

Q4-2023

FOURTH QUARTER 2023

HAKI Safety AB (publ) · Malmö, Sweden, February 7, 2024

Fourth quarter 2023

- Net sales increased 4 percent to SEK 271 M (261). Organic growth was 3 percent.
- EBITA increased SEK 30 M to SEK 15 M (-15). Restructuring costs had a negative effect on the result by SEK -5 M (-11).
- Operating profit increased SEK 19 M to SEK 19 M (0). Revaluation of earnouts and write-downs of acquisition-related assets had a net effect on the result by SEK 7 M (18).
- Net result after tax was SEK 7 M (-10).
- Cash flow from operating activities was SEK 71 M (-16).
- Earnings per share before dilution was SEK 0.26 (-0.37) and after dilution SEK 0.25 (-0.36).
- The group was renamed HAKI Safety in December 2023.
- Earnout for the acquisition of Novakorp Systems was renegotiated with a reduction of the maximum amount to EUR 5 M (7) and with an extended earning period.
- FAS Converting Machinery was divested on January 24, 2024.

January – December 2023

- Net sales increased 2 percent to SEK 1,188 M (1,168). Organic net sales reduction was 12 percent.
- EBITA increased SEK 6 M to SEK 90 M (84).
- Operating profit decreased SEK 3 M to SEK 99 M (102).
- Net result after tax was SEK 62 M (71).
- Cash flow from operating activities was SEK 153 M (-53).
- Earnings per share before dilution was SEK 2.27 (2.60) and after dilution SEK 2.24 (2.57).
- The Board of Directors proposes the AGM a dividend of SEK 0.90 per share (0.80).

“Good end to the year with improved profitability and strong cashflow” *Sverker Lindberg, President and CEO*

Financial summary	2023 Q4	2022 Q4	2023 Q1-Q4	2022 Q1-Q4
Net sales	271	261	1,188	1,168
Gross profit	90	74	397	362
EBITA	15	-15	90	84
Operating profit	19	0	99	102
Profit before tax	10	-11	78	92
Net result	7	-10	62	71
Net sales, growth %	3.8	10.6	1.7	35.3
Gross margin, %	33.2	28.4	33.4	31.0
EBITA, %	5.5	-5.6	7.6	7.2
Operating margin, %	7.0	0.0	8.3	8.7
Earnings per share, before dilution, SEK	0.26	-0.37	2.27	2.60
Earnings per share, after dilution, SEK	0.25	-0.36	2.24	2.57
Cash flow operating activities, SEK	71	-16	153	-53
Net debt, SEK M	376	406	376	406
Solidity, %	48	42	48	42

GOOD END TO THE YEAR WITH IMPROVED PROFITABILITY AND STRONG CASH FLOW

Welcome to HAKI Safety's first interim report, but also to the 133rd report since the company was listed on the Stockholm Stock Exchange in 1989.

Midway Holding was renamed at the end of the year to HAKI Safety. Since December 20, 2023, the stock has traded under the short names HAKI A and HAKI B. The name change aimed to clarify the company's strategy change, from a conglomerate to today's industrial group, focusing on safety products and solutions that create safe working conditions at temporary workplaces.

It is therefore extra satisfying to be able to present a good end to the year. Net sales during the fourth quarter of 2023 increased organically by 3 percent compared to the same period last year, despite a challenging market.

For our shareholders, it is also gratifying to note that the Board proposes the Annual General Meeting a dividend of SEK 0.90 per share.

The market continued to be challenging during the quarter, but we can once again state that we today are less sensitive to the business cycles of individual sectors than before. Through acquisitions in recent years, the group's product portfolio and geographic presence have been broadened. A slowdown in demand in Austria at the end of the quarter was balanced by a recovery in Sweden. Similarly, in Norway, the weaker demand in the residential housing sector was balanced by a strong demand for products for projects in the energy sector. Canada has had a weak market development. During the quarter, we decided to close one of our two inventory depots in Canada, to focus on more profitable product categories.

The gross margin was maintained in the quarter at a continued stable and satisfactory level. The cash flow from current operations was strengthened. Our efforts to streamline the supply chain are beginning to bear fruit, which also has a positive impact on working capital. The potential to increase the inventory turnover rate is still very large and the focused work in this area continues.

In comparison to a weak fourth quarter of 2022, operating profit and net profit were significantly better in the quarter. Quarterly comparisons can be difficult due to the relatively significant variability in results depending on the timing of larger customer orders. Therefore, we prefer to follow the underlying rolling annual development of the business. Although the

group is not yet reaching historical profitability levels, we see a clear improvement in the EBITA margin over the last 12-month period.

The full year 2023 continued to be characterised by general uncertainty in the world, high inflation, and interest rates. Under these market conditions, HAKI Safety reports a good year. The gross margin improved. Profitability was maintained, but the net result was negatively affected by a higher interest rate. We note with content that growth initiatives such as strategic rental and HAKI's e-commerce developed well during the year and that the consolidation of acquisitions is progressing according to plan.

The group's indebtedness has decreased since the turn of the year but is still higher compared to previous periods. In the current market situation, we remain conservative with new investments.

At the end of the quarter, we signed an agreement to divest FAS Converting Machinery, which is part of the Industrial Services business area. The transaction was finalised on January 24, 2024, and the purchase price, which amounted to USD 3.7 M on a debt-free basis, will positively affect the group's cash flow and net debt by the corresponding amount in the first quarter of 2024. FAS has long been part of the HAKI Safety group, but as a result of HAKI Safety's strategy change, the operation simply does not fit into the future HAKI Safety that we are currently building.

Events in the world continue to pose uncertainty for market development going forward. The comparative figures for the first quarter of 2024 may also be challenging due to large customer orders sold in early 2023. At the same time, we see that our main market, safety products and solutions that create safe working conditions in temporary workplaces, has the future ahead and with that, we see overall positive on the future.

On March 14, 2024, HAKI Safety will hold its first Capital Markets Day. During the day, the group's strategy and long-term financial goals will be presented. If you cannot attend on-site, the presentations will be available on our website afterwards.



Malmö, Sweden, February 7, 2024
Sverker Lindberg, President and CEO

REPORT COMMENTS

FOURTH QUARTER 2023

Group net sales amounted to SEK 271 M (261), an increase of 4 percent compared with the year-earlier quarter. Organic growth was 3 percent and currency effect was 1 percent.

Net sales for Safe Access Solutions increased to SEK 224 M (218), up 3 percent compared year-on-year. Geographically, demand was still good in Denmark, Norway, and the UK. A recovery was noted in Sweden. Austria and France noted a slight decrease in demand at the end of the quarter. Demand in Canada was still weak.

Net sales for Industrial Services increased to SEK 46 M (43), up 7 percent compared year-on-year. On January 24, 2024, FAS Converting Machinery was divested. For further information, please see page 7.

Gross margin was 33.2 percent (28.4). The increase compared to the same period last year was related to a better balance in customer pricing to cover for increased prices of raw materials and general expenses as well as cost-saving programs.

Group EBITA totalled SEK 15 M (-15), corresponding to an EBITA margin of 5.5 percent (-5.6). Group EBITA is defined as excluding depreciations and write-downs of acquisitions-related assets and revaluation of earnouts. Restructuring costs had a negative effect on the result of SEK 5 M (11) and was related to the closure and sell-out of products of one of the two inventory depots in Canada during the quarter.

Operating result was SEK 19 M (0), corresponding to an operating margin of 7.0 percent (0.0). Revaluation of earnouts and write-downs of acquisition-related assets had a net effect on the results of SEK 7 M (18). Depreciations of acquisition-related intangible assets was SEK 2 M (2).

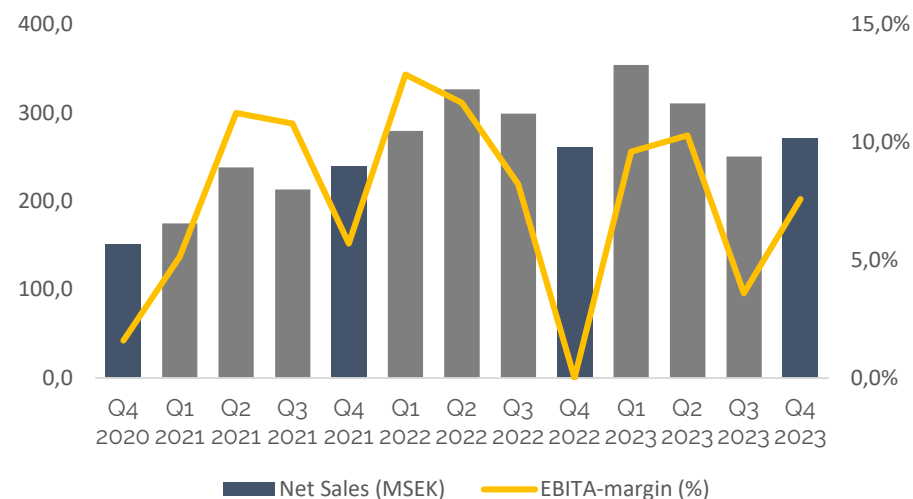
Cash flow from operating activities was SEK 71 M (-16) during the fourth quarter. Changes in working capital decreased SEK 69 M, mainly related to lower inventory and accounts receivable balances. Cash flow from investment activities was SEK -5 M (-70). Cash flow from financing activities was SEK -47 M (-20), mainly related to the second part of the shareholder dividend and repayment of loans. Since the first quarter of 2023, net investments in assets related to strategic rental are presented as part of the cash flow from operating activities and amounted to SEK -1 M (-27) in the quarter.

During the fourth quarter, the earnout for the acquisition of Novakorp Systems was renegotiated related to delays in specific customer projects. The maximum earnout was reduced to EUR 5 M, from previously EUR 7 M, and the earnout period was prolonged to December 31, 2024. Payment is due in July 2025 at the earliest. For further information please see page 7.

Financial net amounted to SEK -9 M (-11) in the fourth quarter. The financial net for the period includes interest expenses of SEK -5 M (-4) and currency effects of SEK -4 M (-7).

Net result after tax was SEK 7 M (-10), corresponding to earnings per share of SEK 0.26 per share before dilution (-0.37) and SEK 0.25 after dilution (-0.36). Group net debt decreased SEK 19 M during the fourth quarter and amounted to SEK 376 M. Net debt excluding IFRS 16 leasing liabilities was SEK 298 M.

Net Sales & EBITA margin - per quarter



JANUARY – DECEMBER 2023

Group net sales amounted to SEK 1,188 M (1,168), an increase of 2 percent year-on-year. Organic net sales reduction was 12 percent and acquired growth was 13 percent. Currency effects had a positive net impact of 1 per cent.

Net sales for Safe Access Solutions increased to SEK 1,018 M (1,006), up 1 percent. Geographically, demand was still good in Denmark, Norway, and the UK during the year. In Sweden, lower demand was noted during the year but with some recovery by the end of the year. In Austria and France, demand was stable but with a slight decrease at the end of the year. Demand in Canada was weak throughout the year.

Net sales for Industrial Services increased to SEK 170 M (162), up 5 percent. Growth in Landqvist Mekaniska Verkstad was mainly related to good underlying demand. FAS Converting Machinery had a good demand for both machine deliveries and services. On January 24, 2024, FAS Converting Machinery was divested. For further information, please see page 7.

Gross margin was 33.4 percent (31.0). The increase compared to the same period last year was related to a better balance in customer pricing to cover for increased prices of raw materials and general expenses as well as cost-saving programs.

Group EBITA totalled SEK 90 M (84), corresponding to an EBITA margin of 7.6 percent (7.2). Group EBITA is defined as excluding depreciations and write-downs of acquisitions-related assets and revaluation of earnouts. Restructuring costs had a negative effect on the result of SEK 5 M (11) which was related to the closure of one of the two inventory depots in Canada.

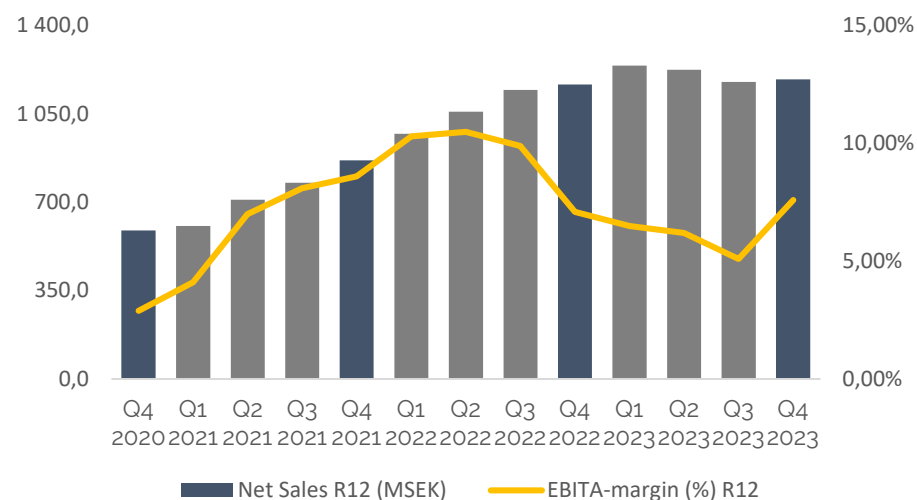
Operating result was SEK 99 M (102), corresponding to an operating margin of 8.3 percent (8.7). Revaluation of earnouts and write-downs of acquisition-related assets had a net effect on the results of SEK 18 M (25). Depreciations of acquisition-related intangible assets were SEK 9 M (6).

Cash flow from operating activities was SEK 153 M (-53). Changes in working capital decreased SEK 21 M. Cash flow from investment activities was SEK -73 M (-158), mainly related to payment of earnout for Vertemax. Cash flow from financing activities was SEK -55 M (203). Since the first quarter of 2023, net investments in assets related to strategic rental are presented as part of the cash flow from operating activities and amounted to SEK 3 M (-87) for the year.

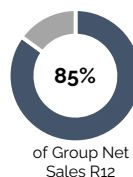
Financial net was SEK -21 M (-11). The financial net for the period includes interest expenses of SEK -23 M (-8) and currency effects of SEK 2 M (-3).

Net result after tax was SEK 62 M (71), corresponding to earnings per share of SEK 2.27 per share before dilution (2.60) and SEK 2.24 after dilution (2.57), which was affected by higher interest expenses. Group net debt decreased SEK 30 M during the year and amounted to SEK 376 M (406). Net debt excluding IFRS 16 leasing liabilities was SEK 298 M.

Net sales & EBITA margin - Rolling 12m



Business Area
Safe Access Solutions



FOURTH QUARTER 2023

Net sales for Safe Access Solutions in the quarter was SEK 224 M (218), an increase of 3 percent. Organic growth was 2 percent and currency effect was 1 percent.

Geographically, demand was still good in Denmark, with several projects within infrastructure contributing to the increased net sales. In Norway, lower demand in the residential housing sector in the quarter was balanced by continued high demand in the energy sector, where buy-out of rental material incurred during the end of the year. In Sweden, which was negatively affected by the decline in the residential housing sector during the year, increased demand was noted towards the end of the year, linked to infrastructure projects. In the UK, demand was still good. In Austria and France, demand was in line with last year but noted a slight decrease at the end of the quarter. Demand in Canada was still weak.

EBITA increased SEK 26 M compared to last year and amounted to SEK 13 M (-12), corresponding to an EBITA margin of 5,8 percent (-6,0). Restructuring cost had a negative effect on the result by SEK 5 M (11) related to the closure and sell-out of products of one of the two inventory depots in Canada. The underlying profitability improvement for the business area was mainly related to a higher gross margin which is explained by a better balance in customer pricing to cover for increased prices of raw materials and general expenses as well as cost-saving programs.

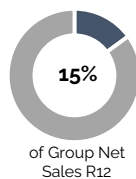
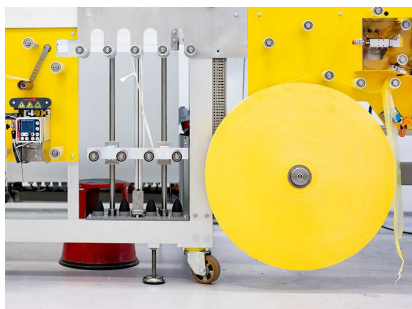
Operating result was SEK 18 M (3). Revaluation of earnouts and write-downs of acquisition-related assets had a net effect on the results of SEK 7 M (18). Depreciations of acquisition-related intangible assets was SEK 2 M (2).

FULL-YEAR 2023

Net sales for Safe Access Solutions during 2023 was SEK 1,018 M (1,006), an increase of 1 percent. Organic net sales reduction was 15 percent and acquired growth was 15 percent. Currency effect was positive of 1 percent. The negative organic growth was mainly related to Sweden and Canada, two markets with higher exposure to the residential housing sector, where demand had a significant decrease during the year. EBITA for Safe Access Solutions was SEK 91 M (87).

	Q4		Q1-Q4	
	2023	2022	2023	2022
Sweden	18	17	85	167
Denmark	25	13	95	59
Norway	61	71	296	350
UK	55	57	268	247
France	25	25	96	46
Austria	25	28	124	28
North America	9	4	35	99
Other markets	6	3	19	10
Net sales	224	218	1,018	1,006
EBITA	13	-12	91	87
Operating profit	18	3	99	105

Business Area
Industrial Services



FOURTH QUARTER 2023

The business area consists of the companies FAS Converting Machinery and Landqvist Mekaniska Verkstad. Net sales for Industrial Services increased SEK 3 M in the quarter compared to last year and totalled SEK 46 M (43). EBITA and operating profit for the period were SEK 5 M (4), corresponding to an EBITA margin of 10.9 percent (9.3).

FAS Converting Machinery continued to have a good demand for machine deliveries and services. Net sales during the quarter was SEK 24 M (21) and operating profit was SEK 0 M (-1). On January 24, 2024, FAS Converting Machinery was divested. The buyer is the American company CMD Corporation. The purchase price amounted to USD 3.7 M on a debt-free basis. For further information, please see page 7.

Net sales for Landqvist Mekaniska Verkstad during the quarter was SEK 22 M (22) and operating profit totalled SEK 5 M (5). During the year the company has invested in new production equipment related to laser cutting which enables to increase the customer base further.

FULL-YEAR 2023

Net sales for Industrial Services during 2023 was SEK 170 M (162), an increase of 5 percent, all related to organic growth. EBITA and operating profit for Industrial Services were SEK 16 M (17).

Q4	Net sales		EBITA*	
	2023	2022	2023	2022
FAS Converting	24	21	0	-1
Landqvist	22	22	5	5
Industrial Services	46	43	5	4

*There is no difference between EBITA and operating profit in this segment.

Q1-Q4	Net sales		EBITA*	
	2023	2022	2023	2022
FAS Converting	90	86	4	5
Landqvist	80	76	12	12
Industrial Services	170	162	16	17

*There is no difference between EBITA and operating profit in this segment.

Investments and depreciations

Group net investments in machines, equipment and buildings were SEK 15 M (63) for the year. From the first quarter of 2023, net investments in assets related to strategic rental are presented as part of cash flow from operating activities, which amounted to SEK 3 M for the full year. Gross investments in machines, equipment and buildings amounted to SEK 116 M (161). Depreciations and amortisations amounted to SEK 69 M (56), of which amortisations related to acquisition-related intangible assets were SEK 9 M (6). Depreciations of the right to use assets in accordance with IFRS 16 was SEK 25 M (23).

Treasury and financing

(comparison period 2022-12-31)

Group net debt decreased SEK 30 M during the year and amounted to SEK 376 M (406) by the end of the period. Out of the total net debt of SEK 376 M, liabilities related to IFRS 16 were SEK 78 M. The group has currently a conservative approach regarding new investments based on the current market conditions. The ongoing work to decrease working capital levels, and mainly inventory levels, continues to further decrease the net debt. Group net debt is defined as excluding acquisition-related earnout liabilities, which amounted to SEK 55 M (141) by the end of the period.

Group available cash was SEK 53 M (32). By the end of the quarter granted but unutilised credit facilities were SEK 41 M (100). In March 2022, HAKI Safety signed a revolving credit facility agreement of SEK 350 M with a significant Swedish bank, which is valid until March 2025. In July 2022, the credit facility within the same agreement was extended by SEK 70 M, which has been fully reduced during 2023. The credit agreement is subject to customary financial covenant, measured on a quarterly basis. The group fulfilled these covenants on December 31, 2023.

The group solidity was 48 percent (42) and for the parent company 50 percent (50).

Per December 31, 2023, the number of shares in HAKI Safety AB was 27,329,136. During the year no new shares were established. The number of shareholders per year-end was 4,015 (4,026).

Information on financial instruments

HAKI Safety has no financial assets valued as fair value through the income statement. All financial assets are valued at amortised cost. Acquisition-related earnouts are accounted for as a financial liability in the balance sheet, which is valued at fair value in accordance with level 3, in accordance with IFRS 13. Earnouts have been calculated based on discounting future cash flow. Evaluation of future cash flow for earnouts is based on gross profit in

acquired operations. Fair value of earnouts will be changed if assumptions in gross profit in acquired businesses is changed. A complete description of accounting principles is presented in the 2022 Annual Report.

Acquisitions

No acquisitions have taken place during 2023.

During the fourth quarter, the operating profit was positively affected by a revaluation of earnouts of SEK 28 M (18) related to the acquisitions of EKRO Bausystem and Novakorp Systems. For EKRO Bausystem, financial targets for payment of earnout were not reached. For Novakorp Systems, the earnout was renegotiated related to delays in specific customer projects. The maximum earnout was reduced to EUR 5 M, from previously EUR 7 M, and the earnout period was prolonged to December 31, 2024. Payment is due in July 2025 at the earliest. In connection to the evaluation of the impairment test for the Safe Access Solutions business area, write-downs of acquisition-related goodwill were made in the fourth quarter of SEK 21 M, related to the operation in France. The transactions did not affect the cash flow.

Significant events during the quarter

An Extraordinary General Meeting was held on December 12, 2023, to decide to change the name of Midway Holding to HAKI Safety AB. After registration of the new name at the Swedish Companies Registration Office and change of the company's ticker (short name) on Nasdaq Stockholm, the share was traded as of December 20, 2023, under the names HAKI A and HAKI B. The purpose of the name change was to clarify the company's strategy change, from a conglomerate to today's industrial group with a focus on safety products and solutions that create safe working conditions at temporary workplaces.

On December 29, 2023, HAKI Safety signed an agreement to divest FAS Converting Machinery. The operation is part of the Industrial Services business area and had annual sales of SEK 90 M in 2023. The buyer is the American company CMD Corporation. The purchase price amounted to USD 3.7 M on a debt-free basis, subject to working capital adjustments. The transaction will not have any significant impact on the group's profit after tax. The group's cash flow and net debt will be affected positively with an amount corresponding to the purchase price. The transaction was finalised on January 24, 2024. In the balance sheet, assets and liabilities available for sale are reported as separate items. The operation is included in the income statement for the full year and the quarter.

Significant events after the close of the period

On January 24, 2024, the divestment of FAS Converting Machinery was finalised, see above.

Material risks and uncertainty factors

The HAKI Safety group's operations are affected by several external factors whose effects on the group's operating profit can be controlled to varying degrees.

The operations within the group's business areas are dependent on the general economic development in Europe in particular, where uncertainty remains significant. This controls the demand for the subsidiaries' products and services. Other operating risks such as agency and supplier agreements, product liability and supplier commitment, technical development, guarantees, personal dependence and more are analysed continuously and, if necessary, measures are taken to reduce the risk exposure. In its operations, the group is exposed to financial risks. For a complete description of the group's handling of these risks, refer to the description in the 2022 Annual Report.

During the year, certain currencies, including the euro and the British pound, strengthened significantly against the Swedish krona. At the same time, the Norwegian krone has weakened against the Swedish krona. This had a net profit effect for financial assets and liabilities, which are revalued at the balance sheet rate at the end of each reporting period, which is reflected in the group's financial net. There is a risk that fluctuations in different exchange rates create significant unrealised profit effects, both positive and negative. Receivables and liabilities in foreign currency that are of an operating nature are reported in the operating profit. The risk of significant exchange rate effects regarding the revaluation of operating receivables and operating liabilities is somewhat lower, however, because purchases in foreign currency are partially offset by sales in the corresponding currency. A more detailed description of exchange rate exposure appears in the group's 2022 Annual Report.

The availability and price of raw materials, input materials, shipping and transport constitute an uncertainty factor in the shorter term. To minimise that the risks have long-term negative consequences for HAKI Safety, the group management and the Board continuously analyse and evaluate both underlying trends and changes in the market. Based on the analyses, action plans are drawn up and immediate measures are implemented to manage or mitigate the risks.

Wars and conflicts can give rise to global geopolitical effects which in turn can affect HAKI Safety. In the group's relative vicinity, Russia's invasion war in Ukraine has been going on since the beginning of 2022. HAKI Safety is still not financially affected by the war to any great extent. On the other hand, uncertainty remains regarding future economic growth, increased inflation, currency fluctuation and further impact on supply chains. The group continues to monitor the development of the war to reduce the potential negative impact on the group's operations.

Effects of changes in estimates and judgments

Critical estimates and judgments are described in the 2022 Annual Report. No changes that could have a significant impact on the current report have been implemented.

Related-party transactions

HAKI Safety's related-party transactions are described in the 2022 Annual Report. No transactions between HAKI Safety and its related parties have been carried out during the period, which has had a significant impact on the company's position and results.

In November 2022, the Group Management acquired call options following the long-term incentive program decided at the 2022 Annual General Meeting. The options were acquired at market value following valuation by an independent third party. The President and CEO acquired 150,000 options and other senior executives 300,000 options, of which 100,000 were synthetic options, following the principles established by the Annual General Meeting. Karin Larsson, who has been part of the Group Management since September 2023, acquired 50,000 call options in September 2023, referring to the remaining program options. This means that the option program from the 2022 Annual General Meeting has thus been fully subscribed to by Group Management. An updated third-party market valuation was obtained in connection with that acquisition.

Each option entitles the holder to purchase one Series B share at a call price of SEK 37.20 during the period 1 May 2025 to 30 June 2025, corresponding to 135 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list for the share during the five trading days that followed immediately after the Annual General Meeting in 2022. When calculating earnings per share, a full dilution effect has been assumed.

Operating segments

HAKI Safety consists of two business areas, Safe Access Solutions and Industrial Services. They are reported as operating segments following IFRS 8.

The basis for the division into segments is the different customer offers that each business area provides. Customer offers within each segment are as follows:

- Safe Access Solutions offers solutions for safe working conditions in complex and challenging environments focused mainly on the industrial, energy, infrastructure and construction sectors.
- Industrial Services develops, manufactures, markets and sells goods and services for professional use in a wide range of industries.

Safe Access Solutions consists of HAKI, Vertemax, Novakorp, EKRO and Norgeodesi and is a functional organisation with a geographical focus on Northern Europe and Canada. Industrial Services consists of the companies FAS Converting Machinery and Landqvist Mekaniska Verkstad, which are jointly reported and followed up by the group's top executive decision maker. What is reported under Parent company and group items covers the parent company and other common functions. Information on revenue from external customers and operating profit per operating segment appears in the tables on pages 15-16.

Transactions between the segments are unusual. Transfer prices between the group's companies are set based on the arm's length principle. Assets and investments are reported where the asset is found and essentially take their starting point in the respective segment's legal entities.

Accounting principles

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act and RFR 2. The accounting policies have been applied in accordance with those which are presented in the 2022 Annual Report and should be read in conjunction with these. This report is presented in SEK million why rounding differences can occur at certain rows and amounts.

From the first quarter of 2023, NOM Holding / Norgeodesi is included in the business area Safe Access Solutions. For comparison purposes to previous periods, restated financial information for segments for years 2021-2022 are available on the group website www.hakisafety.com. Comparison figures for the segments on pages 13-14 in this report have been restated in accordance with the new segment structure.

Auditors review

This report has not been subject to special review by the company's auditor.

Annual Report

The annual report for the financial year 2023 will be published on Friday, March 22, 2024, and will be available on HAKI Safety's website.

Annual General Meeting and dividend

The 2024 Annual General Meeting will take place on April 22, 2024, at 4 pm CEST in Malmö, Sweden. The notification of the Meeting will be distributed via a press release and be announced no later than four weeks before the Meeting.

The Board will propose to the Annual General Meeting a dividend of SEK 0.90 (0.80) per share, which is proposed to be paid out on two separate occasions, in the spring of 2024 and in the autumn of 2024, in equal parts. The dividend corresponds to a total amount of SEK 24 596 222 based on the number of outstanding shares as of the balance sheet date. The Board considers the dividend to be justifiable in light of the current level of indebtedness and liquidity needs.

If the Meeting decides following the Board's proposal, the date of record for the first payment will be April 24, 2024, and the payment date will be April 29, 2024. The date of record for the second payment will be October 30, 2024, and the payment date will be November 4, 2024.

2024 reporting dates

- Monday, April 22, 2024, Interim report January–March 2024
- Friday, July 12, 2024, Interim report April–June 2024
- Wednesday, October 23, 2024, Interim report July–September 2024
- Wednesday, February 5, 2025, Interim report October–December and Year-end report 2024

Malmö, Sweden, February 7, 2024. On behalf of the Board of Directors, **Sverker Lindberg**, President and CEO.

Questions with regards to this report should be addressed to:

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This information is information that HAKI Safety AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was issued, by the contact persons above, for publication on February 7, 2024, at 07:30 am CET.

This is an unofficial translation of the company's Interim and Year-end report in Swedish.

CONSOLIDATED INCOME STATEMENT (SEK M)	2023/Q4	2022/Q4	2023/Q1-Q4	2022/Q1-Q4
Net sales	271	261	1,188	1,168
Cost of goods sold	-180	-187	-791	-806
GROSS PROFIT	90	74	397	362
Sales expenses	-56	-54	-211	-167
Administration expenses	-15	-33	-81	-99
Other operating income and expenses	-1	13	-6	6
OPERATING PROFIT	19	0	99	102
Net financial items	-9	-11	-21	-10
PROFIT BEFORE TAX	10	-11	78	92
Income tax	-3	1	-16	-21
NET PROFIT	7	-10	62	71

STATEMENTS OF COMPREHENSIVE INCOME

Translation differences	-2	11	-2	18
Items that may be classified to the income statement	-2	11	-2	18
Reassessment of net pension obligation	0	-1	-1	-1
Items that will not be classified to the income statement	0	-1	-1	-1
Other comprehensive income, net of tax	-2	10	-3	17
TOTAL COMPREHENSIVE INCOME	5	0	58	88

Other comprehensive income attributable to:

Shareholders of the Parent Company	7	-10	62	71
Non-controlling interests	0	0	0	0
Total comprehensive income attributable to:				
Shareholders of the Parent Company	5	0	58	88
Non-controlling interests	0	0	0	0

Attributable to shareholders of the Parent company (SEK):

Earnings per share before dilution	0.26	-0.37	2.27	2.60
Earnings per share after dilution	0.25	-0.36	2.24	2.57
Number of shares on average during the period (million)	27.3	27.3	27.3	27.3
Number of shares at the end of the period (million)	27.3	27.3	27.3	27.3

CONSOLIDATED BALANCE SHEET (SEK M)	2023-12-31	2022-12-31
Goodwill	345	363
Other fixed assets	388	459
Other current assets	483	585
Cash and bank	53	32
Assets held for sale	64	0
TOTAL ASSETS	1,333	1,439
Equity	643	608
Provisions	48	44
Financial liabilities regarding additional purchase price (earnouts)	53	141
Interest-Bearing Liabilities	417	424
Other liabilities	150	222
Liabilities held for sale	22	0
TOTAL EQUITY AND LIABILITIES	1,333	1,439
KEY FIGURES	2023-12-31	2022-12-31
Solidity, %	48	42
EBITA ¹ R12, SEK M	90	84
EBITA ¹ R12, %	7.6	7.2
Interest coverage ratio ² , times	4.8	12.4
Return on Capital Employed ² , %	9.3	10.4
Return on Equity, after tax ² , %	9.9	12.4
Return on Total Assets, before tax ² , %	7.4	7.0
Sales outside of Sweden in % of Net Sales	86	80
Net debt, SEK M	376	406
Equity per share, SEK	23.53	22.25
Number of employees ³	311	310

¹EBITA is calculated as operating profit before amortisations and write-downs of goodwill, trademarks and customer relations excluding revaluation effect of earnouts.

²Interest coverage ratio and return on measurements are calculated based on rolling 12-month figures.

³Number of employees is based on organisation per year-end 2023.

CONSOLIDATED CASH FLOW (SEK M)	2023/Q4	2022/Q4	2023/Q1-Q4	2022/Q1-Q4
Result from operating activities				
Profit before tax	10	-11	77	92
Adjustments for other items not included in cash flow	-2	-9	66	21
Paid tax	-7	-11	-13	-18
Cash flow from operating activities, before changes in working capital	2	-31	132	132
Changes in working capital	69	15	21	-185
CASHFLOW FROM OPERATING ACTIVITIES	71	-16	153	-53
CASH FLOW FROM INVESTING ACTIVITIES	-5	-70	-73	-158
CASH FLOW FROM FINANCING ACTIVITIES	-47	-20	-55	203
TOTAL CASH FLOW	19	-106	25	-8
Cash and cash equivalents at the beginning of the year including translation difference	34	138	28	40
Cash and cash equivalents at the end of the period	53	32	53	32

Net investments in assets related to strategic rental is presented as part of cash from operating activities.
Comparison figures have been restated.

CHANGE OF EQUITY (SEK M)	2023/Q1-Q4	2022/Q1-Q4
Opening balance	608	540
Total comprehensive income for the period	57	88
Dividend	-22	-20
Closing balance equity attributable to the shareholders of the parent company	643	608

AGM resolved a dividend of SEK 0.80 per share to be paid at two separate occasions. Payment of SEK 0.40 per share was made on May 3, 2023, and the remaining payment of SEK 0.40 per share was made on November 2, 2023.

QUARTERLY FIGURES (SEK M)	2023					2022				
	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4
Net sales										
Safe Access Solutions	224	212	266	316	1,018	218	255	294	239	1,006
Industrial Services	46	39	45	39	170	43	44	33	42	162
Total group	270	251	311	355	1,188	261	299	327	281	1,168

Results	2023					2022				
	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4
Safe Access Solutions	18	18	31	34	101	3	26	41	35	105
Industrial Services	5	5	3	3	16	4	6	2	5	17
Parent company and group items	-4	-5	-4	-5	-18	-7	-2	-6	-5	-20
Operating profit	19	18	30	32	99	0	30	37	35	102
Net financial items	-9	-8	3	-7	-12	-11	3	-3	1	-10
Profit before tax	10	10	33	25	78	-11	33	34	36	92

SPLIT OF NET SALES	2023/Q4		2022/Q4		2023/Q1-Q4		2022/Q1-Q4	
Geographical split	Safe Access Solutions	Industrial Services	Safe Access Solutions	Industrial Services	Safe Access Solutions	Industrial Services	Safe Access Solutions	Industrial Services
Sweden	18	20	17	22	85	76	167	72
Denmark	25	2	13	0	95	4	59	0
Norway	61	0	71	0	296	0	350	2
UK	55	0	57	1	268	2	247	1
France	25	2	25	-	96	10	46	-
Austria	25	-	28	-	124	-	28	-
North America	9	8	4	9	35	49	99	43
Other markets	6	14	3	11	19	29	10	44
Total external net sales	224	46	218	43	1,018	170	1,006	162

SPLIT OF NET SALES	2023/Q4		2022/Q4		2023/Q1-Q4		2022/Q1-Q4	
Split of net sales	Safe Access Solutions	Industrial Services	Safe Access Solutions	Industrial Services	Safe Access Solutions	Industrial Services	Safe Access Solutions	Industrial Services
Over time	6	-	2	-	22	-	19	-
Direct sales	218	46	216	43	996	170	987	162
Total external net sales	224	46	218	43	1,018	170	1,006	162

PARENT COMPANY INCOME STATEMENT (SEK M)	2023/Q1-Q4	2022/Q1-Q4
Administrative expenses	-24	-23
Other operating income	9	3
Other operating expenses	0	0
OPERATING PROFIT	-15	-20
Share of profit or loss in associated companies	10	18
Net financial items	-10	-3
PROFIT AFTER FINANCIAL ITEMS	-15	-5
Appropriations	19	54
Income tax	1	-7
NET PROFIT	5	42

PARENT COMPANY BALANCE SHEET (SEK M)	2023-12-31	2022-12-31
Fixed assets	204	200
Other current assets	601	647
Cash and bank (cash equivalents)	10	2
TOTAL ASSETS	815	849
Equity	409	425
Interest-bearing liabilities	397	418
Other liabilities	9	6
TOTAL EQUITY AND LIABILITIES	815	849

DEFINITIONS

HAKI Safety presents financial measurements in the interim report which are not defined by IFRS. Purpose of presenting these measurements is to give certain additional information to the reader that is considered to be of value for the understanding of the financial information. These alternative performance measurements shall be seen as complement in addition to the financial measurements in accordance with IFRS. Definitions of the alternative performance measurements are presented below. A numerus reconciliation of the alternative performance measurements is available on the HAKI Safety website, www.hakisafety.com.

Return on Equity, after tax	Net result in relation to average Equity.
Return on Capital Employed	Earnings before tax plus interest costs in relation to average Capital Employed.
Return on Total Assets, before tax	Earning before tax plus interest costs in relation to Total Assets.
EBITA	Operating profit before amortisations and write down of goodwill, trademarks and customer relations and excluding result from revaluation of earnouts. The purpose of this alternative performance measurement is to present the underlying profit level.
EBITA, %	EBITA divided by net sales.
Net debt	Interest-bearing liabilities, including liabilities to credit institutions, pension provisions and leasing liabilities under IFRS 16, deducted by cash and cash equivalents. Acquisition-related earnouts not included in net debt.
Net sales growth	Change in net sales compared to the same period last year.
Interest Coverage Ration	Earning before tax plus interest costs in relation to financial costs.
Operating margin	Operating result divided by net sales.
Gross margin	Gross profit divided by net sales.
Solidity	Equity divided by Total Assets.
Capital Employed	Equity plus interest-bearing liabilities, including liabilities to credit institutions, pension provisions and leasing liabilities.

HAKI SAFETY IN BRIEF

ABOUT THE GROUP

HAKI Safety (formerly Midway Holding) is an international industrial group, focusing on safety products and solutions that create safe working conditions at temporary workplaces.

The group has annual sales of about 1.2 billion SEK and has since 1989 been listed on the Nasdaq Stockholm Small Cap.

HAKI Safety offers a full range of products and solutions within system scaffold, work zone safety, digital solutions, and technical support that help customers achieve maximum safety and efficiency in their environments.

Business Area Safe Access Solutions

Safe Access Solutions offers market-leading end-to-end solutions for safe working conditions in complex and challenging environments.

Products and solutions are sold under brands such as HAKI, EKRO and Norgeodesi.

Business Area Industrial Services

Industrial Services develops, manufactures, markets and sells goods and services for professional use to a wide range of industries.

FAS Converting Machinery: Development, manufacture and sale of machinery for converting plastic materials into products supplied on rolls, such as waste bags and medical aprons. FAS was divested in January 2024, please see page 7 in this report.

Landqvist Mekaniska Verkstad: Mechanical engineering manufacturer focused on contract manufacturing for the Swedish industry, including the automotive sector.