

# Year-end report 2023

## Weak margin, but strong cash flow towards the year-end

Revenue increased by 8% to SEK 227 million (210), while operating profit, adjusted EBITA, amounted to SEK 3 million (9) in Q4. A disappointing end to the year, primarily as a result of negative organic growth and high operating costs.

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

### Q4 2023

- Net sales amounted to SEK 227 million (210). Growth amounted to 8%, of which organic growth for comparable entities amounted to -8% compared with the same period in 2022
- Operating profit/loss (EBIT) amounted to SEK -20 million (16), negatively impacted by impairment losses on goodwill of SEK -29 million (0)
- EBITA amounted to SEK 17 million (22), corresponding to a margin of 7% (10)
- Adjusted EBITA amounted to SEK 3 million (9), corresponding to a margin of 1% (4)
- Earnings per share before and after dilution amounted to SEK -0.65 (-0.10)<sup>3</sup>

### The period January – December 2023

- Net sales amounted to SEK 1,000 million (851). Growth was 18%, of which organic growth for comparable entities amounted to -5% compared with the same period in 2022
- Operating profit (EBIT) amounted to SEK 13 million (81), negatively impacted by impairment losses on goodwill of SEK -41 million (0)
- EBITA amounted to SEK 81 million (101), corresponding to a margin of 8% (12)
- Adjusted EBITA amounted to SEK 72 million (80), corresponding to a margin of 7% (9)
- Earnings per share before and after dilution amounted to SEK -1.72 (0.49/0.47)<sup>3</sup>
- The Board of Directors proposes that no dividend be distributed for 2023

### Significant events in the reporting period

- On November 1st, 2023, the assets in the subsidiary Hedén Group were divested
- On December 7th, 2023, Seafire announced that the Board of Directors had resolved to dismiss CEO Johan Bennarsten from his position and, on December 20th, Seafire announced that he had been relieved of his duties with effect from December 31st, 2023 and that Jacob Persson, the company's CFO, had been appointed acting CEO. Severance costs for the CEO were charged to the profit during Q4
- As a result of disappointing profitability, challenging market conditions and a change in the interest rate situation in the subsidiaries Nordbutiker and Kenpo Sandwich, Seafire recognized impairment losses on goodwill of SEK 29 million during Q4

## FINANCIAL SUMMARY<sup>1</sup>

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales	227	210	1,000	851
Gross margin <sup>2</sup>	44%	45%	46%	44%
Operating costs, proportion of net sales <sup>2</sup>	44%	41%	38%	33%
EBITA <sup>2</sup>	17	22	81	101
EBITA-marginal <sup>2</sup>	7%	10%	8%	12%
Adjusted EBITA <sup>2</sup>	3	9	72	80
Adjusted EBITA margin <sup>2</sup>	1%	4%	7%	9%
Operating profit (EBIT)	-20	16	13	81
Earnings per share before and after dilution, SEK <sup>3</sup>	-0.65	-0.10	-1.72	0.49 / 0.47
Cash flow from operating activities <sup>3</sup>	10	5	80	-60
Net debt/adjusted EBITDA pro forma R12, times	2.2	1.7	2.2	1.7

1) The comparative figures have been restated. See Note 9 for more information.

2) Alternative performance measures. See Note 10 for reconciliation with financial reports in accordance with IFRS.

3) Key ratios inclusive of divested business

## THE CEO'S COMMENTS ON Q4

**The year ended disappointingly and well below expectations. Revenue during Q4 increased by 8% to SEK 227 million, driven entirely by acquisitions. Adjusted EBITA decreased to SEK 3 million (9), primarily as a result of negative organic growth combined with high costs. The quarter started promisingly, but a weak December impacted on the profit for the entire quarter. The strong cash flow is explained by a reduction in tied-up working capital and the completion of refinancing.**



Organic growth during the quarter was negative at -8%. The sluggish development is primarily explained by weak sales figures for DOFAB and Färg-In, relating to a downturn in the economic situation in the construction sector. Development in other companies was stable and, in some cases, strong. Borö-Pannan, which was acquired during 2023, saw a weak trend in sales during the quarter as a result of deferred state contributions, which led to a more cautious approach among end customers in Denmark and Germany.

The gross margin was relatively stable during the quarter, despite the lower demand. The subsidiaries have successfully managed to compensate for higher procurement prices and the weak Swedish krona, primarily through price adjustments.

The quarter's adjusted EBITA decreased to SEK 3 million (9), corresponding to a margin of 1% (4). Acquisitions contributed SEK 1 million to the profit. The reduction in profit is partly due to the negative organic growth and partly due to the fact that the Group was not entirely successful in its efforts to adapt its costs to the lower demand. Early cold and wintry weather negatively impacted the profits recorded by Nordbutiker, Pexymek and Bara Mineraler. We have taken measures in our subsidiaries to address the cost structure in order to improve the Group's operating margin in the long term.

Adjusted for the repayment of a tax deferral of SEK 22 million, cash flow improved during Q4 and amounted to a strong SEK 32 million after a change in working capital. A reduction in tied-up working capital and the completion of refinancing, which considerably reduced the Group's interest expenses, lie behind the strong cash flow.

During the quarter, the Group implemented an impairment on acquisition goodwill of SEK 29 million (0). This impairment is attributable to Nordbutiker, where market conditions have undergone fundamental changes, and Kenpo, where profitability dramatically deteriorated following the loss of a key customer.

For the full year 2023, we see a mixed picture as regards the development of the subsidiaries. Half of the Group's companies have delivered stable or higher profits, while the remaining companies have

seen sharp falls in profits, which also explains the sluggish development in the Group's profit overall. The common denominator for many of the sluggishly performing companies is that they were acquired during the last two years, when the market was strong and profit levels at historically high levels. During the past year, profitability levels in these companies have declined, driven partly by a weaker market and partly by strategic investments in structural capital aimed at securing long-term profitable growth. These companies are still both profitable and well-run companies, but their profit levels are now more normalized than at the time of their acquisition. In addition to these companies, two of the Group's largest companies, Nordbutiker and Färg-In, have each lost approximately SEK 8 million in profit compared with 2022 as a result of a weaker consumer market and the weak economic situation in the construction market.

Looking forward, we see continuing uncertainty as regards the economic situation during 2024 and a generally tougher market compared with 2023. January 2024 began worse than 2023, and we are also seeing tough comparative figures during the first quarter. Our seasonally strongest quarter is generally Q2, followed by Q3, while Q1 and Q4 are normally weaker.

The focus for 2024 is on continuing to generate strong cash flow and maintain margins, rather than investing in growth initiatives. The Group's acquisition strategy remains unchanged but our priority during the first half of 2024 is to continue to reduce the Group's net debt.

The Board is continuing its efforts to appoint a new CEO. Seafire is a decentralized organization with capable and autonomous subsidiary CEOs, and the businesses are fully focused on realizing their business plans.

As we look back at the past year, I would like to thank all Seafire's customers, employees and business partners for their trust, commitment and drive during the past year. We look forward to new opportunities and mutually beneficial collaboration during 2024.

*Jacob Persson, CEO*

## DEVELOPMENT OF THE GROUP<sup>1</sup>

### Net sales

#### Q4

During the quarter, revenue increased by 8% to SEK 227 million, compared with SEK 210 million during the same period of the previous year. Organic growth, excluding acquired companies, was -8% compared with the same period of 2022

#### The period January – December

During the period, revenue increased by 18% compared with 2022 to SEK 1,000 million (851). The increase is entirely attributable to the acquisition of Borö-Pannan in February 2023. Organic growth amounted to -5% compared with 2022.

### Gross margin

#### Q4

The gross margin amounted to 44% (45) during the quarter. The subsidiaries have successfully managed to compensate for higher procurement prices and the weak Swedish krona, primarily through price adjustments. This resulted in a relatively stable gross margin during the quarter. The gross margin was positively affected by completion of the acquisition of Borö-Pannan, whose gross margin is higher than that of existing subsidiaries.

#### The period January – December

The gross margin increased to 45% (44) during the period. The increase in gross margin is primarily explained by completion of the acquisition of Borö-Pannan, whose gross margin is higher than that of existing subsidiaries. A changed product mix, where the Industrial components business area is showing signs of positive development, is also contributing to the increase in the gross margin.

### Profit

#### Q4

The Group's operating profit/loss (EBIT) amounted to SEK -20 million (16) during the quarter. The negative development is explained partly by the impairment of goodwill of SEK -29 million (0), and partly by lower organic growth and an inefficient cost structure. Operating profit before amortization attributable to acquired surplus values (EBITA) amounted to SEK 17 million (22). The change is primarily explained by an increase in operating costs. The acquisition of Borö-Pannan contributed SEK 1 million to EBITA. Items affecting comparability, primarily attributable to the remeasurement of earnout and restructuring costs, of SEK 14 million (13) had a positive impact on the profit. Loss after tax amounted to SEK -28 million (-4).

#### The period January – December

The Group's operating profit (EBIT) amounted to SEK 13 million (81) during the period. The negative trend is explained partly by the impairment of goodwill of SEK -41 million (0), and partly by lower profitability in consumer-related operations and companies with exposure to the construction market as a result of an inefficient cost structure. Operating profit before amortization attributable to acquired surplus values (EBITA) amounted to SEK 81 million (101). The acquisition of Borö-Pannan contributed SEK 11 million to EBITA. Items affecting comparability, primarily attributable to the remeasurement of earnout, acquisition costs and costs for change of listing and refinancing, of SEK 9 million (-21) positively affected the profit. Profit/loss after tax for the continuing operation amounted to SEK -50 million (12), while the loss from all operations amounted to SEK -73 million (14).

### Net financial items and tax

#### Q4

Net financial items during Q3 amounted to SEK -9 million (-15). Interest and financial expenses amounted to SEK -6 (-18), the interest effect on earnout amounted to SEK -2 million (5), currency fluctuations to SEK -3 million (-3) and interest income and financial income amounted to SEK 2 million (1). The improvement in net financial items is a direct result of the completion of refinancing, which considerably reduced the Group's interest expenses. Tax for the period amounted to SEK 1 million (-6).

#### The period January – December

Net financial items for the period amounted to SEK -59 million (-53). Interest and financial expenses amounted to SEK -55 (-56), the interest effect on earnout amounted to -7 million (-1), currency fluctuations to SEK -2 million (0) and interest income and financial income to SEK 5 million (4). Non-recurring costs linked to the refinancing amounted to SEK -18 million (0). Tax for the period amounted to SEK -4 million (-16).

#### Summary of financial performance measures

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales	227	210	1,000	851
EBITDA	23	28	110	123
EBITA	17	22	81	101
Adjusted EBITA	3	9	72	80
EBIT	-20	16	13	81

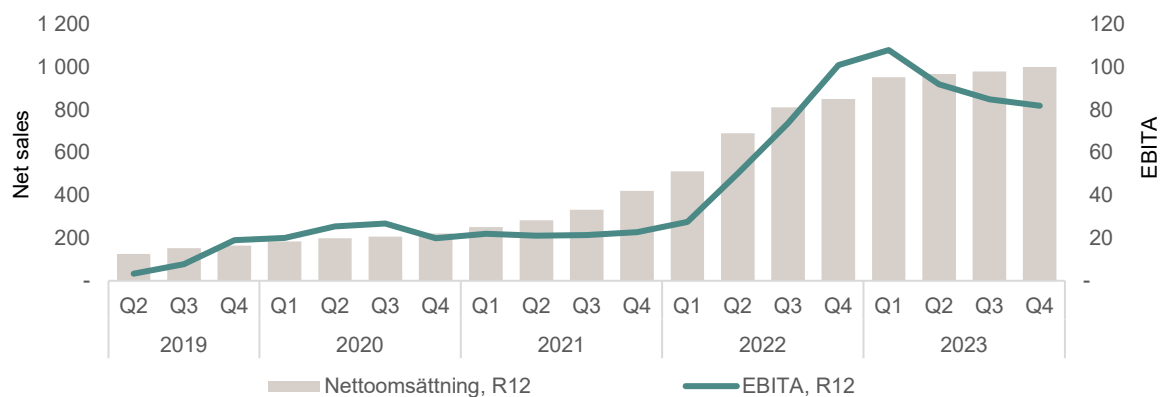
1) The comparative figures have been restated. See Note 9 for more information.

*Effect of items affecting comparability on the income statement*

SEK million	Q4 2023	Full year 2023
Other income (revaluation of earnout)	18	28
Other external expenses (acquisitions, change of listing and refinancing)	-4	-19
<b>Effect on EBITDA &amp; EBITA</b>	<b>14</b>	<b>9</b>

*Financial development*

SEK million

**Cash flow****Q4**

Cash flow from operating activities, including changes in working capital, amounted to SEK 10 million (5), primarily as a result of lower stock levels of SEK 6 million. The repayment of an approved deferral of tax payments affected working capital in the amount of SEK -22 million. Cash flow from investing activities amounted to SEK -1 million (-3), as a result of investments in property, plant and equipment. Cash flow from financing activities amounted to SEK -26 million (223), which is explained by the repayment of loans and lease liabilities. Total cash flow amounted to SEK -17 million (225) during Q4.

*The period January – December*

Cash flow from operating activities, including changes in working capital, amounted to SEK 80 million (-60). Cash flow from investing activities amounted to SEK -92 million (-372), as a result of the acquisition of Borö-Pannan AB and investments in intangible and tangible non-current assets. Cash flow from financing activities amounted to SEK -410 million (724), which is explained by the completion of refinancing, where bond loans were repaid and new bank loans taken out. Total cash flow amounted to SEK -422 million (292).

**Investments****Q4**

Total cash flow from investing activities during the quarter amounted to SEK -1 million (-3), which is attributable to investments in property, plant and equipment.

*The period January – December*

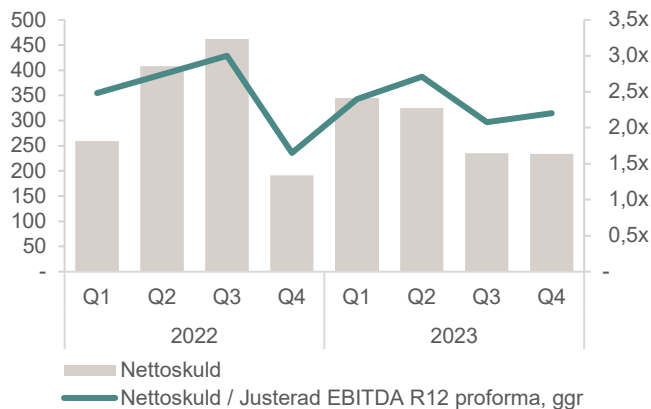
Cash flow from investing activities amounted to SEK -92 million (-372), which is attributable to business combinations and investments in intangible and tangible non-current assets. Investments attributable to intangible and tangible non-current assets amounted to SEK -11 million (-19).

## Financing

Interest-bearing liabilities at the end of the period amounted to SEK 234 million (604) and, including lease liabilities, to SEK 271 million (638). Of the liabilities, SEK 234 million (604) concerned liabilities to credit institutions and SEK 37 million (34) concerned lease liabilities. Earnouts amounted to SEK 12 million (30), of which earnouts with maturity within 12 months amounted to SEK 5 million (21). Tax deferral amounted to SEK 92 million (30), which must be repaid by the end of 2026. Cash and cash equivalents at the end of the period amounted to SEK 46 million (468). The Group's net debt, as it is defined in order to calculate the bank loan's covenant, therefore amounted to SEK 230 million (191) and net debt through adjusted EBITDA R12 pro forma to 2.2x (1.7x). Total net debt, including leasing, all contingent considerations and tax deferral, amounted to SEK 329 million (221).

### Net debt according to covenant calculation<sup>1</sup>

SEK million



Note: 1) For definitions, see Note 10. The comparative figures have been restated to include the component of liability for earnouts that mature within 12 months.

#### Net debt, net debt/Adjusted EBITDA pro forma R12

SEK million	Full year 2023	Full year 2022
Interest-bearing liabilities	234	604
Lease liabilities	37	34
Earnouts due within 12 months	5	21
Excluded: cash and cash equivalents	-46	-468
<b>Net debt</b>	<b>230</b>	<b>191</b>
Adjusted EBITDA R12	104	117
<b>Net debt/Adjusted EBITDA pro forma R12, times</b>	<b>2.2</b>	<b>1.7</b>

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

SEK million	Full year 2023	Full year 2022
Net debt	230	191
Outstanding deferral from the Swedish Tax Agency and earnouts for payment after 12 months	99	39
<b>Adjusted net debt</b>	<b>329</b>	<b>230</b>
Adjusted EBITDA R12	104	117
<b>Adjusted net debt/Adjusted EBITDA pro forma R12, times</b>	<b>3.2</b>	<b>2.0</b>

## BUSINESS AREAS

### Industrial components

The Industrial components business area offers products and solutions to companies within a number of market niches – paints, fans, construction materials and the production of sheet metal components for customers within a wide range of sectors. The business area includes Bara Mineraler, Borö-Pannan, DOFAB, Färg-In, Kenpo Sandwich, Pexymek, Thor Ahlgren and Åkerstedts. For more information about the business area, see Note 3.

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales	163	144	680	553
EBIT*	10	15	75	77
EBIT margin	6%	10%	11%	14%

\* The profit excludes IFRS 16 and the management fee payable to the Parent Company, which is distributed between the subsidiaries based on net sales.

#### Q4

During the quarter, revenue increased by 13% to SEK 163 million, compared with SEK 144 million during the same quarter of the previous year. Organic growth, excluding companies acquired in the fiscal year, was -9% compared with the same period of 2022. Acquired growth amounted to 23% during the quarter. Bara Mineraler, Åkerstedts and Thor Ahlgren saw positive growth during the quarter, while DOFAB, Kenpo, Färg-In and Pexymek showed negative growth in revenue. Borö-Pannan, which was consolidated from 1 February 2023, had lower revenue than in the same quarter of the previous year.

During Q4 2023, the gross margin was on a par with the same quarter of the previous year. The gross margin was positively affected by completion of the acquisition of Borö-Pannan, whose gross margin is higher than the average in the business area. Färg-In had a negative impact on the gross margin compared with the previous year.

During the quarter, operating profit after depreciation, amortization and impairment, EBIT, decreased by 33% to SEK 10 million (15), which corresponds to an operating margin of 6% (10). DOFAB, Färg-In, Pexymek and Kenpo recorded a lower profit than the same quarter of the previous year. Thor Ahlgren, Åkerstedts and Bara Mineraler increased their profits compared with the same quarter of the previous year. Borö-Pannan contributed SEK 1 million to operating profit.

Impairments of acquisition goodwill as a result of weak development in profitability in Kenpo and the altered interest rate situation reduced the Group's profit by SEK 11 million during Q4.

#### The period January – December

During the period, revenue increased by 23% to SEK 680 million, compared with SEK 553 million during the same period of the previous year. Organic growth, excluding acquired companies, was -2% compared with the same period of 2022. Companies acquired during the year contributed growth of 25% during the period. Bara Mineraler, Åkerstedts, Pexymek and Thor Ahlgren increased revenue during 2023.

Gross margin increased during the full year 2023 compared with the same period of 2022, primarily as a result of positive developments within Bara Mineraler, Åkerstedts and Pexymek. Completion of the acquisition of Borö-Pannan had a positive effect on the gross margin.

During the period, operating profit after depreciation, amortization and impairment, EBIT, decreased by 3% to SEK 75 million (77), which corresponds to an operating margin of 11% (14). DOFAB, Kenpo and Färg-In recorded a negative profitability trend. Bara Mineraler, Pexymek, Åkerstedts and Thor Ahlgren increased their profits compared with the previous year. Borö-Pannan contributed SEK 11 million to operating profit.

## Products<sup>1</sup>

The Products business area offers products and solutions to companies within a number of market niches – lightweight electric vehicles, software sales, glasses and monitoring equipment for customers within a wide range of sectors. The business area includes Ludafarm, Nordbutiker, OPO Scandinavia and SolidEngineer. For more information about the business area, see Note 3.

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales	64	66	320	298
EBIT*	-7	-3	7	16
EBIT margin	-12%	-9%	2%	5%

\* The profit excludes IFRS 16, impairment of company-specific goodwill and the management fee payable to the Parent Company, which is distributed between the subsidiaries based on net sales.

### Q4

During the quarter, revenue fell by 3% to SEK 64 million, compared with SEK 66 million during the same quarter of the previous year. Ludafarm, Hedén (whose operations were divested on 1 November 2023) and Nordbutiker saw negative sales performance. SolidEngineer and OPO saw revenue increase compared with the same quarter of the previous year.

Gross margin fell during the quarter compared with the same period of the previous year, primarily as a result of a change in product mix.

During Q4, operating loss after depreciation, amortization and impairment (EBIT) amounted to SEK -7 million (-3), which corresponds to an operating margin of -12% (-9). Nordbutiker, Hedén and Ludafarm had a lower operating profit during the quarter compared with the same period of the previous year. SolidEngineer and OPO recorded a positive development in profit.

Impairments of acquisition goodwill as a result of a weak development in profitability in Nordbutiker and the altered interest rate situation reduced the Group's profit by SEK 18 million during Q4.

### The period January – December

During the period, revenue increased by 7% to SEK 320 million, compared with SEK 298 million during the same period of the previous year. Organic growth, excluding acquired companies, was -12% compared with the same period of 2022. Nordbutiker, Ludafarm and Hedén showed negative growth in revenue for the full-year 2023. Adjusted for the full-year effect from the acquisitions of SolidEngineer and OPO, SolidEngineer recorded an increase in revenue, while OPO's revenue declined.

Gross margin for the full-year 2023 was in line with 2022.

Operating profit after depreciation, amortization and impairment (EBIT) amounted to SEK 7 million (16), which corresponds to an operating margin of 2 (5) %. Nordbutiker, Hedén and Ludafarm saw a negative development in profit. Adjusted for the full-year effect from the acquisitions of SolidEngineer and OPO, SolidEngineer's profit increased, while OPO's profit decreased.

1) The comparative figures have been restated. See Note 9 for more information.

## OTHER INFORMATION

### Auditor's review

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

### Related party transactions

Since Q4 2022, Kenpo Sandwich AB has been purchasing consultancy services from Claes Jagborn, which is a related party of the CEO of Kenpo Sandwich, Denice Jagborn. The consultancy agreement was established on market terms and conditions. Cost paid for the full year 2023 amounted to SEK 0.7 million.

Since 16 January 2019, subsidiary Åkerstedts Verkstad AB has been leasing premises from Perpressa Fastigheter AB, which is partly owned by Jesper Åkerstedt, who is CEO of Åkerstedts Verkstad. The lease agreement was established on market terms and conditions. Services are also purchased from a company that is related to Jesper Åkerstedt. Rent paid and cost of services purchased for the full year 2023 amounted to SEK 1.4 million.

### Share information

At the end of the reporting period, the number of shares in the Company was 42,846,569. All shares are of the same type and afford the same voting rights. As of December 31, 2023, the largest shareholders were Creades with approx. 19% of the shares, Protector Forsikring with approx. 17%, and Berenberg with approx. 8%.

Since 11 May 2023, the Company's shares have been listed on Nasdaq Stockholm and are traded under the ticker 'SEAF'. Before this date, the shares had been listed on Nasdaq First North Growth Market since July 25, 2019. The smallest trading unit is one (1) share. The closing price of the share on December 29, 2023 was SEK 7.46 per share, which corresponds to a market value of approximately SEK 320 million.

### About Seafire

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

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

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

Seafire operates in two business fields: Industrial components and Products. During the period, the Group had eight subsidiaries within Industrial components and five subsidiaries within Products. At the end of the period, the Group had a total of 333 employees, of whom 67 were women. For more information about Seafire's subsidiaries, visit [www.seafireab.com](http://www.seafireab.com).

### Financial calendar

Interim report 1 2024	April 24, 2024	12.00 CEST
Annual General Meeting 2024	April 24, 2024	15.00 CEST
Interim report 2 2024	August 23, 2024	08.00 CEST
Interim report 3 2024	October 28, 2024	08.00 CET
Year-end report 2024	February 24, 2025	08.00 CET

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## DECLARATION BY THE BOARD OF DIRECTORS

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

Stockholm, February 23 2024

Joachim Berner  
*Chairman of the Board*

Lennart Jacobsson  
*Board member*

Anders Hillerborg  
*Board member*

Louise Nicolin  
*Board member*

Marcus Söderberg  
*Board member*

Stina Wollenius  
*Board member*

Jacob Persson  
*Chief Executive Officer*

CONSOLIDATED INCOME STATEMENT IN SUMMARY<sup>1</sup>

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
<b>Operating income</b>				
Net sales	227	210	1,000	851
Other income	24	20	42	36
<b>Total operating income</b>	<b>251</b>	<b>230</b>	<b>1042</b>	<b>887</b>
Change in work in progress	-28	-9	-80	-19
Merchandise	-100	-107	-470	-460
Other external expenses	-34	-32	-146	-103
Personnel costs	-65	-53	-233	-178
Other operating costs	-1	-1	-3	-3
Depreciation, amortization and impairment	-43	-12	-97	-43
<b>Total operating expenses</b>	<b>-271</b>	<b>-214</b>	<b>-1,029</b>	<b>-806</b>
<b>Operating profit/loss</b>	<b>-20</b>	<b>16</b>	<b>13</b>	<b>81</b>
Financial income	2	-1	12	6
Financial expenses	-11	-14	-71	-59
<b>Profit/loss before tax</b>	<b>-29</b>	<b>1</b>	<b>-46</b>	<b>28</b>
Taxes	1	-6	-4	-16
<b>Profit/loss from continuing operations</b>	<b>-28</b>	<b>-5</b>	<b>-50</b>	<b>12</b>
Profit/loss from discontinued operations	-	1	-23	2
<b>Profit/loss for the period</b>	<b>-28</b>	<b>-4</b>	<b>-73</b>	<b>14</b>

1) The comparative figures have been restated. See Note 9 for more information.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY<sup>1</sup>

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit/loss for the period, continuing operations	-28	-5	-50	12
Profit/loss for the period, discontinued operations	-	1	-23	2
<b>Profit/loss for the period</b>	<b>-28</b>	<b>-4</b>	<b>-73</b>	<b>14</b>
<b>Other comprehensive income</b>				
Items that may later be reclassified to profit or loss				
Translation differences	-	-	-	-
<b>Other comprehensive income after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive income for the period</b>	<b>-28</b>	<b>-4</b>	<b>-73</b>	<b>14</b>
<b>Comprehensive income for the period attributable to:</b>				
Parent Company shareholders	-28	-4	-73	14

## EARNINGS PER SHARE<sup>1</sup>

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Basic earnings per share in SEK	-0.65	-0.10	-1.72	0.49
Average number of shares before dilution <sup>2</sup>	42,847	30,990	42,823	29,305
Diluted earnings per share in SEK	-0.65	-0.10	-1.72	0.47
Average number of shares after dilution <sup>2</sup>	43,749	32,490	43,725	30,805

1) The comparative figures have been restated. See Note 9 for more information.

2) Average number of shares in thousands.

CONSOLIDATED BALANCE SHEET IN SUMMARY<sup>1</sup>

SEK million	31 Dec 2023	31 Dec 2022
<b>Non-current assets</b>		
Goodwill	658	648
Other intangible non-current assets	67	74
Property, plant and equipment	141	127
Right-of-use assets	38	35
Deferred tax assets	-	1
Non-current receivables	4	2
Other financial non-current assets	-	1
<b>Total non-current assets</b>	<b>908</b>	<b>888</b>
<b>Current assets</b>		
Inventories	230	216
Trade receivables	92	115
Tax assets	10	8
Other current receivables	9	4
Prepaid expenses and accrued income	44	50
Cash and cash equivalents	46	468
<b>Total current assets</b>	<b>431</b>	<b>861</b>
<b>TOTAL ASSETS</b>	<b>1,339</b>	<b>1,749</b>
<b>Equity</b>		
Share capital	7	7
Other contributed capital	849	845
Warrants	2	2
Retained earnings, including profit/loss for the period	-141	-68
<b>Total equity</b>	<b>717</b>	<b>786</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	45	40
Bonds	-	596
Non-current liabilities to credit institutions	193	4
Non-current lease liabilities	19	19
Other non-current liabilities	28	23
<b>Total non-current liabilities</b>	<b>285</b>	<b>682</b>
<b>Current liabilities</b>		
Current liabilities to credit institutions	41	-
Advances from customers	3	5
Trade payables	61	70
Current tax liabilities	6	8
Utilized bank overdraft facilities	-	-
Current lease liabilities	18	14
Other current liabilities	105	72
Accrued expenses and deferred income	103	112
<b>Total current liabilities</b>	<b>337</b>	<b>281</b>
<b>Total liabilities</b>	<b>622</b>	<b>963</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,339</b>	<b>1,749</b>

1) The comparative figures have been restated. See Note 9 for more information.

CONSOLIDATED CHANGES IN EQUITY IN SUMMARY<sup>1</sup>

SEK million	Share capital	Other contributed capital	Retained earnings, including profit/loss for the period	Total equity
<b>Opening balance, 1/1/2022</b>	<b>3</b>	<b>297</b>	<b>-81</b>	<b>219</b>
Comprehensive income for the period			14	14
<u>Transactions with shareholders</u>				
New share issue	4	568		572
New share issue expenses		-21		-21
Incentive program		2		2
<b>Closing balance, 12/31/2022</b>	<b>7</b>	<b>847</b>	<b>-68</b>	<b>786</b>

SEK million	Share capital	Other contributed capital	Retained earnings, including profit/loss for the period	Total equity
<b>Opening balance, 1/1/2023</b>	<b>7</b>	<b>847</b>	<b>-68</b>	<b>786</b>
Comprehensive income for the period	-	-	-73	-73
<u>Transactions with shareholders</u>				
New share issue	-	5	-	5
New share issue expenses	-	-1	-	-1
<b>Closing balance, 12/31/2023</b>	<b>7</b>	<b>851</b>	<b>-141</b>	<b>717</b>

1) The comparative figures have been restated. See Note 9 for more information.

## CONSOLIDATED STATEMENT OF CASH FLOWS IN SUMMARY<sup>1</sup>

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
<u>Cash flow from operating activities</u>				
Profit/loss before tax	-29	2	-69	30
of which interest received	2	1	4	1
of which interest paid	-6	-17	-54	-45
Adjustment for non-cash items	30	-16	100	20
Tax paid	3	-3	-18	-24
<b>Cash flow from operating activities before changes in working capital</b>	<b>4</b>	<b>-17</b>	<b>12</b>	<b>26</b>
<u>Cash flow from changes in working capital</u>				
Change in inventories	6	-11	21	-38
Change in current receivables	51	22	52	-7
Change in current liabilities	-51	11	-5	-41
<b>Cash flow from change in working capital</b>	<b>6</b>	<b>22</b>	<b>68</b>	<b>-86</b>
<b>Cash flow from operating activities</b>	<b>10</b>	<b>5</b>	<b>80</b>	<b>-60</b>
<u>Cash flow from investing activities</u>				
Business combinations	-	-	-81	-367
Investments in property, plant and equipment	-1	-3	-9	-17
Investments in intangible non-current assets	-	-	-2	-2
Divestment of financial non-current assets	-	-	-	14
<b>Cash flow from investing activities</b>	<b>-1</b>	<b>-3</b>	<b>-92</b>	<b>-372</b>
<u>Cash flow from financing activities</u>				
New share issue	-	250	-	572
New share issue expenses	-	-9	-1	-22
Premiums for incentive program	-	2	-	2
Borrowings	-	-	250	207
Repayment of borrowings	-10	-11	-641	-11
Change in bank overdraft facilities	-10	-4	-	-9
Repayment of lease liabilities	-6	-5	-18	-15
<b>Cash flow from financing activities</b>	<b>-26</b>	<b>223</b>	<b>-410</b>	<b>724</b>
<b>Total cash flow</b>	<b>-17</b>	<b>225</b>	<b>-422</b>	<b>292</b>
Cash and cash equivalents at start of period	63	243	468	176
Translation differences	-	-	-	-
<b>Cash and cash equivalents at end of period</b>	<b>46</b>	<b>468</b>	<b>46</b>	<b>468</b>

1) Including discontinued operations. See Note 6 for statement of cash flows in summary for divested operations. The comparative figures have been restated. See Note 9 for more information.

## PARENT COMPANY INCOME STATEMENT IN SUMMARY

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales	-	-	-	-
Other income	7	4	21	17
<b>Total operating income</b>	<b>7</b>	<b>4</b>	<b>21</b>	<b>17</b>
Other external expenses	-2	-8	-18	-14
Personnel costs	-7	-3	-16	-10
Depreciation	-	-	-	-
<b>Total expenses</b>	<b>-9</b>	<b>-11</b>	<b>-34</b>	<b>-24</b>
<b>Operating profit/loss</b>	<b>-2</b>	<b>-7</b>	<b>-13</b>	<b>-7</b>
Financial income	1	2	6	2
Financial expenses	-40	-17	-120	-53
<b>Profit/loss before tax</b>	<b>-41</b>	<b>-22</b>	<b>-127</b>	<b>-58</b>
Group contributions	20	17	20	17
Income tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>-21</b>	<b>-5</b>	<b>-107</b>	<b>-41</b>

## PARENT COMPANY BALANCE SHEET SUMMARY

SEK million	31 Dec 2023	31 Dec 2022
Property, plant and equipment	1	-
Receivables from Group companies	1,019	1,003
Financial non-current assets	23	23
<b>Total non-current assets</b>	<b>1,043</b>	<b>1,027</b>
Receivables from Group companies	84	53
Other current receivables	-	2
Prepaid expenses and accrued income	1	1
Cash and cash equivalents	43	458
<b>Total current assets</b>	<b>128</b>	<b>514</b>
<b>TOTAL ASSETS</b>	<b>1,171</b>	<b>1,541</b>
Share capital	7	7
Other contributed capital	881	877
Warrants	2	2
Retained earnings, including profit/loss for the period	-235	-127
<b>Total equity</b>	<b>655</b>	<b>758</b>
Non-current liabilities to credit institutions	190	596
Other non-current liabilities	7	14
<b>Total non-current liabilities</b>	<b>197</b>	<b>610</b>
Current interest-bearing liabilities	40	-
Trade payables	2	4
Liabilities to Group companies	260	140
Other current liabilities	11	21
Accrued expenses and deferred income	6	8
<b>Total current liabilities</b>	<b>319</b>	<b>173</b>
<b>Total liabilities</b>	<b>516</b>	<b>783</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,171</b>	<b>1,541</b>

## NOTES

### Note 1. Accounting policies

Seafire AB (publ) applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act. Information in accordance with IAS 34.16A is disclosed both in the financial statements and their associated notes and elsewhere in the interim report. The accounting policies are consistent with the policies that were applied in the previous financial year. For more information on these, see Note K2 in the 2022 Consolidated Annual Report. The interim report should be read together with the 2022 Annual Report. Preparation of financial statements in accordance with IFRS requires Group management to make accounting assessments and estimates, and to make assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. The actual outcome may deviate from these estimates and assessments. For information on the Company's critical assessments and sources of uncertainty, see the 2022 Consolidated Annual Report.

#### Discontinued operations

On June 9, 2023, subsidiary Lingua Communications Nordic AB filed for bankruptcy following discovery of a case of gross embezzlement. With effect from the interim report for the second quarter of 2023, the case is accounted for in accordance with IFRS 5, which means that the subsidiary has been excluded from the relevant individual lines in the consolidated income statement and that net income is instead reported as "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 at December 31, 2023 contains no balances related to the subsidiary, while balance sheets for previous periods must not be restated in accordance with IFRS and therefore remain unchanged. The income statement, balance sheet and cash flow concerning discontinued operations are presented in Note 6.

### Note 2. Risks and uncertainties

For a description of the Group's material risks and uncertainties, see the detailed statement in the 2022 Annual Report. No material new or changed risks or uncertainties have been identified since the publication of the 2022 Annual Report. The Parent Company's risks are covered by the description presented for the Group. The effects of the war in Ukraine and the war between Israel and Hamas are such that the Company is unable to make reasonable advance assessments of the effects on the Company's operations and financial performance. Higher inflation and higher prices of input goods will impact demand for goods and services provided by Seafire's subsidiaries. Furthermore, higher interest rates could impact future financing costs and discount rates in connection with the valuation of assets and liabilities. In order to manage the increase in financing costs, Seafire secured long-term bank financing during Q1 2023 and significantly reduced its interest expenses. Goodwill is continually monitored for impairment as a result of the changes in macroeconomic factors. The Board of Directors assists management in the ongoing monitoring of the performance of the business in this context in order to rapidly and effectively manage any risks and situations that could arise.

### Note 3. Segment reporting<sup>1</sup>

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

The Industrial components segment comprises Bara Mineraler, Borö-Pannan, DOFAB, Färg-In, Kenpo Sandwich, Pexymek, Thor Ahlgren and Åkerstedts. The Products segment comprises Hedén, Ludafarm, Nordbutiker, OPO and SolidEngineer. For more information about these subsidiaries, visit [www.seafireab.com](http://www.seafireab.com). In addition to the business segments, the presentation is also broken down between IFRS adjustments and Group-wide. IFRS adjustments concern accounting Group adjustments relating to the IFRS regulations, e.g. attributable to leasing or impairment of goodwill. Group-wide concerns the holding company with Group-wide costs (finance costs, insurance costs, etc.). Liabilities and goodwill are not included in segment reporting.

Net sales by segment	Q4	Q4	Full year	Full year
SEK million	2023	2022	2023	2022
Industrial components	163	144	680	553
Products	64	66	320	298
<b>Total net sales</b>	<b>227</b>	<b>210</b>	<b>1000</b>	<b>851</b>

1) The comparative figures have been restated. See Note 9 for more information.



Operating profit/loss by segment	Q4	Q4	Full	Full
SEK million	2023	2022	year	year
			2023	2022
Industrial components	10	15	75	77
Products	-7	-3	7	16
IFRS adjustments	-15	14	-34	11
Group-wide	-8	-10	-35	-23
<b>Total operating profit/loss</b>	<b>-20</b>	<b>16</b>	<b>13</b>	<b>81</b>
Net financial items	-9	-15	-59	-53
<b>Profit/loss before tax</b>	<b>-29</b>	<b>1</b>	<b>-46</b>	<b>28</b>

#### Note 4. Revenue from contracts with customers<sup>1</sup>

Net sales by geographical area	Q4	Q4	Full	Full
SEK million	2023	2022	year	year
			2023	2022
Sweden	179	159	739	618
Nordic region (excl. Sweden)	22	22	145	98
Europe (excl. the Nordic region and Sweden)	24	25	109	120
World (excl. Europe, the Nordic region and Sweden)	2	4	7	15
<b>Total net sales</b>	<b>227</b>	<b>210</b>	<b>1,000</b>	<b>851</b>

1) The comparative figures have been restated. See Note 9 for more information.

#### Note 5. Business combinations

During the financial year, Seafire completed the acquisition of Borö-Pannan AB.

##### *Borö-Pannan*

The acquisition of all shares in Borö-Pannan AB, which manufactures accumulator tanks for heat pumps, was completed on February 1, 2023. In addition to the initial purchase consideration of SEK 100 million, an earnout is payable based on the development of EBITDA, subject to a maximum of SEK 30 million during the period 2023–2025. According to measurement at fair value, the total purchase consideration amounts to SEK 124 million. The earnout will amount to SEK 10 million per year if EBITDA amounts to at least SEK 20 million during each of the years 2023 – 2025, amounting to a total of SEK 30 million. The initial purchase consideration for Borö-Pannan AB was paid partly in the form of cash and cash equivalents and partly in the form of a private placement of SEK 5 million at a price of SEK 18.37. If the acquisition had been carried out on 1 January 2023, the company would have contributed SEK 114 million in revenue and SEK 15 million to profit/loss before tax. Transaction costs of SEK 1 million have been recognized as other external expenses in the Group.

A purchase price allocation has been prepared. The goodwill of SEK 70 million arising in the acquisition corresponds to the unique production knowledge relating to accumulator tanks that the Company possesses. There are no significant credit losses in the acquired company.

##### *Net assets of acquired companies at the date of acquisition*

SEK million	Borö-Pannan
Property, plant and equipment	20
Right-of-use assets (IFRS 16)	10
Customer contracts	14
Trade receivables	25
Inventory	36
Cash and cash equivalents	13
Interest-bearing liabilities (IFRS 16)	-10
Current liabilities	-48
Deferred tax	-6
<b>Total identifiable net assets</b>	<b>54</b>
Goodwill	70
<b>Purchase consideration for shares</b>	<b>124</b>

## Note 6. Discontinued operations

With effect from the interim report for the second quarter of 2023, former subsidiary Lingua Communications Nordic AB was accounted for as a discontinued operation in accordance with IFRS 5.

On May 17, 2023, a suspected case of embezzlement by the then CEO was disclosed in the subsidiary Lingua Communications Nordic AB. The CEO was dismissed from his position with immediate effect. Following an investigation, it was assessed that it was not possible to continue the business and an application for bankruptcy in respect of the subsidiary was submitted to Nacka District Court on June 9, 2023.

As the subsidiary operated as an independent branch 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. The Group effects that arose as a result of the discontinuation are presented below. Profit and loss and cash flow information concerning the discontinued operation relates to the period through until the shut-down date, while the impact on the balance sheet applies as of the shut-down date.

<b>Profit/loss attributable to discontinued operations</b>	<b>Q4 2023</b>	<b>Q4 2022</b>	<b>Full year 2023</b>	<b>Full year 2022</b>
Net sales	-	18	17	69
Operating expenses	-	-17	-43	-66
<b>EBITDA</b>	-	<b>1</b>	<b>-23</b>	<b>4</b>
Depreciation and amortization	-	-	-	-1
<b>EBITA</b>	-	<b>1</b>	<b>-23</b>	<b>3</b>
Impairment	-	-	-	-
<b>EBIT</b>	-	<b>1</b>	<b>-23</b>	<b>3</b>
Appropriations	-	-1	-	-1
<b>Profit/loss before tax</b>	-	-	<b>-23</b>	<b>2</b>
Income tax	-	-	-	-
<b>Profit/loss attributable to discontinued operations</b>	-	-	<b>-23</b>	<b>2</b>

### Impact of discontinued operations on the balance sheet at the time of applying for bankruptcy

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>Q4 2023</b>	<b>Q4 2022</b>	<b>Full year 2023</b>	<b>Full year 2022</b>
From operating activities	-	3	2	-8
From investing activities	-	-	-	-
From financing activities	-	-	1	-1
<b>Total cash flow</b>	-	<b>3</b>	<b>3</b>	<b>-9</b>

## Note 7. Fair value of financial instruments

SEK million	31 Dec 2023	31 Dec 2022	Classification according to valuation hierarchy					
			1		2		3	
			31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
<b>Assets</b>								
Currency derivatives	0	0	-	-	0	0	-	-
<b>Liabilities</b>								
Currency derivatives	-	-	-	-	-	-	-	-
Earnouts	12	30	-	-	-	-	12	30

### *Financial liabilities at fair value per level in valuation hierarchy*

Fair value and carrying amount are recognized in the balance sheet in accordance with the table above. For listed securities, fair value is determined based on the asset's listed price on an active market, level 1. For current contracts and embedded derivatives, fair value is determined based on observable market data, level 2. For contingent considerations, a cash flow-based valuation is carried out which is not based on observable market data, level 3.

## Note 8. Contingent consideration

Earnouts are variable based on the financial performance of the companies concerned and are determined based on the future financial performance of each company, according to the management's best assessments and forecasts. Earnouts are recognized at fair value. Reversed earnouts are recognized under 'Other income', while revaluations of contingent considerations on the basis of changes in discounting are recognized under 'Financial expenses'.

SEK million	31 Dec 2023	31 Dec 2022
<b>Opening balance (January 1)</b>	<b>30</b>	<b>33</b>
Acquisitions during the year	21	36
Reversed via the income statement	-28	-31
Paid earnouts	-18	-9
Interest expenses	7	1
<b>Closing balance (December 31)</b>	<b>12</b>	<b>30</b>

## Note 9. Correction of purchase price allocation

In the interim report for Q3 2023, Seafire corrected the purchase price allocation for the acquisition of SolidEngineer AB as explained below.

Following consultation with external parties and a review of the completed purchase price allocation for the acquisition of SolidEngineer AB ("the Company"), Seafire has concluded that the final purchase price allocation prepared by the Group, as examined by the Group's auditors, contains significant errors and must therefore be corrected. The correction means that revenues from sold but not executed service agreements prior to completion on 1 April 2022 must be recognized in the purchase price allocation and balance sheet as deferred revenue, in accordance with IFRS 15 Revenue from Contracts with Customers, and then recognized as revenue on an ongoing basis over the term of the service agreement. The adjustments have no effect on cash flow.

The Group has corrected the purchase price allocation prepared in connection with the acquisition of SolidEngineer AB (which was completed on April 1, 2022) as follows:

Goodwill	SEK 13 million
Prepaid expenses	SEK 20 million
Deferred tax liabilities	SEK 3 million
Deferred income	SEK 36 million

SEK million	Q2 2022	Corr.	Q2 2022	Q3 2022	Corr.	Q3 2022	Q4 2022	Corr.	Q4 2022
Net sales	264	10	274	208	7	215	205	5	210
Other income	2	-	2	14	-	14	20	-	20
<b>Total operating income</b>	<b>266</b>	<b>10</b>	<b>276</b>	<b>222</b>	<b>7</b>	<b>229</b>	<b>225</b>	<b>5</b>	<b>230</b>
Change in work in progress	1	-	1	-13	-	-13	-9	-	-9
Merchandise	-151	-5	-156	-105	-4	-109	-104	-3	-107
Other external expenses	-26	-	-26	-25	-	-25	-32	-	-32
Personnel costs	-50	-	-50	-42	-	-42	-53	-	-53
Other operating costs	-1	-	-1	-1	-	-1	-1	-	-1
Depreciation, amortization and impairment	-11	-	-11	-12	-	-12	-12	-	-12
<b>Total operating expenses</b>	<b>-238</b>	<b>5</b>	<b>-243</b>	<b>-198</b>	<b>-4</b>	<b>-202</b>	<b>-211</b>	<b>-3</b>	<b>-214</b>
<b>Operating profit/loss</b>	<b>28</b>	<b>5</b>	<b>33</b>	<b>23</b>	<b>3</b>	<b>26</b>	<b>14</b>	<b>2</b>	<b>16</b>
Financial income	2	-	2	4	-	4	-1	-	-1
Financial expenses	-11	-	-11	-24	-	-24	-14	-	-14
<b>Profit/loss before tax</b>	<b>19</b>	<b>5</b>	<b>24</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>-</b>	<b>2</b>	<b>2</b>
Taxes	-6	-1	-7	-2	-1	-3	-5	-	-5
<b>Profit/loss from continuing operations</b>	<b>13</b>	<b>4</b>	<b>17</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>-6</b>	<b>2</b>	<b>-4</b>
Profit/loss from discontinued operations	1	-	1	-	-	-	1	-	1
<b>Profit/loss for the period</b>	<b>14</b>	<b>4</b>	<b>18</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>-5</b>	<b>2</b>	<b>-3</b>

SEK million	Q1 2023	Corr.	Q1 2023	Q2 2023	Corr.	Q2 2023
Net sales	250	2	252	286	2	288
Other income	2	-	2	2	-	2
<b>Total operating income</b>	<b>252</b>	<b>2</b>	<b>254</b>	<b>288</b>	<b>2</b>	<b>290</b>
Change in work in progress	-19	-	-19	-16	-	-16
Merchandise	-114	-1	-115	-142	-1	-143
Other external expenses	-40	-	-40	-39	-	-39
Personnel costs	-57	-	-57	-63	-	-63
Other operating costs	-1	-	-1	-	-	-
Depreciation, amortization and impairment	-13	-	-13	-14	-	-14
<b>Total operating expenses</b>	<b>-244</b>	<b>-1</b>	<b>-245</b>	<b>-275</b>	<b>-1</b>	<b>-276</b>
<b>Operating profit/loss</b>	<b>8</b>	<b>1</b>	<b>10</b>	<b>14</b>	<b>1</b>	<b>15</b>
Financial income	2	-	2	3	-	3
Financial expenses	-37	-	-37	-8	-	-8
<b>Profit/loss before tax</b>	<b>-26</b>	<b>1</b>	<b>-25</b>	<b>8</b>	<b>1</b>	<b>9</b>
Taxes	1	-	1	1	-	1
<b>Profit/loss from continuing operations</b>	<b>-25</b>	<b>1</b>	<b>-24</b>	<b>9</b>	<b>1</b>	<b>10</b>
Profit/loss from discontinued operations	-	-	-	-23	-	-23
<b>Profit/loss for the period</b>	<b>-25</b>	<b>1</b>	<b>-24</b>	<b>-14</b>	<b>1</b>	<b>-13</b>

SEK million	30 Jun 2022	Corr.	30 Jun 2022	30 Sep 2022	Corr.	30 Sep 2022	31 Dec 2022	Corr.	31 Dec 2022
Goodwill	624	13	637	634	13	647	635	13	648
Other intangible non-current assets	119	-	119	112	-	112	109	-	109
Property, plant and equipment	120	-	120	127	-	127	127	-	127
Financial non-current assets	17	-	17	3	-	3	3	-	3
<b>Total non-current assets</b>	<b>880</b>	<b>13</b>	<b>893</b>	<b>876</b>	<b>13</b>	<b>889</b>	<b>874</b>	<b>13</b>	<b>887</b>
Inventories	210	-	210	204	-	204	216	-	216
Trade receivables	122	-	122	125	-	125	115	-	115
Tax assets	6	-	6	4	-	4	8	-	8
Other current receivables	1	-	1	11	-	11	4	-	4
Prepaid expenses and accrued income	21	14	35	37	10	47	43	8	50
Cash and cash equivalents	247	-	247	243	-	243	468	-	468
<b>Total current assets</b>	<b>607</b>	<b>14</b>	<b>621</b>	<b>625</b>	<b>10</b>	<b>635</b>	<b>853</b>	<b>8</b>	<b>861</b>
<b>TOTAL ASSETS</b>	<b>1,487</b>	<b>27</b>	<b>1,514</b>	<b>1,500</b>	<b>23</b>	<b>1,524</b>	<b>1,727</b>	<b>21</b>	<b>1,748</b>
Share capital	5	-	5	5	-	5	7	-	7
Other contributed capital	604	-	604	604	-	604	845	-	845
Warrants	-	-	-	-	-	-	2	-	2
Retained earnings, including profit/loss for the period	-70	4	-66	-69	6	-63	-76	8	-68
<b>Total equity</b>	<b>538</b>	<b>4</b>	<b>542</b>	<b>539</b>	<b>6</b>	<b>545</b>	<b>778</b>	<b>8</b>	<b>786</b>
<b>Non-current liabilities</b>									
Deferred tax liabilities	45	-2	43	39	-2	37	41	-1	40
Other non-current liabilities	647	-	647	657	-	657	641	-	641
<b>Current liabilities</b>									
Advances from customers	8	-	8	7	-	7	5	-	5
Trade payables	73	-	73	56	-	56	70	-	70
Current tax liabilities	49	-	49	8	-	8	8	-	8
Current lease liabilities	13	-	13	14	-	14	14	-	14
Other current liabilities	66	-	66	96	-	96	72	-	72
Accrued expenses and deferred income	48	26	74	84	19	103	98	14	112
<b>Total liabilities</b>	<b>949</b>	<b>24</b>	<b>973</b>	<b>961</b>	<b>17</b>	<b>978</b>	<b>949</b>	<b>13</b>	<b>962</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1487</b>	<b>27</b>	<b>1514</b>	<b>1500</b>	<b>23</b>	<b>1523</b>	<b>1727</b>	<b>21</b>	<b>1748</b>

SEK million	31 Mar 2023	Corr.	31 Mar 2023	30 Jun 2023	Corr.	30 Jun 2023
Goodwill	706	13	720	688	13	701
Other intangible non-current assets	120	-	120	110	-	110
Property, plant and equipment	145	-	145	144	-	144
Financial non-current assets	3	-	3	3	-	3
<b>Total non-current assets</b>	<b>975</b>	<b>13</b>	<b>988</b>	<b>946</b>	<b>13</b>	<b>959</b>
Inventories	249	-	249	237	-	237
Trade receivables	145	-	145	128	-	128
Tax assets	19	-	19	26	-	26
Other current receivables	4	-	4	8	-	8
Prepaid expenses and accrued income	48	6	54	43	5	48
Cash and cash equivalents	78	-	78	67	-	67
<b>Total current assets</b>	<b>543</b>	<b>6</b>	<b>549</b>	<b>510</b>	<b>5</b>	<b>515</b>
<b>TOTAL ASSETS</b>	<b>1518</b>	<b>19</b>	<b>1537</b>	<b>1455</b>	<b>18</b>	<b>1473</b>
Share capital	7	-	7	7	-	7
Other contributed capital	849	-	849	849	-	849
Warrants	2	-	2	2	-	2
Retained earnings, including profit/loss for the period	-100	9	-91	-114	10	-104
<b>Total equity</b>	<b>758</b>	<b>9</b>	<b>767</b>	<b>744</b>	<b>10</b>	<b>754</b>
<b>Non-current liabilities</b>						
Deferred tax liabilities	48	-1	47	46	-1	45
Other non-current liabilities	409	-	409	393	-	393
<b>Current liabilities</b>						
Advances from customers	6	-	6	5	-	5
Trade payables	77	-	77	69	-	69
Current tax liabilities	8	-	8	8	-	8
Current lease liabilities	17	-	17	16	-	16
Other current liabilities	89	-	89	71	-	71
Accrued expenses and deferred income	107	12	119	104	9	113
<b>Total liabilities</b>	<b>760</b>	<b>10</b>	<b>770</b>	<b>711</b>	<b>8</b>	<b>719</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1518</b>	<b>19</b>	<b>1537</b>	<b>1455</b>	<b>18</b>	<b>1473</b>

## Note 10. Alternative performance measures<sup>1</sup>

In this interim report, Seafire presents certain financial performance measures that are not defined in accordance with IFRS, also known as alternative performance measures. The Company believes that these performance measures provide valuable additional information for stakeholders and investors, as they offer a different perspective on financial performance and financial position.

The table below contains definitions of Seafire's performance measures. The measurements are presented separately below.

<b>Non-IFRS performance measure</b>	<b>Description</b>	<b>Purpose</b>
<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>Operating costs</b>	Personnel costs and other external expenses	Used to summarize the development in the indirect cost base relative to net sales.
<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.
<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 depreciation, amortization and impairment attributable to 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 non-current 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>Adjusted EBITA margin</b>	EBITA result expressed as a percentage of net sales during the period.	EBITA margin is used to monitor the profitability of the business.
<b>Items affecting comparability</b>	Transaction-related costs, restructuring costs, revaluations of purchase considerations, capital gains from the sale of businesses and non-current assets, as well as other income and costs which are considered to be non-recurring in nature.	Items affecting comparability represent income and costs 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>Organic growth</b>	Increase in net sales in the period adjusted for acquisitions and divestments divided by net sales during 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>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.

1) The comparative figures have been restated. See Note 9 for more information.

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

#### Calculation of organic growth

Percentage points	Q4	Q4	Full year	Full year
	2023	2022	2023	2022
Organic growth	-8%	-4%	-5%	13%
Acquired growth	15%	75%	22%	120%
<b>Recognized growth</b>	<b>8%</b>	<b>71%</b>	<b>17%</b>	<b>133%</b>

SEK million	Q4	Q4	Full year	Full year
	2023	2022	2023	2022
Revenue, base	211	124	851	366
Revenue, income growth	-17	-5	-42	48
<b>Total organic growth</b>	<b>-8%</b>	<b>-4%</b>	<b>-5%</b>	<b>13%</b>

#### EBITA and adjusted EBITA

SEK million	Q4	Q4	Full year	Full year
	2023	2022	2023	2022
<b>EBIT</b>	<b>-20</b>	<b>16</b>	<b>13</b>	<b>81</b>
Reversal of amortization and impairment attributable to acquired surplus values	37	6	68	20
<b>EBITA</b>	<b>17</b>	<b>22</b>	<b>81</b>	<b>101</b>
Items affecting comparability	-14	-13	-9	-21
<b>Adjusted EBITA</b>	<b>3</b>	<b>9</b>	<b>72</b>	<b>80</b>

#### EBITDA and adjusted EBITDA

SEK million	Q4	Q4	Full year	Full year
	2023	2022	2023	2022
<b>EBIT</b>	<b>-20</b>	<b>16</b>	<b>13</b>	<b>81</b>
Reversal of depreciation, amortization and impairment of tangible and intangible non-current assets	43	12	97	42
<b>EBITDA</b>	<b>23</b>	<b>28</b>	<b>110</b>	<b>123</b>
Items affecting comparability	-14	-13	-9	-21
<b>Adjusted EBITDA</b>	<b>9</b>	<b>15</b>	<b>101</b>	<b>102</b>

*Items affecting comparability*

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Transaction costs	-	1	7	6
Costs for change of listing	-	4	8	5
Revaluation of earnouts	-18	-18	-28	-31
Restructuring costs	4	-	4	-
<b>Items affecting comparability</b>	<b>-14</b>	<b>-13</b>	<b>-9</b>	<b>-21</b>

*Adjusted EBITDA pro forma R12*

SEK million	Full year 2023	Full year 2022
<b>EBITDA R12</b>	<b>110</b>	<b>123</b>
Items affecting comparability	-9	-21
<b>Adjusted EBITDA R12</b>	<b>101</b>	<b>102</b>
Acquired companies	3	15
<b>Adjusted EBITDA pro forma R12</b>	<b>104</b>	<b>117</b>

*Net debt, net debt/Adjusted EBITDA pro forma R12*

SEK million	Full year 2023	Full year 2022
Interest-bearing liabilities	234	604
Lease liabilities	37	34
Earnouts due within 12 months	5	21
Excluded: cash and cash equivalents	-46	-468
<b>Net debt</b>	<b>230</b>	<b>191</b>
Adjusted EBITDA R12	104	117
<b>Net debt/Adjusted EBITDA pro forma R12, times</b>	<b>2.2</b>	<b>1.7</b>

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

SEK million	Full year 2023	Full year 2022
Net debt	230	191
Outstanding deferral from the Swedish Tax Agency and earnouts for payment after 12 months	99	39
<b>Adjusted net debt</b>	<b>329</b>	<b>230</b>
Adjusted EBITDA R12	104	117
<b>Adjusted net debt/Adjusted EBITDA pro forma R12, times</b>	<b>3.2</b>	<b>2.0</b>