

# Swedish Electromagnet Invest AB (publ.)

559153-6510

Interim Report

January – March 2025



## Group overview

Swedish Electromagnet Invest AB (publ.)<sup>1</sup> is a globally leading supplier of electromagnetic applications, with over 100 years of experience and deep knowledge. We manufacture advanced hydrogen and alternative fuel ignition systems, injector stators and linear position sensors for commercial vehicles and stationary engines, as well as small engine systems for premium forestry hand tools.

<sup>1</sup> Swedish Electromagnet Invest AB (publ) Group is the ultimate Parent Company and serves as a holding company for the intermediary holding company Swedish Electromagnet Holding AB Group containing of SEM AB in Sweden, SEM Technology (Suzhou) Co., Ltd in China, SEM Technology Inc. in USA, Senfusion AB in Sweden and the branch SEM Technology Central Europe AB Zweigniederlassung Freiburg, Tyskland.

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## Reporting period, January - March 2025

- Net sales amounted to 143 237 (160 193) KSEK.
- The operating profit/loss amounted to 11 112 (33 682) KSEK.
- The cash flow from operating activities amounted to -12 394 (151) KSEK.

## Development in the first quarter 2025

All amounts are stated in thousand SEK (KSEK) unless stated otherwise. The figures below are equivalent to the operations in SEM Invest Group the first quarter and the period 1st January – 31st March 2025.

## Key figures and ratios

KSEK	1st Jan - 31th Mar 2025	Q1 2025	1st Jan - 31th Mar 2024	Q1 2024
Net sales	143 237	143 237	160 193	160 193
EBITDA	22 054	22 054	42 886	42 886
Adjustment to EBITDA <sup>1)</sup>	136	136	1 115	1 115
EBITDA (adj.) <sup>1)</sup>	22 190	22 190	44 001	44 001
Operating profit	11 112	11 112	33 682	33 682
Net result for the period	3 129	3 129	20 370	20 370
Net Debt <sup>2)</sup>	292 096	292 096	302 508	302 508
Return on equity <sup>3)</sup> , %	1,0%	1,0%	6,0%	6,0%
Return on total assets <sup>3)</sup> , %	1,1%	1,1%	3,4%	3,4%
Equity/assets ratio, %	45,7%	45,7%	43,5%	43,5%

1) Adjustments include non-recurring figures to enable better comparison of underlying development in the business. Adjustments during Q1 2025 relocation costs 643 (1 115) KSEK and refinancing costs -507 (0) KSEK. Please see Note 6 for further details.

2) End of period. Please see Note 6 for details regarding Net Debt.

3) Figures regarding Q1 2025 and comparable figures in 2024. Please see "Definitions" for further details.

In the event that something differs between this English translation and the Swedish original of Swedish Electromagnet Invest AB (publ.) Interim Report for January – March 2025, the Swedish original takes precedence.

## Comments from the CEO

Sales in the first quarter have been good. Demand for ignition systems for gas engines increased in the Chinese market after a weak last quarter last year. The European and North American markets have performed well with good orders for both ignition systems, sensors and stators. The market for professional handheld equipment showed a cautiously positive development after many quarters of weak demand.

Based on our customers' forecasts, we believe that the coming quarter will be at the same level or slightly lower than this quarter. There is general uncertainty in the market due to the global situation. We are monitoring the continued development to best adapt to the circumstances.

For the first quarter, sales amounted to SEK 143 million (SEK 160 million in 2024), EBITDA is SEK 22 million (SEK 43 million in 2024) and operating profit amounted to SEK 11 million (SEK 34 million in 2024). Profitability is affected by the significant depreciation of the USD against the Swedish krona during the first quarter. At the end of each half-year, we adjust our prices for the stator and gas products we sell in USD. However, within each six-month period, prices vary with exchange rate movements.

Cash flow from operating activities is negative, SEK -12.9 million (SEK 0.2 million in 2024). This is primarily due to higher account receivables. It is positive to see that inventory levels are decreasing in the quarter as the moving stock in China has now been delivered to customers.

We are following the bond repurchase plan. The net debt, calculated according to the bond terms, is now SEK 292.1 million (SEK 302.5 million in 2024).

We are watching with interest how the increasing use of AI is driving investments in data centers. This in turn is driving increased demand for standby power units in the form of stationary engines. A segment we recently entered and where there is great growth potential.

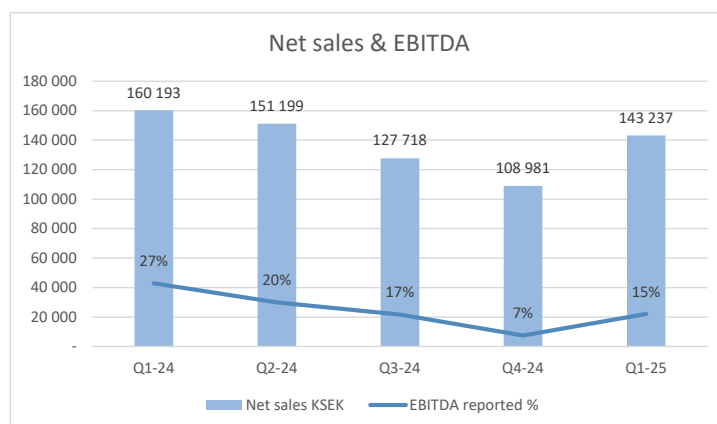
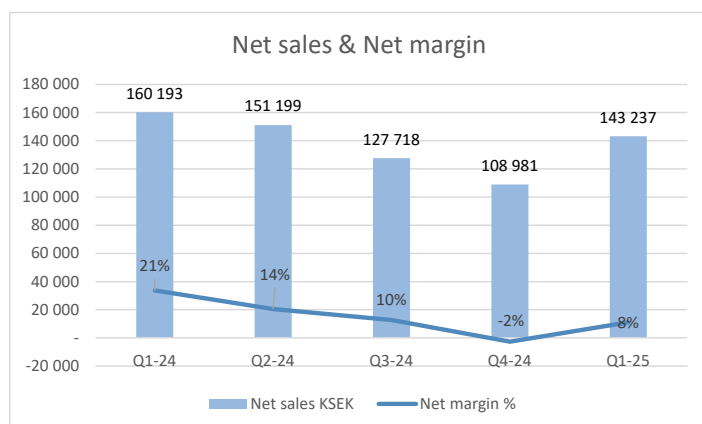
**Magnus Hellström**  
CEO

## Financial overview

### Sales and profit first quarter 2025

Sales in first quarter 2025 totalling SEK 143 237 (160 193) thousand. The reported operating profit totalling SEK 11 112 (8%) (33 682 (21%)) thousand.

Reported EBITDA totalling SEK 22 054 (42 887) thousand in first quarter 2025. Adjusted EBITDA totalling SEK 22 190 (44 001) thousand in first quarter 2025.



## Investments

In the first quarter 2025, the group made total investments affecting cash flow of SEK 6 501 (14 667) thousand. This includes investments in product development, primarily of the new Flexispark®, as well as final testing equipment for the same project, investment in new coil assembly in the factory in Åmål, replacement of budgeted computers.

## Balance sheet items

### Measurement of deferred tax assets in connection with loss carryforwards - interest deduction

Following the introduction of the new rules on interest deduction limitations in Sweden, the Group recorded a non-deductible interest. This non-deductible interest means a changed tax expense in the first quarter 2025 of - (-) SEK million for the Group. Given that there are time constraints in the possibility of utilizing the future tax credit, the Group has, for prudence, chosen not to record the future tax credit. For further analysis of taxes, please refer to the annual report.

### Test of impairment of goodwill and trademarks

The President assesses the operating performance based on the Group as a whole. Goodwill and trademarks are monitored by the President, based on the Group as a whole.

The assessment in our continuous impairment test is that the long-term business opportunities remain. Impairment testing is carried out annually and for further information, please refer to the annual report.

## Cash flow

KSEK

### Quarter 1 2025

Cash flow from operating activities -12 394 (151).

Cash flow from investing activities -6 501 (-14 667).

Cash flow from financing activities 12 376 (-5 566)

**Cash flow for the period -6 519 (-20 082).**

The cash flow from operating activities for quarter 1 2025, -12 394 (151) KSEK is primarily negatively affected by higher accounts receivable. It is positive to see that inventory levels are decreasing in the quarter as the moving stock in China has now been delivered to customers.

The cash flow from investment activities for quarter 1 2025, -6 501 (-14 667) KSEK, referred to investments in product development of primarily the new Flexispark® and final testing equipment for the same project and investment in new coil assembly in the factory in Åmål and replacement of budgeted computers.

The cash flow from financing activities for quarter 1 2025, 12 376 (-5 566) KSEK is positive as the use of overdraft facilities increased in Sweden during the quarter.

## Cost regarding salaries, social security and pension

The personnel cost for salary, social security and pensions amounted to SEK 35 833 (35 504) thousand during the first quarter 2025.

During the first quarter 2025 the cost split with SEK 28 018 (26 774) thousand in Sweden, SEK 360 (318) thousand in Germany, SEK 6 908 (7 887) thousand in China and SEK 547 (525) thousand in USA.

At the end of the period the number of fulltime employees (FTE) in the group amounted to in total 232 (235) off which 47% (54%) women and 53% (46%) men.

## **Parent Company**

Parent company Swedish Electromagnet Invest AB (publ) ("SEM Invest") was established on 26th March 2018. SEM Invest became operative on 11th December, 2018 through the acquisition of Swedish Electromagnet Holding AB ("SEH Group").

Swedish Electromagnet Invest AB (publ) Group is the ultimate Parent Company and serves as a holding company for the intermediary holding company Swedish Electromagnet Holding AB Group containing of SEM AB in Sweden, SEM Technology (Suzhou) Co., Ltd in China, SEM Technology Inc. in USA and Senfusion AB in Sweden.

The Parent Company's net result totalled SEK -3 932 (-3 565) thousand in first quarter 2025. The Parent Company's operations include certain group-wide functions regarding management, strategy and financing.

Parent Company assets totalled 753 041 (734 575) KSEK, mainly consisting of shares in subsidiaries and internal receivables from a short-term loan to Swedish Electromagnet Holding AB.

The Parent Company is mainly financed by a bond issued in 10st of December 2018 to a nominal amount of 350 000 KSEK. The bond terms have been updated and the bond now runs in accordance with these terms through 30th June 2026. The number of shares totalled 2 000 000 as at 31th of December 2024. The main shareholder is Procuritas Capital Investors V L.P. with 58,11 % of votes and capital.

## **SWEDISH ELECTROMAGNET INVEST AB (PUBL) REPURCHASE BONDS**

In accordance with the updated bond terms for its outstanding bond loan 2018/2023 with ISIN SE0011167600 (the "Bonds"), Swedish Electromagnet Invest AB (publ) has undertaken to repurchase Bonds on the secondary market or in some other way.

Bond holders who would like more information or who are interested in repurchasing are kindly asked to contact our CFO, Cicilia Ax, at the email address or telephone number below:

Email: [cicilia.ax@sem.se](mailto:cicilia.ax@sem.se)

Phone: +46 70 616 11 34

## **Events after the reporting period**

As previously communicated, the company's main owner has considered and evaluated to sell the company. Such a process has been initiated and is ongoing through an investment bank. The company's owner is in negotiations with an external party regarding the acquisition of all shares in the company, and an agreement may be reached during the current quarter.

## **Outlook**

The SEM Invest Group does not provide financial forecasts due to the nature of its business.

## **Significant risks and uncertainties**

The risks and uncertainties that the group is primarily affected by are described in detail in the annual report for 2024. The geopolitical developments in early 2025 have led to an increased currency risk, at least in the short term. The ongoing international trade war also brings higher supply and market risks that are very difficult to assess.

## Financial reports

### Condensed consolidated Income Statement

KSEK	1st Jan - 31th Mar 2025	Q1 2025	1st Jan - 31th Mar 2024	Q1 2024
Net sales	143 237	143 237	160 193	160 193
Cost of goods sold	-106 264	-106 264	-106 135	-106 135
<b>Gross profit</b>	<b>36 973</b>	<b>36 973</b>	<b>54 058</b>	<b>54 058</b>
Selling expenses	-5 627	-5 627	-6 403	-6 403
Administrative expenses	-9 154	-9 154	-8 596	-8 596
Research and development costs	-12 147	-12 147	-8 962	-8 962
Other operating income	1 086	1 086	3 585	3 585
Other operating expenses	-19	-19	-	-
<b>Operating profit (loss)</b>	<b>11 112</b>	<b>11 112</b>	<b>33 682</b>	<b>33 682</b>
Financial income	114	114	447	447
Financial expenses	-6 393	-6 393	-7 390	-7 390
Interest expenses from lease liabilities	-376	-376	-432	-432
<b>Net financial items</b>	<b>-6 655</b>	<b>-6 655</b>	<b>-7 375</b>	<b>-7 375</b>
<b>Profit (loss) after financial items</b>	<b>4 457</b>	<b>4 457</b>	<b>26 306</b>	<b>26 306</b>
<b>Profit (loss) before tax</b>	<b>4 457</b>	<b>4 457</b>	<b>26 306</b>	<b>26 306</b>
Income tax	-1 328	-1 328	-5 936	-5 936
<b>Net result for the period</b>	<b>3 129</b>	<b>3 129</b>	<b>20 370</b>	<b>20 370</b>

#### Other comprehensive income

KSEK	1st Jan - 31th Mar 2025	Q1 2025	1st Jan - 31th Mar 2024	Q1 2024
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences from translation of foreign operations	-8 376	-8 376	6 497	6 497
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation of the net pension obligation	-	-	-	-
Income tax attributable to the above item	-	-	-	-
<b>Other comprehensive income for the period, after tax</b>	<b>-8 376</b>	<b>-8 376</b>	<b>6 497</b>	<b>6 497</b>
<b>Total comprehensive income for the period</b>	<b>-5 247</b>	<b>-5 247</b>	<b>26 867</b>	<b>26 867</b>

Profit (loss) for the period and total comprehensive income are, in their entirety, attributable to shareholders of the Parent Company.



## Condensed consolidated Balance Sheet

KSEK  
EQUITY

31<sup>th</sup> Mar 2025

31<sup>th</sup> Dec 2024

### Equity attributable to Parent Company's shareholders

Share capital	500	500
Other contributed capital	345 000	345 000
Reserves	2 301	10 677
Retained earnings (incl. profit/(loss) for the period)	94 943	91 814
<b>Total equity attributable to the shareholders of the Parent Company</b>	<b>442 744</b>	<b>447 991</b>

### LIABILITIES

#### Non-current liabilities

Bond loan	294 882	293 858
Lease liabilities	27 672	27 623
Provisions for pensions and similar obligations	3 069	3 069
Deferred tax liabilities	54 165	54 355
Other provisions	950	950
<b>Total non-current liabilities</b>	<b>380 738</b>	<b>379 855</b>

#### Current liabilities

Bond loan	9 000	9 000
Credit facility	26 407	11 162
Lease liabilities	11 691	11 501
Advanced from customer	2	0
Trade payables	35 867	46 752
Other current liabilities	10 875	11 337
Invoiced income - not yet accrued	4 488	4 518
Accrued costs and prepaid income	47 675	51 616
<b>Total current liabilities</b>	<b>146 005</b>	<b>145 886</b>
<b>Total liabilities</b>	<b>526 743</b>	<b>525 741</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>969 487</b>	<b>973 732</b>

## Consolidated statement of changes in equity

Amounts in KSEK	Share Capital	Other contributed capital	Reserves	Losses carried forward/ Retained earnings, including profit (loss) for the period	Total shareholders equity
<b>Q1 2024</b>	<b>Attributable to shareholders of the Parent Company</b>				
Starting balance as at 1st Jan 2024	500	345 000	5 076	63 585	414 160
Net profit for the period Jan - Mar 2024	-	-	-	20 370	20 370
Other comprehensive income for the period	-	-	6 497	-	6 497
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>6 497</b>	<b>20 370</b>	<b>26 867</b>
<b>Closing balance as at 31st Mar 2024</b>	<b>500</b>	<b>345 000</b>	<b>11 573</b>	<b>83 955</b>	<b>441 027</b>
<b>Q1 2025</b>					
Starting balance as at 1st Jan 2025	500	345 000	10 677	91 814	447 991
Net profit for the period Jan - Mar 2025	-	-	-	3 129	3 129
Other comprehensive income for the period	-	-	-8 376	-	-8 376
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-8 376</b>	<b>3 129</b>	<b>-5 247</b>
<b>Closing balance as at 31th Mar 2025</b>	<b>500</b>	<b>345 000</b>	<b>2 301</b>	<b>94 943</b>	<b>442 744</b>

## Consolidated Cash Flow Statement

KSEK	1st Jan - 31th Mar 2025	Q1 2025	1st Jan - 31th Mar 2024	Q1 2024
<b>Cash flow from operating activities</b>				
Operating profit (loss)	11 112	11 112	33 682	33 682
<i>Adjustment for non-cash items</i>				
- Other non-cash items	-5 538	-5 538	4 831	4 831
- Depreciation of tangible and intangible assets	10 942	10 942	9 204	9 204
Interest received	114	114	447	447
Interest paid	-10 985	-10 985	-3 703	-3 703
Income taxes paid	-4 478	-4 478	-7 716	-7 716
<b>Cash flow from operating activities before changes in working capital</b>	<b>1 167</b>	<b>1 167</b>	<b>36 745</b>	<b>36 745</b>
<b>Cash flow before changes in working capital</b>				
Increase/decrease of inventories	23 979	23 979	-25 716	-25 716
Increase/decrease of trade receivables	-30 870	-30 870	-27 173	-27 173
Increase/decrease of other current receivables	3 405	3 405	6 779	6 779
Increase/decrease of trade payables	-10 885	-10 885	7 293	7 293
Increase/decrease of other current payables	810	810	2 223	2 223
<b>Total changes in working capital</b>	<b>-13 561</b>	<b>-13 561</b>	<b>-36 594</b>	<b>-36 594</b>
<b>Cash flow from operating activities</b>	<b>-12 394</b>	<b>-12 394</b>	<b>151</b>	<b>151</b>
<b>Cash flow from investing activities</b>				
Investment in intangible assets	-4 471	-4 471	-6 645	-6 645
Investment in property, plant and equipment	-2 030	-2 030	-8 167	-8 167
Investment in other financial assets	-	-	-1	-1
Financial assets	-	-	146	146
<b>Cash flow from investing activities</b>	<b>-6 501</b>	<b>-6 501</b>	<b>-14 667</b>	<b>-14 667</b>
<b>Cash flow from financing activities</b>				
Increase/ decrease of current financial liabilities	15 245	15 245	1 180	1 180
Rebuy of bond	-	-	-2 501	-2 501
Repayment of bond	-	-	-404	-404
Repayment of financial leasing debt	-2 869	-2 869	-3 841	-3 841
<b>Cash flow from financing activities</b>	<b>12 376</b>	<b>12 376</b>	<b>-5 566</b>	<b>-5 566</b>
<b>Decrease/increase of cash and cash equivalents</b>				
Opening cash and cash equivalents	57 919	57 919	62 728	62 728
Net cash flow during the period	-6 519	-6 519	-20 082	-20 082
Exchange rate differences in cash and cash equivalents	291	291	639	639
<b>Closing cash and cash equivalents</b>	<b>51 690</b>	<b>51 690</b>	<b>43 285</b>	<b>43 285</b>

## Parent Company Income Statement

KSEK	1st Jan - 31h Mar 2025	Q1 2025	1st Jan - 31th Mar 2024	Q1 2024
Net sales	2 760	2 760	2 760	2 760
<b>Gross profit</b>	<b>2 760</b>	<b>2 760</b>	<b>2 760</b>	<b>2 760</b>
Administrative expenses	-1 112	-1 112	-617	-617
<b>Operating profit (loss)</b>	<b>1 648</b>	<b>1 648</b>	<b>2 143</b>	<b>2 143</b>
<b>Profit (loss) from financial items</b>				
Financial income	1	1	52	52
Other financial income	-	-	146	146
Financial expenses	-5 053	-5 053	-2 275	-2 275
Other financial expenses	-1 024	-1 024	-4 549	-4 549
<b>Net financial items</b>	<b>-6 076</b>	<b>-6 076</b>	<b>-6 626</b>	<b>-6 626</b>
<b>Profit (loss) after financial items</b>	<b>-4 428</b>	<b>-4 428</b>	<b>-4 483</b>	<b>-4 483</b>
Group contribution	-	-	-	-
<b>Profit (loss) before tax</b>	<b>-4 428</b>	<b>-4 428</b>	<b>-4 483</b>	<b>-4 483</b>
Tax for the period	496	496	919	919
<b>Net result for the period</b>	<b>-3 932</b>	<b>-3 932</b>	<b>-3 565</b>	<b>-3 565</b>

In the Parent Company, there are no items recognized as other comprehensive income, consequently, total comprehensive income corresponds to profit (loss) for the period.

## Parent Company Balance Sheet

	31th Mar 2025	31 <sup>st</sup> Dec 2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
<i>Financial assets</i>		
Participation in Group companies	420 893	420 893
Receivables from Group companies	310 343	315 343
Deferred tax assets	3 176	2 965
<b>Total financial assets</b>	<b>734 412</b>	<b>739 201</b>
<b>Total non-current assets</b>	<b>734 412</b>	<b>739 201</b>
<b>Current assets</b>		
<i>Current receivables</i>		
Receivables from Group companies	7 169	6 019
Current tax asset	10 672	7 392
Prepaid expenses and accrued income	181	258
<b>Total current assets</b>	<b>18 022</b>	<b>13 669</b>
Cash and bank	607	6 607
<b>Total current assets</b>	<b>18 629</b>	<b>20 276</b>
<b>TOTAL ASSETS</b>	<b>753 041</b>	<b>759 477</b>

## Parent Company Balance Sheet

KSEK	31th Mar 2025	31 <sup>st</sup> Dec 2025
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Restricted equity</b>		
Share capital	500	500
<b>Non-restricted equity</b>		
Retained earnings	431 213	403 329
Profit/(loss) for the period	-3 932	27 884
<b>Total equity</b>	<b>427 781</b>	<b>431 713</b>
<b>UNTAXED RESERVS</b>		
Accrued fund	4 143	4 143
<b>Total untaxed reserves</b>	<b>4 143</b>	<b>4 143</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Bond loan	294 882	293 858
<b>Total non-current liabilities</b>	<b>294 882</b>	<b>293 858</b>
<b>Current liabilities</b>		
Bond loan minus acquisition costs	9 000	9 000
Trade payables	506	240
Liabilities to Group companies	6 019	6 019
Current tax liabilities	9 192	8 792
Other liabilities	598	283
Accrued expenses and prepaid income	920	5 429
<b>Total current liabilities</b>	<b>26 235</b>	<b>29 763</b>
<b>Total liabilities</b>	<b>321 117</b>	<b>323 621</b>
<b>Total equity and liabilities</b>	<b>753 041</b>	<b>759 477</b>

## Notes to the interim report

### General

Swedish Electromagnet Invest AB (publ), corporate identity number 559153-6510, is a limited company, registered in Sweden and headquartered in Åmål. The address of the head office is: Swedish Electromagnet Invest AB, c/o SEM Aktiebolag, Box 30, 662 21 Åmål, Sweden.

SEM operates at technical excellence, innovation and environmental awareness. SEM delivers high-quality, reliable solutions to selected markets globally. A tradition that stretches back 100 years. Our position at the forefront of technology is supported by close collaboration with customers, universities and research centers. We are continuously researching topics such as how to provide robust ignition, combustion diagnostics for engine control and optimizing engine performance. Long-term focus on research is an important success factor for SEM.

Swedish Electromagnet Invest AB (publ) is the ultimate Parent Company and serves as a holding company for the intermediary holding company Swedish Electromagnet Holding AB Group containing of SEM AB in Sweden including the branch SEM Technology Central Europe AB Zweigniederlassung Freiburg, Tyskland, SEM Technology (Suzhou) Co., Ltd in China, SEM Technology Inc. in USA and Senfusion AB in Sweden.

### Note 1 Accounting policies

This Interim Report is presented in accordance with IAS 34 Interim Financial Reporting. The group's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of these standards from IFRS Interpretations Committee (IFRS IC) as adopted by the European Commission. The accounting also follows the Annual Accounts Act (1995:1554).

In addition, the Supplementary Accounting Rules for Groups (RFR 1) from the Swedish Financial Reporting Board have been applied. The Parent Company's interim report has been prepared in accordance with the Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board.

Government grants are reported at fair value as there is reasonable assurance that the grants will be received, and the Group will meet the conditions associated with the grants. Grants received before the conditions for reporting as income have been met, are reported as a liability. Government grants are reported in the items Cost of goods sold, Sales, Administration and Research and development costs in the statement of comprehensive income depending on the function in which the cost that the grants are intended to compensate for is reported. Otherwise the applied accounting principles are in accordance with those described in Swedish Electromagnet Invest AB's annual report for 2023.

### Note 2 Net Sales

The Group has recognised the following amounts, attributable to revenue, in the statement of comprehensive income:

	1st Jan - 31th Mar 2025	Q1 2025	1st Jan - 31th Mar 2024	Q1 2024
Revenue from contracts with customers	143 237	143 237	160 193	160 193
<b>Total revenue</b>	<b>143 237</b>	<b>143 237</b>	<b>160 193</b>	<b>160 193</b>

#### *Division of revenue from contracts with customers*

The Group has revenue in accordance with the specification below from the sales of goods and services. Revenue from external customers mainly comprise the development and manufacturing of ignition systems and components. The majority of the Group's revenue is recognised over time.

#### **Revenue from customer contracts per goods item and service**

	1st Jan - 31th Mar 2025	Q1 2025	1st Jan - 31th Mar 2024	Q1 2024
Ignition systems and components	138 056	138 056	158 177	158 177
Design and Development services	5 181	5 181	2 016	2 016
<b>Total</b>	<b>143 237</b>	<b>143 237</b>	<b>160 193</b>	<b>160 193</b>

### Note 3 Cost broken down by type of cost

	1st Jan - 31st Mar 2025	Q1 2025	1st Jan - 31st Mar 2024	Q1 2024
Raw materials and consumables	-62 629	-62 629	-80 131	-80 131
Employee benefits	-35 833	-35 833	-35 504	-35 504
Depreciation of tangible assets	-3 040	-3 040	-3 160	-3 160
Depreciation of right-of-use assets	-3 549	-3 549	-3 935	-3 935
Depreciation of intangible assets	-4 353	-4 353	-2 111	-2 111
Other external costs	-23 788	-23 788	-5 256	-5 256
<b>Total operating costs</b>	<b>-133 192</b>	<b>-133 192</b>	<b>-130 097</b>	<b>-130 097</b>

### Note 4 Borrowings

#### Bond loan

The company has issued a senior secured bond, ISIN SE0011167600 (the "Bond"), with a nominal value of SEK 350 million. The bond runs after extension until June 30, 2026.

For updated bond terms and details, refer to the website [www.sem.se](http://www.sem.se) under Investor Relations.

The next mandatory instalment of SEK 9 million is due for payment on 30 September 2025.

#### Funding and liquidity

The group's bond loan expires by agreement on April 26, 2023 with an extension to June 30, 2026

	Carrying amount 31st Mar 2025	Fair value 31 st Mar 2025	Carrying amount 31st Mar 2024	Fair value 31st Mar 2024
Bond loan	303 882	278 052	312 993	295 778

Fair value of the bond loan has been valued at level 1 of the fair value hierarchy, ie the quoted market price per 2025-03-31. The carrying amount has been calculated using the effective interest rate method and refers to the liability as of 2025-03-31, provided that the bond loan has a maturity of the entire contract period and will not be redeemed until 30 June 2026 at a price of 109.

## Note 5 Related party transactions

### Related party transactions - Parent company

Swedish Electromagnet Invest AB (publ) (the Company) is a majority owned company by Procuritas Capital Investors V.L.P., headquartered in Guernsey. Swedish Electromagnet Invest AB (publ) is the parent company in the largest group in which consolidated accounts are prepared. Related parties are all subsidiaries within the group as well as senior executives and their associates.

Sales and purchase of services	1st Jan - 31th Mar 2025	Q1 2025	1st Jan - 31th Mar 2024	Q1 2024
Administration services from the Parent Company	2 760	2 760	2 760	2 760
<b>Total</b>	<b>2 760</b>	<b>2 760</b>	<b>2 760</b>	<b>2 760</b>

### Related party transaction - Parent company

Loans to related parties	31th Mar 2025	31th Mar 2024
<i>Loan to Swedish Electromagnet Holding AB (pledged)</i>		
Starting balance	246 476	246 476
Ending balance	246 476	246 476
<i>Loan to SEM AB</i>		
Starting balance	74 886	57 686
Amounts repaid	-5 000	-8 300
Loans raised during the year (group contribution, given, not paid, customer receivables)	1 150	-
Ending balance	71 036	49 386
<b>Total at end of period</b>	<b>317 512</b>	<b>295 862</b>

Loan from related parties	31th Mar 2025	31th Mar 2024
<i>Loan from Swedish Electromagnet Holding AB</i>		
Starting balance	-6 019	-6 019
Ending balance	-6 019	-6 019
<b>Total at end of period</b>	<b>-6 019</b>	<b>-6 019</b>

## Note 6 Reconciliation of Key figures and ratios

<b>Reconciliation of EBITDA, KSEK</b>	<b>1st Jan - 31h Mar 2025</b>	<b>Q1 2025</b>	<b>1st Jan - 31th Mar 2024</b>	<b>Q1 2024</b>
Operating profit (loss)	11 112	11 112	33 682	33 682
Depreciations of intangible assets	4 353	4 353	2 111	2 111
Depreciations of right-to-use-assets	3 549	3 549	3 935	3 935
Depreciations of tangible assets	3 040	3 040	3 160	3 160
<b>EBTIDA</b>	<b>22 054</b>	<b>22 054</b>	<b>42 886</b>	<b>42 886</b>
<b>Reconciliation of adjusted EBITDA</b>				
EBITDA	22 054	22 054	42 886	42 886
Relocation costs	643	643	1 115	1 115
Refinancing costs	-507	-507	-	-
<b>Adjusted EBITDA</b>	<b>22 190</b>	<b>22 190</b>	<b>44 011</b>	<b>44 011</b>
<b>Reconciliation of net debt<sup>1)</sup></b>				
	<b>31th Mar 2025</b>		<b>31th Mar 2024</b>	
Bond loans	303 882		312 993	
Lease liability (non-current and current) according to IAS17	9 298		10 910	
Credit facility	26 407		16 855	
Cash and cash equivalents <sup>2)</sup>	-47 491		-38 250	
<b>Net debt</b>	<b>292 096</b>		<b>302 508</b>	

Figures regarding Q1 2025 and Q1 2024. Please see "Definitions" for further details.

1) Net debt according to Bond Terms.

2) Per 31st March 2025 excluding 1,789 (2,806) MSEK in separate bank account from Energimyndigheten and 2,410 (2,229) MSEK in separate bank account from Vinnova which shall be split between project participants.

## Definitions

### Alternative performance measures

Alternative performance measures (APM) are financial measures that are not defined in the applicable financial reporting framework (IFRS) and are presented outside the financial statements.

APMs are used by SEM Invest when relevant to assess and describe the financial situation and provide additional relevant information and tools to enable analysis of SEM Invest's performance. The Company believes that these key ratios are useful for readers of the financial statements as a complement to other key performance indicators to assess the SEM Invest's financial position and profitability. APMs can be defined in different ways by other companies and, therefore, may not be comparable with similar measures used by other companies.

### EBITDA<sup>1)</sup>

Profit before interest, tax, depreciation and amortization.

### EBITDA (adj)<sup>1)</sup>

Profit before interest, tax, depreciation and amortization, adjusted for non-recurring item. The adjustments performed are cost and income of a non-recurring item, for which, according to the terms and conditions of the bond, EBITDA should be adjusted <sup>2)</sup>.

### Net debt

Net interest-bearing debt according to the terms and conditions of the bond including financial indebtedness such as the bond loan and leasing accounted for in accordance with IAS 17 (excluding leasing accounted for in accordance with IFRS 16 since the accounting principle were not applicable on the date of the issue of the bond but first applicable as of 1<sup>st</sup> January 2019) less cash and cash equivalents.

According to the bond terms, net debt is not including any pension liability.

### Net debt in relation to adjusted EBITDA

Net interest-bearing debt in relation to adjusted EBITDA. The adjustments performed are cost and income of a non-recurring item, for which, according to the terms and conditions of the bond, EBITDA should be adjusted <sup>1)</sup>.

### Return on equity

Profit before tax (EBT) attributable to shareholders in relation to average shareholders' equity. (Average year-to-date, calculated on quarter-end figures.)

### Return on total assets

Operating result (EBIT) attributable to shareholders, in relation to average total assets. (Average year-to-date, calculated on quarter-end figures.)

### Equity/assets ratio

Equity as a percentage of the sum of shareholders' equity and liabilities.

<sup>1</sup> Including IFRS16 leasing.

<sup>2</sup> Adjustments include non-recurring figures to enable better comparison of underlying development in the business.

## Declaration of the board of directors

The Board of Directors and the Chief Executive Officer certify that the Interim Report present a fair view of the development of the operations, position and performance of the Group and the Parent Company and describes significant risks and uncertainties to which the Parent Company and the companies in the Group are exposed.

Åmål on 12th May 2025

Halvar Jonzon  
Chairman of the Board

Kenneth Christensen  
Board Member

Magnus Hellström  
Chief Executive Officer

Jan Palmqvist  
Board Member

Christina Hallin  
Board Member

Henri Peltomäki  
Board Member

Hasse Johansson  
Board Member

The report has not been subject to review by the company's auditor.

## **Financial calendar 2025**

Interim Report for Q2 2025 is published on the 29th of August 2025.

### **Contact**

IRcontact@sem.se

### **Website**

All reports and press releases are available on the Internet at [www.sem.se](http://www.sem.se)