



Markets remain cautious, improved gross margin

Net sales decreased by 5 percent to SEK 207 (219) million, while adjusted EBITA was SEK 6 (6) million in Q1. The quarter showed further volatility, with substantial fluctuations both between subsidiaries and months. Half of the subsidiaries improved their profit levels. Concluded initiatives focusing on gross margin and cost-effectiveness counteracted the negative development in net sales.

Q1 2025

- **Net sales** amounted to SEK 207 (219) million, –5 percent compared with the same period in 2024, of which organic growth was –5 percent
- **Adjusted EBITA** amounted to SEK 6 (6) million, corresponding to a margin of 3 (3) percent
- **EBITA** was SEK 6 (5) million, corresponding to a margin of 3 (2) percent
- **Operating profit/loss (EBIT)** amounted to SEK 0 (–1) million
- **Basic and diluted earnings per share** amounted to SEK –0.17 (–0.12)
- **Cash flow from operating activities** was SEK –22 (–1) million, affected by a tax deferral repayment of SEK –14 (–1) million.

Significant events during and after the end of the quarter

On March 31, Seafire's CFO Jacob Persson announced that he intends to leave the company for another role outside the group in a different industry. Jacob Persson will leave his position during the third quarter and the recruitment of a his successor has been initiated.

FINANCIAL SUMMARY

	Q1 2025	Q1 2024	R12 2025	Full year 2024
Net sales, SEK million	207	219	893	905
Bruttomarginal ¹	48%	46%	45%	45%
Operating expenses, proportion of net sales ¹	43%	41%	39%	38%
EBITA, SEK million ¹	6	5	43	42
EBITA–marginal ¹	3%	2%	5%	5%
Adjusted EBITA, SEK million ¹	6	6	42	42
Adjusted EBITA margin ¹	3%	3%	5%	5%
Operating profit (EBIT), SEK million	0	–1	–104	–105
Basic and diluted earnings per share, SEK	–0.17	–0.12	–3.16	–3.12
Cash flow from operating activities, SEK million	–22	–1	24	45
Net debt/adjusted EBITDA pro forma R12, times	3.3	2.8	3.3	3.0

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

Footnote: The top photograph shows pumice, which is sold by Seafire's subsidiary, Bara Mineraler. Pumice improves conditions for plants in both the agricultural sector and sustainable green urban environments. Pumice moderates and stabilizes the harsh conditions of growing sites, making cultivation possible.

THE CEO'S COMMENTS ON Q1

Net sales during Q1 amounted to SEK 207 (219) million, a decrease of 5 percent (all organic). The year got off to a cautious start with a January characterized by low levels of activity among our subsidiaries' customers. EBITA for the quarter amounted to SEK 6 (5) million, and adjusted EBITA to SEK 6 (6) million. The weak demand was offset by an improvement in gross margin and good cost control in what is a modest quarter from a profit perspective. There is still considerable variation in performance among the subsidiaries, with half of the companies improving their operating profit. Cash flow amounted to SEK -22 million, affected by a build-up of inventory ahead of the peak season and the payment of a tax deferral.

Net sales among the Industrial companies was down 5 percent on the previous year, with DOFAB, Kenpo Sandwich and Färg-In being particularly hit by the weak construction market. However, these companies are stabilizing and seeing some increase in activity levels among customers. Bara Mineraler and Åkerstedts saw positive development in Q1 net sales, compared with a weak comparative quarter. The industrial companies' gross margin of 46% was unchanged compared with the previous year.

Net sales among the Product companies fell by 4%, driven entirely by Ludafarm, which is facing weak markets in both farming and industrial vehicle cameras. Other Product companies increased their net sales, particularly Opo Scandinavia, which continues to grow strongly (+14% this quarter). The Product companies' gross margin increased by 4 percentage points to 51%. This was largely due to implemented measures, as well as a change in business mix.

Operating expenses in the subsidiaries were somewhat lower than the previous year, and it is pleasing to note that concluded measures offset general cost increases. EBITA of SEK 6 (6) million in a seasonally modest quarter means that we saw our operating profit stabilize for the second quarter in a row, despite continuing weak markets.

Continued focus on improving gross margin

Gross margin improved by two percentage points in Q1. Eight of twelve subsidiaries reported an improvement in their gross margin during the quarter. Focused efforts on pricing and procurement have been initiated, and we are closely monitoring developments. The effects from measures are expected to become visible gradually throughout the year.

Seasonal increase in working capital

At the end of the quarter, the Group's "core working capital"* totaled SEK 232 million, compared with SEK 256 million in the same quarter of 2024 and SEK 221 million at year-end. Given the seasonal pattern with the peak season falling in Q2 for a number of major subsidiaries (including Nordbutiker and Bara Mineraler), development was satisfactory. Our ambition is to continue to reduce



Gross margin improved by two percentage points in Q1. Eight of twelve subsidiaries improved their gross margin during the quarter. Focus is on pricing and procurement, and we are closely monitoring development"

our working capital supported by a stronger focus and some new tools in our toolbox.

Cash flow for the quarter was SEK -22 million, of which payment of a tax deferral was SEK 14 million. The Group's net debt including tax deferrals amounted to SEK 308 (330) million. We are meeting the requirements set out in our bank agreements, keeping up with repayment plans, and have a good dialog with our lenders. However, debt in the Group is still too high. A focus on improving profitability and cash flow, combined with a proactive approach to working capital and other components of our balance sheet, is expected to reduce the Group's net debt and Net Debt/EBITDA ratio going forward.

Outlook for 2025

We operate in what remains an uncertain world. Seafire's subsidiaries, which have considerable exposure to Sweden, consumers and construction, have been hit by weak demand in recent years. Our baseline heading into 2025 was an improved market, but with uncertain timing and magnitude. Although we have seen an increase in activity among customers, caution still prevails and closing deals remains a slow process. There are also no signs of any recovery in order intake as yet. Seafire's subsidiaries have very limited exposure to the USA, but uncertainty around tariffs is likely to impact consumer confidence. We are focusing on what we can influence, but are dependent on market conditions. I would like to thank the Group's employees for their hard work and commitment and cautiously look forward to what this will mean for Seafire's financial development when demand increases again. I would also like to thank our shareholders for your support and patience with Seafire.

Daniel Repfennig
President and CEO

*Defined as inventories, accounts receivable, accounts payable and advances from customers.

THE GROUP'S PERFORMANCE

Net sales

Q1

During the quarter, net sales decreased by 5 percent to SEK 207 million, compared with SEK 219 million for the same period in the previous year. As no acquisitions have been made since Q1 2023, the decline in net sales was entirely organic. The negative development is mainly attributable to weak demand in Ludafarm and DOFAB.

Gross margin

Q1

The gross margin amounted to 48 (46) percent during the quarter. The higher gross margin is attributable to concluded measures such as price adjustments and purchasing negotiations, and a change in business mix.

Profit

Q1

The Group's operating profit/loss (EBIT) amounted to SEK 0 (-1) million during the quarter. The subsidiaries showed mixed development, with six of twelve companies increasing their EBIT. Operating profit before amortization attributable to acquired surplus values (EBITA) amounted to SEK 6 (5) million. Items affecting comparability affected the profit, while the comparative figure was affected in the amount of SEK -1 million. Profit after tax amounted to SEK -7 (-5) million.

Net financial items and tax

Q1

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

Summary of financial performance measures

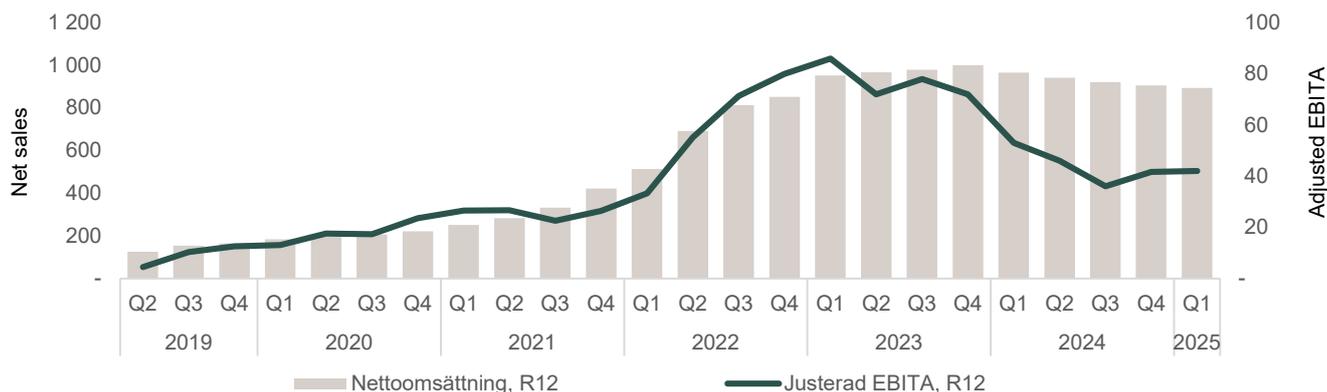
	Q1	Q1	R12	Full year
SEK million	2025	2024	2025	2024
Net sales	207	219	893	905
EBITDA	13	12	72	71
Adjusted EBITDA	13	13	71	71
EBITA	6	5	43	42
Adjusted EBITA	6	6	42	42
EBIT	0	-1	-104	-105

Effect of items affecting comparability on the income statement

	Q1	Q1	R12	Full year
SEK million	2025	2024	2025	2024
Other income (contingent consideration remeasurement)	-	-	7	7
Merchandise (impairment of inventory)	-	-	-1	-1
Other external expenses (restructuring)	-	-1	-2	-3
Other operating expenses (disposal of machinery and equipment)	-	-	-3	-3
Effect on EBITDA & EBITA	-	-1	1	0

Financial performance

SEK million



Cash flow

Q1

Cash flow from operating activities, including changes in working capital, amounted to SEK -22 (-1) million, of which a tax deferral of SEK 14 (1) million was repaid. Cash flow from investing activities amounted to SEK -1 million (-2), as a result of investments in property, plant and equipment. Cash flow from financing activities amounted to SEK -14 (6) million, with the decrease due to the repayment of bank loans. Total cash flow for the quarter amounted to SEK -37 (3) million.

Investments

Q1

Total cash flow from investing activities during the quarter amounted to SEK -1 million (-2), which is attributable to investments in property, plant and equipment.

Financing

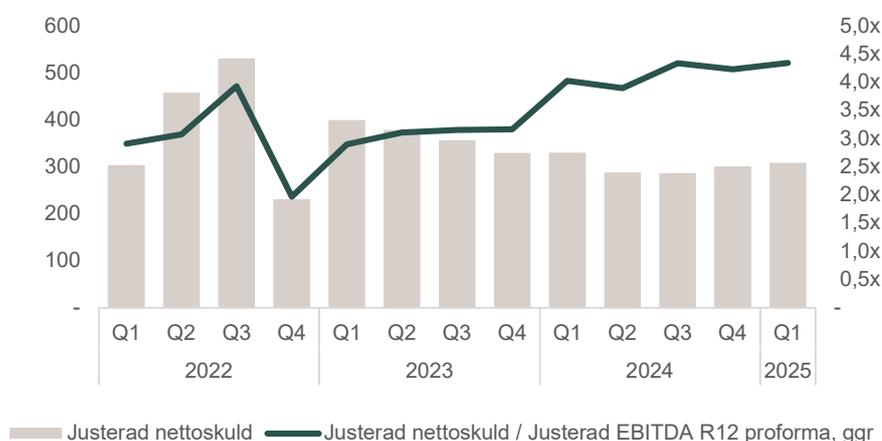
Interest-bearing liabilities at the end of the period amounted to SEK 222 (243) million, and including lease liabilities to SEK 257 (276) million. Of the liabilities, SEK 222 (243) million were liabilities to credit institutions and SEK 35 (33) million were lease liabilities. Contingent consideration amounted to SEK 0 (12) million, of which contingent consideration due within 12 months amounted to SEK 0 (5) million. The Group's net debt, as defined in order to calculate the bank loan's covenant, amounted to SEK 237 (232) million, while net debt/adjusted EBITDA R12 pro forma amounted to 3.3x (2.8x). Seafire was in compliance with the terms of its current financing agreement at the end of the quarter. The existing bank financing agreement expires in Q1 2026 and a dialogue is ongoing with the financing bank regarding an extension of the agreement.

Tax deferral amounted to SEK 71 (91) million, which must be repaid by the end of September 2027. SEK 18 million must be repaid during the remaining part of 2025, of which approximately SEK 13 million will occur during the third quarter. Cash and cash equivalents amounted to SEK 20 (49) million at the end of the period.

Adjusted net debt, including leases, all contingent consideration and tax deferrals, amounted to SEK 308 (330) million, which gives an adjusted net debt/adjusted EBITDA R12 pro forma of 4.3x (4.0x).

Net debt

SEK million



Net debt, Net debt/Adjusted EBITDA pro forma R12

SEK million	Q1 2025	Q1 2024	Full year 2024
Interest-bearing liabilities	222	243	233
Lease liabilities	35	33	39
Contingent consideration due within 12 months	-	5	-
Less: cash and cash equivalents	-20	-49	-57
Net debt	237	232	215
Adjusted EBITDA R12	71	82	71
Net debt/Adjusted EBITDA pro forma R12, times	3.3	2.8	3.0

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

SEK million	Q1 2025	Q1 2024	Full year 2024
Net debt	237	232	215
Outstanding deferral from the Swedish Tax Agency and contingent consideration due for payment after 12 months	71	98	85
Adjusted net debt	308	330	300
Adjusted EBITDA R12	71	82	71
Adjusted net debt/Adjusted EBITDA pro forma R12, times	4.3	4.0	4.2

BUSINESS AREAS

Industrial components

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

SEK million	Q1 2025	Q1 2024	R12 2025	Full year 2024
Net sales	137	144	574	582
Gross profit	63	66	261	264
Gross margin, %	46%	46%	45%	45%
Rörelsekostnader ¹	-53	-55	-206	-208
Proportion of net sales, %	39%	38%	36%	36%
EBITA ¹	6	7	38	39
EBITA margin, %	5%	5%	7%	7%

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

Q1

During the quarter, net sales fell by 5 percent to SEK 137 million, compared with SEK 144 million for the same quarter in the previous year. Bara Mineraler, Åkerstedts and Pexymek increased their Q1 net sales compared with the same period in 2024, while other companies saw a decrease in sales. DOFAB, which supplies doors and windows for refurbishments and new builds, had a challenging quarter, with net sales down 37%. Borö-Pannan, which had a very weak 2024, saw a minor decrease in Q1 net sales (-8%), and we are seeing signs of stabilization. Demand is at a low level historically.

The gross margin was stable and amounted to 46 (46) percent.

During the quarter, operating profit before amortization and impairment attributable to acquired surplus values (EBITA) amounted to SEK 6 (7) million, which corresponds to an EBITA margin of 5 (5) percent.

Products

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

SEK million	Q1 2025	Q1 2024 ¹	R12 2025	Full year 2024 ¹
Net sales	70	73	315	318
Gross profit	36	34	142	140
Gross margin, %	51%	47%	45%	44%
Rörelsekostnader ¹	-30	-30	-120	-121
Proportion of net sales, %	43%	42%	38%	38%
EBITA ¹	4	2	17	15
EBITA margin, %	6%	3%	5%	5%

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

Q1

During the quarter, net sales fell by 4% to SEK 70 million, compared with SEK 73 million during the same quarter of the previous year. OPO Scandinavia saw positive growth in net sales compared with the corresponding quarter in the previous year, while Ludafarm had a negative impact on development in the segment. Other companies saw stable growth in net sales compared with Q1 2024.

The gross margin increased to 51 percent compared with 47 percent in the same period the previous year. The change is attributable to concluded measures and a change in business mix.

During the quarter, operating profit before amortization and impairment attributable to acquired surplus values, EBITA, amounted to SEK 4 (2) million, which corresponds to an EBITA margin of 6 (3) percent. The higher gross margin, combined with cost restraint, is driving the improvement in financial performance.

OTHER INFORMATION

Auditor's review

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

Significant events during the quarter

On March 31, Seafire's CFO Jacob Persson announced his intention to leave the company for another role outside the group in a different industry. Jacob Persson will leave his position during the third quarter and the recruitment of a replacement has begun.

Significant events after the end of the quarter

No significant events have occurred after the end of the quarter.

Related party transactions

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

Share information

At the end of the reporting period, the number of shares in the Company was 42,846,569. All shares are of the same type and afford the same voting rights. As of March 31, 2025, the largest shareholders were Creades with approx. 19% of the shares, Protector Forsikring with approx. 17%, and Movestic Livsförsäkring with approx. 14%.

Since May 11, 2023, the Company's shares have been listed on Nasdaq Stockholm and are traded under the ticker 'SEAF'. Before this date, the shares had been listed on Nasdaq First North Growth Market since July 25, 2019. The smallest trading unit is one (1) share. The closing price of the share on March 31, 2025 was SEK 5.02 per share, which corresponds to a market value of approximately SEK 215 million.

About Seafire

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

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

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

Seafire operates in two business segments: Industrial components and Products. During the period, the Group had eight subsidiaries within Industrial components and four subsidiaries operating within Products. At the end of the period, the Group had a total of 297 employees, of whom 69 were women. For more information about Seafire's subsidiaries, visit www.seafireab.com.

Financial calendar

Annual General Meeting 2025	April 24, 2025	15:00
Interim report 2 2025	August 21, 2025	08:00
Interim report 3 2025	November 6, 2025	08:00
Year-end report 2025	February 20, 2026	08:00

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DECLARATION BY THE BOARD OF DIRECTORS

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

Stockholm, April 24, 2025

Anders Hillerborg

Chairman of the Board

Sonny Mirborn

Board member

Marcus Söderberg

Board member

Stina Wollenius

Board member

Daniel Repfennig

Chief Executive Officer

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK million	Q1 2025	Q1 2024	R12 2025	Full year 2024
Operating income				
Net sales	207	219	893	905
Other income	3	3	21	21
Total operating income	210	222	914	926
Change in work in progress	4	-12	-7	-23
Merchandise	-112	-107	-481	-476
Other external expenses	-33	-33	-129	-129
Personnel costs	-56	-58	-217	-219
Other operating expenses	-	-	-8	-8
Depreciation, amortization and impairment	-13	-13	-176	-176
Total operating expenses	-210	-223	-1,018	-1,031
Operating profit/loss	0	-1	-104	-105
Finance income	0	1	6	7
Finance costs	-9	-6	-35	-32
Profit/loss before tax	-9	-6	-133	-130
Taxes	2	1	-3	-4
Profit/loss for the period	-7	-5	-136	-134

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Q1 2025	Q1 2024	R12 2025	Full year 2024
Profit/loss for the period	-7	-5	-136	-134
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss				
Translation differences	-	-	-	-
Other comprehensive income after tax	-	-	-	-
Comprehensive income for the period	-7	-5	-136	-134
Comprehensive income for the period attributable to:				
Parent Company shareholders	-7	-5	-136	-134

EARNINGS PER SHARE

SEK million	Q1 2025	Q1 2024	R12 2025	Full year 2024
Basic earnings per share, SEK	-0.17	-0.12	-3.16	-3.12
Average number of shares before dilution ¹	42,847	42,847	42,847	42,847
Diluted earnings per share, SEK	-0.17	-0.12	-3.16	-3.12
Average number of shares after dilution ¹	43,749	43,749	43,749	43,749

1) Average number of shares in thousands.

CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	Mar 31 2025	Mar 31 2024	Dec 31 2024
Non-current assets			
Goodwill	536	658	536
Other intangible assets	42	62	47
Property, plant and equipment	135	139	138
Right-of-use assets	34	34	38
Financial assets	3	4	3
Total non-current assets	750	897	762
Current assets			
Inventories	206	226	198
Trade receivables	93	105	78
Current tax assets	17	19	12
Other current receivables	10	12	10
Prepaid expenses and accrued income	38	45	37
Cash and cash equivalents	20	49	57
Total current assets	384	456	392
TOTAL ASSETS	1,134	1,353	1,154
Equity			
Share capital	7	7	7
Other contributed capital	851	851	851
Retained earnings, including profit/loss for the period	-282	-146	-275
Total equity	576	712	583
Non-current liabilities			
Deferred tax liabilities	37	43	39
Non-current liabilities to credit institutions	1	182	152
Non-current lease liabilities	19	17	21
Other non-current liabilities	56	28	61
Total non-current liabilities	113	270	273
Current liabilities			
Current liabilities to credit institutions	181	41	41
Advances from customers	8	5	5
Trade payables	59	70	50
Current tax liabilities	4	6	4
Utilized bank overdraft facilities	40	20	40
Current lease liabilities	16	16	17
Other current liabilities	42	107	46
Accrued expenses and deferred income	95	106	95
Total current liabilities	445	371	298
Total liabilities	558	641	571
TOTAL EQUITY AND LIABILITIES	1,134	1,353	1,154

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Other contributed capital	Retained earnings, including profit for the period	Total equity
Opening balance, Jan 1, 2024	7	851	-141	717
Comprehensive income for the period	-	-	-5	-5
<u>Transactions with shareholders</u>				
New share issue	-	-	-	-
New share issue expenses	-	-	-	-
Closing balance, March 31, 2024	7	851	-141	717

SEK million	Share capital	Other contributed capital	Retained earnings, including profit for the period	Total equity
Opening balance, Jan 1, 2024	7	851	-275	583
Comprehensive income for the period	-	-	-7	-7
<u>Transactions with shareholders</u>				
New share issue	-	-	-	-
New share issue expenses	-	-	-	-
Closing balance, Dec 31, 2024	7	851	-282	576

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Q1 2025	Q1 2024	R12 2025	Full year 2024
<u>Cash flow from operating activities</u>				
Profit/loss before tax	-9	-6	-133	-130
of which interest received	-	-	-	1
of which interest paid	-3	-5	-13	-15
Adjustment for non-cash items	14	12	179	177
Tax paid	-5	-9	-7	-11
Cash flow from operating activities before changes in working capital	0	-3	39	36
<u>Cash flow from changes in working capital</u>				
Change in inventories	-7	4	19	30
Change in current receivables	-16	-16	22	22
Change in current liabilities	1	14	-56	-43
Cash flow from change in working capital	-22	2	-15	9
Cash flow from operating activities	-22	-1	24	45
<u>Cash flow from investing activities</u>				
Investments in property, plant and equipment	-1	-2	-13	-14
Investments in intangible assets	-	-	-2	-2
Cash flow from investing activities	-1	-2	-15	-16
<u>Cash flow from financing activities</u>				
New share issue	-	-	-	-
New share issue expenses	-	-	-	-
Proceeds from borrowings	-	-	-	-
Repayment of borrowings	-10	-10	-41	-41
Change in bank overdraft facilities	-	20	20	40
Repayment of lease liabilities	-4	-4	-17	-17
Cash flow from financing activities	-14	6	-38	-18
Total cash flow	-37	3	-29	11
Cash and cash equivalents at start of period	57	46	49	46
Translation differences	-	-	-	-
Cash and cash equivalents at end of period	20	49	20	57

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK million	Q1 2025	Q1 2024	R12 2025	Full year 2024
Net sales	-	-	-	-
Other income	5	4	19	18
Total operating income	5	4	19	18
Other external expenses	-2	-2	-9	-9
Personnel costs	-3	-3	-11	-11
Depreciation and amortization	-	-	-	-
Total expenses	-5	-5	-20	-20
Operating profit/loss	0	-1	-1	-2
Finance income	0	1	1	2
Finance costs	-4	-5	-57	-58
Profit/loss before tax	-4	-5	-57	-58
Group contributions	-	-	6	6
Income tax	-	-	-2	-2
Profit/loss for the period	-4	-5	-53	-54

CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	Mar 31 2025	Mar 31 2024	Dec 31 2024
Property, plant and equipment	1	1	0
Receivables from Group companies	953	1,000	953
Financial assets	22	23	22
Total non-current assets	976	1,024	976
Receivables from Group companies	62	70	62
Other current receivables	2	-	1
Prepaid expenses and accrued income	3	1	1
Cash and cash equivalents	18	47	54
Total current assets	85	118	118
TOTAL ASSETS	1,061	1,142	1,094
Share capital	7	7	7
Other contributed capital	883	883	883
Retained earnings, including profit/loss for the period	-293	-240	-289
Total equity	597	650	601
Non-current liabilities to credit institutions	0	180	150
Other non-current liabilities	0	7	0
Total non-current liabilities	0	187	150
Current liabilities to credit institutions	180	40	40
Utilized bank overdraft facilities	40	20	40
Trade payables	1	2	1
Liabilities to Group companies	239	226	258
Other current liabilities	1	11	1
Accrued expenses and deferred income	3	6	3
Total current liabilities	464	305	343
Total liabilities	464	492	493
TOTAL EQUITY AND LIABILITIES	1,061	1,142	1,094

NOTES

Note 1. Accounting policies

Seafire AB (publ) applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act. Information in accordance with IAS 34.16A is disclosed both in the financial statements and their associated notes and elsewhere in the interim report. The accounting policies are consistent with the policies that were applied in the previous financial year. For more information on these, see Note G1 in the 2024 Consolidated Annual Report. The interim report should be read together with the 2024 Annual Report. Preparation of financial statements in accordance with IFRS requires Group management to make accounting judgments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and judgments. For information on the Company's critical judgments and sources of uncertainty, see the Group's 2024 Annual Report.

Note 2. Risks and uncertainties

For a description of the Group's material risks and uncertainties, see the detailed statement in the 2024 Annual Report. No material new or changed risks or uncertainties have been identified since the publication of the 2024 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 conflict in the Middle East are such that the Company is unable to make reasonable advance assessments of the effects on the Company's operations and financial performance. The Company's management and Board of Directors are monitoring developments in the ongoing trade and tariff conflict between the United States and the rest of the world. Seafire has very limited exposure to the American market but may be indirectly affected by changing consumer behaviour. Higher inflation and higher prices of input goods will impact demand for goods and services provided by Seafire's subsidiaries.

Note 3. Revenue from contracts with customers

Net sales by geographical area				
SEK million	Q1 2025	Q1 2024	R12 2025	Full year 2024
Sweden	144	156	648	660
Nordic region (excl. Sweden)	37	33	147	143
Europe (excl. Nordic region and Sweden)	26	29	95	98
World (excl. Europe, Nordic region and Sweden)	0	1	3	4
Total net sales	207	219	893	905

Amounts recognized as revenue				
SEK million	Q1 2025	Q1 2024	R12 2025	Full year 2024
Revenue from service contracts (revenue over time)	13	13	50	50
Revenue recognized at a point in time	194	206	843	855
Total	207	219	893	905

Note 4. Segment reporting

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

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

SEK million	Industrial components		Products		Central costs		Group adjustments		Group	
	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Net sales	137	144	70	73	-	-	0	1	207	219
Other	2	3	1	-	-	-	-	-	3	3
Total	139	147	71	73	-	-	0	1	210	222
Gross	63	66	36	34	-	-	0	1	99	101
Gross	46%	46%	51%	47%	-	-	-	45%	48%	46%
Operating	-53	-55	-30	-30	-5	-5	-	-	-88	-90
% of net	39%	38%	43%	42%	-	-	-	-	43%	41%
EBITA	6	7	4	2	-5	-5	0	1	6	5
EBITA	5%	5%	6%	3%	-	-	-	37%	3%	2%
Amortization and impairment of intangible assets									-6	-6
Operating profit (EBIT)									0	-1
Net financial items									-9	-5
Profit/loss before tax									-9	-6
Tax on profit									2	1
Profit/loss for the period, continuing operations									-7	-5

Note 5. Fair value of financial instruments

SEK million	Classification according to valuation hierarchy							
	Mar 31 2025	Mar 31 2024	1		2		3	
			Mar 31 2025	Mar 31 2024	Mar 31 2025	Mar 31 2024	Mar 31 2025	Mar 31 2024
Assets								
Currency derivatives	-	-	-	-	-	-	-	-
Liabilities								
Currency derivatives	1	-	-	-	1	-	-	-
Contingent consideration	-	12	-	-	-	-	-	12

Financial liabilities at fair value by valuation hierarchy level

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

Note 6. Contingent consideration

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

SEK million	Jan-Mar 2025	Jan-Mar 2024	Jan-Dec 2024
Opening balance	-	12	12
Acquisitions during the year	-	-	-
Reversed in income statement	-	-	-7
Consideration paid	-	-	-5
Interest expenses	-	-	-
Closing balance	-	12	-

Note 7. Alternative performance measures

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

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

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

Organic growth	Increase in net sales in the period adjusted for acquisitions and divestments divided by net sales in the comparative period.	This performance measure is used in connection with analyses of underlying growth in revenue driven by comparable entities between different periods.
Pro forma	Outcome for the period adjusted to include the outcome of acquisitions for the previous 12 months.	Used to facilitate comparisons between full year periods by adjusting for the full-year effect of completed acquisitions.

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

Calculation of organic growth

	Q1 2025	Q1 2024	R12 2025	Full year 2024
Percentage points				
Organic growth	-5%	-17%	-8%	-10%
Acquired growth	-	4%	-	1%
Recognized growth	-5%	-13%	-8%	-10%

	Q1 2025	Q1 2024	R12 2025	Full year 2024
SEK million				
Net sales, base	219	253	966	1,000
Net sales, income growth	-12	-42	-73	-104
Total organic growth	207	-17%	893	-10%

EBITA and adjusted EBITA

	Q1 2025	Q1 2024	R12 2025	Full year 2024
SEK million				
EBIT	0	-1	-104	-105
Reversal of amortization and impairment attributable to acquired surplus values	6	6	147	147
EBITA	6	5	43	42
Reversal of items affecting comparability	-	1	-1	0
Adjusted EBITA	6	6	42	42

EBITDA and adjusted EBITDA

	Q1 2025	Q1 2024	R12 2025	Full year 2024
SEK million				
EBIT	0	-1	-104	-105
Reversal of depreciation, amortization and impairment of property, plant and equipment and intangible assets	13	13	175	176
EBITDA	13	12	71	71
Reversal of items affecting comparability	-	1	-1	0
Adjusted EBITDA	13	13	70	71

Items affecting comparability

	Q1 2025	Q1 2024	R12 2025	Full year 2024
SEK million				
Disposal of machinery and equipment	-	-	-3	-3
Impairment due to inventory obsolescence	-	-	-1	-1
Contingent consideration remeasurement	-	-	7	7
Restructuring costs	-	-1	-2	-3
Items affecting comparability	-	-1	1	0

Adjusted EBITDA pro forma R12

SEK million	Q1 2025	Q1 2024	Full year 2024
EBITDA R12	72	99	71
Items affecting comparability	-1	-17	0
Adjusted EBITDA R12	71	82	71
Acquired companies	-	-	-
Adjusted EBITDA pro forma R12	71	82	71

Net debt, Net debt/Adjusted EBITDA pro forma R12

SEK million	Q1 2025	Q1 2024	Full year 2024
Interest-bearing liabilities	222	243	233
Lease liabilities	35	33	39
Contingent consideration due within 12 months	-	5	-
Less: cash and cash equivalents	-20	-49	-57
Net debt	237	232	215
Adjusted EBITDA R12	71	82	71
Net debt/Adjusted EBITDA pro forma R12, times	3.3	2.8	3.0

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

SEK million	Q1 2025	Q1 2024	Full year 2024
Net debt	237	232	215
Outstanding deferral from the Swedish Tax Agency and contingent consideration due for payment after 12 months	71	98	85
Adjusted net debt	308	330	300
Adjusted EBITDA R12	71	82	71
Adjusted net debt/Adjusted EBITDA pro forma R12, times	4.3	4.0	4.2