

A wide-angle photograph of a city skyline at dusk. The city is built on islands and surrounded by water. A large, ornate church with a tall, dark spire is the central focus. Other buildings, including modern skyscrapers and older structures, are visible in the background. The sky is a mix of orange, pink, and blue. The water in the foreground is dark and reflects the city lights.

# Q1 2021 | Investor Presentation

April 2021

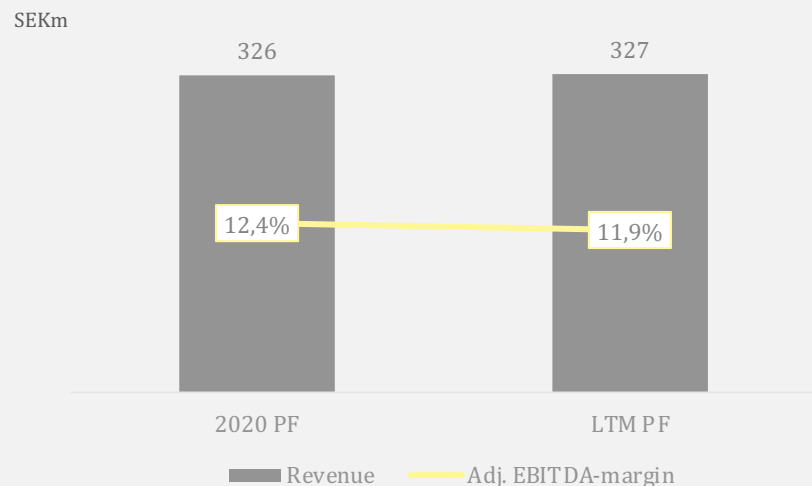
# Key events during Q1 2021



 <b>Acquisition of Färg-In AB</b>	<ul style="list-style-type: none"> <li>Acquisition of Färg-In AB on 4 January for a consideration of SEK 62 million on a debt free basis                             <ul style="list-style-type: none"> <li>SEK 8 million was paid by a share issue directed at the sellers</li> </ul> </li> <li>Färg-In is a specialised service provider, producer and reseller of industrial paint, mainly focused on refining paint for special applications beyond the scope of the original suppliers</li> </ul>		<b>Selected Key Metrics</b>
 <b>SEK 200 million Senior Secured bond issue</b>	<ul style="list-style-type: none"> <li>Inaugural SEK 200 million Senior Secured bond issue was successfully placed on 23 February 2021</li> <li>The bond allows Seafire to reduce its average interest rate while also providing capital for further growth and acquisitions</li> </ul>		 <b>Cash on balance</b> SEK 69.3 million
 <b>Creades becoming largest shareholder</b>	<ul style="list-style-type: none"> <li>On 24 March 2021, Seafire made a directed share issue of SEK 40 million to Creades, which is now Seafire's largest shareholder</li> <li>Creades is a reputable and strong institutional owner that will be of great value to Seafire's continued growth and value creation</li> </ul>	<b>CREADES</b>	 <b>Market Capitalisation<sup>1</sup></b> SEK 363 million
<b>Improved financing and strengthened balance sheet during Q1 2021 makes Seafire well prepared the next phase of its growth journey</b>			 <b>LTM Adj. PF EBITDA<sup>2</sup></b> SEK 39 million
			 <b>Net Debt / Adj. PF EBITDA<sup>2</sup></b> 4.2x

# Financial overview

## Financial performance (Pro forma figures)<sup>1</sup>



- Organic revenue growth of 2% from Q1 2020 driven by strong performance in Luda-farm, Färg-in, Åkerstedts and Linguacom
- Underlying market demand is good – awaiting less covid restrictions to flourish
- Margin down 0.5 p.p. in LTM from PF 2020 mainly due to cost increases
  - Cost increases from investments in growth; personnel, consultants/recruitments, and lower social fees in 2020. 50% of the cost increase is non-recurring
- Start of 2021 has seen emergence of supply chain bottlenecks
  - Bottlenecks has primarily affected Nordbutiker which has seen a shortage of several key products, which in turn has had an adverse effect on sales during Q1

## Q1 2021 performance by group company

42%	<b>NORDBUTIKER</b>	<ul style="list-style-type: none"> <li>• Revenue growth (Q1'21 vs Q1'20): -12%</li> <li>• Norway growing, rest of Nordics down</li> <li>• Season swing - March 2020 exceptionally warm</li> </ul>
23%	<b>FÄRGIN</b>	<ul style="list-style-type: none"> <li>• Revenue growth (Q1'21 vs Q1'20): +4%</li> <li>• Cold Jan-Feb reduced customer activities</li> <li>• Good sales pipeline - taking market share</li> </ul>
19%	<b>ÅKERSTEDTS</b>	<ul style="list-style-type: none"> <li>• Revenue growth (Q1'21 vs Q1'20): +4%</li> <li>• Order intake a bit lower than 2020</li> <li>• Delays in special components move sales to Q3</li> </ul>
9%	<b>LUDA FARM</b>	<ul style="list-style-type: none"> <li>• Revenue growth (Q1'21 vs Q1'20): +34%</li> <li>• Strong demand from all markets</li> <li>• Supply chain not yet affected</li> </ul>
6%	<b>Linguacom</b>	<ul style="list-style-type: none"> <li>• Revenue growth (Q1'21 vs Q1'20): +9%</li> <li>• Increased volumes with improved margins</li> <li>• New partnerships with international translator firms will add business from Q2 2021</li> </ul>
1%	<b>HEDÉN®</b>	<ul style="list-style-type: none"> <li>• Revenue growth (Q1'21 vs Q1'20): -46%</li> <li>• Volume down about 50% vs 2020, positive market signals</li> <li>• Small surplus due to good cost control</li> </ul>

x% = share of 2020 PF EBITDA

# Building for the future - agile teams

## Seafire Academy

- Management training program – agile team model
- Growth programs
- ESG
- Competence acquisitions – best practice in recruitments of key persons
- Digitalization



## Investments in teams

- Covid makes it possible to hire better competence
- **Nordbutiker**: full management team in place during Q1 2021
- **LudaFarm**: strengthened with senior software developer and product manager
- **Färg-In**: Recruitment of CFO ongoing in order to free resources to M&S



## Amazon.se

- Nordbutiker launching on marketplaces as Amazon.se and CDON
- Initially limited assortments displayed
- We see an opportunity to strengthen market access, credibility and to learn for future market expansions



## Supply chains

- **Situation**: Resurging global demand has created bottlenecks in production and logistics
- **Effect on portfolio companies**: Nordbutiker has seen the most notable effects with lost sales due to shortage of goods started which started in September 2020 persisting in 2021
- **Proactive actions taken**: Orders placed earlier and for higher volumes for 2021-2022 with weekly follow-ups in all companies





# Key events during following the end of the quarter

## AGM held on 28 April

- Sara Wallin, Current CEO of Chalmers Ventures with a broad investment background focusing on growth companies through her 11year tenure as CEO of Almi Väst, elected as new board member



## Announced plans to strengthen organisation

- Boards of portfolio companies will also be chaired by external members. Thomas Sparrmo, former CEO Webhallen) will strengthening Nordbutiker's board of directors
- Organisation to be strengthened with a full-time CFO as well as an investment manager (replacing CIO Mats Gullbrandsson who will step-down in July)



## Reservation for customer loss

- Resevation of SEK 0.8 million to be made in Q2 2021 as a result of an expected customer loss within the industrial segment



Next report: Q2 2021 (due 23 August 2021)





# Appendix



# Income Statement



## Reported Income Statement (IFRS)

SEKm	Q1 2021	Q1 2020	2020
Net sales	76.3	46.1	221.2
Other operating income	0.1	0.2	0.9
<b>Total revenue</b>	<b>76.4</b>	<b>46.3</b>	<b>222.1</b>
Cost of goods sold	-47.0	-28.5	-136.2
Other external expenses	-7.6	-4.8	-22.6
Personnel expenses	-15.0	-9.0	-39.0
Other operating expenses	-0.0	-0.0	-4.1
<b>EBITDA</b>	<b>6.8</b>	<b>4.0</b>	<b>20.3</b>
Depreciation and amortisation	-3.7	-2.4	-5.6
<b>EBIT</b>	<b>3.1</b>	<b>1.7</b>	<b>14.6</b>
Financial income	0.3	0.1	0.6
Financial expenses	-9.6	-3.5	-15.2
<b>EBT</b>	<b>-6.1</b>	<b>-1.7</b>	<b>0.0</b>
Taxes	-0.2	0.3	-0.5
<b>Net profit</b>	<b>-6.3</b>	<b>-1.4</b>	<b>-0.5</b>
Key Metrics			
EBITDA margin	8.9%	8.7%	9.1%
EBIT margin	4.1%	3.6%	6.6%

## Commentary

### Revenue growth driven by acquisitions

- Revenue growth between 2021 has been driven by the acquisitions of Luda.Farm and Färg-In, neither of which were included in the Q1 2020 accounts
  - Luda.Farm was acquired in October 2020 and thus is only included in the reported 2020 accounts during Q4 2020
  - Färg-In was acquired in January 2021 and is thus not included in the reported 2020 accounts

### Extraordinary items

#### Q1 2021

- Extraordinary expenses of SEK 0.4 million affecting EBITDA
- Extraordinary financial expenses of SEK 4.0 million stemming from debt refinancing expenses

#### Q1 2020

- Extraordinary expenses of SEK 0.3 million affecting EBITDA

# Balance Sheet



## Reported Balance Sheet (IFRS)

SEKm	Q1 2021	Q1 2020	2020
Intangible assets	170	105	126
Tangible assets	11	10	10
Right-of-use assets	19	14	12
Non-current financial assets	0	0	0
Deferred tax assets	0	0	0
Non-current receivables	2	2	2
<b>Total non-current assets</b>	<b>203</b>	<b>131</b>	<b>150</b>
Inventory	68	41	48
Trade receivables	42	21	22
Other current receivables	2	1	1
Prepayments and accrued income	13	6	5
Cash and cash equivalents	69	4	20
<b>Total current assets</b>	<b>194</b>	<b>73</b>	<b>96</b>
<b>Total assets</b>	<b>397</b>	<b>204</b>	<b>245</b>
<b>Equity</b>	<b>60</b>	<b>21</b>	<b>22</b>
Deferred tax liabilities	8	6	7
Interest-bearing liabilities	200	96	102
Non-current lease liabilities	15	11	9
Other non-current liabilities	18	33	36
<b>Total non-current liabilities</b>	<b>240</b>	<b>145</b>	<b>154</b>
Trade payables	24	11	7
Deferred tax liabilities	12	1	13
Drawn amount on credit facility	3	2	3
Current lease liabilities	4	3	3
Other current liabilities	37	10	32
Accrued expenses and prepayments	15	11	12
<b>Total current liabilities</b>	<b>96</b>	<b>38</b>	<b>70</b>
<b>Total equity and liabilities</b>	<b>397</b>	<b>204</b>	<b>245</b>

## Commentary

### Balance sheet strengthened by share issues

- Seafire's balance sheet was strengthened by two share issues of SEK 48 million before issuance expenses
  - SEK 8 million directed at the sellers of Färg-In
  - SEK 40 million directed at Creades
- The share issues increased Seafire's equity ratio to 15% by the end of Q1 2021 (up from 9% at the end of 2020)

### Streamlined debt financing following bond issue

- Seafire made its debut on the Nordic corporate bond during the quarter by issuing a SEK 200 million senior secured bond with a 3 year tenor (within a framework of SEK 300 million)
- The net proceeds of bonds were mainly used to refinance existing debt and the bonds will comprise Seafire's primary source of debt financing going forward
- The bonds carried an initial interest rate of 3m STIBOR + 9.0% which will step-down to 3m STIBOR + 8.5% in June 2021 following the achieved equity injection event as stipulated in the bond terms



# Cash Flow Statement



## Reported Cash Flow Statement (IFRS)

SEKm	Q1 2021	Q1 2020	2020
Operating profit before financial items	3.1	1.7	14.6
Adjustments of non-cash items	11.1	1.0	13.5
Interest received	0.3	0.1	0.6
Interest paid	-9.6	-3.5	-15.2
Taxes	-0.7	-0.5	10.7
<b>Cash flow from operating activities before NWC</b>	<b>4.3</b>	<b>-1.2</b>	<b>24.2</b>
Change in inventory	-7.2	-1.1	-8.3
Change in current receivables	-15.2	-12.3	-12.7
Change in current liabilities	27.0	6.0	13.6
<b>Cash flow from operating activities</b>	<b>8.9</b>	<b>-8.7</b>	<b>16.7</b>
Investments in subsidiaries	-39.1	-	-27.0
Investments in tangible assets	-0.2	-0.7	-0.8
<b>Cash flow from investing activities</b>	<b>-39.3</b>	<b>-0.7</b>	<b>-27.8</b>
Share issue	48.0	-	-
Issuance expenses	-3.4	-	-
Net new borrowings	27.5	8.0	26.0
Change in overdraft facility	0.6	-0.2	0.6
Amortisation of lease liabilities	6.9	-0.8	-2.3
<b>Cash flow from financing activities</b>	<b>79.7</b>	<b>7.0</b>	<b>24.3</b>
<b>Net cash flow</b>	<b>49.3</b>	<b>-2.4</b>	<b>13.3</b>

## Commentary

### Investments

- Investments during Q1 2021 was almost exclusively comprised of the acquisition of Färg-in which amounted to SEK 39.1 million
  - Note that the cash flow effect of the Färg-in acquisition under investments does not include the consideration financed by a vendor note which was subsequently refinanced by the share issue to the sellers of Färg-in

### Financing

- Financing cash flows in Q1 2021 where characterised by the two directed share issue of SEK 48 million in aggregate (SEK 44.6 million net of issuance expenses)
- Moreover the Increase in borrowings is driven by the net effect of the SEK 200 million bond issue, after refinancing of existing debt,

# Seafire at a glance



## Diversified investment group specialised in profitable SMEs operating in niche markets

### Company highlights

#### Investment company targeting leading SMEs within niche industries

- Swedish investment company specialising in developing SMEs in niche industries and with a clear competitive edge/value-add
- Low-risk investment approach; acquires controlling stakes<sup>1</sup> of Swedish companies with revenues between SEK 30-125m and with a prudent buy-and-hold strategy

#### Comprehensive value-add strategy entailing value appreciation

- Active ownership model; provides portfolio companies with tools and resources to further grow and refine their respective businesses
- Highly experienced senior management (CEO & CIO) with combined +35-year track record from senior positions within leading Nordic private equity

#### Considerable deal flow activity with proven acquisition track record

- Approx. 50 transactions are screened through a well-defined set of stringent acquisition criteria each year – having resulted in six acquisitions to date at an average EV/EBITDA multiple of 4.3x

### Key takeaways



#### Diversified portfolio serving a broad range of niche markets

- Offering unique end-market exposure with limited overlap



#### Market capitalisation highlighting substantial equity cushion

- Following strong share price performance in the LTM



#### Strong historical growth paired with stable profitability

- 14% revenue CAGR while achieving EBITDA margin of 12%

### Investment portfolio



- E-commerce company focused on electric mobility
- 2020 revenue: SEK 122m



- Specialised producer of industrial paint
- 2020 revenue: SEK 86m



- Manufacturer of high-quality industrial fans
- 2020 revenue: SEK 35m



- Agricultural surveillance products
- 2020 revenue: SEK 29m



- Interpretation and translation services
- 2020 revenue: SEK 48m



- Manufacturer of bespoke camera equipment
- 2020 revenue: SEK 5m

### Key financial metrics



**Revenue**  
**SEK 327m**  
(LTM pro forma)

**Adj. EBITDA**  
**SEK 39m**  
(LTM pro forma)

# The Seafire share



## Share price development (price rebased at 100)



## Shareholders per 2021-03-31

Owner	# of shares	Share of capital/votes
Försäkringsaktiebolaget Avanza Pension <sup>1</sup>	2,340,322	19.13%
Perpressa Invest AB	1,230,000	10.05%
Sydsken AB	1,033,000	8.44%
Björknäs Förvaltning AB	699,940	5.72%
Futur Pension AB	501,000	4.10%
Tord Lendau	451,086	3.69%
Zirkona AB	320,000	2.62%
Lendau Capital AB	291,325	2.38%
Saxo Bank A/S	290,162	2.37%
Johan Bergenudd	264,738	2.16%
<b>Top 10</b>	<b>7,421,573</b>	<b>60.67%</b>
Other	4,811,194	39.33%
<b>Total</b>	<b>12,232,767</b>	<b>100.00%</b>

Notes: 1) Creades subscribed to the directed share issue of 2,000,000 shares through Försäkringsaktiebolaget Avanza Pension. Share price data as of market close 2021-04-29.

# Board of Directors



## Sara Wallin joining Board of Directors following 2021 AGM



**Joachim Berner**  
*Chairman of the board*

With Seafire since 2016

- **Education:** M.Sc. in Economics from University of Gothenburg. MBA.
- **Background:** CEO and Editor-In-Chief at Dagens Nyheter, Editor-In-Chief at Expressen and CEO of Lowe Brindfors
- **Other assignments:** Chairman of Christian Berner Tech Trade (publ) and Gårdaverken AB. Board member of Yrkesakademien (publ) and Squid AB. Industrial Advisor at CapMan and Accendo Capital

**Shareholding:** 163,874 shares



**Louise Nicolin**  
*Board member*

With Seafire since 2020

- **Education:** M.Sc. in Engineering from Uppsala University, eMBA from Stockholm University and International Directors programme from INSEAD
- **Background:** Business Area Manager at PlantVision, Independent consultant within business development and quality assurance (since 2011)
- **Other assignments:** Chairman of Better Business World Wide AB and Board member of Volati AB, VBG Group AB, Optinova Group Oy, Enzymatica AB and Atteviks Bil AB

**Shareholding:** 0 shares



**Tord Lendau**  
*Board member*

With Seafire since 2017

- **Education:** High School Engineer, studies in Industrial Economy at Linköping University
- **Background:** Chairman of Encare AB, Hubbster AB, Medtentia Oy, Actea Consulting AB, Promimic AB, and Stille AB. Board member of Boule Diagnostics AB. CEO in Synectics Medical AB, Dantec AS and Sandvik Medtech AB.
- **Other assignments:** Chairman of SciBase Holding AB (publ), EPTI AB, Simpell AB and Embedded Nano Europe AB as well as Board member of Lendau Capital AB

**Shareholding:** 742,411 shares



**Lennart Jacobsson**  
*Board member*

With Seafire since 2016

- **Education:** M.Sc. in Economics from Uppsala university
- **Background:** Some +30 years of experience within finance and private equity, including Co-Founder of Euroventures Management and Swedestart Management as well as Head of Technology at CapMan
- **Other assignments:** CEO and Board member of Bobtail Nordic Pharma AB, Chairman of Myvox AB and Board member of Metronor AS, Anebyhusgruppen AB, Spaljisten AB, KG List AB and Saminvest AB

**Shareholding:** 112,981 shares



**Sara Wallin**  
*Board member*

Joined Board of Directors on 2021 AGM

- **Education:** University of Gothenburg, KTH Royal Institute of Technology, B.S.c. in Marketing and Economics from IHM Business school
- **Background:** Broad investment background focusing on growth companies through her 11-year tenure as CEO of Almi Väst. Prior to joining Almi Sara has i.a. been active as a working partner in a number of growth companies within edtech and telecom.
- **Other assignments:** CEO of Chalmers Venutres, vice chairman of the Swedish Agency for Economic and Regional Growth, Board member of Gothenburg university