

Interim Report July – September 2024

Continuing weak demand, signs of stabilization

Net sales for Q3 declined by 9 percent to SEK 211 (233) million and adjusted EBITA was SEK 12 (19) million. Development during the quarter was mixed, with large differences between companies. Borö-Pannan's net sales are still well below the previous year's level, but with gradual stabilization and an increasing order intake. Several consumer-oriented subsidiaries are showing stability and/or growth. The focus will remain on earnings and cash flow in an uncertain macro situation.

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

Third quarter 2024

- Net sales amounted to SEK 211 (233) million. Growth was -9 percent, of which organic growth was -9 percent, compared with the same period in 2023
- Adjusted EBITA amounted to SEK 12 (19) million, corresponding to a margin of 6 (8) percent
- EBITA amounted to SEK 11 (27) million, corresponding to a margin of 5 (12) percent
- Operating profit/loss (EBIT) amounted to SEK 5 (9) million
- Basic and diluted earnings per share amounted to SEK -0.09 (-0.21²)
- Cash flow from operating activities was SEK 1 (94) million, negatively affected by a tax deferral repayment of SEK 2 million (previous year: positively affected by SEK 94 million)

The period January – September 2024

- Net sales amounted to SEK 693 (773) million. Growth was -10 percent, of which organic growth for comparable entities was -11 percent, compared with the same period in 2023
- Adjusted EBITA amounted to SEK 35 (71) million, corresponding to a margin of 5 (9) percent
- EBITA amounted to SEK 41 (65) million, corresponding to a margin of 6 (8) percent
- Operating profit/loss (EBIT) amounted to SEK -13 (33) million and was affected by goodwill impairment of SEK 35 million related to Borö-Pannan in Q2
- Basic and diluted earnings per share amounted to SEK -0.86 (-1.06²)
- Cash flow from operating activities was SEK 42 (69) million, negatively affected by a tax deferral repayment of SEK 5 million (previous year: positively affected by SEK 94 million)

Significant events during the reporting period

- On August 1, Daniel Repfennig took over the role of President and CEO of Seafire

FINANCIAL SUMMARY

SEK million	Q3	Q3 Jan–Sep		R12 Full year		
	2024	2023	2024	2023	2024	2023
Net sales	211	233	693	773	920	1,000
Gross margin ¹	44%	46%	45%	46%	45%	46%
Operating expenses, proportion of net sales ¹	36%	35%	38%	36%	40%	38%
EBITA ¹	11	27	41	65	57	81
EBITA margin ¹	5%	12%	6%	8%	6%	8%
Adjusted EBITA ¹	12	19	35	71	36	72
Adjusted EBITA margin ¹	6%	8%	5%	9%	3%	7%
Operating profit (EBIT)	5	9	-13	33	-33	13
Basic and diluted earnings per share, SEK ²	-0.09	-0.21	-0.86	-1.06	-1.51	-1.72
Cash flow from operating activities ²	1	94	42	69	53	80
Net debt/adjusted EBITDA pro forma R12, times	3.0	2.1	3.0	2.1	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 Q3

Uneven sales and mixed development in demand between subsidiaries characterized Q3. Comparative figures remained relatively strong in Q3, and demand appears to be stabilising, albeit at a lower level. Below the surface, we see some signs of improving market conditions, although this is yet to be reflected in the order books of the subsidiaries.

Consolidated net sales fell by 9 percent to SEK 211 million (233), while adjusted EBITA decreased to SEK 12 (19) million. Our cost-reduction measures are having an impact, but they cannot compensate for the decline in sales, as the operational leverage within the Group is substantial. Operating cash flow amounted to SEK 1 million, which can be considered as satisfactory given seasonal patterns and the strong cash flow in Q2.

The product companies are once again showing resilience and grew by 5% in the quarter. Of particular note here is Opo Scandinavia, which delivered record sales during the quarter, while Ludafarm showed weak development as a result of the agriculture market remaining slow.

The industrial companies saw a considerable decline in demand and revenue fell during the quarter by 16% compared with the previous year. Revenues in Borö-Pannan, which fell 60 percent in Q2 compared with the same period last year, saw somewhat stronger demand during Q3, but still faced very high comparative figures, even in a long-term historical perspective. Borö-Pannan declined by 26 percent in Q3. Our view is that the heating market has now bottomed out and we expect to see stabilization going forward. Bara Mineraler is showing stable development, which is gratifying given the company's importance for the Group.

The gross margin fell somewhat and amounted to 44% (46), primarily as a result of a changed business mix. We are actively exploring opportunities to strengthen gross margins across multiple areas of our operations, partly through price adjustments and negotiation of purchase conditions.

Adjusted EBITA decreased to SEK 12 (19) million, corresponding to a margin of 6% (8). In this period, Borö-Pannan once again represents much of the decline compared with the same period last year. Cost-saving measures among the subsidiaries are showing results, and all subsidiaries except for Borö-Pannan delivered a positive operating profit in spite of weaker demand. Four companies grew their operating profit during Q3.

Operating cash flow in Q3 amounted to SEK 1 million, while net debt amounted to SEK 199 million (286 including tax deferral). The subsidiaries have



worked in a focused manner to reduce the structural level of working capital during the year. Of particular note here is Nordbutiker, which has reduced its working capital by 23% this year, despite a substantial increase in sales. Much of the "low-hanging fruit" has now been harvested and a more challenging phase has begun. However, we are determined to continue the work and achieve our goal of a sustained reduction in capital tied up.

Market developments remain uncertain and we have been forced to use both the accelerator and the brake at the same time, which can be challenging in small companies with clear investment levels in the organization. During the quarter, two subsidiaries strengthened their sales organization in order to pave the way for success when the market turns. We hope to see more positive signals going forward, which will give us the confidence to give the go-ahead for more initiatives, but we remain both cautious and selective.

There is considerable uncertainty regarding the development of our end markets. In some markets, such as in the automotive industry (heavy trucks), there are no signs of the market turning, with the evidence actually suggesting that the lower level will continue into Q4 and the first half of 2025. In other markets, such as construction and consumer, we are seeing signs of increasing activity and requests for proposals, although this has yet to be reflected in our order books.

In summary, we see some market stabilisation and will meet softer comparative figures in the fourth quarter, as end of 2023 marked a distinct downward turning point in many subsidiaries. The start of Q4 indicates a revenue development in line with what we saw in Q3. However, it should be noted that Q4 is a small quarter from a profit perspective for Seafire. We have no plans for further group-wide cost-saving programmes, although we remain alert to the possibility.

It is nearly 100 days since I took up my post as CEO for Seafire. During this time, I have met many employees and managers within the Group and have been impressed by their expertise, drive and loyalty. I do not expect to see any major strategic changes for the Group in the short term, although it is likely that certain adjustments will be made to our

operating model to ensure that everything we do supports our ambition for continuous profit growth and strong cash flows.

Daniel Repfennig

Chief Executive Officer

THE GROUP'S PERFORMANCE

Net sales

Third quarter

During the quarter, net sales decreased by 9 percent to SEK 211 million, compared with SEK 233 million for the same period in the previous year. As no acquisitions have been made since Q3 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 – September

During the period, net sales decreased by 10 percent to SEK 693 million, compared with SEK 773 million for the same period in the previous year. Organic growth, excluding acquired companies, was -11 percent compared with the same period in 2023. All subsidiaries, apart from Nordbutiker and Opo Scandinavia, showed negative development.

Gross margin

Third quarter

The gross margin amounted to 44 (46) percent during the quarter. The decline in the gross margin is largely attributable to a change in the business mix.

The period January – September

The gross margin amounted to 45 (46) percent during the period. The gross margin was negatively affected by a change in the business mix.

Earnings

Third quarter

The Group's operating profit/loss (EBIT) amounted to SEK 5 (9) million during the quarter. The negative development is mainly due to a lower EBIT for Borö-Pannan. Operating profit before amortization attributable to acquired surplus values (EBITA) amounted to SEK 11 (27) million. Items affecting comparability had an effect of SEK -1 (8) million on earnings. Profit after tax amounted to SEK -4 (-9) million.

The period January – September

The Group's operating profit/loss (EBIT) amounted to SEK -13 (33) million during the period. The decline is 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. The earnings trend was also negatively affected by goodwill impairment of SEK 35 (12) million. Operating profit before amortization attributable to acquired surplus values (EBITA) amounted to SEK 41 (65) million. Items affecting comparability during the year, mainly attributable to contingent consideration remeasurement, had an effect of SEK 6 (-5) million on earnings. Profit after tax amounted to SEK -37 (-46) million.

Net financial items and tax

Third quarter

Net financial items for the quarter amounted to SEK -8 (-11) million. Interest and finance costs amounted to SEK -8 (-13) million, currency fluctuations amounted to SEK 0 (-2) million and interest and finance income was SEK 0 (4) million. Tax for the period amounted to SEK -1 (-7) million.

The period January – September

Net financial items for the period amounted to SEK -21 (-51) million. Interest and finance costs amounted to SEK -21 (-54) million, currency fluctuations amounted to SEK -1 (-5) million and interest and finance income amounted to SEK 1 (9) 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 -3 (-5) million.

Summary of financial performance measures

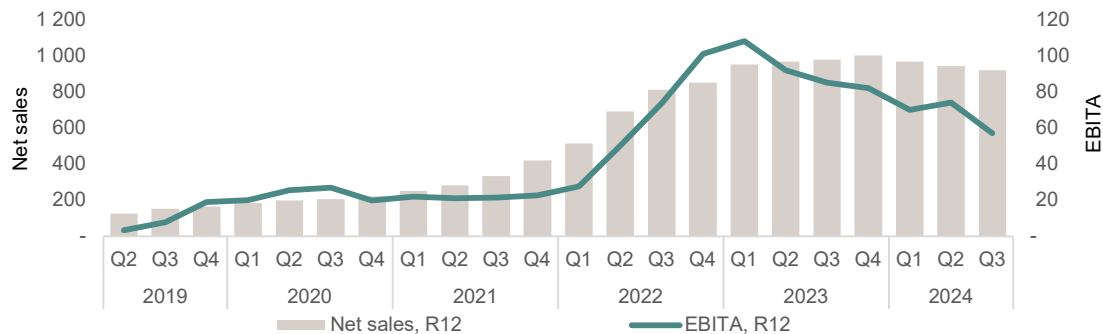
SEK million	Q3	Q3 Jan–Sep		R12 Full year		
	2024	2023	2024	2023	2024	2023
Net sales	211	233	693	773	920	1,000
EBITDA	18	35	62	86	86	110
EBITA	11	27	41	65	57	81
Adjusted EBITA	12	19	35	71	36	72
EBIT	5	9	-13	33	-33	13

Effect of items affecting comparability on the income statement

SEK million	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023
Other income (contingent consideration remeasurement)	-	10	7	10
Other external expenses (acquisitions, change of listing and refinancing)	-	-2	-	-15
Restructuring	-1	-	-1	-
Effect on EBITDA & EBITA	-1	8	6	-5

Financial development

SEK million



Cash flow

Third quarter

Cash flow from operating activities, including changes in working capital, amounted to SEK 1 (94) million. A tax deferral of SEK 94 million was recognized in the comparative period. Cash flow from investing activities amounted to SEK -5 (-3) million, as a result of investments in property, plant and equipment. Cash flow from financing activities amounted to SEK -14 (-95) million, with the reduction due to bank overdraft facility repayments of SEK 80 million in the comparative period. Total cash flow for the quarter amounted to SEK -18 (-4) million.

The period January – September

Cash flow from operating activities, including changes in working capital, amounted to SEK 42 (69) million, primarily as a result of positive cash flow from lower inventory levels. Cash flow from investing activities amounted to SEK -12 (-90) million, primarily as a result of investments in property, plant and equipment. The acquisition of Borö-Pannan was implemented in the comparative period. Cash flow from financing activities amounted to SEK -34 (-384) 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 -4 (-405) million.

Investments

Third quarter

Cash flow from investing activities during the quarter amounted to SEK -5 (-3) million, which is mainly attributable to investments in property, plant and equipment.

The period January – September

Cash flow from investing activities during the period amounted to SEK -12 (-90) million, which is mainly attributable to investments in property, plant and equipment. The acquisition of Borö-Pannan was completed in the comparative period.

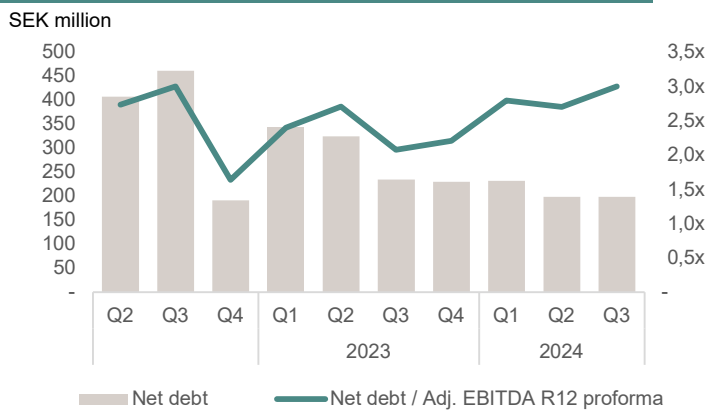
Financing

Interest-bearing liabilities at the end of the period amounted to SEK 213 (254) million and including lease liabilities, SEK 241 (292) million. Liabilities to credit institutions amounted to SEK 213 (254) million and lease liabilities were SEK 28 (38) million. Contingent consideration amounted to SEK 0 (29) million, of which contingent consideration due within 12 months amounted to SEK 0 (10) million. The Group's net debt, as defined for calculation of the bank loan covenant, amounted to SEK 199 (239) million, while net debt/adjusted EBITDA R12 pro forma was 3.0x (2.1x).

Tax deferral amounted to SEK 87 (102) million, which must be repaid by the end of 2027. Cash and cash equivalents amounted to SEK 42 (63) million at the end of the period.

Adjusted net debt, including leases, all contingent consideration and tax deferrals, amounted to SEK 286 (360) million, which gives adjusted net debt/adjusted EBITDA R12 pro forma of 4.3x (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	Sep 30 2024	Sep 30 2023	Full year 2023
Interest-bearing liabilities	213	254	234
Lease liabilities	28	38	37
Contingent consideration due within 12 months	-	10	5
Less: cash and cash equivalents	-42	-63	-46
Net debt	199	239	230
Adjusted EBITDA R12	66	113	104
Net debt/Adjusted EBITDA pro forma R12, times	3.0	2.1	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	Sep 30 2024	Sep 30 2023	Full year 2023
Net debt	199	239	230
Outstanding deferral from the Swedish Tax Agency and contingent consideration due for payment after 12 months	87	121	99
Adjusted net debt	286	360	329
Adjusted EBITDA R12	66	113	104
Adjusted net debt/Adjusted EBITDA pro forma R12, times	4.3	3.2	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	Q3 2024	Q3 2023	Jan–Sep 2024	Jan–Sep 2023	R12 2024	Full year 2023
Net sales	124	148	430	516	594	680
Gross profit	53	68	196	238	268	310
Gross margin, %	43%	46%	46%	46%	45%	46%
Operating expenses ¹	-44	-47	-155	-162	-215	-222
Proportion of net sales, %	35%	32%	36%	31%	36%	33%
EBITA ¹	6	18	30	65	40	75
EBITA margin, %	4%	12%	7%	13%	7%	11%

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

Third quarter

Net sales for the quarter declined by 16 percent to SEK 124 million, compared with SEK 148 million for the same quarter in the previous year. With the exception of Kenpo Sandwich, all companies reported lower Q3 net sales compared with 2023. Borö-Pannan saw less decline in Q3 compared to Q2, with some sequential increase in order intake. Demand remains at a low level in a historical perspective.

The gross margin decreased to 43 (46) percent compared with the same quarter in the previous year. The gross margin was affected by a change in the business mix.

During the quarter, operating profit before amortization and impairment attributable to acquired surplus values, EBITA, amounted to SEK 6 (18) million, which corresponds to an EBITA margin of 4 (12) percent. Borö-Pannan accounts for the majority of the decline in earnings.

The period January – September

Net sales for the period declined by 17 percent to SEK 430 million, compared with SEK 516 million for the same period in the previous year. Organic growth, excluding companies acquired during the year, was -18 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 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 30 (65) million, which corresponds to an EBITA margin of 7 (13) 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	Q3 2024	Q3 2023 ¹	Jan– Sep 2024	Jan– Sep 2023 ¹	R12 2024	Full year 2023 ¹
Net sales	86	82	259	250	315	312
Gross profit	39	35	113	110	141	136
Gross margin, %	46%	43%	44%	44%	45%	44%
Operating expenses ²	-29	-29	-91	-93	-124	-124
Proportion of net sales, %	34%	35%	35%	37%	39%	40%
EBITA ²	9	5	18	13	13	8
EBITA margin, %	11%	6%	7%	5%	4%	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.

Third quarter

Net sales for the quarter increased by 5 percent to SEK 86 million, compared with SEK 82 million for the same quarter in the previous year. Opo Scandinavia 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 Q2 2023. Hedén, whose operations have been discontinued since Q4 2023, reported net sales of SEK 1 million for Q3 2023.

The gross margin increased to 46 percent compared with 43 percent in the same period in the previous year. The gross margin was positively affected by a positive business mix, with Opo Scandinavia having a higher relative share of sales (with a higher gross margin).

During the quarter, operating profit before amortization and impairment attributable to acquired surplus values, EBITA, amounted to SEK 9 (5) million, which corresponds to an EBITA margin of 11 (6) percent. The higher gross margin and increased sales, combined with cost restraint, are driving the earnings improvement.

The period January – September

Net sales for the period increased by 4 percent to SEK 259 million, compared with SEK 250 million for the same period in the previous year. Nordbutiker increased its 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 for the period in that 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 18 (13) million, corresponding to an EBITA margin of 7 (5) percent. Increased sales and cost restraint are driving the earnings improvement.

OTHER INFORMATION

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 information

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 September 30, 2024, the largest shareholders were Creades with approx. 19% of the shares, Protector Forsikring with approx. 17%, and Movestic Livförsäkring with approx. 12%.

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 30, 2024 was SEK 6.2 per share, which corresponds to a market value of approximately SEK 266 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 304 employees, of whom 71 were women. For more information about Seafire's subsidiaries, visit www.seafireab.com.

Financial calendar

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

Contact details

Daniel Repfennig
 Chief Executive Officer
 +46 (0)70 200 89 41
daniel.repfennig@seafireab.com

Seafire AB (publ)
 Mäster Samuelsgatan 9, 111 44 Stockholm
 Corporate identity number 556540-7615
www.seafireab.com

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, November 6, 2024

Anders Hillerborg
Chairman of the Board

Sonny Mirborn
Board member

Marcus Söderberg
Board member

Stina Wollenius
Board member

Daniel Repfennig
Chief Executive Officer

AUDITOR'S REPORT

Seafire AB (Publ), reg. no. 556540-7615

This is a translation of the Swedish language original

Introduction

We have reviewed the condensed interim financial information (interim report) of Seafire AB as of 30 September 2024 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Signature on Swedish original
Gothenburg 6 November 2024

Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorized Public Accountant

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK million	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	R12 2024	Full year 2023
Operating income						
Net sales	211	233	693	773	920	1,000
Other income	2	13	16	18	40	42
Total operating income	213	246	709	791	960	1,042
Change in work in progress	-2	-16	-19	-51	-48	-80
Merchandise	-115	-112	-363	-370	-463	-470
Other external expenses	-30	-34	-99	-112	-133	-146
Personnel costs	-47	-48	-161	-168	-226	-233
Other operating expenses	-1	-1	-5	-2	-6	-3
Depreciation, amortization and impairment	-13	-26	-75	-54	-118	-97
Total operating expenses	-208	-237	-722	-758	-993	-1,029
Operating profit/loss	5	9	-13	33	-33	13
Finance income	2	4	5	9	8	12
Finance costs	-10	-15	-26	-60	-37	-71
Profit/loss before tax	-3	-2	-34	-18	-62	-46
Taxes	-1	-7	-3	-5	-2	-4
Profit/loss from continuing operations	-4	-9	-37	-23	-64	-50
Profit/loss from discontinued operations	-	-	-	-23	-	-23
Profit/loss for the period	-4	-9	-37	-46	-64	-73

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	R12 2024	Full year 2023
Profit/loss for the period, continuing operations	-4	-9	-37	-23	-64	-50
Profit/loss for the period, discontinued operations	-	-	-	-23	-	-23
Profit/loss for the period	-4	-9	-37	-46	-64	-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	-4	-9	-37	-46	-64	-73
Comprehensive income for the period attributable to:						
Parent Company shareholders	-4	-9	-37	-46	-64	-73

EARNINGS PER SHARE

SEK million	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	R12 2024	Full year 2023
Basic earnings per share, SEK	-0.09	-0.21	-0.86	-1.06	-1.51	-1.72
Average number of shares before dilution ¹	42,847	42,847	42,847	42,816	42,847	42,823
Diluted earnings per share, SEK	-0.09	-0.21	-0.86	-1.06	-1.51	-1.72
Average number of shares after dilution ¹	43,749	43,749	43,749	43,718	43,749	43,725

1) Average number of shares in thousands.

CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	30 Sep 2024	30 Sep 2023	Dec 31 2023
Non-current assets			
Goodwill	623	690	658
Other intangible assets	52	69	67
Property, plant and equipment	141	143	141
Right-of-use assets	28	39	38
Financial assets	3	3	4
Total non-current assets	847	944	908
Current assets			
Inventories	197	236	230
Trade receivables	106	122	92
Current tax assets	25	24	10
Other current receivables	8	17	9
Prepaid expenses and accrued income	38	41	44
Cash and cash equivalents	42	63	46
Total current assets	416	503	431
TOTAL ASSETS	1,263	1,446	1,339
Equity			
Share capital	7	7	7
Other contributed capital	851	851	851
Retained earnings, including profit for the period	-178	-113	-141
Total equity	680	745	717
Non-current liabilities			
Deferred tax liabilities	41	44	45
Non-current liabilities to credit institutions	162	203	193
Non-current lease liabilities	14	21	19
Other non-current liabilities	71	40	28
Total non-current liabilities	288	308	285
Current liabilities			
Current liabilities to credit institutions	41	41	41
Advances from customers	4	5	3
Trade payables	74	67	61
Current tax liabilities	11	16	6
Utilized bank overdraft facilities	10	10	-
Current lease liabilities	14	17	18
Other current liabilities	46	141	105
Accrued expenses and deferred income	95	97	103
Total current liabilities	295	393	337
Total liabilities	583	701	622
TOTAL EQUITY AND LIABILITIES	1,263	1,446	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	-	-	-46	-46
<u>Transactions with shareholders</u>				
New share issue	-	5	-	5
New share issue expenses	-	-1	-	-1
Closing balance, Sep 30, 2023	7	851	-113	745

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	-	-	-37	-37
<u>Transactions with shareholders</u>				
New share issue	-	-	-	-
New share issue expenses	-	-	-	-
Closing balance, Sep 30, 2024	7	851	-178	680

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep ¹ 2023	R12 2024	Full year ¹ 2023
<u>Cash flow from operating activities</u>						
Profit/loss before tax	-3	-2	-34	-41	-62	-69
of which interest received	-	-	1	2	3	4
of which interest paid	-2	-7	-11	-49	-16	-54
Adjustment for non-cash items	18	20	79	71	108	100
Tax paid	-4	-4	-18	-22	-14	-18
Cash flow from operating activities before changes in working capital	11	14	27	8	31	12
<u>Cash flow from changes in working capital</u>						
Change in inventories	5	1	32	15	38	21
Change in current receivables	-5	12	-4	-	48	52
Change in current liabilities	-10	67	-13	46	-64	-5
Cash flow from change in working capital	-10	80	15	61	22	68
Cash flow from operating activities	1	94	42	69	53	80
<u>Cash flow from investing activities</u>						
Business combinations	-	-	-	-81	-	-81
Investments in property, plant and equipment	-5	-3	-11	-8	-13	-9
Investments in intangible assets	-	-1	-1	-2	-1	-2
Divestment of financial assets	-	-	-	-	-	-
Cash flow from investing activities	-5	-3	-12	-90	-14	-92
<u>Cash flow from financing activities</u>						
New share issue	-	-	-	-	-	-
New share issue expenses	-	-	-	-1	-	-1
Proceeds from borrowings	-	-	-	250	-	250
Repayment of borrowings	-10	-10	-31	-630	-42	-641
Change in bank overdraft facilities	-	-80	10	10	-	-
Repayment of lease liabilities	-4	-4	-13	-13	-18	-18
Cash flow from financing activities	-14	-95	-34	-384	-60	-410
Total cash flow	-18	-4	-4	-405	-21	-422
Cash and cash equivalents at start of period	60	67	46	468	63	468
Translation differences	-	-	-	-	-	-
Cash and cash equivalents at end of period	42	63	42	63	42	46

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

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK million	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	R12 2024	Dec 31 2023
Net sales	-	-	-	-	-	-
Other income	4	5	13	14	20	21
Total operating income	4	5	13	14	20	21
Other external expenses	-1	-4	-7	-16	-9	-18
Personnel costs	-3	-3	-8	-9	-15	-16
Depreciation and amortization	-	-	-	-	-	-
Total expenses	-4	-7	-15	-25	-24	-34
Operating profit/loss	-	-2	-2	-10	-5	-13
Finance income	1	2	1	4	3	6
Finance costs	-4	-23	-44	-81	-83	-120
Profit/loss before tax	-3	-23	-45	-87	-85	-127
Group contributions	-	-	-	-	20	20
Income tax	-	-	-	-	-	-
Profit/loss for the period	-3	-23	-45	-87	-65	-107

CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	30 Sep 2024	30 Sep 2023	Dec 31 2023
Property, plant and equipment	1	1	1
Receivables from Group companies	963	1,047	1,019
Financial assets	23	23	23
Total non-current assets	987	1,071	1,043
Receivables from Group companies	35	204	84
Other current receivables	1	-	-
Prepaid expenses and accrued income	1	1	1
Cash and cash equivalents	40	58	43
Total current assets	77	264	128
TOTAL ASSETS	1,064	1,335	1,171
Share capital	7	7	7
Other contributed capital	883	883	883
Retained earnings, including profit for the period	-280	-215	-235
Total equity	610	675	655
Non-current liabilities to credit institutions	160	200	190
Other non-current liabilities	-	18	7
Total non-current liabilities	160	218	197
Current liabilities to credit institutions	40	50	40
Utilized bank overdraft facilities	10	-	-
Trade payables	1	1	2
Liabilities to Group companies	237	372	260
Other current liabilities	3	17	11
Accrued expenses and deferred income	3	2	6
Total current liabilities	294	442	319
Total liabilities	454	660	516
TOTAL EQUITY AND LIABILITIES	1,064	1,335	1,171

NOTES

Note 1. Accounting policies

Seafire AB (publ) applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The interim 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 interim 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 September 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. Furthermore, higher interest rates could impact future financing costs and discount rates in connection with the valuation of assets and liabilities. In order to manage the increase in financing costs, Seafire secured long-term bank financing during Q1 2023 and significantly reduced its interest expenses. Goodwill is continually monitored for impairment as a result of the changes in macroeconomic factors. The Board of Directors assists management in the ongoing monitoring of the performance of the business in this context in order to rapidly and effectively manage any risks and situations that could arise.

Note 3. Revenue from contracts with customers

Net sales by geographical area SEK million	Q3 2024	Q3 2023	Jan–Sep 2024	Jan–Sep 2023	R12 2024	Full year 2023
Sweden	151	174	499	561	677	739
Nordic region (excl. Sweden)	39	39	116	123	138	145
Europe (excl. Nordic region and Sweden)	20	18	77	84	102	109
World (excl. Europe, Nordic region and Sweden)	1	1	1	6	2	7
Total net sales	211	233	693	773	920	1,000

Amounts recognized as revenue SEK million	Q3 2024	Q3 2023	Jan–Sep 2024	Jan–Sep 2023	R12 2024	Full year 2023
Revenue from service contracts (revenue over time)	12	14	38	43	52	57
Revenue recognized at a point in time	199	219	655	730	868	943
Total	211	233	693	773	920	1,000

Note 4. Segment reporting

Seafire's operations are divided into two segments: Industrial components and Products. Group management has adopted 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 adjustments		Group	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Net sales	124	148	86	82	-	-	1	2	211	233
Other income	2	3	-	1	-	-	-	10	2	13
Total income	126	151	86	83	-	-	1	12	213	246
Gross profit	53	68	39	35	-	-	1	1	93	104
Gross margin	43%	46%	46%	43%	-	-	-	-	44%	46%
Operating	-44	-47	-29	-29	-4	-6	-	-	-77	-82
% of net sales	35%	32%	34%	35%	-	-	-	-	36%	35%
EBITA	6	18	9	5	-4	-6	-	11	11	27
EBITA margin	4%	12%	11%	6%	-	-	-	-	5%	12%
Amortization and impairment of intangible assets									-6	-18
Operating profit (EBIT)									5	9
Net financial items									-8	-11
Profit/loss before tax									-3	-2
Tax on profit									-1	-7
Profit/loss for the period, continuing operations									-4	-9

SEK million	Industrial components		Products		Central costs		Group adjustments		Group	
	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Net sales	430	516	259	250	-	-	4	7	693	773
Other income	6	6	2	2	-	-	8	10	16	18
Total income	436	522	261	252	-	-	12	17	709	791
Gross profit	196	238	113	110	-	-	2	3	311	352
Gross margin	46%	46%	44%	44%	-	-	-	-	45%	46%
Operating	-155	-162	-91	-93	-15	-25	-	-	-260	-280
% of net sales	36%	31%	35%	37%	-	-	-	-	38%	36%
EBITA	30	65	18	13	-15	-26	8	13	41	65
EBITA margin	7%	13%	7%	5%	-	-	-	-	6%	8%
Amortization and impairment of intangible assets									-54	-32
Operating profit (EBIT)									-13	33
Net financial items									-21	-51
Profit/loss before tax									-34	-18
Tax on profit									-3	-5
Profit/loss for the period, continuing operations									-37	-23

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	Q3 2024	Q3 2023	Jan–Sep 2024	Jan–Sep 2023	R12 2024	Full year 2023
Net sales	-	-	-	17	-	17
Operating expenses	-	-	-	-17	-	-17
Embezzlement costs	-	-	-	-25	-	-25
EBITDA	-	-	-	-25	-	-25
Depreciation and amortization	-	-	-	-	-	-
EBITA	-	-	-	-25	-	-25
Impairment	-	-	-	-	-	-
EBIT	-	-	-	-25	-	-25
Appropriations	-	-	-	-	-	-
Profit/loss before tax	-	-	-	-25	-	-25
Income tax	-	-	-	-	-	-
Group effect	-	-	-	-	-	-
-of which goodwill impairment	-	-	-	-19	-	-19
-of which reversal of contingent consideration recognized as a liability	-	-	-	3	-	3
of which result from bankruptcy	-	-	-	18	-	18
Profit/loss attributable to discontinued operations	-	-	-	-23	-	-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	Q3 2024	Q3 2023	Jan–Sep 2024	Jan–Sep 2023	R12 2024	Full year 2023
From operating activities	-	-	-	2	-	2
From investing activities	-	-	-	-	-	-
From financing activities	-	-	-	1	-	1
Total cash flow	-	-	-	3	-	3

Note 6. Fair value of financial instruments

SEK million	Sep 30 2024	30 Sep 2023	Classification according to valuation hierarchy					
			1		2		3	
			30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	30 Sep 2024	Sep 30 2023
Assets								
Currency derivatives	-	2	-	-	-	2	-	-
Liabilities								
Currency derivatives	1	-	-	-	1	-	-	-
Contingent consideration	-	29	-	-	-	-	-	29

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–Sep 2024	Jan–Sep 2023	Jan–Dec 2023
Opening balance	12	30	30
Acquisitions during the year	-	24	21
Reversed in income statement	-7	-13	-28
Consideration paid	-5	-18	-18
Interest expenses	-	6	7
Closing balance	-	29	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

	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	R12 2024	Full year 2023
Percentage points						
Organic growth	-9%	-5%	-11%	-4%	-12%	-5%
Acquired growth	-	13%	1%	25%	-2%	22%
Recognized growth	-9%	8%	-10%	21%	-14%	17%

	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	R12 2024	Full year 2023
SEK million						
Net sales, base	233	215	773	640	984	851
Net sales, income growth	-22	-10	-89	-25	-106	-42
Total organic growth	-9%	-5%	-11%	4%	-20%	-5%

EBITA and adjusted EBITA

	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	R12 2024	Full year 2023
SEK million						
EBIT	5	9	-13	33	-33	13
Reversal of amortization and impairment attributable to acquired surplus values	6	19	54	32	90	68
EBITA	11	27	41	65	57	81
Items affecting comparability	1	-8	-6	5	-20	-9
Adjusted EBITA	12	19	35	71	36	72

EBITDA and adjusted EBITDA

	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	R12 2024	Full year 2023
SEK million						
EBIT	5	9	-13	33	-33	13
Reversal of depreciation, amortization and impairment of property, plant and equipment and intangible assets	13	26	75	54	118	97
EBITDA	18	35	62	86	86	110
Items affecting comparability	1	-8	-6	5	-20	-9
Adjusted EBITDA	19	27	56	91	66	101

Items affecting comparability

	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	R12 2024	Full year 2023
SEK million						
Transaction costs	-	-2	-	-7	-	-7
Costs for change of listing	-	-	-	-8	-	-8
Contingent consideration remeasurement	-	10	7	10	25	28
Restructuring costs	-1	-	-1	-	-5	-4
Items affecting comparability	-1	8	6	-5	20	9

Adjusted EBITDA pro forma R12

	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	R12 2024	Full year 2023
SEK million						
EBITDA R12	86	114	86	114	86	110
Items affecting comparability	-20	-9	-20	-9	-20	-9
Adjusted EBITDA R12	66	105	66	105	66	101
Acquired companies	-	8	-	8	-	3
Adjusted EBITDA pro forma R12	66	113	66	113	66	104

Net debt, Net debt/Adjusted EBITDA pro forma R12

SEK million	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	R12 2024	Full year 2023
Interest-bearing liabilities	213	254	213	254	213	234
Lease liabilities	28	38	28	38	28	37
Contingent consideration due within 12 months	-	10	-	10	-	5
Less: cash and cash equivalents	-42	-63	-42	-63	-42	-46
Net debt	199	239	199	239	199	230
Adjusted EBITDA R12	66	113	66	113	66	104
Net debt/Adjusted EBITDA pro forma R12, times	3.0	2.1	3.0	2.1	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	Q3 2024	Q3 2023	Jan-Sep 2024	Jan-Sep 2023	R12 2024	Full year 2023
Net debt	199	239	199	239	199	230
Outstanding deferral from the Swedish Tax Agency and contingent consideration due for payment after 12 months	87	121	87	121	87	99
Adjusted net debt	286	360	286	360	286	329
Adjusted EBITDA R12	66	113	66	113	66	104
Adjusted net debt/Adjusted EBITDA pro forma R12, times	4.3	3.2	4.3	3.2	4.3	3.2