
Total comprehensive income	-	32	-253	-221	0	-221
Transactions with shareholders:						
Dividend	-	-	-	-	-	-
As at 31 December 2024	1	-54	-76	-129	4	-125

CONSOLIDATED STATEMENT OF CASH FLOWS

SEKm	Note	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Operating activities					
Result before tax		-43	-121	-105	-264
Adjustments of non-cash items	8	55	122	234	384
Cash flow before interest and tax		12	1	129	120
Interest received		2	3	3	11
Interest paid		-32	-27	-136	-146
Income tax paid		9	-7	0	-38
Net cash flow from operating activities before change in working capital		-9	-30	-4	-53
Change in working capital					
Change in inventories		20	73	29	179
Change in operating receivables		47	127	-16	65
Change in operating liabilities		-36	-100	-21	-101
Net cash flows from operating activities	9	22	70	-12	90
Investing activities					
Divestment of operations	9	-	30	-	30
Investment in tangible assets	9	-8	-6	-28	-37
Investment in financial assets		0	0	1	-10
Proceeds from sale of tangible assets		-	6	-	6
Net cash flows from investing activities	9	-8	30	-27	-11
Financing activities					
Proceeds from borrowings		-	1,525	-	1,525
Repayment of borrowings		-2	-1,525	-2	-1,525
Payment of refinancing costs		-	-62	-	-62
Payment of lease liabilities	9	-10	-14	-42	-50
Net cash flows from financing activities	9	-12	-76	-44	-112
Cash flow for the period					
Cash flow for the period		2	24	-83	-33
Cash and cash equivalents at beginning of period		104	166	194	224
Exchange-rate differences in cash and cash equivalents		0	4	-5	3
Cash and cash equivalents at end of period		106	194	106	194

PARENT COMPANY INCOME STATEMENT

SEKm	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Administrative expenses	0	0	0	0
Operating profit (EBIT)	0	0	0	0
Financial income	13	14	55	58
Financial expenses	-32	-80	-130	-193
Result after financial items	-19	-66	-75	-135
Provision for accrual fund	-	-2	-	-2
Group contribution, received	-	11	-	11
Result before tax	-19	-57	-75	-126
Tax	10	-4	10	-3
Result for the period	-9	-61	-65	-129

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEKm	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Result for the period	-9	-61	-65	-129
Other comprehensive income	-	-	-	-
Comprehensive income for the period	-9	-61	-65	-129

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

SEKm	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
Financial assets	10	1,400	1,400
Interest-bearing receivables	10	695	641
Deferred tax assets		9	-
Total non-current assets		2,104	2,041
Current assets			
Other current assets		0	11
Other receivables		0	-
Cash and cash equivalents		1	1
Total current assets		1	12
TOTAL ASSETS		2,105	2,053
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		1	1
Statutory reserve		-	-
Total restricted equity		1	1
<i>Unrestricted equity</i>			
Retained earnings		222	351
Result for the year		-65	-129
Total unrestricted equity		157	222
Total equity		158	223
Untaxed reserves			
Tax allocation reserve		34	34
Total untaxed reserves		34	34
Non-current liabilities			
Interest-bearing liabilities		1,434	1,429
Deferred tax liabilities		3	4
Total non-current liabilities		1,437	1,433
Current liabilities			
Current tax liability		-	1
Other current liabilities		476	362
Total current liabilities		476	363
TOTAL EQUITY AND LIABILITIES		2,105	2,053

NOTES

NOTE 1. ACCOUNTING POLICIES

This interim report has been prepared in accordance with the rules for interim reporting set out in the Swedish Annual Accounts Act and IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as they have been adopted by the EU. Furthermore, RFR 1 Supplementary Accounting Rules for Groups is applied. The parent company's accounts have been prepared in accordance with RFR 2, Accounting for Legal Entities and the Swedish Annual Accounts Act.

Applied accounting policies are consistent with those applied in the preparation of the 2024 annual report, apart from changed standards that apply from 1 January 2025. The changes have had no material impact on the financial reports. For more information, see note C2 "Basis for establishment and summary of significant accounting policies" on pages 24-33 and the section "New or amended accounting standards applied in 2025 or later" on page 26 of the 2024 annual report.

NOTE 2. SIGNIFICANT ASSESSMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of this interim report in accordance with the accounting policies that have been applied requires the Board of Directors to make certain estimates and assumptions that may affect the carrying amounts of assets, liabilities, revenue and expenses. The areas in which the estimates and

assumptions are of material significance for the Group and where changes may affect the financial reporting are set out in Note C3 "Significant assessments, estimates and assumptions" on pages 33-34 in the annual report 2024.

NOTE 3. NET SALES BY REGION

The group has four regions: Nordics, Europe, North America, and APIM (Asia Pacific India and Middle East).

The largest markets are Sweden, the USA, Germany, Finland, Norway, Switzerland and the UK.

NET SALES BY REGION, EXTERNAL CUSTOMERS

SEKm	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Nordics	237	243	925	1,029
Europe	144	150	644	703
North America	58	86	300	365
APIM region	13	13	55	66
Divested operations in Russia	-	37	-	171
Other	11	16	48	57
Net sales Group, external customers	463	545	1,972	2,391

* Russia divested per 3 December, 2024

NOTE 4. ITEMS AFFECTING COMPARABILITY

During the fourth quarter, Kährs had not had costs of a one-off nature (-28).

During the period January-December, Kährs had no non-recurring items (-109).

SEKm	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Operating result excl. items affecting comparability (operating EBIT)	-14	-1	20	55
Transition of operations in Russia	-	-14	-	-84
Transition of operations in Romania	-	-14	-	-14
Customs costs USA	-	-	-	-11
Operating result (EBIT)	-14	-29	20	-54

NOTE 5. RELATED PARTY TRANSACTIONS

Saltri II LuxCo SARL owns 100% (500,000 shares) of the parent company and therefore has a controlling influence of the Group. Saltri II LuxCo SARL ultimately has a controlling influence of Kährs BondCo AB (publ) Group.

There were no related party transactions in the fourth quarter.

Kährs has not issued any guarantees nor any other commitments to the benefit of Board members and senior executives. During period January to December 2025 there were no direct nor indirect transactions between the Group and Board members or senior executives, except salaries, benefits, pension costs to senior executives and board fees to board members and employee representatives.

For intra-Group transactions, the same pricing principles are applied as for transactions with external customer.

NOTE 6. FINANCIAL INSTRUMENTS

The following tables show the fair value of the Group's financial assets and liabilities that are subject to risk management.

31 Dec 2025 SEKm	Assets at fair value via the income statement	Assets measured at amortised cost	Total fair value	Carrying value of financial assets
Assets				
Financial non-current assets ¹	-	33	33	33
Accounts receivable	-	197	197	197
Other current assets	-	20	20	20
Cash and cash equivalents	-	106	106	106
Total	-	356	356	356

¹ Comprises deposits SEK 26 million, endowment insurance SEK 5 million and other items SEK 2 million

31 Dec 2025 SEKm	Liabilities at fair value via the income statement	Liabilities measured at amortised cost	Total fair value	Carrying value of financial liabilities
Liabilities in the balance sheet				
Interest-bearing liabilities	-	1,556	1,556	1,556
Trade payables	-	164	164	164
Derivatives	1	-	1	1
Other current liabilities	-	101	101	101
Total	1	1,821	1,822	1,822

31 Dec 2024 SEKm	Assets at fair value via the income statement	Assets measured at amortised cost	Total fair value	Carrying value of financial assets
Assets				
Financial non-current assets ¹	-	40	40	40
Accounts receivable	-	213	213	213
Other current assets	-	24	24	24
Cash and cash equivalents	-	194	194	194
Summa	-	471	471	471

¹ Comprises deposits SEK 31 million, endowment insurance SEK 6 million and other items SEK 3 million

31 Dec 2024 SEKm	Liabilities at fair value via the income statement	Liabilities measured at amortised cost	Total fair value	Carrying value of financial liabilities
Liabilities in the balance sheet				
Interest-bearing liabilities	-	1,505	1,505	1,505
Trade payables	-	141	141	141
Derivatives	2	-	2	2
Other current liabilities	-	146	146	146
Total	2	1,792	1,794	1,794

NOTE 7. INTEREST-BEARING LIABILITIES

SEKm	31 Dec 2025	31 Dec 2024
Non-current liabilities		
Corporate bond ¹	1,434	1,429
Lease liabilities	96	40
Revolver Credit Facility	-	-
Other loans	-	-
Total non-current interest-bearing liabilities	1,530	1,469
Current liabilities		
Lease liabilities	26	33
Other loans	0	3
Total current interest-bearing liabilities	26	36
Non-current liabilities	1,556	1,505

¹ Periodisation of direct transaction costs spread over the term of the bond

NOTE 8. ADJUSTMENT OF NON-CASH ITEMS

SEKm	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Adjustment of non-cash items				
Depreciation and impairment of property, plant and equipment, owned	17	3	69	105
Depreciation and impairment of right-of-use assets	8	14	36	49
Amortisation and impairment of intangible assets	5	5	18	18
Loss on divestment of fixed assets	-	1	-	1
Financial income	-6	-3	-23	-11
Financial expenses	36	96	149	221
Other provisions	-5	6	-15	1
Total	55	122	234	384

NOTE 9. DIVESTMENTS

Company	Type of business	Divestment date	Number of employees, 31 Dec 2025	Number of employees, 31 Dec 2024	Divested share	Holdings after divestment
Kährs OY	Holding company	3 Dec 2024	-	-	100%	0%
Karelia-Upofloor CIS LLC	Manufacturing	3 Dec 2024	-	-	100%	0%

Karelia-Upofloor CIS LLC, Kährs OYs part of consolidated income statement

SEKm	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Net sales	-	37	-	171
Costs	-	-35	-	-159
Exchange rate differences when translating divested operations	-	-7	-	-7
Write-down of assets to net realizable value	-	-2	-	-72
Operating result (EBIT)	-	-7	-	-68

Carrying amount of assets and liabilities

SEKm	31 Dec 2025	31 Dec 2024
Tangible Fixed Assets	-	-
Inventories	-	-
Trade receivables	-	-
Other assets	-	-
Cash and cash equivalents	-	-
Total assets	-	-
Trade payables	-	-
Other liabilities	-	-
Total liabilities	-	-
Net assets	-	-

Impact on consolidated statement of cash flows

SEKm	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Net cash flows from operating activities	-	3	-	13
Net cash flows from investing activities	-	31	-	29
Net cash flows from financing activities	-	-1	-	-6
Net increase in cash and cash equivalents in divested units	-	33	-	36

NOTE 10. FINANCIAL ASSETS (PARENT COMPANY)

SEKm	31 Dec 2025	31 Dec 2024
Financial assets		
Shares in subsidiaries	1,400	1,400
Shareholder loan, Kährs Holding AB ¹	695	641
Total	2,095	2,041

¹ Shareholder loans carry a variable interest rate of 8.167 per cent. The shareholder loan will mature on 14 November 2028

SEKm		31 Dec 2025	31 Dec 2024
Shares in directly owned subsidiaries			
Name, corporate identity number, company domicile	Number of shares		
Kährs Holding AB (556535-2481), Nybro	500,000	1,400	1,400
Total	500,000	1,400	1,400

CONSOLIDATED KEY PERFORMANCE INDICATORS

SEKm	Oct-Dec 2025	Oct-Dec 2024 ³	Jan-Dec 2025	Jan-Dec 2024 ³
Net Sales	463	545	1,972	2,391
Organic growth, %	-2%	-11%	-8%	-15%
EBITA	-9	-25	38	-37
EBITA, %	-2.0%	-4.5%	1.9%	-1.5%
Operating EBITA	-9	4	38	73
Operating EBITA, %	-2.0%	0.7%	1.9%	3.1%
Operating result (EBIT)	-14	-29	20	-54
Operating result (EBIT), %	-3.0%	-5.4%	1.0%	-2.3%
Operating EBIT	-14	-1	20	55
Operating EBIT, %	-3.0%	-0.1%	1.0%	2.3%
Operating result before depreciation and items affecting comparability (adjusted EBITDA)	16	37	143	210
Operating result before depreciation and items affecting comparability (adjusted EBITDA), %	3.5%	6.9%	7.3%	8.8%
Result for the period	-39	-121	-96	-253
Result for the period, %	-8.6%	-22.1%	-4.9%	-10.6%
Earnings per share before and after dilution, SEK ¹	-79	-241	-193	-505
Net cash flows from operating activities	22	70	-12	90
Investments	8	6	28	37
Total cash flow	2	24	-83	-33
Total assets	1,778	1,933	1,778	1,933
Cash and cash equivalents at end of period	106	194	106	194
Net working capital	699	789	699	789
Net debt ²	1,309	1,215	1,309	1,215
Equity	-288	-125	-288	-125
Capital employed	1,271	1,384	1,271	1,384
Equity ratio, %	-16.2%	-6.5%	-16.2%	-6.5%
Return on equity, %	-45.5%	-1,316.2%	-45.5%	-1,316.2%
Return on capital employed, %	1.7%	-2.9%	1.7%	-2.9%
Interest coverage ratio, times	0.8	1.2	0.8	1.2
Net debt / EBITDA ratio, times	12.9	7.3	12.9	7.3
Number of employees, end of period	771	818	771	818

¹ Number of shares in Kährs BondCo AB (publ) (500,000) used to calculate earnings per share before and after dilution, SEK

² Net debt excluding effect of IFRS 16. - Definitions of alternative performance indicators are available on page 23 of this report

³ Russia is included in the reported figures until December 3, 2024.

FINANCIAL DEFINITIONS AND KEY PERFORMANCE INDICATORS

ALTERNATIVE PERFORMANCE INDICATORS

In order to fairly present the Group's operations, the Kährs Group uses a number of alternative key indicators that are not defined by IFRS or in the Annual Accounts Act. The alternative performance indicators that Kährs uses can be seen in the definitions below.

NET SALES

The Group's total income, after deduction of bonuses and discounts, VAT and other taxes related to sales.

EBITA

Earnings after depreciation, amortisation and impairment but before deduction for impairment of goodwill as well as amortisation and impairment of other intangible assets that arose in conjunction with company acquisitions.

OPERATING EBITA

EBITA before items affecting comparability.

OPERATING EBITA IN PER CENT

Calculated as EBITA above as a percentage of net sales for the period.

OPERATING RESULT EBITDA

Operating result before depreciation/amortisation.

ADJUSTED EBITDA

Operating result before depreciation/amortisation and items affecting comparability.

OPERATING RESULT (EBIT)

Earnings before financial items and tax.

OPERATING MARGIN, (EBIT) IN PER CENT

Calculated as EBIT above as a percentage of net sales for the period.

OPERATING EBIT

Operating result before items affecting comparability.

ORGANIC GROWTH

Sales growth excluding currency effects and acquisitions.

NET DEBT

Net interest-bearing debt (excluding shareholder loans and lease liabilities) less interest-bearing assets, as well as cash and cash equivalents.

NET DEBT/EBITDA RATIO

Net debt excluding finance lease in relation to adjusted EBITDA, 12 months rolling.

NET WORKING CAPITAL

Inventories and trade receivables, less trade payables.

RETURN ON EQUITY

Profit after tax for the period, 12 months rolling, as a percentage of average equity excluding shares with non-controlling interests.

CAPITAL EMPLOYED

Total assets less non-interest-bearing liabilities.

RETURN ON CAPITAL EMPLOYED

Operating result (EBIT) with addition for interest income, 12 months rolling, in relation to average capital employed.

EQUITY RATIO

Equity as a percentage of total assets

DEPRECIATION

Depreciation/amortisation of intangible and tangible non-current assets and right of use assets.

INVESTMENTS

Investments in non-current assets.

INTEREST COVERAGE RATIO

Adjusted EBITDA, 12 months rolling, divided by paid interest, 12 months rolling.

EARNINGS PER SHARE AFTER TAX AND BEFORE DILUTION

Profit for the period excluding non-controlling interests, in relation to the number of shares before dilution.

EARNINGS PER SHARE AFTER TAX AND AFTER DILUTION

Profit for the period excluding non-controlling interests, in relation to the number of shares after dilution.

TOTAL WORKING CAPITAL

Inventories, trade receivables, derivatives and other current assets reduced by trade payables, income tax payables, derivatives and other current liabilities.

ITEMS AFFECTING COMPARABILITY

An income statement item that is non-recurring, has a significant impact on result and is important for understanding the underlying development of operations

ABOUT KÄHRS BONDCO AB (PUBL)

Kährs BondCo AB (publ) is a leading manufacturer and distributor of flooring with the aim of providing customer experiences beyond expectations. Kährs' innovations have shaped the industry throughout its history and the company is dedicated to offering flooring solutions for every room, environment and need. The company delivers sustainable and durable flooring solutions to approx. 70 countries, being a market leader in hardwood flooring in Sweden and Finland and having strong positions in other key markets, such as Norway, the UK, US, Germany, and Switzerland. The Group has 771 employees and annual sales of SEK 2 billion.

www.kahrsgroup.com