

Year-end report 2024

Improved underlying profitability despite weak volume development

Net sales fell by 7 percent to SEK 211 (227) million, while adjusted EBITA was SEK 6 (3) million in Q4. The subsidiaries showed mixed performance during the quarter, with seven out of twelve companies improving their profit levels. The remaining companies saw stable or slightly negative development. The strong focus on improving profits and cash flow remains unchanged. Goodwill impairment amounted to SEK 87 million in total.

Unless stated otherwise, the figures in this report concern continuing operations.

Q4 2024

- Net sales amounted to SEK 211 (227) million. Growth was -7 percent, of which organic growth was -7 percent, compared with the same period in 2023
- Adjusted EBITA amounted to SEK 6 (3) million, corresponding to a margin of 3 (1) percent
- EBITA amounted to SEK 1 (17) million, corresponding to a margin of 0 (7) percent. The comparative figure was positively affected by remeasurement of contingent considerations amounting to SEK 18 million
- Operating profit/loss (EBIT) amounted to SEK -92 (-20) million, impacted by goodwill impairment of SEK 87 million
- Basic and diluted earnings per share amounted to SEK -2.26 (-0.65²)
- Cash flow from operating activities was SEK 3 (10) million, affected by a tax deferral repayment of SEK -3 (-25) million.

The period January – December 2024

- Net sales amounted to SEK 905 (1,000) million. Growth was -10 percent, where acquisitions contributed 1 percent, compared with the same period in 2023
- Adjusted EBITA amounted to SEK 42 (72) million, corresponding to a margin of 5 (7) percent
- EBITA amounted to SEK 42 (81) million, corresponding to a margin of 5 (8) percent
- Operating profit/loss (EBIT) amounted to SEK -105 (13) million, affected by goodwill impairment of SEK 122 million
- Basic and diluted earnings per share amounted to SEK -3.12 (-1.72²)
- Cash flow from operating activities was SEK 45 (80) million, negatively affected by a tax deferral repayment of SEK 7 million (previous year: positively affected by SEK 66 million).

Significant events during and after the reporting period

- Impairment of goodwill in Borö-Pannan, Kenpo Sandwich and Thor Ahlgren totaled SEK 87 million during Q4 2024. The companies were acquired at high valuations with high earnings at the top of a business cycle. A recalibration of sustainable earnings explains the need for impairment, rather than a structural deterioration in competitiveness
- The Board of Directors proposes that no dividend be distributed for 2024.

FINANCIAL SUMMARY

SEK million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net sales	211	227	905	1,000
Gross margin ¹	45%	44%	45%	45%
Operating expenses, proportion of net sales ¹	41%	44%	38%	38%
EBITA ¹	1	17	42	81
EBITA margin ¹	0%	7%	5%	8%
Adjusted EBITA ¹	6	3	42	72
Adjusted EBITA margin ¹	3%	1%	5%	7%
Operating profit (EBIT)	-92	-20	-105	13
Basic and diluted earnings per share, SEK ²	-2.26	-0.65	-3.12	-1.72
Cash flow from operating activities ²	3	10	45	80
Net debt/adjusted EBITDA pro forma R12, times	3.0	2.2	3.0	2.2

1) Alternative performance measures. See Note 8 for reconciliation with financial reports in accordance with IFRS.

2) Comparative figures including discontinued operations.

THE CEO'S COMMENTS ON Q4

Q4

Net sales during Q4 amounted to SEK 211 (227) million, a decrease of 7 percent, which was entirely organic. Demand stabilized during October and November, while December was weak, with many of our companies and their customers being closed more days than usual over Christmas. Adjusted EBITA during the quarter was SEK 6 (3) million. Financial performance is still being negatively affected by weak demand, but is offset by the effects of cost savings. Nordbutiker's performance during the quarter was of particular note, with a marked improvement in profit driven by an increase in net sales. Cash flow from operating activities during Q4 amounted to SEK 3 million, which was satisfactory given the seasonal cycle where many companies build up inventory ahead of the high season.

Full year 2024

Net sales over the full year 2024 amounted to SEK 905 million (-10 percent compared with 2023, where acquisitions contributed 1 percent), while adjusted EBITA was SEK 42 (81) million. The Product Companies, with more exposure to consumers, grew by 2 percent during the year. Opo Scandinavia reported record net sales, while Nordbutiker grew by 18 percent and returned a positive operating profit after a very challenging 2023. As regards industrial component companies, net sales fell by 14 percent, primarily driven by weak development in Borö-Pannan and Pexymek. Bara Mineraler, the largest company in the Group in terms of earnings, showed strong development during the last three quarters after a sluggish start to the year. Costs savings partly offset reductions in volume. Cash flow from operating activities was SEK 45 (80) million. The Group's net debt excluding tax deferrals at the year-end amounted to SEK 215 (230) million, and to SEK 300 (329) million including a tax deferral. Debt is high relative to the Group's cyclically weak EBITDA, and a clear priority is to drive both improvements in profits and cash flow in order to reduce the debt ratio.

2024 marked by exposure to a weak Swedish economy and the heat pump market

Although the Seafire Group is relatively well-diversified, our subsidiaries still have considerable indirect exposure to consumers, construction and installation markets, and to a great extent the Swedish market. This has been particularly challenging during 2024, since demand in the Swedish economy has been weak. In spite of the weak trend in net sales, all companies in the Group with the exception of Borö-Pannan reported a positive operating profit, demonstrating the strength of business models and offering. Borö-Pannan's net sales fell by 37 percent and, although substantial costs have been eliminated, cost savings cannot offset a loss in net sales of this magnitude considering the high gross margin. The reduction in operating profit for Borö-Pannan accounts for approximately 50 percent of the reduction in Seafire's operating profit over the full year. After a

weak Q1, other companies stabilized during the second half of the year, and the operating profit for Q2-Q4 exceeded the corresponding period of 2023.

Goodwill impairment and valuation discipline

In Q4 we did a write down of goodwill in Borö-Pannan, Kenpo Sandwich and Thor Ahlgren. The investments were made at high valuations with cyclically high profit levels at the time of acquisition. These valuations are now no longer justifiable under the prevailing conditions. While Seafire has historically acquired many good companies, Seafire has in some cases been carried along with high valuations in times with low interest rates and a demand above the long-term trend. Thorough evaluations of the quality of acquired companies, valuation discipline with a focus on normalized earnings, and safety of principal will be critical for future acquisitions.



The year-end marks my first five months as CEO of Seafire. It has been an intensive period in a challenging macro-environment during which I learned a lot about our structure and our subsidiaries. I would like to take the opportunity to share my reflections on the current situation and the future of the Seafire Group.

Good companies with strong leaders – but some of our companies need to grow

The impressions I gained from my visits and interactions with subsidiaries during the autumn were both strong and positive ones; Seafire has many high-quality companies with a strong culture, attractive products, satisfied customers and strong leaders. In general, there are firm foundations in place for future growth and profitability. The abrupt economic downturn, combined with changes in ownership, management, and the rapid acquisitions of many new companies to the Group, has undoubtedly brought challenges.

During 2024, we focused on adapting costs to lower volumes, without damaging the long-term potentials. Given that Seafire's subsidiaries are relatively small, cost levels have a distinct stepped profile, and it is not possible to eliminate sufficient costs to maintain our operating margins. Similarly, however, we should see an improvement in margins as demand increases. In the long term, our subsidiaries need to

grow to a critical mass, either organically or through additional acquisitions, in order to improve both resilience and scalability.

Faster decision-making with a focus on results

Historically, Seafire has developed its governance model based on inspiration from private equity, with formal board meetings, ambitious long-term plans and a high level of formal governance. Our ambition to drive strategic progress in our companies remains unchanged, however, moving forward, we will focus more closely on measuring and monitoring results, and on business development summarized in a few “must-win battles”. Our model must remain nimble in responding to opportunities and risks, and should resemble those applied by the entrepreneurs who ran the companies before Seafire acquired them, rather than that of a large corporate. However, we must, of course, make no compromises to our checks and balances. During 2025, we will increase our focus on collaboration between subsidiaries.

Motivated leaders with the right incentives are pivotal in a decentralized model like Seafire’s and, during 2025, our remuneration model will have an even clearer focus on growing profits and cash flow.

Focus on what we can influence

During 2024, Seafire’s subsidiaries implemented meaningful cost savings. We believe that the scope to reduce the fixed cost base over the coming years is limited if we are not to harm the future potential of our subsidiaries. Heading into 2025, our priorities will, therefore, be to continue to strengthen our underlying profitability by actively improving gross margins (pricing/procurement) and maintaining a firm grip on implemented cost savings to maximize earnings leverage.

We have begun to work on optimizing inventory and accounts receivable and systematized our follow-up processes. Results are visible in a number of subsidiaries, but working capital in the Group remains too high. In 2025, we will increase our focus with targeted efforts.

Stabilized markets heading into 2025

I would like to thank the Group’s employees for their efforts during a challenging 2024. During the year,

our subsidiaries won new customers and concluded many strategically important projects. However, the hard work that has been put in, and continues to be put in, was to some extent obscured by weak markets. As we look ahead to 2025, we believe that many of our markets have stabilized at a low level. We can see early signs that market conditions are improving, particularly among the companies that have either direct or indirect consumer exposure. In a number of subsidiaries, we carried out selective growth investments in 2024. These are expected to bear fruit in 2025, hopefully with support from a stronger Swedish economy. Heading into the first quarter, which is a small in terms of sales and profits, and involves a considerable build-up of inventory ahead of the high season, we see a market that remains cautious, but with underlying indicators pointing in the direction of strengthening during Q2 and Q3.

Profits and cash flow first – but the ambition to grow Seafire remains

In the short term, our focus will clearly be on organic profit growth and cash flow, but we must also look ahead and build further on Seafire’s strengths. We now have infrastructure, system support and processes in place which fully meet the quality requirements for our listing on Nasdaq Main Market. In absolute numbers, the costs for this infrastructure are acceptable and difficult to change, but in a situation where the underlying portfolio encounters weak demand, and therefore delivers weak profitability, the effect on the Group’s financial results is considerable. We see the potential to add substantial operations to the existing infrastructure without incurring incremental central costs, and thereby boost the Group’s profitability. An additional benefit of growth is even broader diversification away from individual risks related to relatively small companies, markets and key personnel. Once we see stability in financial results, cash flow and debt, we will gradually increase focus on growing the Group through acquisitions, primarily with a focus on markets we already understand and like.

I would like to thank you, our shareholders for your trust and support for Seafire.

Daniel Repfennig
President and CEO

THE GROUP'S PERFORMANCE

Net sales

Q4

During the quarter, net sales decreased by 7 percent to SEK 211 million, compared with SEK 227 million for the same period in the previous year. As no acquisitions have been made since Q1 2023, the decline in net sales was entirely organic. The negative development is mainly attributable to continuing weak demand in Borö-Pannan's market.

The period January – December

During the period, net sales decreased by 10 percent to SEK 905 million, compared with SEK 1,000 million for the same period in the previous year. Organic growth, excluding acquired companies, was -10 percent compared with the same period in 2023. All subsidiaries, apart from Nordbutiker and OPO Scandinavia, showed negative development.

Gross margin

Q4

The gross margin amounted to 45 (44) percent during the quarter. The increase in the gross margin is largely attributable to a change in the business mix.

The period January – December

The gross margin amounted to 45 (45) percent during the period.

Profit/loss

Q4

The Group's operating profit/loss (EBIT) amounted to SEK -92 (-20) million during the quarter. During Q4, acquired surplus values (goodwill) were written down by a total of SEK 87 (29) million. The subsidiaries showed mixed development, with seven out of twelve companies increasing their EBIT. Operating profit before amortization attributable to acquired surplus values (EBITA) amounted to SEK 1 (17) million. Items affecting comparability affected the profit/loss by SEK -5 (14) million, primarily as a result of the disposal of machinery linked to an investment in new drying equipment in Bara Mineraler. Profit after tax amounted to SEK -97 (-28) million.

The period January – December

The Group's operating profit/loss (EBIT) amounted to SEK -105 (13) million during the period. Goodwill impairment affected the profit/loss in the amount of SEK -122 (-41) million. The negative development among the subsidiaries was largely due to weak sales growth for Borö-Pannan, but also the loss in earnings for Bara Mineraler during Q1 which was affected by an unusually harsh winter. Operating profit before amortization attributable to acquired surplus values (EBITA) amounted to SEK 42 (81) million. Items affecting comparability had an effect of SEK 0 (9) million on profit. Profit after tax amounted to SEK -134 (-73) million.

Net financial items and tax

Q4

Net financial items amounted to SEK -5 (-9) million during the quarter. Interest and finance costs amounted to SEK -6 (-8) million, currency fluctuations amounted to SEK 0 (-3) million, and interest and finance income was SEK 1 (2) million. Tax for the period amounted to SEK 0 (1) million.

The period January – December

Net financial items for the period amounted to SEK -25 (-59) million. Interest and finance costs amounted to SEK -26 (-55) million, currency fluctuations amounted to SEK 0 (-2) million and interest and finance income amounted to SEK 1 (5) million. The improvement in net financial items is a direct result of the refinancing in Q1 2023, which considerably reduced the Group's interest expenses. Tax for the period amounted to SEK -4 (-4) million.

Summary of financial performance measures

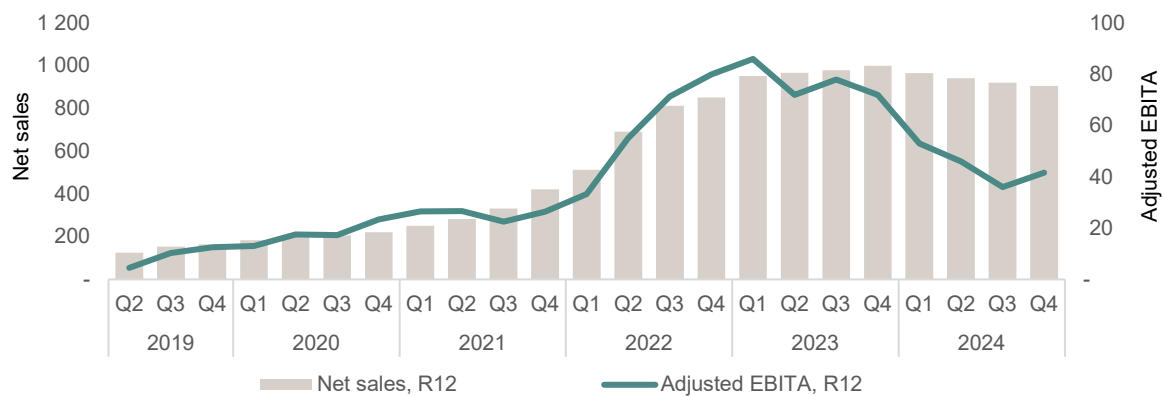
SEK million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net sales	211	227	905	1,000
EBITDA	9	23	71	110
Adjusted EBITDA	14	9	71	101
EBITA	1	17	42	81
Adjusted EBITA	6	3	42	72
EBIT	-92	-20	-105	13

Effect of items affecting comparability on the income statement

SEK million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Other income (contingent consideration remeasurement)	-	18	7	28
Merchandise (impairment of inventory)	-1	-	-1	-
Other external expenses (restructuring, listing switch & refinancing)	-1	-4	-3	-19
Other operating expenses (disposal of machinery and equipment)	-3	-	-3	-
Effect on EBITDA & EBITA	-5	14	0	9

Financial performance

SEK million



Cash flow

Q4

Cash flow from operating activities, including changes in working capital, amounted to SEK 3 (10) million, of which a tax deferral of SEK 3 (25) million was repaid. Cash flow from investing activities amounted to SEK -4 (-1) million, as a result of investments in property, plant and equipment. Cash flow from financing activities amounted to SEK 16 (-26) million, with the increase due to the expanded use of bank overdraft facilities. Total cash flow for the quarter amounted to SEK 15 (-17) million.

The period January – December

Cash flow from operating activities, including changes in working capital, amounted to SEK 45 (80) million, primarily as a result of a reduction in cash flow from change in trade receivables. Cash flow from investing activities amounted to SEK -16 (-92) million, primarily as a result of investments in property, plant and equipment. The acquisition of Borö-Pannan was implemented in the comparative period, which negatively affected cash flow in the amount of SEK 81 million. Cash flow from financing activities amounted to SEK -18 (-410) million, as a result of utilization of the overdraft facility and repayments of loans and lease liabilities. Refinancing in the comparative period involved repayment of bond loans and the arrangement of secured bank financing. Total cash flow for the period amounted to SEK 11 (-422) million.

Investments

Q4

Cash flow from investing activities during the quarter amounted to SEK -4 (-1) million, which is mainly attributable to investments in property, plant and equipment.

The period January – December

Cash flow from investing activities during the period amounted to SEK -16 (-92) million, which is mainly attributable to investments in property, plant and equipment. The acquisition of Borö-Pannan was implemented in the comparative period.

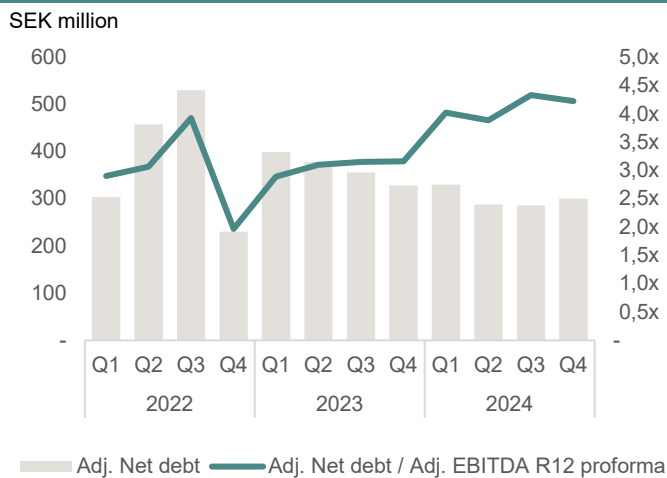
Financing

Interest-bearing liabilities at the end of the period amounted to SEK 233 (234) million and including lease liabilities, SEK 272 (271) million. Of the liabilities, SEK 233 (234) million were liabilities to credit institutions and SEK 38 (37) million were lease liabilities. Compared with Q3 2024, lease liabilities increased by SEK 10 million as a result of extended leases in existing operations. Contingent consideration amounted to SEK 0 (12) million, of which contingent consideration due within 12 months amounted to SEK 0 (5) million. The Group's net debt, as defined in order to calculate the bank loan's covenant, amounted to SEK 215 (230) million, while net debt/adjusted EBITDA R12 pro forma amounted to 3.0x (2.2x).

Tax deferral amounted to SEK 85 (92) million, which must be repaid by the end of September 2027. Cash and cash equivalents amounted to SEK 57 (46) million at the end of the period.

Adjusted net debt, including leases, all contingent consideration and tax deferrals, amounted to SEK 300 (329) million, which gives adjusted net debt/adjusted EBITDA R12 pro forma of 4.2x (3.2x).

Net debt¹



1) For definitions, see Note 8. The comparative figures have been restated to include the contingent consideration liability.

Net debt, Net debt/Adjusted EBITDA pro forma R12

SEK million	Full year 2024	Full year 2023
Interest-bearing liabilities	233	234
Lease liabilities	39	37
Contingent consideration due within 12 months	-	5
Less: cash and cash equivalents	-57	-46
Net debt	215	230
Adjusted EBITDA R12	71	104
Net debt/Adjusted EBITDA pro forma R12, times	3.0	2.2

Adjusted net debt including deferral from the Swedish Tax Agency and all contingent consideration, adjusted net debt/adjusted EBITDA pro forma R12

SEK million	Full year 2024	Full year 2023
Net debt	215	230
Outstanding deferral from the Swedish Tax Agency and contingent consideration due for payment after 12 months	85	99
Adjusted net debt	300	329
Adjusted EBITDA R12	71	104
Adjusted net debt/Adjusted EBITDA pro forma R12, times	4.2	3.2

BUSINESS AREAS

Industrial components

The Industrial components business area offers products and solutions to companies within a number of market niches – paints, fans, construction materials and production of sheet metal components for customers within a wide range of sectors. The business area includes Bara Mineraler, Borö-Pannan, DOFAB, Färg-In, Kenpo Sandwich, Pexymek, Thor Ahlgren and Åkerstedts. For more information about the business area, see Note 4.

SEK million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net sales	152	163	582	680
Gross profit	67	72	264	310
Gross margin, %	44%	44%	45%	46%
Operating expenses ¹	-53	-60	-208	-222
Proportion of net sales, %	35%	37%	36%	33%
EBITA ¹	9	10	39	75
EBITA margin, %	6%	6%	7%	11%

¹ Earnings exclude the management fee payable to the Parent Company, which is distributed between the subsidiaries based on net sales.

Q4

During the quarter, net sales fell by 7 percent to SEK 152 million, compared with SEK 163 million for the same quarter in the previous year. With the exception of Kenpo Sandwich and Bara Mineraler, all companies reported lower Q4 net sales compared with the same period of 2023. Borö-Pannan saw less of a decline in net sales in Q4 than in Q3. Demand remains at a low level in a historical perspective.

The gross margin was stable during the quarter, amounting to 44 (44) percent.

During the quarter, operating profit before amortization and impairment attributable to acquired surplus values, EBITA, amounted to SEK 9 (10) million, which corresponds to an EBITA margin of 6 (6) percent.

The period January – December

During the period, net sales decreased by 14 percent to SEK 582 million, compared with SEK 680 million for the same period in the previous year. Organic growth, excluding companies acquired during the year, was -15 percent compared with the same period in 2023. Acquired growth amounted to 1 percent during the period. All companies reported lower net sales during the 2024 period compared with 2023.

The gross margin was slightly lower during the period compared with the same period in the previous year, which is primarily explained by a change in business mix.

During the period, operating profit before amortization and impairment attributable to acquired surplus values, EBITA, amounted to SEK 39 (75) million, equivalent to an EBITA margin of 7 (11) percent. With the exception of DOFAB, all companies reported a lower EBITA in 2024 than in 2023. Cost reduction programs, particularly within direct personnel and external costs, are having an effect, but are not compensating for the reduction in sales.

Products

The Products business area offers products and solutions to companies within a number of market niches – lightweight electric vehicles, software sales, eyewear and monitoring equipment for customers within a wide range of sectors. The business area includes Ludafarm, Nordbutiker, OPO Scandinavia and SolidEngineer. For more information about the business area, see Note 4.

SEK million	Q4 2024	Q4 2023 ¹	Full year 2024	Full year 2023 ¹
Net sales	59	61	318	312
Gross profit	27	26	140	136
Gross margin, %	46%	42%	44%	44%
Operating expenses ²	-30	-30	-121	-124
Proportion of net sales, %	50%	49%	38%	40%
EBITA ²	-3	-4	15	8
EBITA margin, %	-5%	-7%	5%	3%

¹ Operations in Hedén were included in the segment

² Earnings exclude the management fee payable to the Parent Company, which is distributed between the subsidiaries based on net sales.

Q4

During the quarter, revenue fell by 4% to SEK 59 million, compared with SEK 61 million during the same quarter of the previous year. Nordbutiker experienced further strong sales growth compared with the corresponding quarter in the previous year, while the remaining companies showed stable or negative sales growth compared with the fourth quarter in 2023.

The gross margin increased to 46 percent compared with 42 percent in the same period in the previous year. The gross margin was positively affected by good control and lower impairment due to inventory obsolescence than during the comparative period.

During the quarter, operating profit before amortization and impairment attributable to acquired surplus values, EBITA, amounted to SEK -3 (-4) million, which corresponds to an EBITA margin of -5 (-7) percent. The higher gross margin, combined with cost restraint, is driving the improvement in financial performance.

The period January – December

During the period, net sales increased by 2 percent to SEK 318 million, compared with SEK 312 million for the same period in the previous year. Nordbutiker and OPO Scandinavia increased their net sales, while the remaining companies showed stable or negative net sales growth compared with the same period in 2023. Hedén, whose operations have been discontinued since Q4 2023, reported net sales of SEK 4 million during the previous year.

The gross margin was stable during the period compared with the same period in the previous year.

During the period, operating profit before amortization and impairment attributable to acquired surplus values, EBITA, amounted to SEK 15 (8) million, equivalent to an EBITA margin of 5 (3) percent. Increased sales and cost restraint are driving the earnings improvement.

OTHER INFORMATION

Auditor's review

This report has not been subject to review by the auditors.

Related party transactions

There were no transactions between Seafire and its related parties that had a material impact on the Company's position or earnings during the quarter.

Share data

At the end of the reporting period, the number of shares in the Company was 42,846,569. All shares are of the same type and afford the same voting rights. As of December 31, 2024, the largest shareholders were Creades with approx. 19 percent of the shares, Protector Forsikring with approx. 17 percent, and Movestic Livförsäkring with approx. 12 percent.

Since May 11, 2023, the Company's shares have been listed on Nasdaq Stockholm and are traded under the ticker 'SEAF'. Before this date, the shares had been listed on Nasdaq First North Growth Market since July 25, 2019. The smallest trading unit is one (1) share. The closing price of the share on September 31, 2024 was SEK 5.56 per share, which corresponds to a market value of approximately SEK 238 million.

About Seafire

Seafire is a company group founded in 2016 with the aim of creating growth through the acquisition of profitable companies and developing these through active and long-term ownership.

Seafire creates value by being an active owner with a decentralized operational model and independent subsidiaries. Long-term strategies are based on development of the business model, broadening of the market and service and product development, and are executed alongside new initiatives within sales and marketing. This boosts the growth and profitability of the acquired companies.

Seafire always acquires a majority of the shares in any company.

Seafire operates in two business segments: Industrial components and Products. During the period, the Group had eight subsidiaries within Industrial components and four subsidiaries operating within Products. At the end of the period, the Group had a total of 302 employees, of whom 72 were women. For more information about Seafire's subsidiaries, visit www.seafireab.com.

Financial calendar

Annual Report 2024	April 3, 2025	08.00 CET
Interim report 1 2025	April 24, 2025	08.00 CET
Annual General Meeting 2025	April 24, 2025	15.00 CET
Interim report 2 2025	August 21, 2025	08.00 CET
Interim report 3 2025	November 6, 2025	08.00 CET

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DECLARATION BY THE BOARD OF DIRECTORS

The Board of Directors and CEO hereby declare that this interim report gives a true and fair view of the Group's operations, financial position and performance, and describes the material risks and uncertainties facing the Group.

Stockholm, February 24, 2025

Anders Hillerborg
Chairman of the Board

Sonny Mirborn
Board member

Marcus Söderberg
Board member

Stina Wollenius
Board member

Daniel Repfennig
Chief Executive Officer

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Operating income				
Net sales	211	227	905	1,000
Other income	6	24	21	42
Total operating income	217	251	926	1,042
Change in work in progress	-3	-28	-23	-80
Merchandise	-113	-100	-476	-470
Other external expenses	-30	-34	-129	-146
Personnel costs	-58	-65	-219	-233
Other operating expenses	-4	-1	-8	-3
Depreciation, amortization and impairment	-101	-43	-176	-97
Total operating expenses	-309	-271	-1,031	-1,029
Operating profit/loss	-92	-20	-105	13
Finance income	1	2	7	12
Finance costs	-6	-11	-32	-71
Profit/loss before tax	-97	-29	-130	-46
Taxes	0	1	-4	-4
Profit/loss from continuing operations	-97	-28	-134	-50
Profit/loss from discontinued operations	-	-	-	-23
Profit/loss for the period	-97	-28	-134	-73

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Profit/loss for the period, continuing operations	-97	-28	-134	-50
Profit/loss for the period, discontinued operations	-	-	-	-23
Profit/loss for the period	-97	-28	-134	-73
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss	-	-	-	-
Translation differences	-	-	-	-
Other comprehensive income after tax	-	-	-	-
Comprehensive income for the period	-97	-28	-134	-73
Comprehensive income for the period attributable to:				
Parent Company shareholders	-97	-28	-134	-73

EARNINGS PER SHARE

SEK million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Basic earnings per share, SEK	-2.26	-0.65	-3.12	-1.72
Average number of shares before dilution ¹	42,847	42,847	42,847	42,823
Diluted earnings per share, SEK	-2.21	-0.65	-3.05	-1.72
Average number of shares after dilution ¹	43,749	43,749	43,749	43,725

1) Average number of shares in thousands.

CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	Dec 31 2024	Dec 31 2023
Non-current assets		
Goodwill	536	658
Other intangible assets	47	67
Property, plant and equipment	138	141
Right-of-use assets	38	38
Financial assets	3	4
Total non-current assets	762	908
Current assets		
Inventories	198	230
Trade receivables	78	92
Current tax assets	12	10
Other current receivables	10	9
Prepaid expenses and accrued income	37	44
Cash and cash equivalents	57	46
Total current assets	392	431
TOTAL ASSETS	1,154	1,339
Equity		
Share capital	7	7
Other contributed capital	851	851
Retained earnings, including profit/loss for the period	-275	-141
Total equity	583	717
Non-current liabilities		
Deferred tax liabilities	39	45
Non-current liabilities to credit institutions	152	193
Non-current lease liabilities	21	19
Other non-current liabilities	61	28
Total non-current liabilities	273	285
Current liabilities		
Current liabilities to credit institutions	41	41
Advances from customers	5	3
Trade payables	50	61
Current tax liabilities	4	6
Utilized bank overdraft facilities	40	-
Current lease liabilities	17	18
Other current liabilities	46	105
Accrued expenses and deferred income	95	103
Total current liabilities	298	337
Total liabilities	571	622
TOTAL EQUITY AND LIABILITIES	1,154	1,339

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Other contributed capital	Retained earnings, including profit for the period	Total equity
Opening balance, Jan 1, 2023	7	847	-68	786
Comprehensive income for the period	-	-	-73	-73
<u>Transactions with shareholders</u>				
New share issue	-	5	-	5
New share issue expenses	-	-1	-	-1
Closing balance, Dec 31, 2023	7	851	-141	717

SEK million	Share capital	Other contributed capital	Retained earnings, including profit for the period	Total equity
Opening balance, Jan 1, 2024	7	851	-141	717
Comprehensive income for the period	-	-	-134	-134
<u>Transactions with shareholders</u>				
New share issue	-	-	-	-
New share issue expenses	-	-	-	-
Closing balance, Dec 31, 2024	7	851	-275	583

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Q4 2024	Q4 2023	Full year 2024	Full year ¹ 2023
<u>Cash flow from operating activities</u>				
Profit/loss before tax	-97	-29	-130	-69
of which interest received	0	2	1	4
of which interest paid	-4	-6	-15	-54
Adjustment for non-cash items	99	30	177	100
Tax paid	7	3	-11	-18
Cash flow from operating activities before changes in working capital	9	4	36	12
<u>Cash flow from changes in working capital</u>				
Change in inventories	-1	6	30	21
Change in current receivables	26	51	22	52
Change in current liabilities	-31	-51	-43	-5
Cash flow from change in working capital	-6	6	9	68
Cash flow from operating activities	3	10	45	80
<u>Cash flow from investing activities</u>				
Business combinations	-	-	-	-81
Investments in property, plant and equipment	-4	-1	-14	-9
Investments in intangible assets	-	-	-2	-2
Cash flow from investing activities	-4	-1	-16	-92
<u>Cash flow from financing activities</u>				
New share issue	-	-	-	-
New share issue expenses	-	-	-	-1
Proceeds from borrowings	-	-	-	250
Repayment of borrowings	-10	-10	-41	-641
Change in bank overdraft facilities	30	-10	40	-
Repayment of lease liabilities	-4	-6	-17	-18
Cash flow from financing activities	16	-26	-18	-410
Total cash flow	15	-17	11	-422
Cash and cash equivalents at start of period	42	63	46	468
Translation differences	-	-	-	-
Cash and cash equivalents at end of period	57	46	57	46

1) Including discontinued operations. See Note 5 for condensed statement of cash flows for divested operations.

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net sales	-	-	-	-
Other income	5	7	18	21
Total operating income	5	7	18	21
Other external expenses	-2	-2	-9	-18
Personnel costs	-3	-7	-11	-16
Depreciation and amortization	-	-	-	-
Total expenses	-5	-9	-20	-34
Operating profit/loss	0	-2	-2	-13
Finance income	0	1	2	6
Finance costs	-14	-40	-58	-120
Profit/loss before tax	-14	-41	-58	-127
Group contributions	6	20	6	20
Income tax	-1	-	-2	-
Profit/loss for the period	-9	-21	-54	-107

CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	Dec 31 2024	Dec 31 2023
Property, plant and equipment	0	1
Receivables from Group companies	953	1,019
Financial assets	22	23
Total non-current assets	976	1,043
Receivables from Group companies	62	84
Other current receivables	1	-
Prepaid expenses and accrued income	1	1
Cash and cash equivalents	54	43
Total current assets	118	128
TOTAL ASSETS	1,094	1,171
Share capital	7	7
Other contributed capital	883	881
Retained earnings, including profit/loss for the period	-289	-235
Total equity	601	655
Non-current liabilities to credit institutions	150	190
Other non-current liabilities	0	7
Total non-current liabilities	150	197
Current liabilities to credit institutions	40	40
Utilized bank overdraft facilities	40	-
Trade payables	1	2
Liabilities to Group companies	258	260
Other current liabilities	1	11
Accrued expenses and deferred income	3	6
Total current liabilities	343	319
Total liabilities	493	516
TOTAL EQUITY AND LIABILITIES	1,094	1,171

NOTES

Note 1. Accounting policies

Seafire AB (publ) applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The year-end report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act. Information in accordance with IAS 34.16A is disclosed both in the financial statements and their associated notes and elsewhere in the interim report. The accounting policies are consistent with the policies that were applied in the previous financial year. For more information on these, see Note G1 in the Group's 2023 Annual Report. The year-end report should be read together with the 2023 Annual Report. Preparation of financial statements in accordance with IFRS requires Group management to make accounting judgments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and judgments. For information on the Company's critical judgments and sources of uncertainty, see the Group's 2023 Annual Report.

Discontinued operations

On June 9, 2023, subsidiary Lingua Communications Nordic AB filed for bankruptcy following the discovery of gross embezzlement. The case is accounted for in accordance with IFRS 5, which means that the subsidiary has been excluded from the relevant individual lines in the consolidated income statement and its net income is instead reported as "Profit/loss from discontinued operations". The statement of cash flows was reported including the discontinued operations. The balance sheet as at December 30, 2024, and the income statement for the period do not contain any balances related to the subsidiary. For more information, see Note 5.

Note 2. Risks and uncertainties

For a description of the Group's material risks and uncertainties, see the detailed statement in the 2023 Annual Report. No material new or changed risks or uncertainties have been identified since the publication of the 2023 Annual Report. The Parent Company's risks are covered by the description presented for the Group. The effects of the war in Ukraine and the war between Israel and Hamas are such that the Company is unable to make reasonable advance assessments of the effects on the Company's operations and financial performance. Higher inflation and higher prices of input goods will impact demand for goods and services provided by Seafire's subsidiaries.

Note 3. Revenue from contracts with customers

Net sales by geographical area				
SEK million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Sweden	162	179	660	739
Nordic region (excl. Sweden)	28	22	143	145
Europe (excl. Nordic region and Sweden)	21	24	98	109
World (excl. Europe, Nordic region and Sweden)	4	2	4	7
Total net sales	211	227	905	1,000

Amounts recognized as revenue				
SEK million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Revenue from service contracts (revenue over time)	12	11	50	57
Revenue recognized at a point in time	199	216	855	943
Total	211	227	905	1,000

Note 4. Segment reporting

Seafire's operations are divided into two segments: Industrial components and Products. Group management has determined these segments based on the information considered by the chief operating decision-maker, i.e. the CEO. The operations are divided on the basis of a sales and product content perspective. During the reporting period, no customer accounted for more than ten (10) percent of the Group's net sales.

The Industrial components segment comprises Bara Mineraler, Borö-Pannan, DOFAB, Färg-In, Kenpo Sandwich, Pexymek, Thor Ahlgren and Åkerstedts Verkstad. The Products segment comprises Ludafarm, Nordbutiker, OPO and SolidEngineer. For more information about these subsidiaries, visit www.seafireab.com. In addition to the business segments, the tables also include central costs and Group-wide adjustments. Group adjustments are the Group's IFRS-related accounting adjustments, e.g. attributable to leases or goodwill impairment. Central costs refers to the holding company with Group-wide costs (financing costs, insurance costs, etc.). Liabilities and goodwill are not included in segment reporting.

SEK million	Industrial components		Products		Central costs		Group adjustment		Group	
	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023
Net sales	152	163	59	61	-	-	1	2	211	227
Other income	4	4	1	2	1	1	-	18	6	24
Total income	156	167	60	63	1	1	1	20	217	251
Gross profit	67	72	27	26	-	-	0	1	95	99
Gross margin	44%	44%	46%	42%	-	-	45%	45%	45%	44%
Operating	-53	-60	-30	-30	-5	-9	-	-	-88	-99
% of net sales	35%	37%	50%	49%	-	-	-	-	41%	44%
EBITA	9	10	-3	-4	-5	-9	0	19	1	17
EBITA margin	6%	6%	-5%	-7%	-	-	30%	94%	0%	7%
Amortization and impairment of intangible assets									-93	-37
Operating profit (EBIT)									-92	-20
Net financial items									-5	-9
Profit/loss before tax									-97	-29
Tax on profit									0	1
Profit/loss for the period, continuing operations									-97	-28

SEK million	Industrial components		Products		Central costs		Group adjustments		Group	
	Full 2024	Full 2023	Full 2024	Full 2023	Full 2024	Full 2023	Full 2024	Full 2023	Full 2024	Full 2023
Net sales	582	680	318	312	-	-	4	9	905	1,000
Other income	11	9	3	3	1	1	7	28	21	42
Total income	593	689	321	315	1	1	11	37	926	1,042
Gross profit	264	310	140	136	-	-0	2	4	406	450
Gross margin	45%	46%	44%	44%	-	-	45%	45%	45%	45%
Operating	-208	-222	-121	-124	-20	-34	-	-	-348	-380
% of net sales	36%	33%	38%	40%	-	-	-	-	38%	38%
EBITA	39	75	15	8	-20	-34	8	32	42	81
EBITA margin	7%	11%	5%	3%	-	-	-	-	5%	8%
Amortization and impairment of intangible assets									-147	-68
Operating profit (EBIT)									-105	13
Net financial items									-25	-59
Profit/loss before tax									-130	-46
Tax on profit									-4	-4
Profit/loss for the period, continuing operations									-134	-50

Note 5. Discontinued operations

On June 9, 2023, subsidiary Lingua Communications Nordic AB filed for bankruptcy following the discovery of gross embezzlement. As the subsidiary operated as an independent business segment within the Group and Seafire has decided to discontinue its involvement in the translation industry in connection with the bankruptcy, it has been decided to account for the subsidiary as a discontinued operation in accordance with IFRS 5. This approach means that the subsidiary has been excluded from the individual lines in the consolidated income statement and its net income is instead recognized under "Profit/loss from discontinued operations". The consolidated statement of cash flows includes a comprehensive statement of cash flows, including the discontinued operation. There are no balances relating to the subsidiary in the balance sheets of the Group after the bankruptcy application.

The Group effects that arose as a result of the discontinuation are presented below. Profit and loss and cash flow information for the discontinued operation relates to the period up to and including the discontinuation date.

Profit/loss attributable to discontinued operations				
SEK million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Net sales	-	-	-	17
Operating expenses	-	-	-	-17
Embezzlement costs	-	-	-	-25
EBITDA	-	-	-	-25
Depreciation and amortization	-	-	-	-
EBITA	-	-	-	-25
Impairment	-	-	-	-
EBIT	-	-	-	-25
Appropriations	-	-	-	-
Profit/loss before tax	-	-	-	-25
Income tax	-	-	-	-
Group effect	-	-	-	-
-of which goodwill impairment	-	-	-	-19
-of which reversal of contingent consideration recognized as a liability	-	-	-	3
-of which result from bankruptcy	-	-	-	18
Profit/loss attributable to discontinued operations	-	-	-	-23

Balance sheet on bankruptcy application, June 2023, SEK million

Property, plant and equipment	-
Current operating assets	6
Total assets	6
Current operating liabilities	25
Total liabilities	25
Net liabilities	19

Cash flow from discontinued operations				
SEK million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
From operating activities	-	-	-	2
From investing activities	-	-	-	-
From financing activities	-	-	-	1
Total cash flow	-	-	-	3

Note 6. Fair value of financial instruments

SEK million	Dec 31 2024	Dec 31 2023	Classification according to valuation hierarchy					
			1		2		3	
			Dec 31 2024	Dec 31 2023	Dec 31 2024	Dec 31 2023	Dec 31 2024	Dec 31 2023
Assets								
Currency derivatives	-	0	-	-	-	0	-	-
Liabilities								
Currency derivatives	-	-	-	-	-	-	-	-
Contingent consideration	0	12	-	-	-	-	0	12

Financial liabilities at fair value by valuation hierarchy level

The fair value and carrying amount are recognized in the balance sheet in accordance with the table above. For listed securities, the fair value is determined based on the asset's quoted price in an active market, level 1. The fair value of foreign exchange contracts and embedded derivatives is determined based on observable market inputs, level 2. For contingent consideration, a cash flow-based measurement is carried out which is not based on observable market inputs, level 3.

Note 7. Contingent consideration

Contingent consideration is variable, based on the companies' earnings growth, and is determined based on future earnings growth for each company, based on management's best assessment and forecasts. Contingent consideration is recognized at fair value. Reversed contingent consideration is recognized on the line Other income, and contingent consideration remeasurement due to changed discounting is recognized on the line Finance costs.

SEK million	Jan-Dec 2024	Jan-Dec 2023
Opening balance	12	30
Acquisitions during the year	-	21
Reversed in income statement	-7	-28
Consideration paid	-5	-18
Interest expenses	-	7
Closing balance	-	12

Note 8. Alternative performance measures

In this interim report Seafire presents certain financial measures that are not defined under IFRS. These are referred to as alternative performance measures. The Company believes that these APMs provide valuable additional information for stakeholders and investors, as they offer a different perspective on financial performance and financial position.

The table below contains definitions of Seafire's performance measures. The calculation is shown separately below.

Non-IFRS measures	Description	Purpose
Organic growth, %	Increase in net sales in the period adjusted for acquisitions and divestments/Net sales in the comparative period.	This performance measure is used in connection with analyses of underlying growth in revenue driven by comparable entities between different periods.
Acquired growth, %	Increase in net sales from acquisitions in the period/Net sales in the comparative period.	This performance measure is used to monitor the proportion of the increase in the Company's sales that is generated through acquisitions.

Gross profit	Net sales less cost of goods/services sold.	Gross profit is used to analyze the manufacturing and sales process and cost efficiency.
Gross margin	Gross profit expressed as a percentage of net sales in the period.	The gross margin is used to monitor the gross contribution after direct expenses for goods and services.
Operating expenses	Personnel costs and other external expenses.	Used to summarize indirect cost base development relative to net sales.
EBITDA	Operating profit before depreciation, amortization and impairment.	EBITDA is a measure that is used to monitor operational performance and facilitates comparisons of profitability between different companies and sectors.
Adjusted EBITDA	Operating profit before depreciation, amortization and impairment after the elimination of items affecting comparability.	Items affecting comparability are adjusted to facilitate a fair comparison between two comparable time periods and to show the underlying trend in operational performance excluding non-recurring items.
Adjusted EBITDA pro forma R12	Operating profit before depreciation, amortization and impairment after the elimination of items affecting comparability for the previous 12 months, including the outcome of completed acquisitions.	This performance measure is determined in relation to net debt in order to monitor developments in the Company's level of indebtedness.
EBITA	Operating profit before amortization and impairment attributable to acquired surplus values.	Together with EBITDA, EBITA provides a picture of the profit that is generated by operating activities.
Adjusted EBITA	Adjusted operating profit before amortization and impairment of intangible assets and acquired surplus values, after the elimination of items affecting comparability.	Items affecting comparability are adjusted to facilitate a fair comparison between two comparable time periods and to show the underlying trend in operational performance excluding non-recurring items.
Adjusted EBITA margin	EBITA expressed as a percentage of net sales during the period.	The EBITA margin is used to monitor the profitability of the business.
Items affecting comparability	Transaction-related costs, restructuring costs, purchase consideration remeasurement, capital gains on the sale of businesses and non-current assets, as well as other income and expenses considered to be non-recurring in nature.	Items affecting comparability represent income and expenses that are not attributable to the underlying performance of activities.
Net debt	Interest-bearing liabilities less interest-bearing receivables less cash and cash equivalents.	This performance measure is an indicator of the Company's level of indebtedness and is used by the Company to assess the scope to fulfill financial obligations.
Organic growth	Increase in net sales in the period adjusted for acquisitions and divestments divided by net sales in the comparative period.	This performance measure is used in connection with analyses of underlying growth in revenue driven by comparable entities between different periods.
Pro forma	Outcome for the period adjusted to include the outcome of acquisitions for the previous 12 months.	Used to facilitate comparisons between full year periods by adjusting for the full-year effect of completed acquisitions.

Calculations of the alternative performance measures are presented in the tables shown below.

Calculation of organic growth

	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Percentage points				
Organic growth	-7%	-8%	-10%	-5%
Acquired growth	-	15%	1%	22%
Recognized growth	-7%	8%	-10%	17%
SEK million				
Net sales, base	227	211	1,000	851
Net sales, income growth	-15	-17	-104	-42
Total organic growth	-7%	-8%	-10%	-5%

EBITA and adjusted EBITA

	Q4 2024	Q4 2023	Full year 2024	Full year 2023
SEK million				
EBIT	-92	-20	-105	13
Reversal of amortization and impairment attributable to acquired surplus values	93	37	147	68
EBITA	1	17	42	81
Reversal of items affecting comparability	5	-14	0	-9
Adjusted EBITA	6	3	42	72

EBITDA and adjusted EBITDA

	Q4 2024	Q4 2023	Full year 2024	Full year 2023
SEK million				
EBIT	-92	-20	-105	13
Reversal of depreciation, amortization and impairment of property, plant and equipment and intangible assets	101	43	176	97
EBITDA	9	23	71	110
Reversal of items affecting comparability	5	-14	0	-9
Adjusted EBITDA	14	9	71	101

Items affecting comparability

	Q4 2024	Q4 2023	Full year 2024	Full year 2023
SEK million				
Disposal of machinery and equipment	-3	-	-3	-
Impairment due to inventory obsolescence	-1	-	-1	-
Costs for change of listing	-	-	-	-15
Contingent consideration remeasurement	-	18	7	28
Restructuring costs	-1	-4	-3	-4
Items affecting comparability	-5	14	0	9

Adjusted EBITDA pro forma R12

SEK million	Full year 2024	Full year 2023
EBITDA R12	71	110
Items affecting comparability	0	-9
Adjusted EBITDA R12	71	101
Acquired companies	-	3
Adjusted EBITDA pro forma R12	71	104

Net debt, Net debt/Adjusted EBITDA pro forma R12

SEK million	Full year 2024	Full year 2023
Interest-bearing liabilities	233	234
Lease liabilities	39	37
Contingent consideration due within 12 months	-	5
Less: cash and cash equivalents	-57	-46
Net debt	215	230
Adjusted EBITDA R12	71	104
Net debt/Adjusted EBITDA pro forma R12, times	3.0	2.2

Adjusted net debt including deferral from the Swedish Tax Agency and all contingent consideration, adjusted net debt/adjusted EBITDA pro forma R12

SEK million	Full year 2024	Full year 2023
Net debt	215	230
Outstanding deferral from the Swedish Tax Agency and contingent consideration due for payment after 12 months	85	99
Adjusted net debt	300	329
Adjusted EBITDA R12	71	104
Adjusted net debt/Adjusted EBITDA pro forma R12, times	4.2	3.2