

An aerial photograph of a city waterfront at dusk. A large white ship is docked at a pier in the foreground. In the background, a tall, dark church spire rises above the city skyline. The sky is a mix of orange and blue, and the water reflects the city lights.

SEAFIRE

Investor Presentation

Q2 2023

Seafire - Summary



Investment group specialised in acquisition of profitable SMEs operating in niche markets within *Products & Industrial components*

Company highlights

Investment company targeting leading SMEs within niche industries

- Swedish investment company specialising in developing SMEs in niche industries and with a clear competitive edge/value-add
- Low-risk investment approach; acquires controlling stakes of Swedish companies with revenues between SEK 50-200m and with a prudent buy-and-hold strategy
- Two business units: *Industrial components and Products*

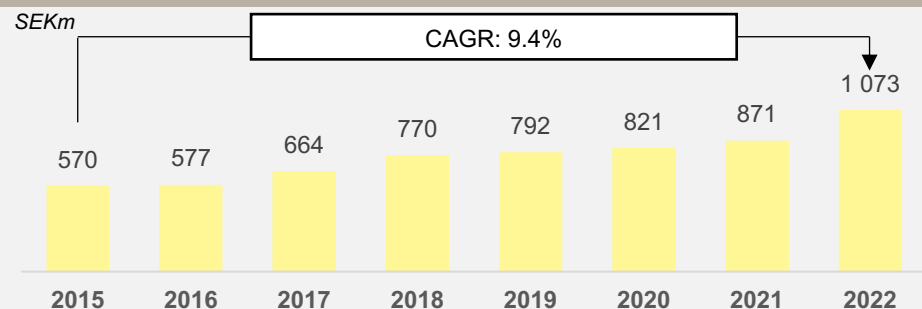
Industrial approach entailing value appreciation

- Seafire Academy: key financial targets, business plans, steady Improvement, sales academy
- Succession plans: Operational risk mitigated with CEO succession, strengthening of management and sales teams together with professional boards

Considerable deal flow activity with proven acquisition track record

- Fourteen acquisitions to date at an average EV/EBITDA multiple of <6x

Proforma revenues



Investment portfolio

	<ul style="list-style-type: none"> • E-commerce focused on electric mobility • 2022 revenue: SEK 141m
	<ul style="list-style-type: none"> • Manufacturer of camera equipment • 2022 revenue: SEK 12m
	<ul style="list-style-type: none"> • Solidworks software partner and consultancy • 2022 revenue: SEK 62m
	<ul style="list-style-type: none"> • Agricultural surveillance products • 2022 revenue: SEK 41m
	<ul style="list-style-type: none"> • Designer of high quality eyewear • 2022 revenue: SEK 67m
	<ul style="list-style-type: none"> • Specialised producer of industrial paint • 2022 revenue: SEK 115m
	<ul style="list-style-type: none"> • Manufacturer of cable protection and mounts • 2022 revenue: SEK 50m
	<ul style="list-style-type: none"> • Producer of substrates for horticulture • 2022 revenue: SEK 87m
	<ul style="list-style-type: none"> • Producer of premium doors and windows • 2022 revenue: SEK 91m
	<ul style="list-style-type: none"> • Sandwich-panels for logistics and houses • 2022 revenue: SEK 101m
	<ul style="list-style-type: none"> • Supplier of components to automotive • 2022 revenue: SEK 93m
	<ul style="list-style-type: none"> • Manufacturer of customized industrial fans • 2022 revenue: SEK 33m
	<ul style="list-style-type: none"> • Manufacturer of components for heat pumps • 2022 revenue: SEK 144m

Key financial metrics 2023



An introduction to Seafire's management team



Experienced management team



Johan Bennarsten
Group CEO and Founder

With Seafire since 2016

- **Education:** Medical Degree from Karolinska Institute and Master of Science in Engineering Physics from Uppsala University
- **Background:** 15 years of private equity experience from CapMan heading the firm's healthcare fund as well as investment banking experience as Partner at Pareto Securities

Shareholding: 1,746,000 shares

Warrants: 300,000



Jacob Persson
CFO

With Seafire since 2021

- **Education:** M.Sc. in Finance at Lund University
- **Background:** Head of Group Business Control & IR from Ambea AB (publ) and responsible for Ambea's IPO. Previous experience from advising clients from all sectors on M&A and financing related topics in JZ Capital Partners and PwC

Shareholding: 1,100 shares

Warrants: 200,000



Anders Martinsson
Business Area Manager

With Seafire since 2023

- **Education:** Tech. Engineering degree from Lund University, Strategy and Innovation at Oxford University, Management studies
- **Background:** 25 years' experience from international management positions among others from Indutrade as business development manager, CEO within the WILO-group and CEO of BE Group AB. For the past four years, worked as an interim CEO in small and medium-sized companies.

Shareholding: 55,000 shares



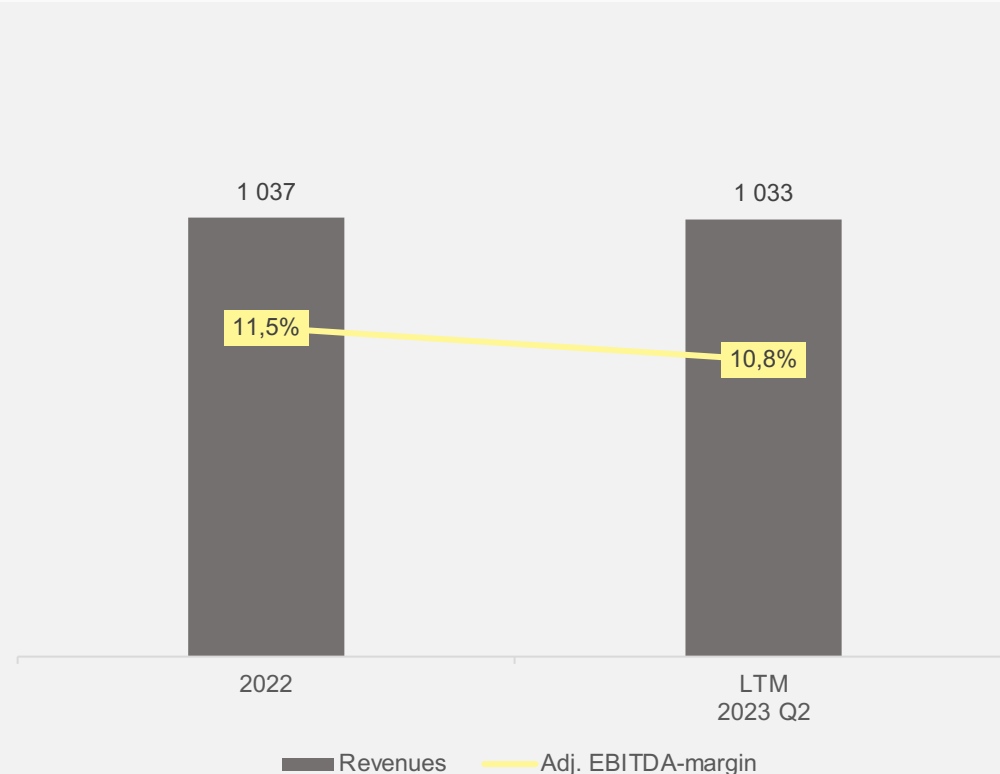
Summary Q2 2023

<p>✓ Lower demand in three subsidiaries and higher cost base</p>	<ul style="list-style-type: none"> • Negative organic growth of -11% after a strong Q1 2023 with 14% growth • Decreased demand in three subsidiaries negatively affected development in Q2 • Generally increased costs in the quarter due to inflation and salaries • Continued headwind in terms of exchange rates compared to same period last year • Still uncertainty about global economy 6-12 months ahead 		<p>Selected Key Metrics</p>
<p>✓ Accepted for trading on Nasdaq Stockholm</p>	<ul style="list-style-type: none"> • On 11 May, Seafire had its first day of trading on Nasdaq Stockholm's main list. • Enhanced organizational processes and governance in place during H1 2023 		<p>Cash on balance SEK 67 million</p>
<p>✓ During the quarter: Fraud in Linguacom</p>	<ul style="list-style-type: none"> • During the quarter a fraud and misappropriation was discovered in the subsidiary Linguacom. The former CEO is the main suspect for the crime and was released from his duties at the time of discovery. • Linguacom was forced into bankruptcy due to the misappropriation, and is reported as a divested operation according to IFRS 5 in the Q2 interim report 		<p>Market Capitalisation¹ SEK 420 million</p>
			<p>LTM Adj. PF EBITDA² SEK 112 million</p>
			<p>Net Debt / Adj. PF EBITDA² 2.9x</p>
<p>Cash flow driven M&A and development strategy for further growth and increased profit</p>			

Financial overview

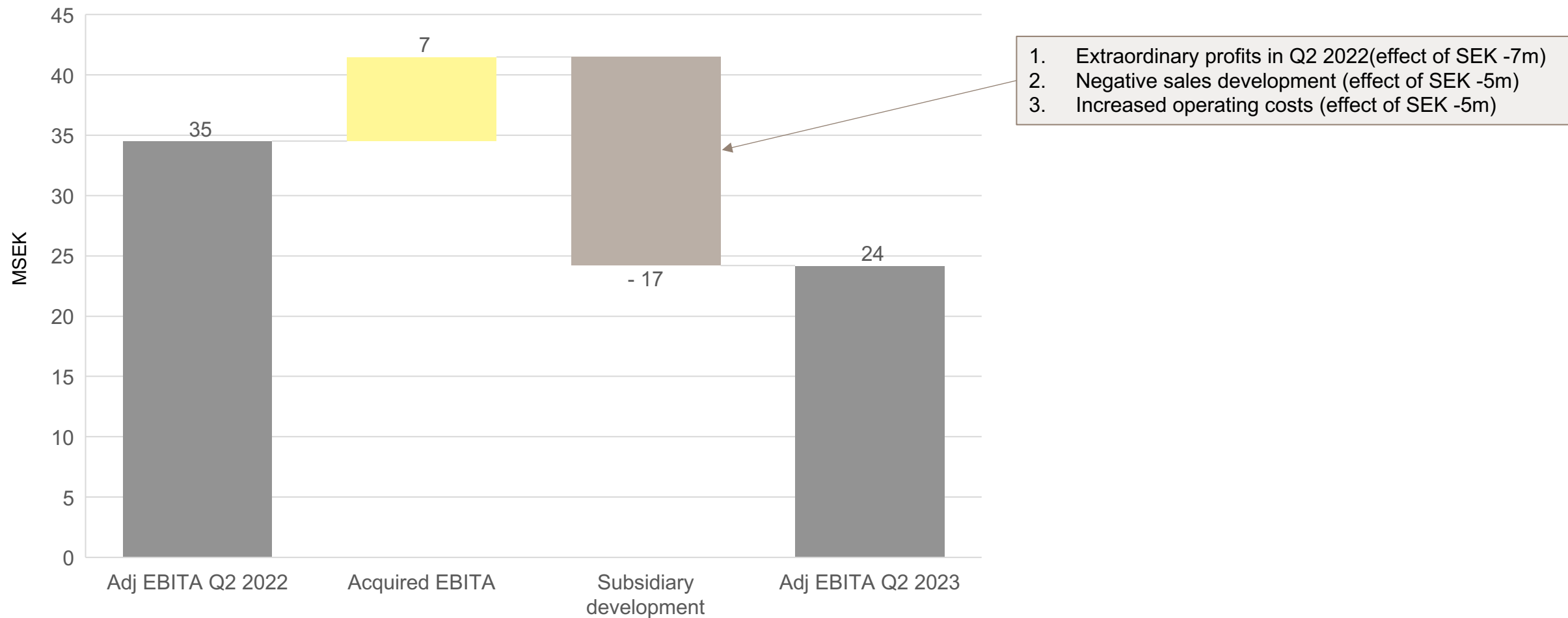


Financial performance (Pro forma figures)¹

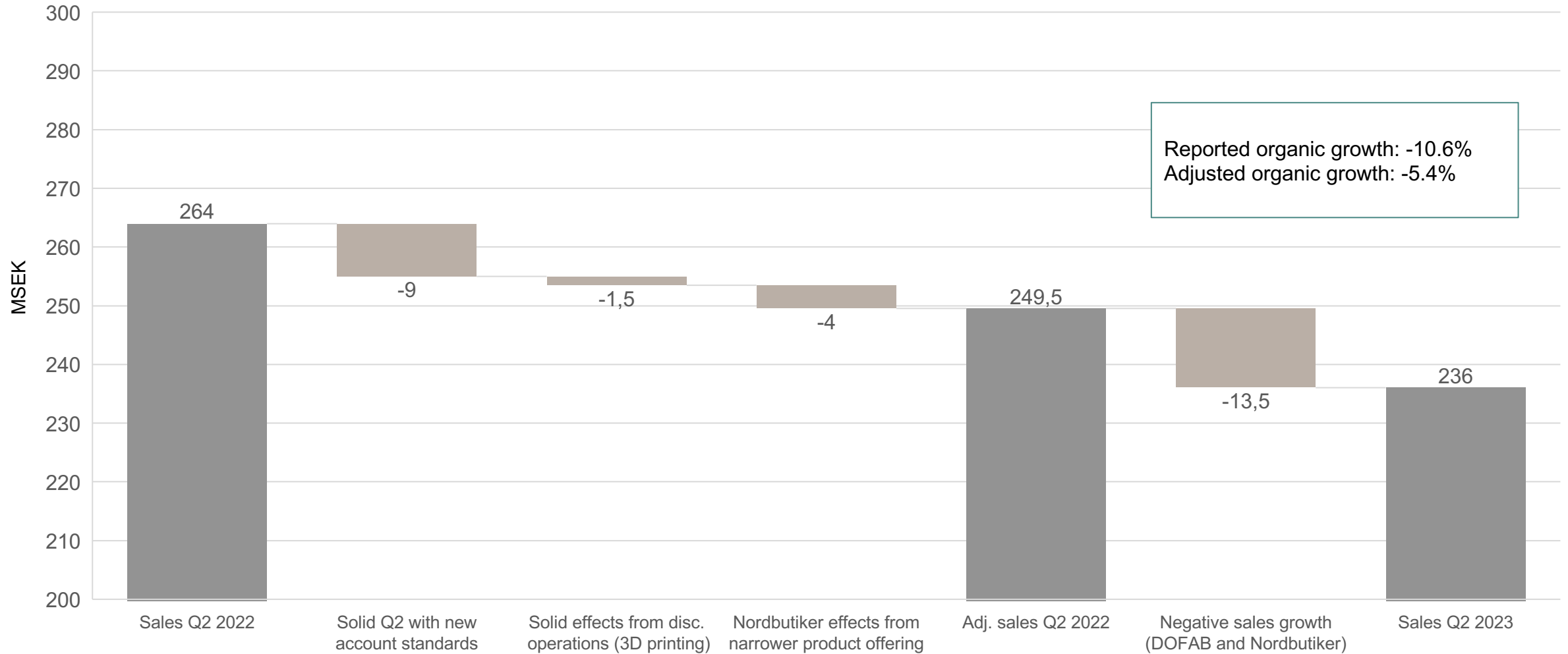


- Revenues: Organic growth -11% in Q2 2023 vs Q2 2022
- Adj EBITDA proforma: Down from SEK 119m (2022FY) to SEK 112m in LTM Q2 2023
- Margin down 0.7 p.p. in PF 2023 Q2 LTM from 2022 mainly due to weak performance in Q2 for three subsidiaries in particular, and a generally higher operational cost base.
- Price levels maintained while cost for cost of goods was stable. Increased costs for logistics, dollar, energy and costs for purchased goods had a negative effect. Exchange rate effect: +10% SEK vs USD/EUR → SEK -10m in net result

Financials – EBITA development Q2 2022 to Q2 2023



Financials – Organic growth



Financial overview

Performance by business unit

Industrial components

MSEK	Q2 2023	Q2 2022	H1 2023	H1 2022	LTM Q2 2023	FY 2022
Net sales	196	168	368	279	641	553
Growth, %	16%	376%	32%	312%	16%	180%
EBIT ²	25	31	47	43	81	76
EBIT-margin, %	13%	17%	13%	14%	13%	14%

- Growth affected by two acquisitions in 2022 and Borö-Pannan in 2023
- Organic revenue of -8% in Q2 2023 vs Q2 2022
- Stable gross margin in Q2 2023
- Profitability decrease mainly explained by lower demand and and higher operating costs.

Products

MSEK	Q2 2023	Q2 2022	H1 2023	H1 2022	LTM Q2 2023	FY 2022
Net sales	90	96	168	136	308	276
Growth, %	-6%	64%	24%	51%	12%	68%
EBIT ²	3	6	7	7	6	6
EBIT-margin, %	3%	6%	4%	5%	2%	2%

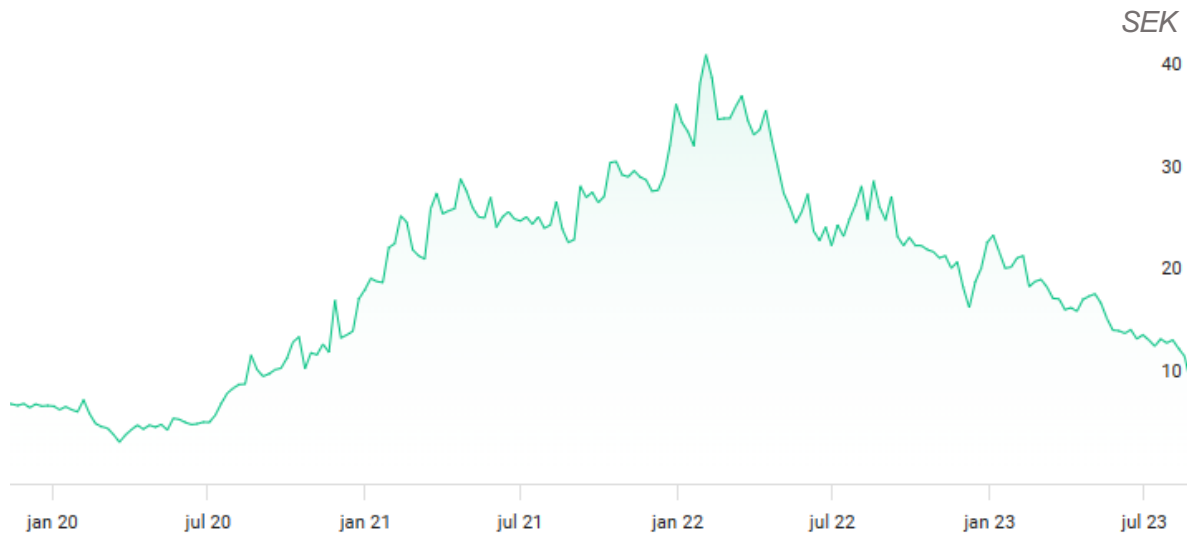
- Net sales impacted by two acquisitions in 2022
- Organic revenue of -15% in Q2 2023 vs Q2 2022. Cold weather delayed the start of the bike commute season and inflation together with higher interest rates negatively affected consumer related companies
- Gross margin was negatively affected by high USD/SEK
- Profitability decreased due to lower demand for consumer related goods.

The Seafire share



Share price development

Ticker: SEAF Share price: SEK 9,80	YTD 2023 share performance: -52%	Market capitalisation: SEK 420m
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Shareholders per 2023-06-30

Investor name	of total
Creades AB	18.5%
Berenberg Funds	9.4%
Handelsbanken Fonder	6.3%
Protector Forsikring	4.7%
Cliens Fonder	4.4%
Johan Bennarsten	4.1%
Consensus Asset Management	3.7%
Avanza Pension	3.3%
Alcur Fonder	2.9%
Swedbank Robur	2.9%
Others	39.8%
Totalt	100,0%




Number of shareholders > 4 000



Wash out of some institutional investors put pressure on the share price

Retailers increase

Outlook 2023 →

Debt financing Main market	Closed in a challenging market, costs for interest down >SEK 49m p.a. Listed May 11 2023 on Nasdaq Stockholm
Market	2022: Market peaked - low costs, inflation, bottlenecks released 2023: Still on high level but cautiousness in some markets, increased costs due to exchange rate and inflation. Indication of lower production prices in China
Focus 2023	Sales and improve sales teams Improve profits - cost cutting measures, streamline the businesses/organisations Reduce leverage - improve cash-flow, working capital measures

Financial targets long-term	
1.	Net sales growth >15% p.a. 
2.	Organic growth >10% p.a. 
3.	Adjusted EBITA margin >10% 
4.	Long term goal of Net debt/EBITDA 2.0 - 3.25x 

M&A	
	Cash flow driven M&A strategy
	Add-ons rather than platforms

An aerial, black and white photograph of a city waterfront. The central focus is a large, multi-story building complex with a prominent, tall, dark spire. A large white ship is docked at a pier in the foreground. The city extends into the background with various buildings and construction cranes. The sky is overcast.

SEAFIRE

Appendix

Financials – P&L Statement



MSEK	Q2 2023	Q2 2022	jan-jun 2023	jan-jun 2022	R12 2023	FY 2022
Net sales	286	264	536	416	949	829
Other sales	2	2	4	3	38	36
Total sales	288	266	540	418	987	865
Changes in inventories of finished goods	-16	1	-35	3	-57	-19
Purchased goods	-142	-151	-255	-239	-465	-449
Other external expenses	-39	-26	-79	-45	-136	-103
Personnel expenses	-63	-50	-120	-83	-215	-178
Other costs	0	-1	-1	-1	-3	-3
Amortization and depreciation	-14	-11	-27	-20	-50	-43
Total operating costs	-275	-238	-518	-385	-927	-795
EBIT	14	28	22	33	60	71
Financial income	3	2	5	3	8	6
Financial costs	-8	-11	-45	-21	-83	-59
EBT	8	19	-18	15	-15	18
Taxes	1	-6	3	-7	-4	-14
Profit from continuing operations	9	13	-15	8	-20	4
Profit from discontinued operations	-23	1	-23	2	-22	2
Profit for the period	-14	14	-38	10	-42	6
Earnings per share, before dilution (SEK)	-0,32	0,47	-0,89	0,35	-1,15	0,22
Average number of shares, before dilution (thousands)	42 847	29 368	42 800	28 392	36 450	29 305
Earnings per share, after dilution (SEK)	-0,31	0,47	-0,87	0,35	-1,12	0,21
Average number of shares, after dilution (thousands)	43 949	29 368	43 902	28 392	37 552	30 805

Breakdown of financial net

MSEK	Q2 2023	Q2 2022	jan-jun 2023	jan-jun 2022	LTM Q1 2023	FY 2022
Interest expense and IFRS 16*	-7	-11	-42	-20	-52	-56
Interest income	0	0	2	0	1	1
Exchange rate	2	0	1	0	1	0
Earn-out adjustments	0	0	0	0	-1	-1
Divestment of shares in Randers Tegel	0	2	0	2	0	3
Financial net	-5	-9	-40	-18	-50	-54

*One-off costs related to the refinancing of 18 MSEK effecting financial net in Q1 2023

Financials – Balance sheet



MSEK	30-jun 2023	30-jun 2022	31-dec 2022
Share capital	7	5	7
Other contributed capital	849	604	845
Incentive program	2	0	2
Retained earnings incl. profit for the period	-114	-70	-76
Total equity	744	538	778
Deferred tax liabilities	45	45	41
Outstanding bond obligations	0	600	596
Term loans and RCF	344	0	4
Non-current lease liabilities	18	22	19
Other non-current liabilities	31	25	27
Total long-term debt	438	692	682
Prepayments from customers	5	8	5
Accounts payable	69	73	70
Tax liabilities	8	49	8
Current liabilities to credit institutions	0	4	0
Current lease liabilities	16	13	14
Other current liabilities	71	62	72
Accrued expenses and deferred income	104	48	98
Total current liabilities	272	257	267
Total liabilities	711	948	949
Total equity and liabilities	1 455	1 487	1 727

MSEK	30-jun 2023	30-jun 2022	31-dec 2022
Goodwill	688	624	635
Intangible assets	75	83	74
Tangible assets	144	122	127
Other long-term receivables	2	-	3
Deferred tax receivables	0	14	1
Total fixed assets	946	880	874
Inventories	237	210	216
Accounts receivables	128	122	115
Tax receivables	22	6	8
Other receivables	13	1	4
Prepaid expenses and accrued income	43	20	43
Cash and cash equivalent	67	247	468
Total current assets	510	607	853
Total assets	1 455	1 487	1 727