

The background of the cover features a photograph of a modern, multi-story building with a glass facade, reflecting the sky. In the foreground, there is a lush, landscaped garden with various green plants, including tall grasses and flowering shrubs. A set of stairs with a metal railing leads up through the garden towards the building. The overall scene is bright and sunny, with a clear blue sky.

# SEAFIRE

**Annual Report 2024**





## Contents

The year in brief	3
Comments from the CEO	4
Segments	6
Strategy	7
The share and shareholders	8
Board of directors' report	9
Sustainability report	13
Corporate governance statement	21
Risks	25
Consolidated financial statements	26
Consolidated notes	31
Parent Company financial statements	52
Parent Company notes	56
Declaration by the Board of Directors	60
Auditor's report	61

## About the report

This is a copy of the original version of Seafire's Annual Report 2024, which was prepared in Swedish in the European Single Electronic Format (ESEF).

The cover photo illustrates how verdant urban environments can be created using Bara Mineraler's horticultural substrates.

The photo above shows Agron Kelmedi at Thor Ahlgren.

# The year in brief

SolidEngineer sells software for CAD drawing and simulation.



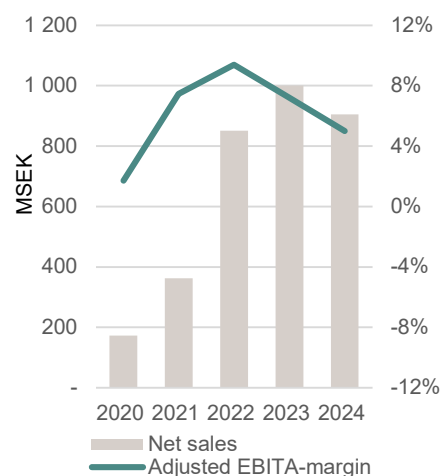
Net sales over the full year 2024 amounted to SEK 905 (1,000) million, corresponding to -10 percent. The Seafire Group's considerable indirect exposure to consumers, construction and installations, and to a great extent the Swedish market, resulted in a challenging 2024. Adjusted EBITA was SEK 42 (81) million and is explained by weak demand.

In spite of the weak demand, all companies in the Group with the exception of Borö-Pannan reported a positive operating profit. Borö-Pannan accounted for approximately 50 percent of Seafire's decrease in profit for the full year, while other companies stabilized after a weak Q1, and the operating profit for Q2-Q4 exceeded that of the corresponding period in 2023. Product companies grew during the year (+2 percent) following a strong second half of the year. OPO Scandinavia beat its net sales record, while Nordbutiker returned to a positive operating profit after a challenging 2023.

During 2024, Seafire adapted its costs to lower volumes. However, cost levels in small subsidiaries have a distinct stepped profile and reasonable cost reductions were not sufficient to maintain the operating margins. Similarly, however, we should see an improvement in margins as demand increases.

## Key figures

SEK million	2020	2021	2022	2023	2024
Net sales	173	362	851	1,000	905
Growth, %	27%	110%	135%	18%	-10%
Operating profit (EBIT)	14	15	81	13	-105
EBITA <sup>1</sup>	21	23	101	81	42
EBITA margin <sup>1</sup> , %	12%	6%	12%	8%	5%
Adjusted EBITA <sup>1</sup>	3	27	80	72	42
Net debt/Adjusted EBITDA, times <sup>2</sup>	3.0	4.0	1.7	2.2	3.0
Profit/loss after tax <sup>1</sup>	-3	-13	14	-73	-134
Basic earnings per share, SEK <sup>3</sup>	-0.29	-0.92	0.49	-1.72	-3.12
Diluted earnings per share, SEK <sup>3</sup>	-0.29	-0.92	0.47	-1.72	-3.12



<sup>1</sup> Alternative performance measures. See Note G30 for reconciliation with financial statements in accordance with IFRS.

<sup>2</sup> Excluding granted tax deferral

<sup>3</sup> Key figures including discontinued operations.

# Comments from the CEO

## Financial performance 2024

Net sales over the full year 2024 amounted to SEK 905 million (-10 percent compared with 2023, to which acquisitions contributed 1%), while adjusted EBITA was SEK 42 (81) million. 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 installations, 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 our 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 with a high gross margin. The reduction in operating profit for Borö-Pannan accounts for approximately 50 percent of the reduction in Seafire's net sales 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

2024 saw the impairment of goodwill in Borö-Pannan, Kenpo Sandwich and Thor Ahlgren. The investments were made at a high valuation 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 excellent companies, the Group has in some cases been burdened by high valuations amid low interest rates and a struggling economy as a 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 end of the year marks my first five months as CEO of Seafire. It was an intensive period in a difficult 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.

## Excellent 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 fall were both strong and positive. Seafire has many high-quality companies with a strong culture, attractive products, satisfied customers and strong leaders. At a general level, there are firm foundations in place for future growth and profitability. The abrupt economic downturn, combined with changes in ownership, management, and the rapid addition 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 potential. 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 justify 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 take on 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 drawing 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 monitoring results and business development, summarized in a few "must-win battles". Our model must remain nimble in responding to opportunities and risks, and should resemble those utilized by the entrepreneurs who ran the companies before Seafire acquired them, rather than that of a single large company. However, we must, of course, make compromises regarding our control functions. 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 will be limited if we are to avoid harming 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 existing cost savings to maximize earnings leverage.

We have started the process of optimizing inventory and trade receivables and systematized our follow-up. The results of this work are apparent in a number of subsidiaries, but working capital within the Group is still too high. During 2025, we intend to strengthen our focus on targeted initiatives.

### **Stabilized markets heading into 2025**

I would like to thank the Group's employees for their wonderful 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 clear 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 proactive initiatives 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 modest one in terms of net sales and financial results and involves the 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.

### **Financial performance 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 that must be met for our listing on the Nasdaq Main Market. In terms of absolute figures, 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 improvements in financial results, cash flow and debt, we will gradually step up our focus on once again growing the Group through acquisitions, primarily with a focus on markets we already understand and favor.









I would like to thank our shareholders for their trust and support for Seafire.

Daniel Repfennig  
*Chief Executive Officer*





## Segments

Seafire operates in two business segments: Industrial components and Products.

### Industrial components

	Bara Mineraler AB is a leading supplier of products for green urban environments. The Company supplies substrates, pumice and processed plateau clay to professional growers in Northern Europe. The company is headquartered in Bara near Malmö and has 21 employees.
	Färg-In AB is a leading supplier of paint and service to the product painting industry. The company has 25 employees. Headquartered in Kristinehamn, Färg-In AB also has operations in Leksand and Skellefteå.
	Pexymek AB is a leading supplier of cable sheaths, antenna mounting hardware and cold mangles to the Nordic market. The company also offers contract production in metal machining. Headquartered in Falkenberg, the company has 15 employees.
	Thor Ahlgren AB, headquartered in Skillingaryd, supplies pressed, stamped and laser-cut metal components with high precision to leading Swedish industrial companies, mainly in the automotive industry. The company has 29 employees.
	Åkerstedts Verkstads AB develops and produces customized industrial fans. Headquartered in Kvänum, Västergötland, the company has 17 employees.
	DOFAB AB supplies doors, windows and entryways for all types of buildings, regardless of their historical period. The company has 16 employees, is headquartered in Malmö and operates in Malmö, Gothenburg and Stockholm.
	Kenpo Sandwich and its subsidiary Novasip develop and sell sandwich panels used to build chassis in the transport sector and construction elements for buildings. Headquartered in Halmstad, the company has 23 employees.
	Borö-Pannan AB produces accumulator tanks for heat pumps. With operations in Kalix, Motala and Breza, Bosnia, the company has a total of 70 employees.

### Products

	Ludafarm AB develops and sells hardware and software for the streamlining of agriculture. The company's main markets are France, Sweden, Germany and the UK. The company has nine employees and its headquarters are situated in Mölndal near Gothenburg.
	Nordbutiker AB is a leading e-commerce vendor in the Nordic region with a focus on light electric vehicles (including electric bikes) and home gym equipment. The company operates a number of e-commerce sites in all Nordic countries. The company has 26 employees and is headquartered in Norrtälje.
	SolidEngineer AB is a leading supplier of services and system solutions within CAD, simulation and PLM. The company now has 30 employees at its headquarters in Täby, near Stockholm.
	OPO Scandinavia AB designs, markets and sells designer eyewear frames under brands which include KunoQvist, F22 and STUDIO Eyewear. The company's main market is the Nordic region, but sales are growing in Central Europe. Headquartered in Malmö, the company has 19 employees.



# Strategy

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.

The business model entails a clear-cut and iron-clad acquisition strategy combined with sustainable value-creation and decentralization. Seafire always acquires a majority of the shares in any company.

Seafire creates value by being an active owner with a decentralized operational model and independent subsidiaries. Long-term strategies are partly 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.

An important driving force for Seafire's continued success is the Group companies' offer to customers, which contributes to improvement and greater competitiveness in a sustainable way.

Seafire applies a decentralized ownership model, where subsidiaries continue to operate at a high level of autonomy following acquisition by the Group. Under the Group's decentralized management model, decisions in the subsidiaries, including organizational decisions, are made by the people who run the subsidiary and have the deepest understanding of daily operations, which also creates commercial flexibility and agility among the subsidiaries. The Group imposes requirements on each subsidiary's operations, organization and management, and has clear financial and operational targets for each subsidiary that are tracked and regularly followed up. In addition, Seafire has implemented a framework and established procedures for optimal internal control and risk management throughout the Group.

Post-acquisition, the local company management and Seafire jointly prepare a long-term business plan, which is aimed at further development of the business model, rationalization and efficiency gains, product development, and sales and marketing initiatives. Seafire's contributions include the provision of expertise, access to the Group's networks, Seafire's network of outside directors, and potential acquisition financing. Benchmarking and functional collaboration are also an important part of Seafire's contribution to development of the subsidiaries.



Peter & Emma Stenberg, Pexymek

## Monitoring of financial targets

Target	Outcome
<b>Growth:</b> Annual growth above 15%, of which at least 10% is organic <b>Remarks:</b> Organic growth, excluding acquired companies, was -10 percent compared with the same period in 2023. All subsidiaries, apart from Nordbutiker and OPO Scandinavia, recorded negative growth, which is largely explained by weak development within underlying markets.	<b>-10%</b> (18%)
<b>Earnings:</b> Adjusted EBITA margin above 10% measured over a business cycle <b>Remarks:</b> Implemented cost savings did not fully offset the negative growth, resulting in reduced profitability, as the Group's operational leverage is considerable.	<b>5%</b> (7%)
<b>Capital structure:</b> Interest-bearing net debt in relation to Adjusted EBITDA of 2.0-3.25x <b>Remarks:</b> Cash flow was positive, while the reduced operating profit drove the rise in the debt ratio.	<b>3.0x</b> (2.2x)

# The share and shareholders

Traded under the SEAF ticker, the company's stock has been listed on Nasdaq Stockholm since May 11, 2023. Before this date, the shares had been listed on Nasdaq First North Growth Market since July 25, 2019. Seafire had a total of 3,456 shareholders at the end of 2024.

## Turnover

Total share turnover for Seafire in 2024 was 15 million shares (29) at an aggregate value of SEK 84 million (331). The average daily turnover was 59,351 shares (116,058).

## Price performance

Based on the last price paid on December 30, 2024, SEK 5.56, the Group's market capitalization was SEK 238 million (320). The share price fell by 25% during the year, while the OMXSPI total index rose by 6%. The highest closing price during the year, SEK 7.76, was recorded on January 12, 2024. The lowest closing price was SEK 4.66, recorded on February, 26 2024.

## Shareholder composition

As of December 31, 2024

Owners	Share of capital and voting rights
Creades	19.0%
Protector Forsikring	16.9%
Kenneth Lindqvist	10.7%
Avanza Pension	7.9%
Ica-handlarnas Förbund Finans	3.5%
Swedbank Robur Fonder	2.9%
Johan Bennarsten	2.9%
NEA Partners	2.8%
Håkan Roos (RoosGruppen)	2.2%
Tord Lendau	2.1%
Other	29.1%
<b>Total</b>	<b>100.0%</b>

## Seafire share performance 2020-2024





# Board of directors' report

The Board of Directors and CEO of Seafire AB (publ), corporate ID number 556540-7615, domiciled in Stockholm, Sweden, hereby present the annual report and consolidated accounts for the financial year January 1, 2024 to December 31, 2024.

## Operations

Seafire is a corporate group founded in 2016 with the aim of creating growth by acquiring profitable companies and further developing them through active and long-term ownership. Seafire AB (publ) is a limited liability company registered in Sweden. Shares in the Parent Company have been listed on Nasdaq Stockholm since May 11, 2023.

Seafire creates value by being an active owner with a decentralized operational model and independent subsidiaries. The long-term strategies are based on developing the business model and widening the market along with service and product development. Strategies are implemented alongside new initiatives within sales and marketing. This boosts the growth, profitability, and strategic value of the acquired companies. Seafire always acquires a majority of the shares in any company.

Geopolitical unrest and higher inflation impacted performance during the year and entailed uncertainty concerning Seafire's financial performance in 2025. The effect on subsidiaries varies, as they operate in different segments, industries, and geographies. Based on the business model that entails decentralized responsibility for financial performance, the companies make their own decisions and adjustments to current circumstances.

## Net sales and profit

Consolidated net sales amounted to SEK 905 (1,000) million in 2024, a decrease of 10 percent. The decrease is attributable to the current recession, which has seen

a reduction in demand for the products of subsidiaries. Organic growth was -10 percent.

For FY 2024, operating profit (EBIT) was -105 (13) million, and earnings before amortization of intangible assets (EBITA) amounted to SEK 42 (81) million. Items affecting comparability of SEK 0 (18) million affected the EBITA outcome. Profit/loss after tax amounted to SEK -134 (-73) million.

Net finance costs 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 was SEK 1 (5) million. The decrease in interest expenses is primarily attributable to the refinancing from bond loans to bank loans.

## Balance sheet

At year-end, consolidated total assets were SEK 1,154 (1,339) million. Equity amounted to SEK 583 (717) million. The equity/assets ratio was 51% (54) as of December 31, 2024.

Consolidated non-current assets amounted to SEK 762 (908) million at year-end. The total is distributed as follows: intangible assets, SEK 583 (725) million; property, plant, and equipment, SEK 138 (141) million; right-of-use assets attributable to IFRS 16, SEK 38 (38) million; and deferred tax assets, SEK 0 (0). Impairment of goodwill largely explains the decrease in intangible assets.

Other financial assets amounted to SEK 3 (4) million. Current assets amounted to SEK 392 (431) million at year-end, of which SEK 198 (230) million comprised inventory. Trade receivables amounted to SEK 78 (92) million as of the reporting date.

## Financial performance

SEK million	2020	2021	2022	2023	2024
Net sales	173	362	851	1,000	905
Growth, %	27%	110%	135%	18%	-10%
Operating profit (EBIT)	14	15	81	13	-105
EBITA <sup>1</sup>	21	23	101	81	42
EBITA margin, %	12%	6%	12%	8%	5%
Net debt/Adjusted EBITDA, times <sup>2</sup>	3.0	4.0	1.7	2.2	3.0
Profit/loss after tax <sup>3</sup>	-3	-13	14	-73	-134
Basic earnings per share, SEK	-0.29	-0.92	0.49	-1.72	-3.12
Diluted earnings per share, SEK	-0.29	-0.92	0.47	-1.72	-3.12
Average number of shares after dilution (thousand)	9,699	14,174	30,805	43,725	43,725

<sup>1</sup> Alternative performance measures. See Note G30 for reconciliation with financial statements in accordance with IFRS.

<sup>2</sup> Excluding granted tax deferral

<sup>3</sup> Key figures including discontinued operations

## Cash flow and investments

Cash flow from operating activities in 2024 amounted to SEK 36 (12) million before changes in working capital, and SEK 45 (80) million after changes in working capital. The change is explained by a reduction in capital tied up in inventory and changes in trade receivables. Cash flow from investing activities amounted to SEK -14 (-92) million, while cash flow from financing activities amounted to SEK -18 (-410) million. The changes are primarily attributable to the fact that the comparative period was affected by a new share issue, bond redemption and new bank borrowings. Total cash flow in 2024 amounted to SEK 11 (-422) million.

Consolidated investments in intangible assets and property, plant, and equipment totaled SEK 16 (11) million in 2024. Investments in business combinations amounted to SEK 0 (81) million in 2024. The Group did not capitalize any significant development costs in 2024.

## Financial position

Interest-bearing liabilities amounted to SEK 233 (234) million and, including lease liabilities, to SEK 272 (271) million at the end of 2024. Of the liabilities, SEK 233 (234) million were liabilities to credit institutions and SEK 38 (37) million were lease liabilities. Contingent considerations amounted to SEK 0 (12) million, of which contingent considerations due within 12 months amounted to SEK 0 (5) million. Temporary tax-payment respite amounted to SEK 85 (92) million, which must be repaid by the end of 2027. Cash and cash equivalents amounted to SEK 57 (46) million at the end of the period. The Group's net debt, as defined in order to calculate the bank loan's covenant, thus amounted to SEK 215 (230) million, while net debt/adjusted EBITDA R12 pro forma amounted to 3.0x (2.2x). Total net debt, including leases, all contingent considerations and temporary tax-payment respite, amounted to SEK 300 (329) million.

The Board of directors has assessed the Group's financial position and its capacity to meet its obligations. In the Board's judgment, the Group's expected earnings capacity in 2024 provides Seafire with favorable conditions for exploiting future business opportunities. The Board has also concluded that there is access to external financing if the need should arise during the next 12 months.

## Significant events during the financial year

### Appointment of new CEO

On April 12, 2024, Seafire announced that the Board of Directors had decided to appoint Daniel Repfennig as the new CEO. Daniel Repfennig took up the role on August 1, 2024. Profit in 2024 was reduced by recruitment costs of SEK 1 million.

### Goodwill impairment

Seafire recognized a goodwill impairment of SEK 122 million in 2024 due to inadequate profitability, challenging market conditions and a change in the interest rate situation for the subsidiaries Borö-Pannan, Kenpo Sandwich and Thor Ahlgren.

## Significant events after the financial year

No significant events have occurred since the end of the financial year.

## Outlook

Seafire's objective is to generate value growth through organic growth in portfolio companies and acquisition of new companies with sustainable business models. The companies that Seafire acquires have stable positions in niche markets and stable cash flows. Seafire's main geographical market is Sweden, where conditions for further acquisitions and expansion are favorable. Seafire is leveraging a diversified company portfolio with operations in numerous sectors to create an industrial group with a good spread of risk. As a result of the diversified company portfolio, Seafire's development correlates with Sweden's economic development.

## Group risks and uncertainty factors

### Macroeconomic factors

The business units within the Group operate in a number of different sectors. Seafire is dependent on the success of and demand for the products and services produced and supplied by the business units, which are in turn dependent on a range of factors, including functionality, price and market demand in general. Macroeconomic factors beyond Seafire's control have significant impact on this demand.

Goodwill has been tested for impairment, resulting in the recognition of impairment losses. See Note G12 for more information. The Board of Directors assists the 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.

### *Risks relating to the armed conflict in Ukraine and the conflict in the Middle East*

The effects of the war in Ukraine and subsequent increases in the price of input goods have, to a certain extent, impacted demand for goods and services supplied by Seafire's subsidiaries. The impact of the economic slowdown has been felt most severely by Seafire's subsidiaries whose business is consumer-oriented. Further weakening of the economy could cause a significant adverse impact on the company's business, financial performance and financial position.

The conflict in the Middle East has no direct impact on Seafire's business, but the conflict could indirectly affect Seafire if supply chains were to be disrupted and input goods delayed and/or rendered more expensive.

### Risks related to company acquisitions and transfers

Growth through acquisitions that either complement or broaden the Group's existing holdings is an essential component of Seafire's strategy. There is a risk that the company will not be able to identify suitable acquisition targets or carry out acquisitions on acceptable terms. Business combinations are, moreover, associated with risks in relation to the acquired entity. The target company could, for example, suffer customer losses or encounter regulatory challenges or unexpected expenses after closure of the acquisition. This could require additional capital injections or mean that the expected return does not materialize. Finally, there is a risk that the goodwill that arises in conjunction with acquisitions may need to be written down if the target company's long-term earning power deteriorates significantly.

### Operational risk

All commercial activity in the Group's business units is associated with risk of loss due to inadequate procedures. Irregularities and/or other internal or external events could also cause disruptions or harm the business.

Several of the subsidiaries are dependent on operating locations or distribution and warehouse facilities. If such an operating location or facility were to be destroyed or shut down for some reason, such as a storm, flood, other natural disaster, riot, blockade or strike, fire, sabotage, terrorist attack, or government intervention, or if operating equipment or inventory were to be significantly damaged, the affected business unit would

probably experience difficulties distributing its products or services.

### Financial risk

Seafire is primarily exposed to financial risk in terms of changes in enterprise value and liquidity risk. Seafire's future financial performance is largely dependent on the success of the underlying companies, which is itself dependent on a range of factors, including how successfully company management teams and Boards are able to develop the companies and carry out value-creating initiatives. As a proportion of revenue is generated by exports, the company is exposed to risks related to exchange rate fluctuations. There are also risks relating to purchases of electronic components from countries other than Sweden. The risks arise upon translations generated by sale and purchase transactions. The Group's financial activities and management of financial risks are centralized on Group management. The aim is to minimize the Group's cost of capital by means of suitable financing and to effectively manage and control the Group's financial risks. See Note G2.

### Disputes

There is risk that the Group will become involved in future disputes. The outcome of such potential disputes could lead to significant costs being incurred and divert executive resources from other activities.

### Altered legal circumstances

Laws, directives, and regulations or new interpretations of thereof, which affect the business may be adopted from time to time which could, for example, entail higher administrative costs for the Group that ultimately affect shareholder return, force the Group to make changes to its legal structure, or require the modification or elimination of service or product offerings.

This could entail increased costs or other disadvantageous consequences, such as a poorer tax situation or reduced sales revenues, for the company or its shareholders. Such risks could have an adverse impact on the Group's business, financial performance and financial position.

### Product liability and recalls

Some Seafire subsidiaries manufacture products which, if used improperly, could cause personal injury and/or material damage to customers. This could expose the subsidiaries to product liability and product recalls if use of the relevant company's products causes, is claimed to cause, or is feared to cause, personal injury or material damage. There is risk that defects in the Group's products or erroneous use of the products could lead to product liability and potentially lead to financial obligations and negative publicity, which could have an adverse impact on the Company's financial position and performance. Seafire carries customary liability and product liability insurance, but there is risk that the protection the Group obtains through the insurance policies will be limited due to compensation caps, for example.

### Parent Company risks

Through its ownership of shares in the subsidiaries, the Parent Company is indirectly exposed to the same risks as the Group.

## Environmental impact

The Group has limited impact on the environment, primarily in connection with the transportation of



products, business travel, and waste management. Subsidiary operations are based on the Group Environmental Policy.

## Employees

A company's potential for success is primarily dependent on its employees. At the end of the year, Seafire had 302 employees, of whom a quarter were women. Many of the employees have worked for their respective companies for many years and their collective skills and experience are vital to the Group. Advanced training and skills development are high-priority issues in order to attract and retain employees, and Seafire is working actively to meet needs on an ongoing basis. This includes offering advanced training and coaching to senior executives.

## Ownership structure

Seafire has been listed on Nasdaq Stockholm since May 11, 2023. Creades is Seafire's largest shareholder and held 8,118,751 shares as of December 31, 2024, corresponding to 19.0% of the total number of shares in Seafire. Seafire's second-largest shareholder is Protector Forsikring, which owned 16.9% of the shares as of December 31, 2024. Kenneth Lindqvist is Seafire's third largest shareholder, with a shareholding corresponding to 10.7% as of December 31, 2024. No other shareholders owned 10% or more of shares outstanding on the reporting date. See page 6 for more information about Seafire's stock.

## Dividends

A resolution concerning dividends will be adopted at the next Annual General Meeting. The Board of Directors

has proposed that no dividend be paid for the 2024 financial year.

## Parent Company

Net sales in Seafire AB (publ) in 2024 amounted to SEK 18 (21) million. Other external expenses amounted to SEK -9 (-18) million and personnel costs were SEK -11 (-16) million. EBIT (operating profit after depreciation, amortization and impairment) amounted to SEK -2 (-13) million, while the operating loss after net finance income was SEK -58 (-127) million. The loss for the year was SEK -54 (-107) million.

## Proposed allocation of profit or treatment of loss

### Funds at the disposal of the Annual General Meeting (SEK):

Share premium reserve	880,910,739
Retained earnings	-234,765,709
Loss for the year	-54,179,034
<b>Accumulated earnings</b>	<b>591,965,996</b>

### The Board of directors proposes that funds be allocated as follows:

Total carried forward	591,965,996
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# Sustainability at Seafire\*

\*Pages 13-20 make up the statutory sustainability report.



Using Ludafarm's products, farmers are able to monitor their pastures and green areas, even if they are situated far from a wireless network.

## The sustainability year in brief

- Bara Mineraler invested in a new clay-drying facility, which will reduce both energy costs and environmental impact.
- Kenpo Sandwich ensured a good working environment through the CE-marking of components in its production equipment
- Seafire's network for employees within various professional groups continued their discussions relating to resource efficiency and business planning
- A Group-wide employee survey was conducted for the first time, which provided valuable information for continuing professional development at Seafire.

## Sustainability at Seafire

Seafire owns Swedish companies whose main operations are based in Sweden, but with customers, suppliers and partners globally. Our value creation is based on an active owner strategy combined with a decentralized operational model and independent subsidiaries. Long-term strategies are formulated for each subsidiary, based on the development of their business models, market expansion, and service and product development. These strategies are implemented in conjunction with new initiatives within marketing and sales and thereby generate growth, profitability and strategic value within our subsidiaries.

Sustainability constitutes an integral component in Seafire's operations, and our subsidiaries continually strive to develop sustainable solutions for our customers, which in turn boosts our competitiveness. We consider sustainability to be a pivotal aspect of the acquisition of subsidiaries, as sustainability factors can have both direct and indirect effects on the value and profitability of a company. These factors are therefore taken into account in our acquisition decisions.

Seafire has developed a stakeholder analysis to clarify the core issues of importance to Seafire's stakeholders. Below are the areas which our stakeholders consider most important, and which form the basis for the areas that Seafire prioritizes in its work on sustainability. By including a range of stakeholders, we gain different perspectives on how our activities affect others and can thus more easily obtain a holistic view of our impact on the surrounding environment. Our dialog process has so far been relatively informal, but it will be formalized in the future. The stakeholder analysis is continuously updated following new dialogs which have resulted in new core issues.



DOFAB offers custom-made doors and windows with high energy ratings.

Stakeholder group	Dialog method	Core issues
Customers	Face-to-face meetings Customer surveys Round table discussions	Innovation Working conditions Human rights
Suppliers	Face-to-face meetings	Business ethics Customer satisfaction Partnerships Climate impact
Employees	Daily dialog at workplaces Performance and career development review Employee survey	Gender equality Working conditions Skills development Climate impact
Community	Dialog with authorities Dialog with local communities	Business ethics Contribute to the local community Safe workplaces
Owners	Annual General Meeting Analyst meetings Individual meetings with major shareholders	Earnings trend Human rights Climate impact Sustainable business models



## Opportunities

The Group's product catalog includes companies with a wealth of business opportunities linked to a greener transition in society. Read about some examples below



Luda.farm offers digital monitoring for farmers to simplify their working day



Kenpo Sandwich offers lightweight sandwich panels for reduced carbon dioxide emissions within transport and the construction industry



Bara Mineraler works to develop sustainable solutions for planting and cultivation, an important part of future cities.



Borö-Pannan develops and manufactures components for heat pumps, which are expected to play an important role in the green transition of society's energy supply.

## Risks

Seafire's activities are mainly linked to what are known as 'transition risks', i.e. risks related to the transition toward achieving the new Sustainable Development Goals. These include higher production costs (resulting from the introduction of a carbon tax, switching suppliers or increasing the price of raw materials) and the costs involved in switching to climate-friendly technologies.

The Group works actively to reduce our dependence on climate-sensitive raw materials and improve the efficiency of our energy and water consumption. We are also looking at measures to improve our production and distribution, including investing in more sustainable practices. By proactively addressing climate-related issues, we aim to minimize the risk of cost increases and disruptions to our operations.

When the requirements for sustainability reporting increase, there is a risk of misunderstanding the new requirements or not having time to implement the required processes based on them. We are therefore closely monitoring developments regarding the standards. A couple of Seafire's subsidiaries carry out notifiable environmentally hazardous operations and must comply with the relevant laws and regulations. No fines related to environmental issues were incurred in 2024.

Some Seafire subsidiaries source products and components from producers in Eastern Europe and Asia. These geographies might pose an increased risk of human rights violations in the supply chain. The Group works continuously in a structured manner to mitigate these risks by setting requirements for its suppliers and engaging in dialog with them. We also have a sub-subsidiary operating in Bosnia, a country with an increased risk of bribery. We manage this by staying in regular contact with the site manager, adopting a clear position regarding bribery and making site visits.

## Focus areas

The outcome of the stakeholder and risk assessment from 2023 resulted in a number of focus areas from the UN Sustainable Development Goals. These goals have been selected based on where we believed, and still believe, we have the greatest opportunity to make an impact.



### Focus area 1 – Gender equality

The gender distribution of the Group shows a predominance of men. We believe that workplaces benefit from a variety of backgrounds and perspectives and are aiming for a balanced representation of genders and nationalities. Women's leadership, both on the Board of directors and in management, is something we make particular efforts to encourage.



### Focus area 2 – Employees

Employees are our most important asset in terms of ensuring solid financial performance. This means that we focus on the well-being, security and development of our employees. We help managers evolve and invest in developing the skills of our employees.



### Focus area 3 – Upgrading industry for greater sustainability

Seafire has domestic industrial operations and strives to reduce our dependence on climate-sensitive raw materials and to make our energy and water consumption more efficient. We will undergo the applicable ISO certification processes and review opportunities to improve our production and distribution.



### Focus area 4 – Emissions and energy consumption

It is obviously also important for us to reduce our carbon footprint and achieve net-zero emissions by 2045 to limit global warming. We are working on establishing processes and procedures to ensure accurate measurement of emissions, as well as on working methods to achieve the net-zero target.



### Focus area 5 – Sustainable value chain

Responsible purchasing is important in order for us to promote sound business ethics, good working conditions linked to human rights and anti-corruption measures. For this reason, we want to focus on constantly increasing purchases from certified suppliers or otherwise using only trusted suppliers.



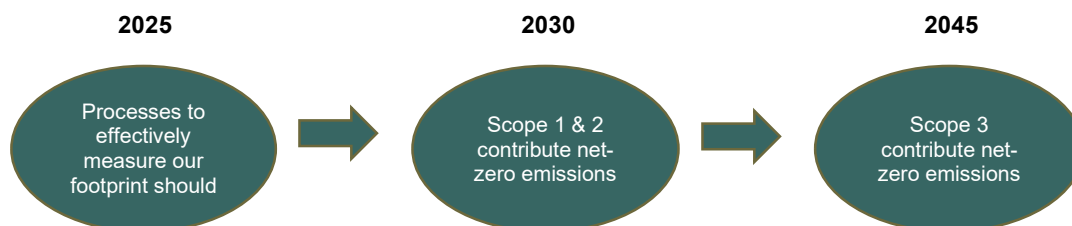
Image above: Horticultural substrates from Bara Mineraler.

Image on the left: OPO Scandinavia's eyeglass frames under the KunoQvist trademark.

## Area: Environmental

### Group-wide objectives

Seafire's clear objective is to reduce our emissions in line with the Paris Agreement and thus contribute to achieving the Sustainable Development Goals:



### Where we are today

#### Subsidiary level

Some of our subsidiaries have environmental aspects as pivotal parts of their decision-making processes and work strategies. These companies have already integrated sustainability in their operations, actively work to reduce their environmental impact and are at the forefront of the Group. However, there are some subsidiaries which are in need of additional support and training in order to effectively implement sustainability principles within their daily operations. We believe that this is an important part of our overarching strategy to ensure that all our entities become more aware of and engaged in environmental issues.

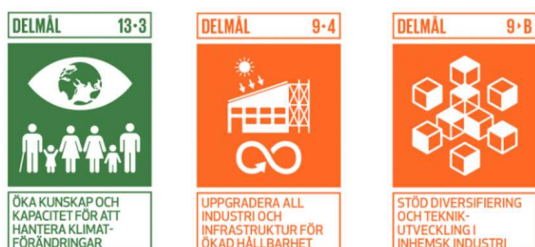
#### Group level

All subsidiaries measure and report the data requested by the Group based on the key figures and targets that were adopted in 2023 and have applied to 2024. The transparency and quality of reported figures have improved during 2024, which explains the increase from last year. However, we are working to efficiently collect Scope 3 data, which are currently not as reliable as we would like. Within the Group, we have established an effective reporting process which enables the thorough and transparent measurement of sustainability data. We use a reliable, market-leading tool which is tailored to convert the collected data to precise emission levels. This tool enables us to not only monitor our progress and identify areas for improvement, but also to ensure that we achieve our sustainability targets and obligations.

### Policy documents and monitoring

The pivotal policy document for the "Environmental" area is Seafire's sustainability policy. This policy defines the framework and minimum requirements for the sustainability work at both parent company and subsidiary level. Among other things, the document makes it clear that the subsidiaries must carry out sustainability analyses based on their specific operations, and that they must measure and follow up quantifiable indications and evaluate the processes that are implemented. As and when necessary, the companies are also expected to develop their own relevant policy documents which strengthen and support their sustainability initiatives. This structure ensures a coherent and effective approach to environmental sustainability throughout the Group.

See page 19 for targets and follow-up of key figures for the "Environmental" area. Our work in this area focuses on contributing to the following UN Sustainable Development Goals:





## Area: Social

### Sustainable organizations within Seafire

Seafire's most important asset is its employees. Our decentralized management model aims to maintain commitment, entrepreneurial spirit and accountability within the subsidiaries. As a result, we believe in internal recruitment, not only to offer our staff new career opportunities and skills development, but also to retain talented employees within the Group.

Our subsidiaries currently monitor employee satisfaction through performance reviews and, as our companies are relatively small in size, it is feasible to implement these with the entire workforce. Seafire annually evaluates key figures related to employee turnover, sick leave, etc. Regular employee surveys are also carried out in order to more systematically obtain the views of employees.

### Safe workplace

Seafire aims to provide a safe and secure working environment for all its employees. It is important that we investigate all deviations relating to the working environment as soon as possible, so that we can make changes.

A whistleblowing function is available on Seafire's website, and we follow up on all incidents reported there. All subsidiaries also have a formalized process for reporting accidents and incidents in their operations, which is an important step if Seafire is to discover such incidents.

### Gender equality

Most of our subsidiaries operate in male-dominated industries in which Seafire can make a difference to diversity and gender equality. We are convinced that diverse teams are an important part of establishing a better working environment and contributing to success; hence, we see employees from different backgrounds as being a crucial element of achieving sustainable organizations.

The companies work continuously to ensure that all processes are free from direct and indirect discrimination, from recruitment and salary determination to the working environment. Our companies often use external recruitment services with expertise and experience in unbiased and inclusive recruitment. We have a long way to go, but we are aiming for an equal gender distribution.

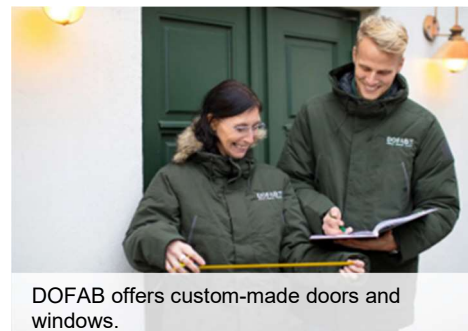
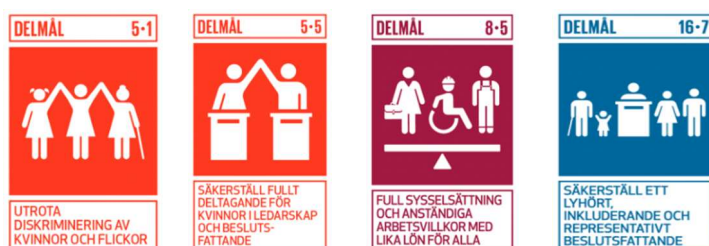
Human rights are a core issue for our owners and customers and are an aspect we consider to be crucial, as we work with suppliers globally. Human rights are addressed in our Code of Conduct for suppliers, which we are trying to reach out to an increasing number of suppliers. This is an item to be checked off the list when evaluating new suppliers and must be included in their contracts. Some subsidiaries monitor and inspect supplier workplaces. The Group is following the work of the Human Rights Due Diligence framework, including what it will entail and how it can help us improve our processes.

### Policy documents and monitoring

Along with our HR Policy, the Code of Conduct is the main policy document for social sustainability. Within the Group, requirements are also imposed concerning additional policy documents adapted to each subsidiary's operations, such as a staff manual for each subsidiary.

See page 19 for targets and follow-up of key figures for the "Social" area.

Our work relating to the 'Social' area focuses on contributing to the following UN SDG targets:



## Area: Governance

Seafire works on the basis of internal policy documents such as the Code of Conduct, sustainability policy, guidelines, etc., with the Group-wide goal being for our subsidiaries to have also implemented these in their operations. The CEO and the management of each company have operational responsibility for their sustainability efforts, and each Board is ultimately responsible for ensuring that the company complies with existing guidelines and policies. The main policy documents for our focus areas and the results of these documents are presented below. Performance is mainly monitored by means of key performance indicators, but also through meetings with the CEO and the management of each company.

Focus area	Policy documents	Desired outcome of policy documents
<b>Gender equality</b>	<ul style="list-style-type: none"> <li>• HR Policy</li> <li>• Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• More equal distribution of women/men in leadership and overall in the Group.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• HR Policy</li> <li>• Code of Conduct</li> <li>• Staff Manual</li> <li>• Incentive program</li> </ul>	<ul style="list-style-type: none"> <li>• Lower number of incidents at work</li> <li>• Lower employee turnover rate</li> <li>• Less sick leave</li> </ul>
<b>Sustainable value chain</b>	<ul style="list-style-type: none"> <li>• Code of Conduct for suppliers</li> <li>• Supplier and customer contracts</li> </ul>	<ul style="list-style-type: none"> <li>• No bribery, corruption or other breaches of the Code of Conduct.</li> </ul>
<b>Emissions and energy consumption/Upgrading industry for greater sustainability</b>	<ul style="list-style-type: none"> <li>• Sustainability policy</li> <li>• Local policies</li> </ul>	<ul style="list-style-type: none"> <li>• Applicable ISO certifications</li> <li>• Work on local sustainability strategies and targets under way</li> <li>• Group transitioning to electricity with Good Environmental Choice classification</li> </ul>

### Code of Conduct and whistleblowing function

Our Code of Conduct constitutes a pivotal tool for establishing ethical guidelines within the Seafire Group. As all employees participate and are familiar with these guidelines, we are able to delegate tasks and authorities in a responsible manner. This is crucial in maintaining our momentum and ensuring further progress. When responsibility is delegated, we know that the business is being run correctly, as all employees act on the basis of the joint principles set out in our Code of Conduct.

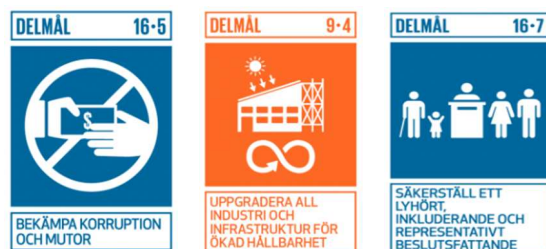
To further support this culture of transparency and accountability, we have a whistleblowing function. This function enables employees and other stakeholders to report incidents or irregularities which are in breach of our Code of Conduct, completely anonymously. This reporting channel is presented to all new employees, consultants and Board members as part of the onboarding process to ensure that everyone is aware of the opportunity to report breaches. We take all reports that are received very seriously and ensure that every incident is followed up thoroughly, which further reinforces our engagement for ethical entrepreneurship and a transparent working environment. Together, we are building a culture where we act with integrity and responsibility, which is fundamental to our long-term success.

### Seafire ESG

To encourage its subsidiaries to make changes, Seafire presents the annual 'Seafire ESG' award to recognize their commitment to sustainability. The award is important in terms of recognizing good performance in this area within the Group and inspiring other subsidiaries. The most recent winner of the award was Pexymek, who, following the arrival of a new CEO and a change of ownership, has managed in a short time to achieve ISO certification, improve its processes and develop a clear sustainability focus.

See page 20 for targets and follow-up of key figures within the "Governance" area.

Our work in this area focuses on contributing to the following UN Sustainable Development Goals:



# Key figures and monitoring

	Targets	2024	2023
<b>Gender equality</b>			
Percentage of women on the Group Board of directors (%)	40-60	25	33
Percentage of women on the Boards of subsidiaries (%)	40-60	5	4
Percentage of women in subsidiary management teams (%)	40-60	29	27
Percentage of women among all employees (%)	40-60	24	20
<b>Employees</b>			
Employee turnover rate (%)	<10	13	12
Percentage of sick leave (%)	<10	4	4
Number of incidents reported	0	12	21
Number of reported incidents leading to absence	0	1	14
<b>Sustainable Value Chain</b>			
Percentage of employees who have signed the Code of Conduct (%)	100	76	65
Percentage of employees who have access to the whistleblowing function	100	100	100
Number of incidents reported using the whistleblowing function	-	2	0
Percentage of companies whose main suppliers have signed the Code of Conduct (%)	100	39	39
Percentage of companies that measure purchases from certified suppliers (%)	100	15	15
Number of cases of bribery, corruption or human rights violations	0	0	0
<b>Emissions and energy consumption/Sustainable industry</b>			
Percentage of ISO-certified companies in the Group (%)	100	54	54
Percentage of electricity consumed that is renewable (%)	100	78	49
Percentage of companies that have mapped their climate impact (%)	100	31	31
Percentage of companies that have a process in place for measuring and working to reduce waste and increase recycling (%)	100	62	62
Percentage of companies that have established individual objectives and work plans in line with the Group's guidelines (%)	100	0	0
CO <sub>2</sub> e emissions for Scope 1 (tonnes)*		111	128
CO <sub>2</sub> e emissions for Scope 2 (tonnes) according to the Market Based Measures methodology		245	208
Energy intensity (MWh/SEK m net sales)*		5.05	4.61
Carbon dioxide intensity (total CO <sub>2</sub> e/sales SEK m)*		0.39	0.34



## Corporate governance report

Seafire AB (publ) is a Swedish public limited company, whose shares are traded on Nasdaq Stockholm. Seafire's registered office is situated in Stockholm, with the company's head office located at Mäster Samuelsgatan 9, 111 44 Stockholm

Responsibility for corporate governance in the form of management and control of the Group is shared between the shareholders at the general meeting, the Board of Directors with its committees, and the CEO. Seafire applies both external and internal governance instruments to ensure good corporate governance. External governance instruments include the Swedish Companies Act, the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (the Code). Internal policy documents include the Articles of Association, the Board's rules of procedure and instructions for the CEO, the Audit Committee and the Remuneration Committee.

There have been no reported breaches of applicable stock exchange or marketplace regulations or contraventions of good practice in the securities market concerning the Company.

The structure and governance that Seafire applies is described below.

### 1. Shares and shareholders

The number of shares on December 31, 2024 amounted to 42,846,569, with the shareholders consisting of institutional owners, members of Seafire's Group management and a large number of private investors. There is only one class of shares, with equal voting rights and equal entitlement to the Company's profits and capital. The Company's ten largest shareholders as of December 31, 2024 are as follows:

Owners	Share of capital and voting rights
Creades	19.0%
Protector Forsikring	16.9%
Kenneth Lindqvist	10.7%
Avanza Pension	7.9%
Ica-handlarnas Förbund Finans	3.5%
Swedbank Robur Fonder	2.9%
Johan Bennarsten	2.9%
NEA Partners	2.8%
Håkan Roos (RoosGruppen)	2.2%
Tord Lendau	2.1%
Miscellaneous	29.1%
<b>Total</b>	<b>100.0%</b>

### 2. General meeting of shareholders

The general meeting of shareholders is Seafire's highest decision-making body. The general meeting is a forum for shareholders to exercise their influence over the Company. The ordinary general meeting, Seafire's annual general meeting, is held annually within six months from the end of each financial year. The AGM Resolutions on the following matters are adopted at the annual general meeting: adoption of Seafire's and the Group's income statement and balance sheet, appropriation of profit/loss for the year, election of Board members, discharge from liability for the Board and CEO, election of the auditor, Board fees, auditor's fees, guidelines for remuneration of senior executives,

any share-based incentive programs and other matters pursuant to the Swedish Companies Act. Decisions are also normally made about resolutions regarding authorization of the Board to decide on new share issues. Notice of the AGM must be given in accordance with the Articles of Association. Extraordinary General Meetings may also be held in addition to the AGM.

Shareholders wishing to participate in a General Meeting must be listed as a shareholder in a printout or other presentation of the entire share register relating to the circumstances six banking days prior to the General Meeting, and must notify Seafire of their intention to participate no later than the date stated in the notice. This date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday prior to the General Meeting. In order to participate in a General Meeting, persons owning nominee-registered shares must, in addition to giving notice of participation, register the shares in their own name so that they are listed as a shareholder in the share register no later than four banking days before the General Meeting. Shareholders wishing to be registered as entitled to vote should notify their nominees in good time before this date. Shareholders may attend the AGM in person or by proxy and bring no more than two advisors.

#### 2024 Annual General Meeting

Resolutions at the AGM held on April 24, 2024 at Cecil Coworking, Norrlandsgatan 10 in Stockholm, included election of the Board and auditor and the carryforward of profit for 2023. The AGM also resolved to authorize the Board to decide on new share issues corresponding to not more than the number of shares permitted under Seafire's Articles of Association. Minutes of the AGM are available at [www.seafireab.com](http://www.seafireab.com).

#### 2025 Annual General Meeting

Seafire's 2025 AGM will be held on Thursday, April 24, 2025 at Advokatfirman Lindahl, Norrmalmstorg 14, in Stockholm. Notice of the meeting, including the agenda, is available at [www.seafireab.com](http://www.seafireab.com)

### 3. Nomination Committee

The Nomination Committee consists of the Company's Chairman of the Board and a representative of each of the three largest shareholders as of September 30, 2024. The Nomination Committee's duties include preparing a decision-support material for election of Board members, the Chairman of the Board and the auditor, and their associated remuneration. The Nomination Committee prior to the 2025 AGM consisted of Daniel Albin (Creades), Jonas Backman (Protector Forsikring), Roger Lindqvist (Kenneth Lindqvist), and the Company's Chairman of the Board Anders Hillerborg. Daniel Albin is Chairman of the Nomination Committee.

As part of process of drawing up proposals for the 2025 AGM, the Nomination Committee held one minuted meeting. In its work, the Nomination Committee took into account the requirement to strive for an equal gender balance on the Company's Board. The Nomination Committee applies Rule 4.1 of the Swedish Corporate Governance Code as its diversity policy when preparing its proposal for the election of Board members. The Nomination Committee has presented its

Board proposals for the 2025 AGM in the notice of the meeting and on [www.seafireab.com](http://www.seafireab.com).

The Nomination Committee's proposals for the 2025 AGM and an account of the work of the Nomination Committee are available in the notice of the 2025 AGM and on Seafire's website.

Proposals for the 2025 AGM include a resolution to authorize the Board of Directors to decide on a share issue. The proposal is presented in full in the Notice of the 2025 AGM, which is available on Seafire's website.

4. Board of Directors

In accordance with Seafire's Articles of Association, the Board must consist of a minimum of three and a maximum of eight members. The Articles of Association do not contain any provisions concerning the appointment and dismissal of Board members, or amendments to the Articles of Association. Board members and the Chairman of the Board are elected by the AGM.

The Board is responsible for the Company's organization and managing the Company's affairs in the interests of the Company and all shareholders, and for promoting and safeguarding a sound corporate culture. The Board's responsibilities and work are governed by external laws and rules, as well as internal policy documents, including Seafire's Articles of Association and the rules of procedure for the Board. The AGM can also issue instructions with which the Board must comply.

The rules of procedure for the Board describe the Board's tasks and responsibilities, the work of the Board, including the responsibilities of the Chairman, and the tasks that have been delegated to the Board's committees, and set an annual calendar for the Board's meetings. The rules of procedure are reviewed and adjusted annually or when necessary. In accordance with the rules of procedure, the Board must meet on at least six occasions per year, in addition to the inaugural Board meeting.

The Board fees are determined at the AGM. The fees for 2024 were SEK 165 thousand for non-executive Board members and SEK 220 thousand for the Chairman of the Board.

The Board has, among other things, issued instructions for the CEO, which include a specification of matters requiring the approval of the Board, and instructions on financial reporting to the Board.

Independence

The Board is considered to fulfill the requirements for independence under the Code that a majority of the Board members are independent of the Company and its management and at least two of its members are also independent of the Company's major shareholders (see the Board presentation below).

The work of the Board in 2024

The CEO, CFO and business area managers attend Seafire's Board meetings in a reporting capacity. Other employees attend when necessary. During the year, the Board held six ordinary and nine extraordinary meetings (including Board resolutions by circulation). Board members were present at Board meetings as listed below.

Board member	Number of meetings
Anders Hillerborg	15/15
Marcus Söderberg	15/15
Stina Wollenius	14/15
Sonny Mirborn (elected April 24, 2024)	9/9

Between Board meetings, regular contact has taken place between the Company, its Chairman and other Board members. The members have been provided with important information about the Company and the business on a continuous basis.

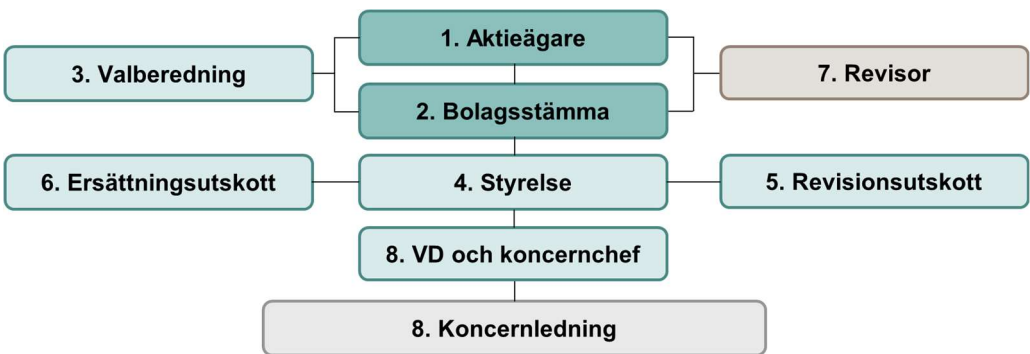
During 2024, the work of the Board included the following:

- Appointment of new CEO
- Approval of financial statements
- Ongoing strategic work and evaluation of financial performance
- Work relating to the measurement of goodwill and analysis of impairment tests

Evaluation of the work of the Board

The Chairman of the Board is responsible for annually evaluating the work of the Board with the aim of developing its procedures and effectiveness. The results of this evaluation are communicated to the Board and reported to the Nomination Committee.

Seafire's corporate governance structure



## Members of the Board of Directors



**Anders Hillerborg**, born 1982  
Chairman of the Board since 2024



**Marcus Söderberg**, born 1983  
Board member since 2022

Shareholding <sup>1</sup>	128,840	43,060
Other assignments	Investment manager at Creades AB (publ)	Group CFO of Herenco AB.
Background	Equity research analyst and partner at ABG Sundal Collier. Board member of INET Group AB, Chassi Group and Global Batterier AB. M.Sc., Stockholm School of Economics.	CFO of BUFAB, Chairman of the Board and CEO of Bufab International AB. Auditor at EY, many senior roles within Bufab, including Finance Manager. Master of Economic Sciences, Växjö University.
Independent of the Company	Yes	Yes
Independent of major shareholders	No	Yes



**Stina Wollenius**, born 1979  
Board member since 2023



**Sonny Mirborn**, born 1980  
Board member since 2024

Shareholding <sup>1</sup>	10,000	20,692
Other assignments	Owner and Board member of Wos Invest AB and owner and Chairman of the Board of Glasgruppen i Sverige AB. Chairman of the Board of Svensk Pånglasförening, Produktionslyftet and member of Glass for Europe's sustainability committee.	CEO at Xpartners Samhällsbyggnad AB
Background	CEO and entrepreneur within building construction and as a management consultant. CEO of Glasgruppen AB and AB Klaes Jansson.	Head of business unit at Addtech, where he was responsible for Energy Products, Investment manager at Nordstjärnan and CEO of Alcadon Group
Independent of the Company	Yes	Yes
Independent of major shareholders	Yes	Yes

1) Shareholding, December 31, 2024



### Board committees

The Board of Directors has established an Audit Committee and a Remuneration Committee. The work of the committees is primarily preparatory and advisory in nature, although in special cases, the Board may also delegate decision-making authority to the committees. The committees are subordinate to the Board and do not discharge the Board members from their general responsibilities and tasks as Board members.

The matters that are brought up at the committees' meetings must be minuted and the minutes must normally be submitted to the Board for information at the next Board meeting, along with a verbal presentation by the chairman of the committee concerned.

### 5. Audit Committee

The principal tasks of the Audit Committee include monitoring Seafire's financing reporting and submitting recommendations and proposals to safeguard the reliability of the reports. The tasks also include monitoring the effectiveness of the Group's internal control, internal audit and risk management, both generally for the business operations and specifically with regard to financial reporting. The tasks also entail the Audit Committee keeping itself informed concerning the external audit of the annual report for the Company and the Group, and concerning the conclusions of Revisorsinspektionen's quality controls. As part of this, the Audit Committee must inform the Board of the results of the external audit, how the external audit contributed to the reliability of the financial report and the role that the Audit Committee played. The principal tasks of the Audit Committee also include reviewing and monitoring the impartiality and independence of the external auditor and, in connection with this, paying particular attention to whether the external auditor provided the Group with services other than auditing, and assisting the Nomination Committee with the preparation of proposals for the AGM's resolution on electing an external auditor.

The Committee must comprise at least two Board members. During 2024, the Committee consisted of:

- Marcus Söderberg (Chairman)
- Anders Hillerborg

The Audit Committee's meetings are attended by Seafire's CEO and CFO in addition to the Committee's members. Other employees attend when necessary. During 2024, the Audit Committee held six meetings, which the members attended as follows.

Audit Committee	Number of meetings
Marcus Söderberg	6/6
Anders Hillerborg	6/6

### 6. Remuneration Committee

The principal tasks of the Remuneration Committee include preparing the Board's decisions with regard to matters concerning guidelines for remuneration and other employment conditions for senior executives. The tasks also include monitoring and evaluating any programs for variable remuneration of senior executives that are either ongoing or were concluded during the year and, after remuneration guidelines have been adopted by Seafire's AGM, monitoring and evaluating application of the guidelines for the remuneration of senior executives with regard to remuneration structures and levels within Seafire. The principal tasks of the Remuneration Committee also include preparing and submitting to the Board, no later than the Board meeting in February each year, a remuneration report in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, and a report on the Committee's monitoring and evaluation of programs for variable remuneration of senior executives that are either ongoing or were concluded during the year, and of the application of the guidelines for the remuneration of senior executives assuming that such guidelines are adopted by the AGM.

The Committee comprised the entire Board of Directors.

The Company's CEO attends the Remuneration Committee's meetings (except for decisions directly concerning their own remuneration). During 2024, the Remuneration Committee held two minuted meetings. There were no absences from these meetings.

### 7. Auditor

The external auditors' tasks are to assess whether Seafire's annual report and consolidated financial statements have been prepared in accordance with the Annual Accounts Act and IFRS, and to examine the administration of the Company. The external audit of the financial statements of Seafire AB, including the administration by the Board and the CEO, is performed in accordance with International Standards on Auditing and generally accepted auditing practice in Sweden. The auditor is appointed by the AGM following a proposal from the Nomination Committee and is elected for the period up to the next AGM.

At the 2024 AGM, the audit firm Öhrlings PricewaterhouseCoopers AB (PwC) was appointed as the Company's auditor until the next AGM. PwC has appointed Fredrik Göransson as principal auditor.

### 8. Chief Executive Officer, Group management and operational model

The CEO is appointed by the Board and leads Seafire's operations in accordance with the Board's instructions to the CEO and any other directives issued by the Board. Seafire applies decentralized governance of the subsidiaries, which enables a high level of entrepreneurship and means that day-to-day decisions are made with limited involvement from the Group management. Seafire creates long-term opportunities for change and development through the exchange of experience and active coaching.



**Daniel Repfennig**, born 1983  
CEO since 2024



**Jacob Persson**, born 1986  
CFO since 2021



**Anders Martinsson**, born 1968  
Business Area Manager since 2023.

Shareholding in Seafire <sup>1</sup>	73,000	32,590	100,000
Warrants	–	200,000	–
Other assignments	Board member of Two In One Holding AB	–	Chairman of the Board of Madja Invest AB
Background	Director at Polaris Private Equity, Director at Solix, Senior Investment Manager at Ratios, Management consultant at Arthur D. Little. M.Sc. Engineering in Industrial Economics with a focus on integrated production, KTH Royal Institute of Technology and Graz University of Technology. Bachelor's degree in Business Administration from Stockholm University.	Head of Group Business Control & Investor Relations, Ambea, M.Sc. Finance, Lund University School of Economics and Management.	Leading positions in the industry since 1994 and a broad international background. Positions have included Director of Business Development at Indutrade, CEO of WILO Nordic and President of BE Group. In the four years prior to joining Seafire, Anders was interim CEO of companies such as Swisslog AB, Nolek AB and Dofab AB.

1) Shareholding, December 31, 2024

## Internal control and risks

Seafire has procedures and control activities to ensure reliable and relevant reporting in accordance with IFRS, applicable laws and rules, as well as other requirements applicable to companies whose shares or debt instruments are listed on Nasdaq Stockholm.

Seafire's internal control is based on the COSO international framework, which describes the work based on the following five components: control environment, risk assessment, control activities, information and communication, and monitoring. Based on these components, Seafire has structured the work relating to internal control in order to manage the risks that arise within the business and to help Seafire achieve the goals and results that are sought.

The control environment that has been established consists of governing documents, processes and structures which lay the foundations for management of internal control within the organization. The work to ensure effective and high-quality internal control continues throughout the financial year. The Board is responsible for internal control in accordance with the Swedish Companies Act, while the CEO is primarily responsible for the day-to-day maintenance of the control environment. The CEO has delegated operational responsibility for internal control and risk management to the Company's CFO. The control environment benefits from a strong corporate culture and transparent and relevant follow-up, with the subsidiaries' CEOs playing an important role.

An evaluation of the financial reporting and its risks is carried out annually. These risks are evaluated both quantitatively and qualitatively through the following parameters: materiality, complexity, error history and fraud risk. Control activities have been established in order to mitigate identified risks. The aim of the control activities is to ensure that identified risks are managed in an appropriate manner and that the risk of errors in the execution of the activity is limited. The controls are divided into company-wide controls, process-related controls and general IT controls. Self-evaluation for the mapping of any deficiencies in the design or execution of the controls is carried out regularly by all companies within the Group, and the results are reported to the Audit Committee.

The efficient flow of communication between the Board, management and the Group's employees is a requirement for good internal control. Seafire's procedures and systems for external information and communication are intended to provide the market with relevant, reliable, accurate and updated information concerning the Group's development and financial position. Good internal control is ensured through monthly reporting by subsidiaries, combined with regular follow-up via each subsidiary's board and subsequent reporting to Seafire's Board.

Parallel to the work to ensure good internal control within Seafire, the Board also annually evaluates the need to establish a separate internal audit function. Based on the Audit Committee's evaluation of this matter and its recommendation, the Board has decided not to establish a separate internal audit function.

# Consolidated income statement

SEK million	Note	2024	2023
Net sales	G3, G4	905	1,000
Other income	G5	21	42
<b>Total</b>		<b>926</b>	<b>1,042</b>
Change in work in progress		-23	-80
Merchandise		-476	-470
Other external expenses	G6	-129	-146
Personnel costs	G7	-219	-233
Other operating expenses		-8	-3
Depreciation, amortization and impairment	G12-14	-176	-97
<b>Total operating expenses</b>		<b>-1,031</b>	<b>-1,029</b>
<b>Operating profit/loss</b>		<b>-105</b>	<b>13</b>
Finance income	G8	7	12
Finance costs	G8	-32	-71
<b>Profit/loss before tax</b>		<b>-130</b>	<b>-46</b>
Taxes	G9	-4	-4
<b>Profit/loss from continuing operations</b>		<b>-134</b>	<b>-50</b>
Profit/loss from discontinued operations	G10	-	-23
<b>Profit/loss for the year</b>		<b>-134</b>	<b>-73</b>
<b>Profit/loss attributable to:</b>			
Parent Company shareholders		-134	-73
<b>Earnings per share</b>			
<b>Continuing operations</b>			
Basic earnings per share, SEK	G11	-3.12	-1.17
Diluted earnings per share, SEK		-3.12	-1.17
<b>Continuing operations &amp; Discontinued operations</b>			
Basic earnings per share, SEK		-3.12	-1.72
Diluted earnings per share, SEK		-3.12	-1.72



# Consolidated statement of comprehensive income

SEK million	2024	2023
<u>Continuing operations</u>		
Profit/loss for the period	-134	-50
Other comprehensive income	-	-
<b>Comprehensive income for the period, continuing operations</b>	<b>-134</b>	<b>-50</b>
<u>Continuing &amp; discontinued operations</u>		
Profit/loss for the period	-134	-73
Other comprehensive income	-	-
<b>Comprehensive income for the period</b>	<b>-134</b>	<b>-73</b>
<b>Comprehensive income for the period attributable to:</b>		
Parent Company shareholders	-134	-73

# Consolidated balance sheet

SEK million	Note	2024	2023
<b>Non-current assets</b>			
Goodwill	G12	536	658
Other intangible assets	G12	47	67
Property, plant and equipment	G13	138	141
Right-of-use assets	G14	38	38
Other financial assets	G15	3	4
<b>Total non-current assets</b>		<b>762</b>	<b>908</b>
<b>Current assets</b>			
Inventories	G16	198	230
Trade receivables	G17, G22	78	92
Tax assets		12	10
Other current receivables	G18	10	9
Prepaid expenses and accrued income	G19	37	44
Cash and cash equivalents	G20	57	46
<b>Total current assets</b>		<b>392</b>	<b>431</b>
<b>TOTAL ASSETS</b>		<b>1,154</b>	<b>1,339</b>
<b>Equity</b>			
Share capital		7	7
Warrants		2	2
Other contributed capital		849	849
Retained earnings, including profit/loss for the year		-275	-141
<b>Total equity</b>	G21	<b>583</b>	<b>717</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	G15	39	45
Non-current liabilities to credit institutions	G22	152	193
Non-current lease liabilities	G22	21	19
Other non-current liabilities	G23	61	28
<b>Total non-current liabilities</b>		<b>273</b>	<b>285</b>
<b>Current liabilities</b>			
Current liabilities to credit institutions	G22	41	41
Advances from customers		5	3
Trade payables	G22	50	61
Current tax liabilities		4	6
Utilized bank overdraft facilities	G22	40	-
Current lease liabilities	G22	17	18
Other current liabilities	G22	46	105
Accrued expenses and deferred income	G24	95	103
<b>Total current liabilities</b>		<b>298</b>	<b>337</b>
<b>Total liabilities</b>		<b>571</b>	<b>622</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,154</b>	<b>1,339</b>

# Consolidated statement of changes in equity

SEK million	Share capital	Warrants	Other contributed capital	Retained earnings, including profit for the year	Total equity
<b>Opening balance, Jan 1, 2023</b>	<b>7</b>	<b>2</b>	<b>845</b>	<b>-68</b>	<b>786</b>
Comprehensive income for the period	-	-	-	-73	-73
New share issue	-	-	5	-	5
New share issue expenses	-	-	-1	-	-1
Incentive program	-	-	-	-	-
<b>Closing balance, Dec 31, 2023</b>	<b>7</b>	<b>2</b>	<b>849</b>	<b>-141</b>	<b>717</b>
<b>Opening balance, Jan 1, 2024</b>	<b>7</b>	<b>2</b>	<b>849</b>	<b>-141</b>	<b>717</b>
Comprehensive income for the period	-	-	-	-134	-134
New share issue	-	-	-	-	-
New share issue expenses	-	-	-	-	-
Incentive program	-	-	-	-	-
<b>Closing balance, Dec 31, 2024</b>	<b>7</b>	<b>2</b>	<b>849</b>	<b>-275</b>	<b>583</b>



# Consolidated statement of cash flows

SEK million	Note	2024	2023 <sup>1</sup>
<u>Cash flow from operating activities</u>			
Profit/loss before tax		-130	-69
of which interest received	G8	1	4
of which interest paid	G8	-15	-54
Adjustment for non-cash items	G25	177	100
Tax paid		-11	-19
<b>Cash flow from operating activities before changes in working capital</b>		<b>36</b>	<b>12</b>
<u>Cash flow from changes in working capital</u>			
Change in inventories		30	21
Change in current receivables		22	52
Change in current liabilities		-43	-5
<b>Cash flow from change in working capital</b>		<b>9</b>	<b>68</b>
<b>Cash flow from operating activities</b>		<b>45</b>	<b>80</b>
<u>Cash flow from investing activities</u>			
Business combinations		-	-81
Investments in intangible assets	G12	-2	-2
Investments in property, plant and equipment	G13	-14	-9
<b>Cash flow from investing activities</b>		<b>-16</b>	<b>-92</b>
<u>Cash flow from financing activities</u>	G26		
New share issue		-	-
New share issue expenses		-	-1
Proceeds from borrowings		-	250
Repayment of borrowings		-41	-641
Change in bank overdraft facilities		40	-
Repayment of lease liabilities		-17	-18
<b>Cash flow from financing activities</b>		<b>-18</b>	<b>-410</b>
<b>Total cash flow</b>		<b>11</b>	<b>-422</b>
Cash and cash equivalents at start of period		46	468
<b>Cash and cash equivalents at end of period</b>		<b>57</b>	<b>46</b>

1) Cash flow for 2023 is recognized inclusive of discontinued operations. See Note G10 for cash flow from discontinued operations.

# Notes to the consolidated financial statements

Seafire AB (publ) with organisation number 556540-7615 is a Swedish legal entity based in Stockholm, Sweden. The parent company's postal address is Mäster Samuelsgatan 9, 111 44 Stockholm. This annual report covers the period 2024-01-01 – 2024-12-31 and was approved for publication by the board of directors on 2 April 2025. It will be presented for adoption at the parent company's annual general meeting on 24 April 2025.

## Note G1. Accounting policies

### Note G1.1 Basis of preparation

The consolidated financial statements for Seafire AB (publ) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, IFRIC, the Swedish Annual Accounts Act and RFR 1.

The key accounting policies applied in preparing these consolidated financial statements are described in each note. Unless stated otherwise, these policies have been applied consistently for all presented years. Amounts are presented in million SEK (MSEK), if not otherwise stated.

### Note G1.2 Significant estimates and judgments

The Group's financial reports are partly based on estimates and judgments, which are based on what is known at the time of submission of the annual report. Estimates and judgments may be subsequently revised. Estimates and judgments are regularly reviewed and are based on historical experience and other factors, including the expected outcomes of future events that are considered to be reasonable under the circumstances.

Items involving specific judgment are specified in the relevant note. These concern:

- (a) Intangible assets (Goodwill); see Note G12.
- (b) Deferred taxes; see Note G14.
- (c) Fair value of financial assets; see Note G22.

Other estimates and judgments which have been made, but not specified in a note are presented below.

#### *Financing needs*

Assessments of the Group's financing needs are primarily based on cash flow forecasts. The Board and Group management continuously make assessments and estimates of the factors that affect cash flow. Because these assessments and estimates concern future events which cannot be predicted, the actual outcome may differ.

#### *Climate-related risks*

The potential effects of climate change have been taken into account in the financial reports, but no material climate-related risk has been identified for the 2024 financial year. Management have reviewed each item in the income statements and balance sheets in order to identify the areas that could be affected by climate-related risks. They have also analyzed how these risks can be managed. The risks that are considered to potentially have an impact on the Group in the future are:

- (a) Merchandise and other external expenses  
Switching to more sustainable suppliers could negatively impact merchandise and external costs. There is a risk of climate-related issues affecting assets

and the prices of energy and raw materials, which could entail higher costs. Climate change may also cause disruption to both production and distribution, which may affect procurement costs.

#### (b) Inventories

As customer attitudes and consumer behavior shift towards more sustainable products, there is a risk that the selling price of other products and demand for them will fall, which may result in inventory obsolescence.

#### (c) Goodwill and other intangible assets

Future investments in sustainability could affect the outlook for impairment tests concerning goodwill and surplus values.

For more information about how the Group manages these risks and opportunities linked to the climate transition, see the sustainability report on page 12.

### Note G1.3 New and future IFRS standards

No other amendments to standards effective for 2024 had any significant effect on the financial statements. With regard to future standards, it is considered that IFRS 18 will affect the Group. IFRS 18 Presentation and Disclosure in Financial Statements will be applicable to the financial year commencing January 1, 2027 and has not yet been adopted by the EU. IFRS 18 will replace IAS 1 Presentation of Financial Statements, and introduce new requirements which are intended to ensure greater comparability in the reporting of financial results and give users more relevant information and transparency. Among other things, IFRS 18 introduces new requirements regarding the structure of income statements and information concerning certain performance measures. Although IFRS 18 will not impact on the reporting or measurement of items in the financial statements, effects on presentation and disclosure could be substantial, particularly as regards those which are linked to the income statement and performance measures defined by the management. Management is currently evaluating the consequences of applying the new standard on the consolidated financial statements.

### Notes G1.4 Basis of consolidation

#### *(a) Subsidiaries*

Subsidiaries are all companies over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Identifiable assets acquired, liabilities assumed and contingent liabilities in a business combination are initially measured at the acquisition date fair value, regardless of the extent of any non-controlling interest. There are no non-controlling interests as of the reporting date. The excess of the cost over the fair value of the Group's share of identifiable assets acquired and liabilities and contingent liabilities assumed is recognized as goodwill.

### Note G1.5 Foreign currency translation

#### *(a) Functional currency and presentation currency*

Items included in the financial statements for the various entities in the Group are measured in the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements use the Swedish

krona (SEK), which is the functional currency of the Parent Company and all subsidiaries and the Group's presentation currency.

#### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date or the date when the items are

remeasured. Exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate, are recognized in profit or loss. Exchange gains and losses that relate to borrowings and cash and cash equivalents are recognized in profit or loss, within finance income and finance costs.

## Note G2. Financial risk management

### Financial risk factors

In the course of its operations, the Group is exposed to a variety of financial risks: credit risk, currency risk, cash flow and liquidity risk, capital risk and interest rate risk

#### *Framework for financial risk management*

The Group's financial policy for financial risk management has been formulated by the Board and provides a framework of guidelines and rules in the form of a risk mandate and limits for financing activities. Responsibility for the Group's financial transactions and risks is managed centrally by the Parent Company. The overall objective is to provide cost-effective financing and minimize adverse effects on the Group's financial performance resulting from market risks.

#### *Credit risks*

The risk of the Group not receiving payment for its trade receivables constitutes a low credit risk. The Group carries out credit checks on its customers, obtaining information on their financial position from various credit reference agencies. Impairment of trade receivables is based on the simplified approach permitted by IFRS 9, which uses full lifetime expected credit losses for the remaining contract. See Note G17 for more information on the calculation of the credit loss allowance. Impairment testing is initially handled at company level, with an assessment of the allowance based on customer knowledge and a provision matrix. Impairment testing is then handled at Group level to ensure that allowance has been made for a sufficient percentage of the trade receivables based on expected default risks.

There are not considered to be any other significant credit risks.

#### *Currency risk*

Certain subsidiaries within the Group make purchases in currencies other than SEK and a few have sales in currencies other than SEK. The Group's single largest currency exposure is to USD. The currency exposure is linked to purchases of goods and products from Asia by Seafire's subsidiaries. The subsidiaries' CEOs and finance functions closely monitor exchange rate developments and manage the risk in accordance with Seafire's financial policy on currency management and hedging. The companies shall strive to achieve "natural hedge" in billing operations, meaning trying to match currency fluctuations in customer and supplier agreements. Billing to external customers shall be made in local currency. Hedging with financial instruments may be allowed in regards to larger currency exposures, but if the net exposure is below a materiality threshold no hedging is made. The materiality level is decided by each subsidiary after consulting the group's CFO.

The group's exposure to foreign currency was 29 MSEK at the balance date, with 84% share of USD exposure. For example, a 10 percent reduction in the value of the

Swedish krona against the US dollar on December 31, 2024 (all other factors remaining constant) would result in a decrease of approximately SEK -11 million in the Company's profit. This is primarily linked to the fact that about 30% of the Group's purchases are in USD, although some sales are also in USD.

#### *Cash flow and liquidity risks*

Cash flow forecasts are prepared by the Group's operating entities and liquidity is continually monitored to ensure that the Group has sufficient cash and cash equivalents to meet the needs of its operating activities in accordance with the Company's financial policy. Group management also monitors rolling forecasts for the Group's liquidity, which consists of cash and cash equivalents and unused loan commitments (overdraft facilities), on the basis of expected cash flows. See Note G22 for a maturity analysis and a description of the loans' conditions. Liquidity risk is considered to be limited, as facilities are available to strengthen liquidity and careful monitoring is carried out.

#### *Capital risk*

The Group's capital structure objectives are to safeguard the Group's ability to continue as a going concern, so that it can generate returns for shareholders and benefits for other stakeholders, and to maintain an optimal structure in order to keep the cost of capital down. This may change in the event of an acquisition if, for example, the acquired company has a higher debt-equity ratio.

#### *Interest rate risk*

The Company has secured bank financing split between bank loans and overdraft facilities of SEK 190 million until March 2, 2026. Interest is calculated based on a variable coupon of 3-month STIBOR plus a spread depending on the loan-to-value ratio, with quarterly interest payments. The financing agreement contains normal guarantees, the follow-up of certain financial key figures and other conditions such as covenants, which are monitored continuously by Seafire. Based on interest-bearing liabilities on December 31, 2024, an interest rate increase of 1 percentage point would result in an increase in interest expenses of SEK 3 (3) million per year. Interest rate hedging is not used. The average interest rate on bank loans during 2024 was 7.1%.

#### *Interest-bearing liabilities and debt/equity ratio*

SEK million	2024	2023
Interest-bearing liabilities	272	271
Less cash & cash equivalents	-57	-46
<b>Net debt</b>	<b>215</b>	<b>225</b>
Total equity	583	717
<b>Net debt/Equity</b>	<b>37%</b>	<b>31%</b>
Total liabilities	571	622
Equity	583	717
<b>Debt/equity ratio</b>	<b>98%</b>	<b>87%</b>



## Note G3. Revenue recognition

### ACCOUNTING POLICIES

The Group's revenue is recognized in accordance with IFRS 15, i.e. revenue is recognized when the customer gains control over the goods or services. This can take place either through the Group's performance obligation being satisfied over time or at a point in time. Seafire's revenue largely consists of revenue for which the performance obligation is transferred to the customer at a point in time (upon delivery of the goods). Revenue for the delivered goods is recognized in the period in which they are transferred to the customer and at the amount that the subsidiary is entitled to invoice the customer under the contract. Within Seafire's Industry segment, contracts are primarily reached via a tender acceptance procedure based on an established or agreed price list. Within Seafire's Product segment, contracts are primarily reached via an order procedure based on an established price list.

A certain proportion of the Group's revenue consists of revenue for which the performance obligation is satisfied over time (the full term of the contract). The revenue is then accrued over the term of the agreement at the amount that the subsidiary is entitled to invoice the customer under the contract. This revenue is distributed evenly over the term of the contract, as the performance obligations arise evenly over this period. The table below shows the proportion of the Group's revenue for which the performance obligation is satisfied over time and the proportion satisfied at a point in time.

Revenue is recognized net of value added tax and returns, and after elimination of intra-Group sales. Revenue is measured at the fair value of the consideration received or receivable for goods and services sold through the Group's operating activities.

Timing of revenue recognition	Industrial components	Products	Group
Over time	-	50	50
At a point in time	582	273	855
<b>Total 2024</b>	<b>582</b>	<b>323</b>	<b>905</b>
Over time	-	57	57
At a point in time	680	263	943
<b>Total 2023</b>	<b>680</b>	<b>320</b>	<b>1,000</b>

Sales by customer type	Industrial components	Products	Group
Private individuals	-	141	141
Company	582	182	764
<b>Total 2024</b>	<b>582</b>	<b>323</b>	<b>905</b>
Private individuals	-	118	118
Company	680	202	882
<b>Total 2023</b>	<b>680</b>	<b>320</b>	<b>1,000</b>

Deferred income linked to customer contracts	2024	2023
<b>Opening carrying amount</b>	59	65
Acquisitions and divestments	-	-
New contracts during the year	40	52
Recognized portion of opening and new contracts	-50	-57
Exchange differences	-	-
<b>Closing carrying amount</b>	<b>49</b>	<b>59</b>

Remaining customer contracts that are unsatisfied or partially unsatisfied as of December 31, 2024 amount to SEK 49 (59) million. Of these, SEK 35 million is expected to be recognized as revenue during the next financial year, SEK 10 million during 2026, and SEK 4 million during 2027–2028.

## Note G4. Segment information

### ACCOUNTING POLICIES

Operating segments are reported in a way which corresponds to the internal reporting to the chief operating decision-maker. The chief operating decision-maker is the function that is responsible for the allocation of resources and assessment of the operating segments' results. For the Group, this function has been identified as the CEO.

The Group's operations are organized in and managed on the basis of the following business areas: Industrial Components and Products. Management use net sales and operating profit to make decisions on the allocation of resources, results analysis and assessment of the segments' performance. Net sales by segment concerns revenue from external customers. During the reporting period, no customer accounted for more than ten (10) percent of the Group's net sales. Finance income, finance costs, Board expenses and income tax are handled at Group level. The segments are reported exclusive of invoiced management fees. In addition to the business segments, the tables also include IFRS adjustments and Group-wide. IFRS adjustments are the Group's IFRS-related accounting adjustments, e.g. attributable to leases and goodwill. Group-wide concerns the holding company with Group-wide costs (financing costs, insurance costs, etc.). Goodwill impairment of SEK 122 million during the year is entirely linked to the Industrial Components business area.

Net sales by segment	2024	2023
Industrial Components	582	680
Products	323	320
<b>Total</b>	<b>905</b>	<b>1,000</b>
Net sales by geographical area	2024	2023
Sweden	660	739
Nordic region (excl. Sweden)	143	145
Europe (excl. Nordic region)	98	109
World (excl. Europe)	4	7
<b>Total</b>	<b>905</b>	<b>1,000</b>
Depreciation/amortiz. by segment	2024	2023
Industrial components	158	48
Products	16	48
Group-wide	2	1
<b>Operating profit/loss</b>	<b>176</b>	<b>97</b>

Investments by segment	2024	2023
Industrial Components	14	8
Products	2	2
Group-wide	-	1
<b>Total</b>	<b>16</b>	<b>11</b>

Operating profit/loss by segment	2024	2023
Industrial Components	-102	78
Products	0	-30
Group-wide	-3	-35
<b>Total</b>	<b>-105</b>	<b>13</b>

Non-current assets by segment	2024	2023
Industrial Components	533	663
Products	227	242
Group-wide	2	3
<b>Total</b>	<b>762</b>	<b>908</b>

Goodwill per segment	2024	2023
Industrial components	345	467
Products	191	191
<b>Total</b>	<b>536</b>	<b>658</b>

## Note G5. Other income

SEK million	2024	2023
Exchange gains	6	3
Remeasurement of contingent consideration <sup>2</sup>	7	28
Government assistance	4	5
Other	4	6
<b>Total</b>	<b>21</b>	<b>42</b>

1) Contingent consideration is variable and based on the actual outcome of EBIT/EBITDA. They are regularly remeasured according to the actual outcome and forecast for the future EBIT/EBITDA result.

## Note G6. Remuneration of auditors

Audit engagement refers to the statutory audit of the annual report and accounting records, the administration of the Board of Directors and the CEO, and other auditing and carried out by agreement or contract. This includes other tasks that the Company's auditor is required to perform and advice or other assistance arising out of observations made in connection with such auditing or the performance of such tasks. Other services refers to advice on accounting issues, divestments and acquisitions of operations, and processes and internal controls. Öhrlings PricewaterhouseCoopers AB is auditor.

SEK million	2024	2023
Audit engagement (BDO)	-3	-4
Audit engagement (PwC)	-3	-
Tax advisory services	-	-
Other services	-	-
<b>Total</b>	<b>-6</b>	<b>-4</b>

## Note G7. Salaries and other remuneration

### ACCOUNTING POLICIES

#### *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to terminating the employment of employees according to a detailed formal plan without the possibility of withdrawal, or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits that mature more than 12 months after the reporting date are discounted to their present value.

#### *Profit-sharing and bonus plans*

The Group has variable remuneration for employees within marketing and sales, which are based on financial performance and sales growth. The Group recognizes a liability and a cost for these programs when it has a legal or constructive obligation to make such payments in exchange for services performed by employees and a reliable estimate of the obligation can be made.

#### *Short-term employee benefits*

Short-term employee benefits are calculated without discounting and are recognized as an expense when the related services have been performed.

#### *Other post-employment benefits*

The Group does not provide any post-employment benefits to employees other than a pension.

#### *Pension obligations*

Group companies have pension plans for all employees. The plan consists of ITP 1 and ITP 2. Employees born in or after 1979 are covered by ITP 1, while employees born in or before 1978 are covered by ITP 2. ITP 1 is a defined-contribution pension plan and ITP 2 is a defined-benefit pension plan. During 2017, the Company primarily made contributions to the ITP 2 defined-benefit plan. In accordance with IAS 19, multi-employer defined-benefit pension plans are normally accounted for as defined-benefit plans. If insufficient information is available to determine the employer's share of the defined-benefit obligation and the plan assets, the plan shall be accounted for as if it were a defined-contribution plan. The Group recognizes the plan as a defined-contribution plan because the conditions for recognizing the defined-benefit components of the plan in accordance with the general rule in IAS 19 are not met. This means that the expense is recognized as the benefits are earned, and the pension costs for the period are recognized in the income statement.

<b>Gender distribution</b>	<b>2024 Number</b>	<b>2023 Number</b>	<b>2024 Women</b>	<b>2023 Women</b>
<i>Average number of employees</i>				
Parent Company	4	5	25%	20%
Subsidiaries	298	328	24%	20%
<b>Total</b>	<b>302</b>	<b>333</b>	<b>24%</b>	<b>20%</b>
<i>Board members and senior executives</i>				
Board members	4	6	25%	33%
CEOs and other senior executives	3	3	0%	0%
<b>Total</b>	<b>7</b>	<b>9</b>	<b>14%</b>	<b>22%</b>

<b>Salaries, other benefits and social security costs</b>	<b>2024</b>	<b>2023</b>
Salaries to CEO and other senior executives	5	8
Bonuses to CEO and other senior executives	-	-
Board fees	2	1
Other employees	144	151
<b>Total salaries and benefits</b>	<b>151</b>	<b>160</b>
Social security contributions	43	46
Pension to CEO and other senior executives	1	2
Pensions to other employees	19	19
<b>Total salaries, benefits, social security contributions and pension costs</b>	<b>214</b>	<b>227</b>

<b>Remuneration of senior executives</b>	<b>Salary/Board fees</b>		<b>Variable remuneration</b>		<b>Pension costs</b>		<b>Other benefits</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Anders Hillerborg, Chairman of the Board	0.3	-	-	-	-	-	-	-
Marcus Söderberg, Board member	0.2	0.2	-	-	-	-	-	-
Stina Wollenius, Board member	0.2	0.1	-	-	-	-	-	-
Sonny Mirborn, Board member	0.1	-	-	-	-	-	-	-
Joachim Berner, former Chairman of the Board	-	0.3	-	-	-	-	-	-
Lennart Jacobsson, former Board member	-	0.2	-	-	-	-	-	-
Louise Nicolin, former Board member	-	0.2	-	-	-	-	-	-
Johan Bennarsten, former President and CEO	-	3.8	-	-	-	0.7	-	-
Daniel Repfennig, President and CEO	1.1	-	-	-	0.4	-	-	-
Other senior executives	4.0	4.2	-	-	1.2	0.8	-	-

Board fees are expensed monthly in the Company and included in the financial statements on a calendar year basis. In the event of termination of employment of the CEO or other senior executives by the Company, salary will be payable throughout the notice period of six months. No termination benefits are payable. Salaries during the notice period for the CEO and COO have been expensed for the 2023 financial year, even though some payments are to be made during 2024.

The Group's total pension costs amounted to SEK 20 (21) million and consist solely of defined-contribution pension plans. Premiums for 2025 are expected to amount to SEK 21 million. Alecta's surplus can be distributed to the policyholders and/or the insured. Alecta's surplus, in the form of a collective funding ratio, was 162 (157) percent at the end of 2024, according to Alecta's website. The collective funding ratio is the market value of Alecta's assets as a percentage of its insurance obligations calculated by reference to Alecta's actuarial calculation assumptions, which are not consistent with IAS 19.



## Note G8: Finance income and costs

### ACCOUNTING POLICIES

#### Finance income

Finance income consists of interest income on invested funds, exchange gains and gains on hedging instruments recognized in profit for the year. Interest income is recognized using the effective interest method and taking into account accrued interest on the reporting date.

#### Finance costs

Finance costs consist of interest expenses on loans and pension liabilities, exchange losses, the effects of the reversal of contingent consideration discounted to present value, interest expense on leases and losses on hedging instruments recognized in profit for the year. Interest expenses are recognized in accordance with the effective interest method.

Finance income	2024	2023
Sale of other and interests	-	-
Interest received	1	5
Exchange gains	6	7
Other	-	-
<b>Finance income</b>	<b>7</b>	<b>12</b>
<b>Finance costs</b>	<b>2024</b>	<b>2023</b>
Exchange losses	-6	-9
Interest effect on contingent consideration remeasurement	-	-7
Interest expenses on loans	-23	-48
Interest expenses on lease liabilities	-2	-2
Other finance costs	-1	-5
<b>Finance costs</b>	<b>-32</b>	<b>-71</b>

## Note G9. Income tax

### ACCOUNTING POLICIES

The tax cost for the period covers current tax and deferred tax. Tax is recognized in the income statement, apart from when the tax is attributable to items recognized in other comprehensive income or directly in equity. In such cases, the tax is also recognized in OCI or equity.

Current tax expense is calculated based on the tax rules that have been enacted or substantively enacted by the reporting date in the countries in which the Parent Company's subsidiaries and associates operate and generate taxable income. The Swedish tax rate is used to calculate tax. For the 2024 financial year, this rate is 20.6%. Management regularly evaluates the claims that are made in tax returns concerning situations where applicable tax rules are subject to interpretation. When it is deemed appropriate, management sets aside provisions for amounts that will probably become payable to the tax authorities. No such provisions were considered appropriate as of December 31, 2024.

SEK million	2024	2023
Current tax	-8	-7
Change in assessment of previous tax years	-2	-
Tax adjustments	6	3
<b>Total</b>	<b>-4</b>	<b>-4</b>
<b>Reconciliation of effective tax rate</b>		
Recognized profit/loss before tax	-130	-46
Calculated tax at tax rate of 20.6%	27	10
<b>Tax effect of:</b>		
Non-deductible expenses	-30	-10
Non-taxable income	2	5
Tax deficit for which no deferred tax assets are recognized	-1	-
Other adjustments	-2	-1
<b>Recognized tax</b>	<b>-4</b>	<b>-4</b>
<b>Effective tax rate</b>	<b>2%</b>	<b>8%</b>

## Note G10. Discontinued operations

### ACCOUNTING POLICIES

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, we have 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 operations. The balance sheet as of December 31, 2023 does not contain any balances relating to the subsidiary, while balance sheets for previous periods are not restated in accordance with IFRS and are therefore unchanged.

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.

<b>Profit/loss attributable to discontinued operations</b>	<b>2024</b>	<b>2023</b>
Net sales	-	17
Operating expenses	-	-17
Embezzlement costs	-	-25
<b>EBITDA</b>	-	<b>-25</b>
Depreciation and amortization	-	-
<b>EBITA</b>	-	<b>-25</b>
Impairment	-	-
<b>EBIT</b>	-	<b>-25</b>
Appropriations	-	-
<b>Profit/loss before tax</b>	-	<b>-25</b>
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
<b>Total Group effect</b>	-	<b>2</b>
<b>Profit/loss attributable to discontinued operations</b>	-	<b>-23</b>

<b>Balance sheet on bankruptcy application date</b>	<b>2023</b>
Property, plant and equipment	-
Current operating assets	6
<b>Total assets</b>	<b>6</b>
Current operating liabilities	25
<b>Total liabilities</b>	<b>25</b>
Net assets	-19

<b>Cash flow from discontinued operations</b>	<b>2024</b>	<b>2023</b>
From operating activities	-	2
From investing activities	-	-
From financing activities	-	1
<b>Total cash flow</b>	-	<b>3</b>

## Note G11. Earnings per share

<b>SEK million</b>	<b>2024</b>	<b>2023</b>
<b>Basic earnings per share</b>		
Profit attributable to Parent Company shareholders	-134	-73
Average number of shares during the year	42,847	42,823
<b>Basic earnings per share</b>	<b>-3.12</b>	<b>-1.72</b>
<b>Diluted earnings per share</b>		
Profit attributable to Parent Company shareholders	-134	-73
Average number of shares during the year	42,847	42,823
Effect of options	902	902
<b>Diluted earnings per share</b>	<b>-3.12</b>	<b>-1.72</b>

## Note G12. Intangible assets

### ACCOUNTING POLICIES

#### Goodwill

Goodwill comprises the amount by which the cost exceeds the fair value of the Group's share of the acquired subsidiary's identifiable net assets at the acquisition date. Goodwill is therefore allocated to the relevant subsidiaries (a subsidiary is considered to be a cash-generating unit); see the table in the note for the specific allocation. Goodwill is tested annually for each subsidiary to identify any impairment and is subsequently recognized at cost less accumulated impairment. Goodwill impairment is not reversed. All assets attributable to the subsidiary to which goodwill has been allocated are included in the impairment testing. Goodwill consists of the knowledge, experience and knowhow that the personnel of the acquired company contribute.

Developments within subsidiaries are continually monitored against budgets, forecasts and historical development, and impairment is considered if significant deviations occur. At the end of the fourth quarter, impairment testing and a sensitivity analysis are performed for all companies.

#### Intangible assets

In connection with analyses relating to company acquisitions, surpluses have been attributed to brands and customer relationships, and the remainder to goodwill. Brands and customer relationships have been assessed as having a useful life of five years.

### SIGNIFICANT ESTIMATES AND JUDGMENTS

#### Fair value of acquired goodwill, intangible assets and contingent consideration

For company acquisitions, acquired intangible assets are measured at fair value. For impairment testing, intangible assets are measured at the lower of the carrying amount and the recoverable amount. Several assumptions and estimates are made about future conditions that are considered when calculating the discounted cash flow on which the estimated recoverable amount is based. Important assumptions are expected growth, margins and discount rate. If these assumptions are revised, the value of the remaining goodwill may be affected.

	Goodwill		Internally generated intangible assets		Customer contracts		Other intangible assets	
SEK million	2024	2023	2024	2023	2024	2023	2024	2023
Opening cost	724	654	9	7	91	76	32	32
Business combinations	-	70	-	2	-	15	-	-
Purchases	-	-	2	-	-	-	-	-
Closing accumulated cost	724	724	11	9	91	91	32	32
Opening amortization	-66	-6	-5	-4	-36	-19	-24	-18
Depreciation and amortization	-	-	-1	-1	-18	-17	-3	-6
Impairment/write-ups	-122	-60	-	-	-	-	-	-
Closing accumulated amortization/write-ups	-188	-66	-6	-5	-54	-36	-27	-24
<b>Closing balance</b>	<b>536</b>	<b>658</b>	<b>5</b>	<b>4</b>	<b>37</b>	<b>55</b>	<b>5</b>	<b>8</b>

Impairment of SEK 122 million during the year is attributable to Borö-Pannan (SEK 55 million), Kenpo Sandwich (SEK 47 million) and Thor Ahlgren (SEK 20 million). The companies were acquired based on high valuations at a cyclically high level of earnings. A revised assessment of sustainable earning levels explains the need for impairment, rather than a structural deterioration in competitiveness.

Goodwill by subsidiary	2024	2023
Åkerstedts Verkstad	23	23
Nordbutiker	20	20
LudaFarm	14	14
Thor Ahlgren	25	25
Färg-In	35	35
Pexymek	31	31
Bara Mineraler	53	53
DOFAB	94	94
Kenpo Sandwich	87	134
SolidEngineer	99	99
OPO Scandinavia	60	60
Borö-Pannan	15	70
<b>Total</b>	<b>536</b>	<b>658</b>

	Assumptions							
	Growth rate <sup>1</sup>		Gross margin <sup>2</sup>		Rate of cost increase		Discount rate <sup>3</sup>	
	2024	2023	2024	2023	2024	2023	2024	2023
LudaFarm	14%	7%	45%	43%	11%	7%	14%	14%
Borö-Pannan	9%	5%	52%	48%	2%	4%	13%	13%
Åkerstedts	13%	6%	67%	65%	11%	5%	13%	13%
Nordbutiker	7%	9%	34%	32%	5%	6%	15%	14%
Färg-In	5%	4%	33%	32%	2%	3%	13%	13%
Thor Ahlgren	6%	5%	44%	44%	5%	4%	13%	13%
Pexymek	12%	7%	53%	55%	9%	5%	13%	13%
Bara Mineraler	10%	5%	49%	49%	7%	5%	13%	13%
DOFAB	17%	9%	47%	47%	10%	6%	13%	13%
Kenpo Sandwich	9%	5%	51%	51%	6%	2%	13%	13%
SolidEngineer	9%	7%	49%	49%	7%	6%	14%	14%
OPO Scandinavia	8%	7%	68%	68%	4%	6%	13%	13%

<sup>1</sup> Average growth rate during the forecast period. Growth rate after 2029 amounts to 2% (2)

<sup>2</sup> Average gross margin during the forecast period.

<sup>3</sup> Weighted pre-tax discount rate is based on required rate of return and cost of capital

#### Goodwill impairment testing for the year

Recoverable amounts for subsidiaries are determined based on value in use calculations. These calculations are based on estimated future cash flows over a five-year period based on financial forecasts approved by the Board. When calculating these cash flows, the Company's budget for 2025 and key ratios for the period 2026 to 2029 in accordance with the above are used. Cash flows beyond the five-year period are extrapolated with the aid of a long-term annual growth rate of 2%.

Important assumptions that are used for calculations in connection with the impairment testing for 2024 are presented in the table above. The values for 2023 are based on assumptions for the 2024–2028 period, while the values for 2024 are based on assumptions for the 2025–2029 period.

Management has determined the budgeted gross margin based on previous financial results, present and future products, and current and future production plans. Gross margin concerns sales revenue less the cost of materials and inputs relative to sales revenue. The weighted average growth rate used during the 2025–2029 period takes into account the market assessment for the segment and the present situation and commercial circumstances within the segment. In connection with the impairment testing, the Company carried out a sensitivity analysis with regard to changes in assumptions concerning the variables discount rate, sales during 2024 and average growth during the 2025–2029 period, and is monitoring developments continually for signs that the impairment testing may need to be repeated.

#### Sensitivity analysis

Based on the assumptions presented above, there is a combined headroom (recoverable amount less carrying amount) of SEK 148 million within Industrial Components, and of SEK 95 million within Products, within which certain subsidiaries have substantial headroom, while others are close to the limit. In connection with impairment testing, sensitivity analyses are performed in order to determine the headroom per subsidiary based on other assumptions besides those presented above. The outcome of the sensitivity analysis shows that an increase in the discount rate of 1% percentage points would entail an impairment need within two subsidiary of SEK 8 million in total. Another variable that may impact the need for impairment is the assumption of terminal growth. The impairment test is based on a terminal growth assumption of 2% per annum. A sensitivity analysis shows that a changed assumption where the terminal growth is 1% per year, implies an impairment need within two subsidiaries of 6 MSEK in total.



## Note G13. Property, plant and equipment

### ACCOUNTING POLICIES

Property, plant and equipment is recognized at cost less depreciation. Cost includes expenditure directly attributable to acquisition of the asset.

Depreciation, which allocates the cost of the assets down to their estimated residual value, is applied on a straight-line basis over the estimated useful life of the assets as follows:

- Buildings, 20-33 years
- Land improvements, 20 years
- Machinery, fixtures & fittings and equipment for production, 3-10 years
- Computers, 3 years

The residual values and useful lives of the assets are tested at each reporting date and adjusted as necessary. The carrying amount of an asset is immediately written down to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount. No adjustments were made to useful lives during 2024.

SEK million	2024	2023
Opening cost	166	143
Business combinations	-	20
Divested	-6	-7
Purchases	14	10
Closing accumulated cost	174	166
Opening amortization	-25	-16
Reversed depreciation attributable to divestments	3	5
Depreciation for the year	-14	-14
Closing accumulated depreciation	-36	-25
Opening impairment	-	-
Impairment for the year	-	-
Closing accumulated impairment	-	-
<b>Closing residual value</b>	<b>138</b>	<b>141</b>

## Note G14. Leases

### ACCOUNTING POLICIES

Seafire applies the exemption rules concerning short-term leases and leases where the underlying asset is of low value. Expenses that arise in connection with these leases are recognized as operating expenses in the income statement on a straight-line basis over the lease term.

At inception of a contract, Seafire assesses whether the contract is, or contains, a lease based on the substance of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Seafire divides its leases into two classes of right-of-use assets:

Premises – comprises approximately 25 contracts and accounts for a high proportion of the balance on the reporting date.

Other – includes machinery, equipment and vehicles and comprises approximately 45 low-value contracts.

#### Right-of-use assets

Seafire recognizes right-of-use assets in the balance sheet at the commencement date of the lease. Right-of-use assets are presented separately from other assets in the balance sheet.

#### Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. These lease liabilities are presented separately from other liabilities in the balance sheet. The lease term is determined as the non-cancelable period together with periods covered by an option to extend or terminate the lease if Seafire is reasonably certain that to exercise the options. When assessing the lease term in cases where there are extension and termination options, consideration is given to both business strategy and contract-specific conditions to determine whether or the Group is reasonably certain to exercise the options.

SEK million	Premises		Other		Total	Lease liabilities		
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance, January 1	33	29	5	6	38	35	37	33
Additions to right-of-use assets	-	11	2	3	2	14	3	14
Depreciation of right-of-use assets	-14	-14	-3	-4	-17	-18	-	-
Terminated leases	-	-2	-	-	-	-2	-	-2
Remeasurement of leases	15	9	-	-	15	9	15	10
Interest expenses on lease liabilities	-	-	-	-	-	-	2	2
Lease payments	-	-	-	-	-	-	-19	-21
Closing balance, December 31	34	33	4	5	38	38	38	37

Costs attributable to leasing activities in income statement	2024	2023
Depreciation of right-of-use assets	18	18
Interest expenses on lease liabilities	2	2
Total costs attributable to leasing activities	20	20

Seafire recognized cash flow attributable to leases of SEK -17 (-19) million for the 2024 financial year. See Note G23 for a maturity analysis of the Group's lease liabilities.

## Note G15. Deferred taxes

### ACCOUNTING POLICIES

Deferred tax is recognized in accordance with the balance sheet method for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

A tax rate of 20.6% is used for calculation purposes.

### SIGNIFICANT ESTIMATES AND JUDGMENTS

Deferred tax is calculated based on temporary differences and the carryforward of unused losses. Deferred tax assets are measured taking into account the probability that the Group will be able to utilize them against future taxable profit. Group management continually makes new assessments of deferred tax assets taking into account changes in market conditions and expected performance. Because of circumstances which cannot be predicted, the actual outcome may differ from the estimates that are made.

### Deferred tax liabilities

The Group's taxable temporary differences on December 31, 2024 consist primarily of the tax component of untaxed reserves, which amounts to SEK 27 (23) million, and SEK 18 (23) million largely related to deferred tax on consolidated surplus values attributable to purchase price allocations for subsidiaries.

### Deferred tax assets

As of the reporting date, there are no recognized no deferred tax assets. The Group's total tax losses amount to SEK 54 (54) million, SEK 0 (0) million of which has been capitalized. The restrictive rule concerning Group contributions means that a large part of loss carryforwards cannot be used as of the reporting date. In the 2026 and 2027 financial years, the Group will have owned most of its companies for more than five years, which means that it will be possible to use the majority of the tax losses.

Deferred tax assets	2024	2023
Opening balance, January 1	-	1
Recognized in the income statement	-	-1
Increase through business	-	-
Closing balance, December 31	-	-

Deferred tax liabilities	2024	2023
Opening balance, January 1	45	40
Recognized in the income	-6	-1
Increase through business	-	6
Closing balance, December 31	39	45

## Note G16. Inventories

### ACCOUNTING POLICIES

Inventories are recognized at the lower of cost and net realizable value. Cost is calculated using the average method. The cost of finished goods and work in progress consists of design costs, raw materials and other direct costs and related indirect costs of production, excluding personnel costs. Borrowing costs are not included. Net realizable value is the estimated selling price in the ordinary course of business less the applicable variable costs necessary to make the sale.

SEK million	2024	2023
Work in progress	50	72
Finished goods	120	143
Goods in transit	28	15
<b>Total</b>	<b>198</b>	<b>230</b>

## Note G17. Trade receivables

### ACCOUNTING POLICIES

#### *Expected credit losses*

Impairment of trade receivables is based on the simplified approach permitted by IFRS 9. To calculate the loss allowance for trade receivables, the Group uses a provision matrix for expected credit losses. In this matrix, trade receivables are divided up based on their maturity. An expected default risk has been developed for each maturity category in advance. The expected default risk is primarily based on forward-looking information concerning macroeconomic factors such as economic trends and inflation which affect the ability of customers to pay the receivables. Historical loss frequencies are also adjusted to reflect the current. The table below presents the expected default risk within each maturity category based on the loss allowance assessment at the reporting date. During the year, the expected default risk increased by approximately 1% compared with the previous financial year.

Trade receivables	2024	2023	Loss allowance	2024	2022
Trade receivables, external customers	80	94	Opening allowance	-2	-1
Allowance for expected credit losses	-2	-2	Allowance for expected losses	0	-1
<b>Closing balance, December 31</b>	<b>78</b>	<b>92</b>	<b>Closing allowance</b>	<b>-2</b>	<b>-2</b>

As of December 31, 2024, receivables more than 30 days past due amounted to SEK 6 (5) million, for which an allowance of SEK 2 (2) million has been recognized. Other past due trade receivables concern international customers in geographical areas where long payment times are normal. These are often repeat customers and the Company believes that it is highly likely that these past due receivables will be paid. The following table shows the age structure of trade receivables as of the reporting date.

Trade receivables	2024	2023	Loss allowance	2024	2023
Not yet due	61	80	Not yet due	-	-
Past due 0 – 30 days	11	9	Past due 0 – 30 days	-	-
Past due 30 – 60 days	2	1	Past due 30 – 60 days	-	-
Past due 60 – 90 days	1	-	Past due 60 – 90 days	-	-
Past due 90+ days	3	4	Past due 90+ days	2	2
<b>Total</b>	<b>78</b>	<b>94</b>	<b>Total</b>	<b>2</b>	<b>2</b>
Loss allowance for trade receivables	2	2			
Credit loss costs	-	2			

Estimated expected default risk	2024	2023
Not yet due	1%	1%
Past due 0 – 30 days	3%	3%
Past due 30 – 60 days	4%	4%
Past due 60 – 90 days	6%	6%
Past due 90+ days	15%	15%
<b>Total expected loss risk in relation to total trade receivables</b>	<b>1%</b>	<b>2%</b>

## Note G18. Other current receivables

### ACCOUNTING POLICIES

Other current receivables include financial assets that are not trade receivables and non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets with the exception of items with a due date more than 12 months after the end of the reporting period, which are classified as non-current assets.

SEK million	2024	2023
Tax account	8	6
Current receivable concerning sale of assets in Hedén	1	1
Other items	1	2
<b>Total</b>	<b>10</b>	<b>9</b>

## Note G19. Prepaid expenses and accrued income

SEK million	2024	2023
Prepaid expenses linked to service contracts	30	37
Prepaid rent	2	2
Other items	5	5
<b>Total</b>	<b>37</b>	<b>44</b>

## Note G20. Cash and cash equivalents

### ACCOUNTING POLICIES

Cash and cash equivalents include cash, bank balances and other short-term investments with a maturity within three months from the date of acquisition.

SEK million	2024	2023
Bank balances	57	46
Other cash and cash equivalents	-	-
<b>Total</b>	<b>57</b>	<b>46</b>

## Note G21. Equity

### ACCOUNTING POLICIES

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares or options are recognized, net of tax, in equity as a deduction from the issue proceeds.

#### Warrants

The Group has outstanding warrants for key individuals within the Group. The market value of the warrants has been determined in accordance with the Black & Scholes model and the warrants are transferred through a cash payment of the market premium. As a market premium is paid, no cost arises for the Company.

Year	Event	Quota value (SEK)	Change in number of shares	Change in share capital	Total shares	Total share capital
2023	Opening balance	-	-	-	42,574,411	7,152,175
2023	New share issue	0.17	272,158	45,720	42,846,569	7,197,895
2023	Closing balance	-	-	-	42,846,569	7,197,895
2024	Opening balance	-	-	-	42,846,569	7,197,895
2024	Closing balance	-	-	-	42,846,569	7,197,895

New share issue costs for 2024 amounted to 0 (1), of which the tax effect amounted to 0 (0).



### Share-based incentive programs

In 2022, Seafire established a warrant program (series 2022/2025). The program comprises a maximum of 1,500,000 warrants issued by Seafire AB, to be subscribed by Seafire AB for re-assignment to the program participants. The main aims of the program are to reward long-term commitment from the Seafire Group's senior executives and other key management personnel, to help recruit and retain competent key personnel and to increase common interests between key management personnel and Seafire AB's shareholders. Each warrant entitles the holder to subscribe for one new share in Seafire AB during the period October 1, 2025 to October 15, 2025 at a subscription price corresponding to 180 percent of the volume-weighted average price paid for Seafire AB's share during the period August 29, 2022 to September 9, 2022, rounded to the nearest öre. During the year, warrants were repurchased back when persons left the Group. As of the reporting date, 902,000 warrants were outstanding for remaining participants in the program. The market value of the warrants was determined in accordance with Black & Scholes model and the warrants were transferred through a cash payment of the market premium. As a market premium is paid, no cost arises for the Company.

Issue	Program	Subscription	Exercise price	Fair Value <sup>1</sup>	Average contract period	Warrants December 31, 2024	Warrants December 31, 2023
2022	2022/2025	09/16/2022 - 09/23/2022	48.26	1.56	3 years	1.7	1.7

1) Fair value is calculated on the warrant issue date.

SEK million	2024	2023
<b>Opening value of warrants</b>	<b>2</b>	<b>2</b>
Warrants granted during the year	-	-
Warrants forfeited during the year	-	-
Warrants exercised during the year	-	-
<b>Closing value of warrants</b>	<b>2</b>	<b>2</b>

If all warrants were exercised, the dilutive effect would be 902,000 shares.

## Note G22. Financial assets and liabilities

### ACCOUNTING POLICIES

#### Financial assets

The Group classifies all financial assets in accordance with IFRS 9 into the following categories: at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income. Management determines the classification of the financial assets at initial recognition. As of the reporting date, Seafire only recognizes currency derivatives at fair value, while other financial assets are recognized at amortized cost. Currency derivatives are measured at fair value through quoted prices in an active market (level 2). For financial assets measured at amortized cost (non-current receivables, trade receivables, current receivables and cash and cash equivalents), the fair value is not considered to differ significantly from the carrying amount.

#### Financial liabilities

Financial liabilities are designated as measured at amortized cost or at fair value through profit or loss. A financial liability is designated as at fair value through profit or loss if it is classified as held for trading, a derivative or contingent consideration settled in cash or with other financial assets. As of the reporting date, Seafire only recognizes contingent consideration at fair value, while other financial liabilities (non-current liabilities, trade payables and other current liabilities) are recognized at amortized cost.

#### Financial liabilities at fair value

Fair value and carrying amount are reported in the balance sheet according to the table above. For listed securities, fair value is determined based on the asset's quoted price in an active market, level 1. As of the balance sheet date, the Group had no items in this category. For foreign exchange contracts and embedded derivatives, fair value is determined based on observable market data, level 2. For contingent consideration, a cash flow-based valuation is made, which is not based on observable market data, level 3.

### SIGNIFICANTS ESTIMATES AND JUDGEMENTS

When acquiring subsidiaries, contingent consideration is applied as part of the purchase price, and is based on the estimated earnings growth in the acquired business over the next three to four years after the acquisition. The measurement of future contingent consideration is based on management's best assessment of future earnings growth. This assessment, and therefore the measurement of the contingent consideration, is updated twice a year. The updated assessments are based on the actual outcome and forecast for future earnings. Confirmed contingent consideration is paid once a year. An erroneous assessment can lead to acquired assets and liabilities for contingent consideration being overvalued.

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
<b>Assets</b>								
Currency derivatives	-	-	-	-	-	-	-	-
<b>Liabilities</b>								
Contingent considerations	-	12	-	-	-	-	-	12

As per 31 december 2024, the fair value of currency derivatives did not reach 1 MSEK, hence the row above is empty.

#### Measurement of instruments, December 31, 2024

SEK million	Financial instruments at fair value through profit or loss	Financial instruments at amortized cost	Total carrying amount
<u>Assets in the balance sheet</u>			
Currency derivatives	-		-
Other non-current receivables		3	3
Trade receivables		78	78
Current receivables		39	39
Cash and cash equivalents		57	57
<b>Total</b>		<b>177</b>	<b>177</b>
<u>Liabilities in the balance sheet</u>			
Liabilities to credit institutions		193	193
Property loans		8	8
Overdraft facilities		40	40
Lease liabilities		38	38
Contingent consideration liability	-		-
Trade payables		50	50
<b>Total</b>		<b>329</b>	<b>329</b>

#### Measurement of financial assets and liabilities, December 31, 2023

SEK million	Financial instruments at fair value through profit or loss	Financial instruments at amortized cost	Total carrying amount
<u>Assets in the balance sheet</u>			
Currency derivatives	-		-
Other non-current receivables		42	42
Trade receivables		92	92
Current receivables		53	53
Cash and cash equivalents		46	46
<b>Total</b>		<b>195</b>	<b>195</b>
<u>Liabilities in the balance sheet</u>			
Liabilities to credit institutions		234	234
Property loans		8	8
Promissory notes		5	5
Lease liabilities		37	37
Contingent consideration liability	12	-	12
Trade payables		61	61
<b>Total</b>	<b>12</b>	<b>345</b>	<b>357</b>

## Consolidated statement of cash flows

2024	Nominal amount	1-3 months	3-12 months	1-2 years	2-5 years	> 5 years	Total
Liabilities to credit institutions	193	10	31	150	1	-	193
Interest		3	9	3	-	-	15
Property loans	8	-	-	-	-	8	8
Overdraft facilities	40	40	-	-	-	-	40
Lease liabilities	38	-	3	11	22	5	41
Trade payables	50	50	-	-	-	-	50
<b>Total</b>	<b>329</b>						<b>347</b>

2023	Nominal amount	1-3 months	3-12 months	1-2 years	2-5 years	> 5 years	Total
Liabilities to credit institutions	234	10	31	40	153	-	234
Interest		4	11	12	3	-	30
Property loans	8	-	-	-	-	8	8
Promissory notes	5	-	5	-	-	-	5
Lease liabilities	37	-	5	6	22	4	37
Contingent consideration liability	12	-	5	7	-	-	12
Trade payables	61	61	-	-	-	-	61
<b>Total</b>	<b>357</b>						<b>387</b>

### Bank loans

Amount	190
Maturity	March 2, 2026
Average interest rate 2024	7.1%

The Group has an overdraft facility with a limit of SEK 100 million at the same interest rate as the bank loan. As of the closing date, SEK 40 million of the overdraft facility was utilized.

### Contingent consideration

#### *Revised assessments 2024*

Changed market conditions for Borö-Pannan as a result of increased cost inflation, lower customer demand and a weaker economic situation resulted in remeasurement of the contingent consideration. It is no longer considered possible for Borö-Pannan to achieve the basis for its contingent consideration, of which the remainder (SEK 7 million) has been reversed to the income statement.

Company	Basis for calculation of contingent consideration	Maximum contingent consideration	Period	Discount rate	Recognized tax
Borö-Pannan	1.25x EBITDA over SEK 12m per yr	SEK 10m per yr	2023-2025	13.09%	SEK 0m
Thor Ahlgren	50% of EBIT over SEK 5m per yr	SEK 3m per yr	2022-2026	13.20%	SEK 0m

#### *Development of contingent consideration measured at fair value*

SEK million	2024	2023
Opening balance	12	30
Acquisitions	-	21
Reversed/Remeasured through income statement	-7	-28
Paid	-5	-18
Interest effect in income statement	-	7
<b>Total</b>	<b>-</b>	<b>12</b>
of which non-current portion	-	7
of which current portion	-	5

## Note G23. Other non-current liabilities

SEK million	2024	2023
Contingent consideration liability	-	7
Property loans	8	8
Non-current tax deferrals <sup>1</sup>	53	13
<b>Total</b>	<b>61</b>	<b>28</b>

<sup>1</sup>No new tax deferrals were obtained during the year. The change concerns the recognition of a tax deferral obtained during 2023 as non-current this year, after approved payment schedules had been received from the Swedish Tax Agency. These tax deferrals were recognized as current during 2023.

## Note G24. Accrued expenses and deferred income

SEK million	2024	2023
Accrued salaries and social security contributions	28	31
Accrued interest expenses	5	2
Deferred income linked to service contracts (see Note G3)	49	59
Other	13	11
<b>Total</b>	<b>95</b>	<b>103</b>

## Note G25. Non-cash items

SEK million	2024	2023
Adjustments for:		
- amortization and impairment of acquired surplus values	29	68
- depreciation, amortization and impairment of property, plant and equipment and intangible assets	147	28
- remeasurement of contingent consideration	-7	-21
- loss on discontinued operation	-	23
- accrued interest	5	1
- other items	3	1
<b>Total</b>	<b>177</b>	<b>100</b>

## Note G26. Changes in liabilities arising from financing activities

SEK million	2023	Changes arising from cash flows			2024
			Non-cash changes		
			Business combinations	Other	
Loans from credit institutions	234	-41	-	-	193
Property loans	8	-	-	-	8
Lease liabilities	37	-17	-	18 <sup>1</sup>	38
Overdraft facilities	-	40	-	-	40
Promissory note loans	5	-5	-	-	-
<b>Total liabilities from financing activities</b>	<b>284</b>				<b>279</b>

SEK million	2022	Changes arising from cash flows	Non-cash changes		2023
			Business combinations	Other	
Loans from credit institutions	605	-371	-	-	234
Property loans	8	-	-	-	8
Lease liabilities	34	-18	10	111	37
Overdraft facilities	-	-	-	-	-
Promissory note loans	5	-	-	-	5
<b>Total liabilities from financing activities</b>	<b>651</b>				<b>284</b>

1) Increased liability for extended contracts, etc.



## Note G27. Pledged assets

SEK million	2024	2023
Floating charges	127	131
Shares in subsidiaries	1,006	1,052
Pledged bank balances	1	1
<b>Total pledged assets</b>	<b>1,134</b>	<b>1,184</b>

All shares in Nordbutiker, Åkerstedts Verkstads, Bara Mineraler, Pexymek, Thor Ahlgren, Färg-In, OPO Scandinavia, DOFAB, Kenpo Sandwich, Seafire Holdco, SolidEngineer, Borö and Ludafarm have been pledged as collateral for acquisition credit. Floating charges constitute collateral for borrowings within the Group.

## Note G28. 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 year.

## Note G29. Events after the reporting date

No significant events after the reporting date.

## Note G30. Definitions of key performance measures

In this report, Seafire presents certain financial measures that are not defined under IFRS. These are referred to as alternative performance measures (APMs). 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. Calculations of the alternative performance measures are presented on the next page.

Non-IFRS measures	Description	Purpose
<b>Organic growth, %</b>	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.
<b>Acquired growth, %</b>	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.
<b>Gross margin</b>	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.
<b>EBITDA</b>	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.
<b>Adjusted EBITDA</b>	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. This key ratio is also used in our covenant calculations for bond holders.
<b>Adjusted EBITDA pro forma R12</b>	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.
<b>EBITA</b>	Operating profit before amortization and impairment of intangible assets and acquired surplus values.	Together with EBITDA, EBITA provides a picture of the profit that is generated by operating activities.

<b>Adjusted EBITA</b>	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.
<b>Items affecting comparability</b>	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 the business.
<b>Net debt</b>	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.
<b>Pro forma</b>	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.

#### Calculation of organic growth

Percentage points	Full year 2024	Full year 2023
Organic growth	-10%	-5%
Acquired growth	1%	22%
<b>Recognized growth</b>	<b>-10%</b>	<b>18%</b>
SEK million	Full year 2024	Full year 2023
Net sales, base	1,000	851
Net sales, income growth	-104	-42
<b>Total organic growth</b>	<b>-10%</b>	<b>-5%</b>

#### EBITA and adjusted EBITA

SEK million	Full year 2024	Full year 2023
<b>EBIT</b>	<b>-105</b>	<b>13</b>
Reversal of amortization and impairment attributable to acquired surplus values	147	68
<b>EBITA</b>	<b>42</b>	<b>81</b>
Items affecting comparability	-	-9
<b>Adjusted EBITA</b>	<b>42</b>	<b>72</b>

#### EBITDA and adjusted EBITDA

SEK million	Full year 2024	Full year 2023
<b>EBIT</b>	<b>-105</b>	<b>13</b>
Reversal of depreciation, amortization and impairment of property, plant and equipment and intangible assets	176	97
<b>EBITDA</b>	<b>71</b>	<b>110</b>
Items affecting comparability	-	-9
<b>Adjusted EBITDA</b>	<b>71</b>	<b>101</b>

## Items affecting comparability

SEK million	Full year 2024	Full year 2023
Transaction costs for acquisitions	-	-7
Impairment due to inventory obsolescence	-3	-
Disposal of machinery and equipment	-1	-
Costs for change of listing	-	-8
Contingent consideration remeasurement	7	28
Restructuring costs	-3	-4
<b>Items affecting comparability</b>	<b>-</b>	<b>9</b>

## Adjusted EBITDA pro forma R12

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

## 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
<b>Net debt</b>	<b>215</b>	<b>230</b>
Adjusted EBITDA R12	71	104
<b>Net debt/Adjusted EBITDA pro forma R12, times</b>	<b>3.0</b>	<b>2.2</b>

## Adjusted net debt including deferrals 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
<b>Adjusted net debt</b>	<b>300</b>	<b>329</b>
Adjusted EBITDA R12	71	104
<b>Adjusted net debt/Adjusted EBITDA pro forma R12, times</b>	<b>4.2</b>	<b>3.2</b>

## Parent Company income statement

SEK million	Note	2024	2023
Net sales		-	-
Other income		18	21
<b>Total income</b>		<b>18</b>	<b>21</b>
Other external expenses	PC2	-9	-18
Personnel costs	PC3	-11	-16
Depreciation and amortization		-	-
<b>Total expenses</b>		<b>-20</b>	<b>-34</b>
<b>Operating profit/loss</b>		<b>-2</b>	<b>-13</b>
Finance income	PC4	2	6
Finance costs	PC5	-58	-120
<b>Profit/loss before tax</b>		<b>-58</b>	<b>-127</b>
Appropriations	PC6	6	20
Income tax	PC7	-2	-
<b>Profit/loss for the period</b>		<b>-54</b>	<b>-107</b>

## Parent Company statement of comprehensive income

SEK million	2024	2023
<b>Profit/loss for the period</b>	<b>-54</b>	<b>-107</b>
Other comprehensive income	-	-
<b>Comprehensive income for the period</b>	<b>-54</b>	<b>-107</b>



# Parent Company balance sheet

SEK million	Note	Dec 31 2024	Dec 31 2023
<b>Non-current assets</b>			
Property, plant and equipment		1	1
Investments in Group companies	PC8	23	23
Receivables from Group companies	PC9	953	1,019
<b>Total non-current assets</b>		<b>976</b>	<b>1,043</b>
<b>Current assets</b>			
Receivables from Group companies	PC9	62	84
Other current receivables		1	-
Prepaid expenses and accrued income		1	1
Cash and cash equivalents	PC10	54	43
<b>Total current assets</b>		<b>118</b>	<b>128</b>
<b>TOTAL ASSETS</b>		<b>1,094</b>	<b>1,171</b>
<b>Equity</b>			
Share capital	G21	7	7
Warrants		2	2
Other contributed capital		881	881
Retained earnings, including profit/loss for the year		-289	-235
<b>Total equity</b>		<b>601</b>	<b>655</b>
<b>Non-current liabilities</b>			
Non-current liabilities to credit institutions	PC11	150	190
Other non-current liabilities	PC11	-	7
<b>Total non-current liabilities</b>		<b>150</b>	<b>197</b>
<b>Current liabilities</b>			
Current liabilities to credit institutions		40	40
Utilized bank overdraft facilities		40	-
Trade payables		1	2
Liabilities to Group companies	PC12	258	260
Other current liabilities		1	11
Accrued expenses and deferred income		3	8
<b>Total current liabilities</b>		<b>343</b>	<b>319</b>
<b>Total liabilities</b>		<b>493</b>	<b>516</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,094</b>	<b>1,171</b>

## Statement of changes in equity

SEK million	Share capital	Warrants	Other contributed capital	Retained earnings incl. profit/loss for the year	Total equity
<b>Opening balance, Jan 1, 2023</b>	<b>7</b>	<b>2</b>	<b>877</b>	<b>-128</b>	<b>758</b>
Profit/loss for the period	-	-	-	-107	-107
New share issue	-	-	5	-	5
New share issue expenses	-	-	-1	-	-1
Incentive program	-	-	-	-	-
<b>Closing balance, Dec 31, 2023</b>	<b>7</b>	<b>2</b>	<b>881</b>	<b>-235</b>	<b>655</b>
<b>Opening balance, Jan 1, 2024</b>	<b>7</b>	<b>2</b>	<b>881</b>	<b>-235</b>	<b>655</b>
Profit/loss for the period	-	-	-	-54	-54
New share issue	-	-	-	-	-
New share issue expenses	-	-	-	-	-
Incentive program	-	-	-	-	-
<b>Closing balance, Dec 31, 2024</b>	<b>7</b>	<b>2</b>	<b>881</b>	<b>-289</b>	<b>601</b>

# Parent Company statement of cash flows

SEK million	Note	2024	2023
<u>Cash flow from operating activities</u>			
Profit after financial items		-58	-127
Of which interest received	PC4	2	6
Of which interest paid	PC5	-18	-46
Adjustment for non-cash items	PC13	40	70
Tax paid		-3	-
<b>Cash flow from operating activities before changes in working capital</b>		<b>-21</b>	<b>-57</b>
<u>Cash flow from changes in working capital</u>			
Change in current receivables		28	-29
Change in current liabilities		-16	127
<b>Cash flow from changes in working capital</b>		<b>12</b>	<b>-98</b>
<b>Cash flow from operating activities</b>		<b>-9</b>	<b>41</b>
<u>Cash flow from investing activities</u>			
Acquisition of property, plant and equipment		-	-1
Acquisition of subsidiaries		-	-81
<b>Cash flow from investing activities</b>		<b>-</b>	<b>-82</b>
<u>Cash flow from financing activities</u>			
New share issue		-	-
New share issue expenses		-	-1
Group contributions		20	17
New borrowings		-	250
Recognized bank overdraft facilities		40	-
Repayment of borrowings		-40	-640
Premiums paid for incentive program		-	-
<b>Cash flow from financing activities</b>		<b>20</b>	<b>-374</b>
<b>Cash flow for the year</b>		<b>11</b>	<b>-415</b>
Cash and cash equivalents at start of period		43	458
<b>Cash and cash equivalents at end of period</b>		<b>54</b>	<b>43</b>

# Notes to the Parent Company financial statements

## Note PC1. Accounting policies

The Parent Company has prepared its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 requires the Parent Company, as a legal entity, to prepare its annual financial statements in compliance with all IFRS standards and interpretations adopted by the EU to the extent possible within the framework of the Swedish Annual Accounts Act and taking into account the relationship between tax expense (income) and accounting profit.

The most important differences between the Group's and the Parent Company's accounting policies are described below or in the relevant note. The Parent Company's accounting policies have been applied consistently to all periods presented in the Parent Company's financial statements.

### Leases

The Parent Company applies the exemption rule in RFR 2 and recognizes lease payments as an expense on a straight-line basis over the lease term.

## Note PC2. Fees and reimbursement of auditors' expenses

SEK million	2024	2023
Audit engagement (BDO)	-2	-2
Audit engagement (PwC)	-1	-
Other services	-	-
<b>Total</b>	<b>-3</b>	<b>-2</b>

## Note PC3. Employees and personnel costs

### ACCOUNTING POLICIES

Costs attributable to salaries during notice periods were expensed in the 2023 financial year, even though some payments took place during 2024.

The average number of employees in the Parent Company was 4 (4), of which 3 (3) were men.

SEK million	2024	2023
<b>Salaries and other remuneration</b>		
Board and CEO	-6	-9
Other employees	-1	-1
<b>Total</b>	<b>-7</b>	<b>-10</b>
<b>Social security costs</b>		
Contractual and statutory social security costs	-2	-3
Pension costs	-1	-2
Other personnel costs	-1	-1
<b>Total</b>	<b>-11</b>	<b>-16</b>

## Note PC4. Interest and similar income

SEK million	2024	2023
Interest income from cash and cash equivalents	1	3
Interest income from Group companies	1	3
<b>Total</b>	<b>2</b>	<b>6</b>

## Note PC5. Interest and similar expenses

SEK million	2024	2023
Impairment of HoldCo receivable	-40	-69
Interest expenses on bank loans	-17	-47
Other finance costs	-1	-4
<b>Total</b>	<b>-58</b>	<b>-120</b>

## Note PC6. Appropriations

### ACCOUNTING POLICIES

Group contributions both received and paid are recognized as appropriations in accordance with the alternative rule.

SEK million	2024	2023
Group contributions received	6	20
Group contributions paid	-	-
<b>Total</b>	<b>6</b>	<b>20</b>

## Note PC7. Taxes

SEK million	2024	2023
Current tax expense	-2	-
Deferred tax	-	-
<b>Tax expense for the year</b>	<b>-2</b>	<b>-</b>
<b>Reconciliation of effective tax</b>		
Profit/loss before tax	-52	-107
Tax at applicable tax rate	11	22
<b>Tax effect of:</b>		
Non-deductible expenses	-11	-22
Non-taxable income	-	-
Unrecognized deferred tax arising from tax losses	-	-
Change in assessment of previous tax years	-2	-
<b>Total</b>	<b>-2</b>	<b>-</b>

## Note PC8. Investments in Group companies

### ACCOUNTING POLICIES

Investments in subsidiaries are recognized at cost less any impairment. Cost includes acquisition-related costs and any contingent consideration. When there is an indication that investments in subsidiaries have declined in value, the recoverable amount is calculated. If the recoverable amount is lower than the carrying amount, an impairment loss is recognized. Impairment is recognized in Profit/loss from investments in Group companies. Shareholder contributions are recognized in the recipient's equity and the issuer's investments in Group companies, to the extent that there is no impairment.

On March 9, 2021, the holding was transferred from Seafire AB (publ) to the holding company Seafire Holdco AB. The carrying amount of the Parent Company's holding in Seafire Holdco AB is SEK 23 (23) million.

Holding under Seafire AB	Corp. ID	Registered office	Holding		Number of shares		Carrying amount <sup>1</sup>	
			2024	2023	2024	2023	2024	2023
Seafire Holdco AB	559291-8063	Stockholm	100%	100%	25,000	25,000	23	23

<sup>1</sup> Carrying amount, SEK million

SEK million	Seafire AB	
	2024	2023
<b>Opening cost</b>	<b>23</b>	<b>23</b>
Acquisitions	-	-
Contingent consideration remeasurement	-	-
Shareholder contributions paid	40	-
<b>Closing cost</b>	<b>63</b>	<b>23</b>
<b>Opening impairment</b>	<b>-</b>	<b>-</b>
Impairment	-40	-
<b>Closing accumulated impairment</b>	<b>-40</b>	<b>-</b>
<b>Closing carrying amount</b>	<b>23</b>	<b>23</b>

Holding under Seafire Holdco AB			Holding		Number of shares	
Company	Corp. ID	Registered office	2024	2023	2024	2023
Bara Mineraler AB	556472-5397	Bara	100%	100%	22,000	22,000
Borö-Pannan AB	556212-2183	Kalix	100%	100%	3,500	3,500
ESC d.d.o.	-	Breza, Bosnia	100%	100%	2,000	2,000
DOFAB AB	556732-5674	Sjöbo	100%	100%	1,000	1,000
Färg-In AB	556187-9387	Kristinehamn	100%	100%	5,000	5,000
Hedén Group AB	559060-2073	Gothenburg	100%	100%	50,000	50,000
Kenpo Sandwich AB	556058-3733	Halmstad	100%	100%	5,000	5,000
LudaFarm AB	556690-3950	Mölndal, Sweden	100%	100%	1,000	1,000
Nordbutiker AB	556908-9385	Stockholm	100%	100%	1,000	1,000
OPO Scandinavia AB	556445-5482	Malmö	100%	100%	1,000	1,000
Pexymek AB	556125-6354	Falkenberg	100%	100%	1,000	1,000
Maströret Fastighets AB	556833-2117	Falkenberg	100%	100%	50,000	50,000
SolidEngineer AB	556671-2740	Täby	100%	100%	1,000	1,000
Thor Ahlgren AB	556314-6660	Skillingaryd	100%	100%	15,000	15,000
Åkerstedts Verkstads AB	556172-8030	Vara	100%	100%	1,000	1,000



## Note PC9. Receivables from Group companies

### ACCOUNTING POLICIES

In the Parent Company, receivables from subsidiaries form part of the Parent Company's financing. The Group has a good insight into the financial position of the subsidiaries, which means that the Parent Company's receivables from subsidiaries are not considered to represent a credit risk. Impairment is evaluated regularly. The Parent Company's main receivable is the receivable from Seafire HoldCo following the sale of shares to HoldCo. SEK 52 (67) million of the Parent Company's current receivables are receivables from the cashpool, while SEK 10 million are other receivables from Seafire HoldCo.

Non-current receivables	2024	2023
Seafire Holdco AB	953	1,019
Current receivables	2024	2023
Thor Ahlgren AB	8	4
Seafire Holdco AB	15	4
Åkerstedts Verkstads AB	-	1
Nordbutiker AB	35	63
LudaFarm AB	3	5
Hedén Group AB	1	7
<b>Total</b>	<b>62</b>	<b>84</b>

## Note PC10. Cash and cash equivalents

SEK million	2024	2023
Bank balances	54	43
Other cash and cash equivalents	-	-
<b>Total</b>	<b>54</b>	<b>43</b>

## Note PC11. Non-current liabilities

### ACCOUNTING POLICIES

The Parent Company has opted not to apply the exception to IFRS 9 in RFR 2. Contingent consideration liabilities are therefore measured at fair value in the Parent Company, in the same way as they are measured for the Group.

SEK million	2024	2023
Contingent consideration liability	-	7
Bank loans	150	190
Other liabilities	-	-
<b>Total</b>	<b>150</b>	<b>197</b>

## Note PC12. Liabilities to Group companies

SEK million	2024	2023
Åkerstedts Verkstads AB	12	12
Bara Mineraler AB	70	67
Borö-Pannan AB	24	21
DOFAB AB	16	19
Färg-In AB	15	14
Kenpo Sandwich AB	43	41
LudaFarm AB	1	3
Maströret Fastighets AB	1	-
Nordbutiker AB	1	9
OPO Scandinavia AB	34	29
Pexymek AB	22	24
SolidEngineer AB	19	21
<b>Total</b>	<b>258</b>	<b>260</b>

## Note PC13. Adjustment for non-cash items

SEK million	2024	2023
Impairment of financial assets	40	70
Change in accrued interest	-	-
Other	-	-
<b>Total</b>	<b>40</b>	<b>70</b>

## Note PC14. Pledged assets

SEK million	2024	2023
Floating charges	3	3
Shares in subsidiaries	23	23
Pledged bank balances	1	1
<b>Total pledged assets</b>	<b>27</b>	<b>27</b>

## Note PC15. Related party transactions

There were no transactions with related parties during 2024, apart from contractual salary and pension payments to senior executives and fees to the Board and Audit Committee.

## Note PC17. Proposed appropriation of profits

For the Board's proposed appropriation of profits, see the appropriation of profits in the Board of Directors' Report in this Annual Report, and below.

SEK	2024
Share premium reserve	880,910,739
Retained earnings	-234,765,709
Loss for the year	-54,179,034
<b>Total</b>	<b>591,965,996</b>
To be distributed as follows:	
Dividend	-
Carried forward	591,965,996
<b>Total</b>	<b>591,965,996</b>

# Declaration by the Board of Directors and the CEO

The Board of Directors and CEO hereby declare that the consolidated financial statements have been prepared in accordance with IFRS, as adopted by the EU, and provide a true and fair view of the Group's financial position and financial performance. The Parent Company's financial statements have been prepared in accordance with generally accepted accounting principles in Sweden and provide a true and fair view of the Parent Company's financial position and financial performance. The Board of Directors' Report describes the Group's and the Parent Company's operations, financial position and financial performance, and significant risks and uncertainties facing the Parent Company and Group companies.

Stockholm, April 2, 2025

Anders Hillerborg  
*Chairman of the Board*

Marcus Söderberg  
*Board member*

Stina Wollenius  
*Board member*

Sonny Mirborn  
*Board member*

Daniel Repfennig  
*Chief Executive Officer*

Our audit report was submitted on April 2, 2025  
*Öhrlings PricewaterhouseCoopers AB*

Fredrik Göransson  
*Authorized Public Accountant  
Auditor in charge*

Jelena Karlsson  
*Authorized Public Accountant*

# Audit Report

Unofficial translation

To the general meeting of the shareholders of Seafire AB (publ), corporate identity number 556540-7615

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Seafire AB (publ) for the year 2024 except for the corporate governance statement and sustainability report on pages 21-25 and 13-20. The annual accounts and consolidated accounts of the company are included on pages 9-60 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and sustainability report on pages 21-25 and 13-20. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the consolidated statement of comprehensive income and the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Our audit approach

#### *Audit scope*

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

#### *Materiality*

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

## Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### *Key Audit Matters*

### *Audit response to Key Audit Matters*

#### *Valuation of goodwill*

As of December 31, 2024, the Group reports goodwill of MSEK 536, which is distributed between a total of twelve cash generating units, which are also Group companies.

In accordance with IAS 36, the Group tests the reported goodwill for impairment at least annually. This test is performed per cash-generating unit and by calculating the recoverable amount and comparing it with the reported value of the business. The recoverable amount was determined by management through a calculation of the cash generating units' ability to generate cash flow in the future.

The impairment tests are material to our audit because goodwill represents significant amounts in the balance sheet and the impairment tests also involve management making significant estimates and judgments about the future.

Information on the accounting principles applied and additional disclosures regarding the impairment tests performed are described in Note G12, Intangible assets and in Note G1, Accounting policies.

Our audit procedures have included, but are not limited to, the following activities.

Evaluated that the Group's accounting principles for identifying and reporting goodwill are consistent with IFRS. Evaluated the Group's process for impairment testing, which includes, among other things, an evaluation of management's forecast accuracy by comparing actual outcomes with forecasts and obtaining explanations for any deviations.

Our audit procedures included an assessment of the mathematical accuracy of the cash flow calculations and a reconciliation of the cash flow forecasts against the company's financial plans for 2025-2029.

We have evaluated and assessed that the company's valuation model is consistent with accepted valuation techniques.

We have challenged management regarding the reasonableness of the assumptions that have the greatest effect on the impairment tests, which include sustainable growth rate, sustainable gross margin and discount rate.

We have reviewed the sensitivity analyses conducted by management and challenged management's assumptions, tested the safety margins that exist and assessed the risk that an impairment requirement would arise.

Evaluated the information presented in the annual report and consolidated financial statements related to goodwill and assessed whether it provides sufficient information in accordance with regulatory requirements.

## Other information

The audit of the annual accounts and consolidated accounts for the financial year 2023 was performed by another auditor who issued an auditor's report dated April 2, 2024 with unmodified opinions in the Report on the annual accounts and consolidated accounts.

### **Other Information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-8 and 13-20. Other information also relates to the remuneration report that we obtained prior to the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.



If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## **Report on other legal and regulatory requirements**

### **The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss**

#### **Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Seafire AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Directors be discharged from liability for the financial year.

#### **Basis for Opinions**

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### **Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## **The auditor's examination of the ESEF report**

### **Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Seafire AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### **Basis for Opinion**

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Seafire AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

#### **The auditor's examination of the corporate governance statement**

The Board of Directors is responsible for that the corporate governance statement on pages 21-25 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

#### **The auditor's opinion regarding the statutory sustainability report**

The Board of Directors is responsible for the statutory sustainability report for the year 2024 on pages 13-20 and that it is prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, was appointed auditor of Seafire AB (publ) by the general meeting of the shareholders on the 24 April 2024 and has been the company's auditor since this date.

Gothenburg, April 2nd 2025

Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson  
Authorized Public Accountant  
Auditor in charge

Jelena Karlsson  
Authorized Public Accountant

***This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.***