

Interim report Q2 2025

April - June 2025

- Net sales amounted to 390 SEKm (211)
- Organic sales growth amounted to 13 %
- EBITA increased by 30 % and amounted to 26 SEKm (20)
- Adjusted EBITA amounted to 50 SEKm (32)
- Operating profit amounted to 19 SEKm (17)

January - June 2025

- Net sales amounted to 688 SEKm (389)
- Organic sales growth amounted to 16 %
- EBITA increased by 32 % and amounted to 61 SEKm (46)
- Adjusted EBITA amounted to 98 SEKm (63)
- Operating profit amounted to 49 SEKm (43)

Significant events April – June 2025

During the quarter, Qflow strengthened its position in both the Swedish and Norwegian markets through two acquisitions:

- Novaform: A Norwegian consulting company offering services in project management and project administration for the construction and civil engineering industry.
- MEXL: A Swedish consulting company providing a wide spectrum of services, from project management and design to specialist expertise in areas such as noise and vibration, contract inspection, and land surveying.

In the quarter, a consulting group led by Novaform won a framework agreement with the Norwegian Armed Forces. The framework agreement has a term of 4 years with the possibility of extensions for 1+1+1 years. The agreement does not contain a guaranteed volume but has a potential order value of SEK 600 million.

In the second quarter, a tap issue of SEK 425 million was carried out within the framework of Qflow's existing bond. The proceeds from the bond expansion will enable the group's continued acquisition expansion.

In brief

SEKm	April-June 2025	April - June 2024	Jan - June 2025	Jan - June 2024	Jan - Dec 2024
Net sales, pro forma	390	211	688	389	891
EBIT	19	17	49	43	93
EBITA	26	20	61	46	104
EBITA adjusted	50	32	98	63	145
EBITA adjusted %	13%	15%	14%	16%	16%
KPI:s					
Billing rate	80%	84%	80%	82%	82%
Number of Full-time employees	766	458	690	507	470

Comments from the CEO

Svante Hagman

Strengthened position in the Norwegian market

Qflow Group continues to grow through acquisitions but also with strong organic growth driven by more employees and good demand for our services. The focus on recruitment and collaboration between the group's entities has had a beneficial effect during the second quarter.

During the quarter, two companies were acquired.

MexL, with its strong base of public sector clients in Western Sweden, is an excellent complement to the group's existing companies focused on infrastructure.

Novaform, with its expertise, size, and geographical spread, is a particularly important part of strengthening our offering to our Norwegian clients. Through this acquisition, we are scaling up our presence in the market and can compete for larger assignments. A testament to this is that a consulting group led by Novaform has won a major framework agreement tender with the Norwegian Armed Forces for the expansion of airports.

Going forward, we will continue to prioritize acquisitions and growth that strengthen our offerings, primarily within infrastructure. And as the group grows, we will develop synergies between our entities.



Qflow in brief

- Qflow is a leading Nordic group within specialist engineering consulting
- The Group was founded in 2022 by Svante Hagman (CEO) and Emile Hamon (COO), with support from Aspira Partners, through the acquisitions of two leading platform investments in infrastructure engineering consultancy
- Unique service breadth of specialist competencies from today's 23 subsidiaries with expertise areas in infrastructure, construction, energy and environment as well as testing and inspection
- Highly qualified personnel, consisting primarily of trained engineers (M.Sc., PhDs, etc.)
- With national presence and focus on urban hubs in Sweden and Norway, the Group is positioned to capitalise on Swedish infrastructure investment trends
- Qflow operates a decentralised business model where the Group's subsidiaries are in charge of day-to-day operations, ensuring aligned interests and proximity to end customers, markets, and local know-how
- The common platform is strengthened by central support for recruitment, "bring a friend" co-operation in customer offerings and the Qflow Accelerator program for strategic management and leadership.
- Through both organic and inorganic growth, Qflow has quickly become an important player on the market and is on track to become a leading specialist in civil engineering consulting
- Industry-leading profitability underpinned by high level of customer satisfaction, high utilisation and low employee turnover

Group performance

April - June 2025

Sales

Net sales increased by 85% in the quarter compared to the corresponding period last year and amounted to 390 (211) SEKm. The significant increase is for the most part attributable to the consolidation of the recently acquired companies in the group. From 16 companies at the end of the second quarter 2024 to 23 companies as of June 30, 2025. The latest acquisitions in the group, MEXL AB and Novaform AS, have directly contributed to the increase in net sales.

Organic growth was 13%.

Result

EBITA increased from 20 SEKm to 26 SEKm compared to the previous year's second quarter.

Acquisition costs in the quarter amounted to 21 SEKm (11 SEKm), distributed between transaction costs of 10 SEKm and share-based payments of 10 SEKm. This is an increase compared to the previous year's quarter when transaction costs amounted to 8 SEKm.

The adjusted EBITA margin amounts to 13% (15%) including holding costs. The margin development during the quarter is largely affected by the adjusted EBITA margin level of acquired companies.

During the quarter, there were two fewer working days compared to the same period last year. This is estimated to have impacted sales and EBITA by 12 SEKm which influenced the adjusted EBITA margin of 2%.

Cash flow

Cash flow from operating activities amounted to 3 (18) SEKm in the quarter. Cash flow from investing activities amounted to -167 (-135), for the most part attributable to company acquisitions in the quarter. The pace of acquisitions in terms of number of companies is in line with the second quarter of the previous year. The companies acquired during the second quarter of 2025 have a higher annual turnover overall compared to those acquired during the corresponding period in 2024. Cash flow from financing activities increased to 494 (91) SEKm. The increase is attributable to the tap issue of the bond within the existing framework.

January - June 2025

Sales

Net sales increased by 77% during the period and amounted to 688 (389) SEKm. The significant increase compared to the corresponding period last year is primarily attributable to the consolidation of the newly acquired companies in the group. From 16 companies at the end of the second quarter 2024 to 23 companies as of June 30, 2025. The latest acquisitions in the group, MEXL AB and Novaform AS, have directly contributed to the increase in net sales. The increase in sales is also due to organic growth and high billing rate. Organic growth was 16%.

Result

EBITA increased from 46 SEKm to 61 SEKm compared to the corresponding period last year.

Acquisition costs for the period January-June amounted to 34 SEKm (15). The costs are distributed between transaction costs of 17 SEKm and share-based payments of 17 SEKm. Transaction costs have increased from 12 SEKm in the previous year and are due to the acquisition of more, and overall larger, companies during the first half of 2025 compared to 2024.

The adjusted EBITA margin amounts to 14% (16%) including holding costs. The margin development during the period is largely affected by the adjusted EBITA margin level of the acquired companies.

During the Jan-Jun period, there were 2 fewer working days compared to the same period last year. This is estimated to have impacted sales and EBITA by 12 SEKm which influenced the adjusted EBITA margin of 2%.

Cash flow

Cash flow from operating activities amounted to 27 (50) SEKm in the period. Cash flow from investing activities amounted to -287 (-206), for the most part attributable to company acquisitions during the first half of the year. The acquisition rate concerning new companies has been higher in both the number of companies and the size of companies in the first half of 2025 compared to the corresponding period 2024. Cash flow from financing activities increased to 544 (122) SEKm. The increase is attributable to the tap issue of the bond within existing framework.

Financial position

At the end of the period, cash and cash equivalents amounted to 487 (90) SEKm. The company shows a stable financial position with an equity ratio of 37%. This indicates that a sizeable portion of the company's assets are financed by equity, which creates a stable foundation for future growth and acquisitions.

Personnel

The number of employees amounts to 690, which is an increase of 183 people compared to the previous year.

Parent company January – June 2025

Net sales in the parent company amounted to 6 SEKm (4) and relate to intra-group services. Profit after financial items amounted to -35 SEKm (27). Investments in financial assets amounted to 101 (294). Cash and cash equivalents at the end of the period amounted to 415 SEKm (45).

Market

Demand for consulting services remains strong in both the Swedish and Norwegian markets. Among public customers there is a strong demand for infrastructure-related projects. For example, there's stable demand for new investments in road and railway projects, which forms an important foundation alongside steady demand for maintenance. We also see an increased need for investment in the energy, water, and now also the defense sectors, which contributes to the stability of services in the infrastructure area.

From private customer, demand from the construction industry stabilized during the quarter, although demand for services related to residential construction remains at a low level.

Outlook

The Group has a clear strategy for continued growth, which includes both strategic acquisitions and organic expansion. The market in which the Group's companies operate is considered stable with good foresight, characterized by many long-term agreements. We see a positive development in the recruitment of new competent employees, which is an important prerequisite for our continued growth. In the area of acquisitions, active work is ongoing with several dialogues with interesting potential acquisition candidates.

Risks and uncertainties

The Group's operations are subject to inherent risks arising from general economic conditions. Negative changes in economic conditions could have a significant negative impact on the Group's business prospects, results, and financial position, which in turn could reduce the Group's revenues.

Furthermore, a deterioration of the global economy, a worsening of the Swedish residential real estate market, or a decrease in demand for the Group's products or services could also have a significant negative impact on the Group's operations, results, and financial position.

The acquisition of companies for continued growth is an essential part of the Group's business strategy. The Group strives to acquire companies both in markets where the Group is already active and in new markets where the Group is currently active to a limited extent or not at all. If the Group were unable to identify attractive target companies for acquisition or to complete such acquisitions on favourable terms, it would have a negative impact on the Group's operations and financial position.

Acquisitions and other similar transactions are subject to risks and uncertainties and may involve obligations and risks related to their nature or value. Furthermore, the completion of relevant acquisitions depends on the Group either having sufficient available funds or obtaining financing for such acquisitions.

A more detailed account of the Group's risks can be found in Qflow Group's annual report for 2024.

Other information

Qflow Group has had a senior secured bond issued since September 25, 2024. The bond bears a floating interest rate (stibor + 5,5%). The initial issue amount was 575 SEKm. During Q2 2025, a tap issue of 425 SEKm was made. The bond is listed on the Frankfurt Open Market (ISIN SE0022759825). The bond has a maturity date of September 25, 2028.

Events after the end of the period

In July, Qflow completed the acquisition of WAADE, which strengthens the group's expertise in several areas, such as construction and project management, design management, strategic consulting, digital collaboration management, and methodology development within VDC (Virtual Design and Construction). The company's annual turnover amounts to approx. 100 SEKm and the company has approx. 50 employees.

Segment

Qflow offers a unique breadth of specialist expertise from today's 23 subsidiaries, with areas of expertise in infrastructure, construction, energy, environment, and testing and inspections. Qflow operates in two geographical segments, Sweden and Norway. The operations in the geographical areas are similar and have comparable revenue streams and cost structures.

Sweden

Net sales amounted to 323 SEKm in the quarter (222). Organic sales growth amounted to 13%. Demand in the Swedish market was stable during the quarter. The business has had a good order intake where several important new assignments have been obtained because of collaboration between the group's entities. Two of our subsidiaries have won assignments regarding project management for Svenska Kraftnät with an estimated order value of 35 million SEK over 3 years.

Adjusted EBITA amounts to 50 SEKm (35), which means a stable margin %.

Accumulated for the period January – June, net sales amounted to 593 SEKm (385). Adjusted EBITA amounted to 99 SEKm (71).

Norway

Net sales amounted to 77 SEKm in the quarter (5). The increase is largely driven by acquisitions, Qflow's first acquisition in Norway was during Q2 2024. During the second quarter 2025, Qflow has made a platform acquisition in Norway, which has resulted in good geographical spread and favourable conditions for continued growth. Adjusted EBITA amounts to 4 SEKm (2).

The Norwegian market showed some recovery during the quarter, although the construction-related market remains at a continued low level. The market related to construction and civil engineering investments for upcoming defence investments has had a high level of activity. The Qflow group has, through Novaform, won two major tenders. A framework agreement for project management and design for the expansion of airports with a potential order value of 600 SEKm and a contract for defence construction in the Harstad area with an estimated order value of 175 NOKm. Both assignments have a duration of approximately 7 years.

Accumulated for the period January – June, net sales amounted to 109 SEKm (5 SEKm). Adjusted EBITA amounts to 11 SEKm (2).

Condensed consolidated income statement

SEKm	Apr - Jun 2025	Apr - Jun 2024	Jan - Jun 2025	Jan - Jun 2024	Jan - Dec 2024
Net sales	390	211	688	389	891
Other operating income	1	1	2	1	3
Revenue	390	211	690	391	895
Raw materials and consumables used	-3	-2	-5	-5	-10
Other external costs	-104	-57	-184	-103	-245
Employee benefits expense	-219	-110	-375	-199	-453
Depreciation and amortisation	-24	-14	-42	-25	-59
Other operating expenses	0	0	0	0	0
Acquisition-related expenses	-21	-11	-34	-15	-35
Operating profit	19	17	49	43	93
Finance income	0	0	1	0	5
Finance costs	-20	-7	-34	-13	-37
Total income from financial items	-19	-7	-33	-13	-32
Profit before tax	0	10	16	30	61
Income tax expense	-3	-4	-8	-3	-25
Profit for the year	-3	6	8	27	35
<i>Profit for the period attributable to:</i>					
Equity holders of the parent company	-3	6	8	27	35

Condensed consolidated statement of comprehensive income

SEKm	Apr - Jun 2025	Apr - Jun 2024	Jan - Jun 2025	Jan - Jun 2024	Jan - Dec 2024
Profit for the year	-3	6	8	27	35
Other comprehensive income					
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations	-1	0	-2	0	-2
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	-1	0	-2	0	-2
Total comprehensive income for the year, net of tax	-4	6	6	27	33
<i>Total comprehensive income attributable to:</i>					
Equity holders of the parent company	-4	6	6	27	33

Condensed consolidated balance sheet

SEKm	30 June 2025	30 June 2024	31 Dec 2024
Assets			
Goodwill and intangible assets	1 437	967	1 111
Property, plant and equipment	34	17	21
Right-of-use assets	147	112	116
Non-current financial assets	6	3	3
Total non-current assets	1 623	1 098	1 251
Current receivables	499	255	303
Cash and short-term deposits	487	90	204
Total current assets	987	345	508
Total Assets	2 610	1 444	1 759
Equity and liabilities			
Total equity	978	786	858
Total equity	978	786	858
Provisions	62	27	41
Other non-current financial liabilities	1 006	281	530
Non-current lease liabilities	78	60	58
Total non-current liabilities	1 146	369	628
Interest-bearing loans and borrowings	80	60	-
Current lease liabilities	59	43	50
Other current liabilities	346	186	222
Total current liabilities	486	289	272
Total Equity and liabilities	2 610	1 444	1 759

Condensed consolidated statement of changes in equity

SEKm	Share capital	Other capital contributed	Other equity incl. Profit (loss) for the year	Total
As at 2024-01-01	2	690	3	696
Total comprehensive income			27	27
<i>Transactions with owners</i>				0
Issue of share capital	0	64		64
At 2024-06-30	2	754	30	786
As at 2025-01-01	2	819	37	858
Total comprehensive income			6	6
<i>Transactions with owners</i>				0
Issue of share capital	0	114		114
At 2025-06-30	3	933	42	978

Condensed consolidated cash flow statement

SEKm	Apr - Jun 2025	Apr - Jun 2024	Jan - Jun 2025	Jan - Jun 2024	Jan - Dec 2024
Operating profit	19	17	49	43	93
Adjustments for non-cash items	40	25	72	41	91
Interest received	0	0	1	0	2
Interest paid	-20	-7	-34	-13	-37
Income tax paid	-10	-5	-28	-13	-22
Cash flow from operatin activities before changes in working capital	30	30	61	57	127
Increase /decrease in inventories	0	0	0	0	0
Increase/decrease in operating receivables	-40	-2	-48	10	13
Increase/decrease in operating liabilities	13	-10	8	-17	0
Cash flows from operating activities	3	18	20	50	140
Acquisition of intangible assets	-1	-	-1	-	-1
Acquisition of tangible assets	-3	-1	-5	-4	-10
Acquisition of a subsidiary, net of cash acquired	-164	-149	-274	-202	-337
Change in financial assets	0	0	0	0	3
Cash flows from investing activities	-167	-150	-280	-206	-345
New share issue	12	0	13	0	13
Proceeds from loans	568	111	628	150	784
Repayment of loans	-85	-20	-97	-29	-511
Cash flows from financing activities	494	91	544	122	286
Cash flow for the period	330	-41	284	-34	81
Cash and cash equivalents at the beginning of the period	158	131	204	124	124
Net foreign exchange difference	-1	0	-1	0	-1
Cash and cash equivalents at the end of the period	487	90	487	90	204

Condensed Parent company income statement

SEKm	Apr - Jun 2025	Apr - Jun 2024	Jan - Jun 2025	Jan - Jun 2024	Jan - Dec 2024
Net sales	3	2	6	4	8
Other operating income	0	0	0	0	0
Revenue	3	2	6	4	8
Other external costs	-3	-3	-5	-4	-10
Employee benefits expense	-4	-3	-7	-6	-11
Operating profit	-3	-4	-6	-7	-13
Dividend income from associate companies	0	45	0	45	54
Finance income	0	0	1	0	0
Financial costs	-18	-6	-30	-10	-30
Result from financial items	-17	39	-29	34	24
Profit before tax	-21	35	-35	27	11
Group contribution and untaxed reserves	0	0	0	0	38
Earnings before tax	-21	35	-35	27	49
Income tax expense	0	0	0	0	-4
Profit for the year	-21	35	-35	27	45

Condensed Parent Company balance sheet

SEKm	30 June 2025	30 June 2024	31 Dec 2024
Assets			
Financial assets	1 490	1 242	1 389
Total non-current assets	1 490	1 242	1 389
Current receivables	305	10	47
Total Cash & bank	415	45	124
Total current assets	720	55	171
Total Assets	2 210	1 298	1 560
Equity and Liabilities			
Total equity	976	813	896
Tax allocation reserves	2	2	2
Non-current liabilities	990	280	517
Short term liabilities to credit institutions	80	60	0
Current liabilities	163	143	146
Total Equity and liabilities	2 130	1 238	1 560

Notes

Note 1 General information about the business

This interim report covers the Swedish parent company Qflow Group AB (publ), corporate registration number 559384-0837, and its subsidiaries. The Group conducts consulting activities in community building. The parent company is located in Malmö, Hyllie Boulevard 53, 215 37 Malmö.

Note 2 Accounting principles

The consolidated financial statements are prepared in accordance with IFRS accounting standards. The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Swedish Annual Accounts Act (1995:1554). This is the Group's first interim report in accordance with IAS 34, with a transition date of January 1, 2024. The Group previously applied BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3). The transition to IFRS has been made in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards and is described in more detail in Note 8 Transition to IFRS.

The parent company previously applied the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3) in the preparation of financial reports. As of this interim report, the parent company, as a result of the Group's transition to IFRS, applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities.

The Group's full accounting principles are described in Note 9 Group Accounting Policies. All amounts in this report are stated in millions of Swedish kronor (SEKm) unless otherwise specified. Rounding differences may occur.

Note 3 Significant estimates and judgements

The Group makes estimates and assumptions about the future. The resulting accounting estimates, by definition, will rarely correspond to the actual result. The estimates and assumptions that involve a significant risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year are summarized below.

Business Acquisitions

In connection with the completion of acquisitions, the Group prepares acquisition analyses for accounting purposes in accordance with the accounting principle described in Note 9 Group Accounting Policies. Accounting for acquisitions involves a high degree of judgment and estimates, which primarily relate to the valuation and allocation of surpluses and deficits in acquisition analysis to assets and liabilities (net assets) as well as adjustment items for adaptation to the Group's accounting principles. Historically, no adjustments have been made to the carrying amounts.

In connection with acquisitions, there may be a contingent consideration, the size of which is determined by future earnings. In the initial acquisition analysis, an assessment of the level of the contingent consideration is made based on existing budgets and forecasts.

In the company acquisitions carried out by the Group, a part of the purchase price is settled through newly issued shares in Qflow Group AB. These shares are subject to certain vesting conditions and are therefore recognized as a share-based payment and not as part of the business acquisition. See Note 9 Group Accounting Principles for more information.

Goodwill

The Group conducts an annual impairment test of goodwill and intangible assets with an indefinite useful life, or more frequently if events or changes in circumstances indicate a potential decrease in value. Impairment testing is performed according to the accounting principles described in Note 9 Group Accounting Principles. The recoverable amount for the cash-generating units has been determined by calculating the value in use. For the calculation, certain estimates must be made. The calculation is based on cash flow forecasts based on budgets and forecasts determined by management for the next five years.

Note 4 Segment reporting

A business segment is a component of the group that engages in business activities from which it can earn revenue and incur expenses and for which discrete financial information is available. The group's operations are divided into different segments based on geographical areas. These are Sweden and Norway. The group's CEO is identified as the highest executive decision maker and monitors the performance of the business and makes decisions about resource allocation based on the services performed and the goods sold within each segment. The operations within each segment have similar revenue streams and cost structures. Internal pricing within the group is based on arm's-length principles.

April-June 2025	Sweden	Norway	Unallocated amounts and eliminations	Total
External sales	313	77		390
Internal sales	10		-10	0
Total net sales	323	77	-10	390
Adjusted EBITA	50	4	-5	50
Acquisition-related items	-11	-10		-21
Non-recurring items		-1	-2	-3
Amortisation of intangible assets	0	0	-7	-7
Financial items			-19	-19
Operating profit	39	-7	-32	0

April-June 2024	Sweden	Norway	Unallocated amounts and eliminations	Total
External sales	206	5		211
Internal sales	16		-16	0
Total net sales	222	5	-16	211
Adjusted EBITA	35	2	-5	32
Acquisition-related items	-8	-4		-11
Non-recurring items			-1	-1
Amortisation of intangible assets	0	-	-2	-2
Financial items			-7	-7
Operating profit	28	-2	-15	10

Jan-June 2025	Sweden	Norway	Unallocated amounts and eliminations	Total
External sales	579	109		688
Internal sales	14	0	-14	0
Total net sales	593	109	-14	688
Adjusted EBITA	99	11	-13	97
Acquisition-related items	-22	-12		-34
Non-recurring items		-1	-2	-3
Amortisation of intangible assets	0	0	-11	-12
Financial items			-32	-32
Operating profit	77	-3	-58	16

Jan-Jun 2024	Sweden	Norway	Unallocated amounts and eliminations	Total
External sales	385	5		389
Internal sales	17	-	-17	0
Total net sales	401	5	-17	389
Adjusted EBITA	71	2	-9	63
Acquisition-related items	-11	-4		-15
Non-recurring items			-1	-1
Amortisation of intangible assets	0	-	-3	-3
Financial items			-13	-13
Operating profit	59	-2	-27	31

Note 5 Net sales

SEKm	Apr - Jun 2025	Apr - Jun 2024	Jan - Jun 2025	Jan - Jun 2024	Jan - Dec 2024
Private customers					
Sweden	142	89	270	183	415
Norway	46	5	42	5	34
Total	188	93	312	188	450
Public customers					
Sweden	171	118	310	201	421
Norway	31	-	67	-	20
Total	202	118	377	201	441
Total revenue from contracts with customers	390	211	688	389	891

See also Note 9 of the group's accounting principles for further information on revenue recognition.

Note 6 Financial instruments

Financial assets (SEKm)	2025-06-30		2024-12-31	
	Valued at amortized cost	Fair value	Valued at amortized cost	Fair value
Accounts receivables	224		162	
Cash & bank	487		204	
Total financial assets	711	0	366	0

Financial liabilities (SEKm)	2025-06-30		2024-12-31	
	Valued at amortized cost	Fair value	Valued at amortized cost	Fair value
Interest-bearing current liabilities	1 006		530	
Accounts payables	55		42	
Contingent consideration		46		25
Total financial liabilities	1 061	46	572	25

In addition to the financial instruments stated in the tables above, the group has financial liabilities in the form of lease liabilities, which are accounted for and valued according to IFRS 16 see note 8 Transition to IFRS.

The reported value of accounts receivable, liquid assets, and accounts payable constitutes a reasonable approximation of fair value. Conditional additional purchase prices are measured at fair value according to level 3. See also note 7 for further information on conditional additional purchase prices.

Note 7 Acquisitions of companies

During the first half of the year, Qflow Group has completed 4 acquisitions. All companies have been acquired at 100%. The total impact on the group's goodwill from the acquisition analyses amounts to 216 million SEK.

Company	Segment	Included from	Annual net sales (SEKm)	Number of employees
Agima Holding	Sweden	2025-03	70	45
Bro och stålkontroll i Stockholm AB	Sweden	2025-03	43	16
Novaform	Norway	2025-05	250	150
MEXL	Sweden	2025-05	70	75
TOTAL			433	286

Effects of acquisitions

The acquisitions have the following effects on the group's assets and liabilities. None of the acquisitions in 2025 or 2024 are individually considered material, and therefore, disclosures regarding the acquisitions are provided in aggregate. The acquisition analyses for the companies should be considered preliminary for up to 12 months after the date of acquisition.

SEKm	2025-06-30	2024-12-31
Breakdown of the consideration		
Cash consideration	300	343
Contingent additional consideration	32	24
Remuneration shares	30	38
Total consideration	362	405

Acquired assets and liabilities		
Brands	55	35
Customer relations/contracts	53	87
Other intangible assets	9	-
Property, plant and equipment	11	2
Right-of-use assets	40	28
Non-current financial assets	2	4
Trade receivables	78	83
Cash	49	60
Provisions	-1	-3
Deferred tax liability	-23	-26
Lease liabilities	-44	-28
Leverantörsskuld och övriga rörelseskulder	-83	-78
Total identifiable net assets at fair value	146	164

Goodwill	216	241
-----------------	------------	------------

SEKm	2025-06-30	2024-12-31
Analysis of cash flows on acquisition:		
Cash consideration	-300	-343
Net cash acquired with the subsidiary	50	60
Settled contingent consideration	-7	-33
Transaction costs of the acquisition	-17	-21
Net cash flow on acquisition	-274	-337

SEKm	2025
Impact on sales and operating profit (loss)	
During the holding period	
Revenue	103
Operating income	11
At 1 January 2024	
Revenue	236
Operating income	20

SEKm	2025-06-30	2024-12-31
Contingent consideration		
Opening amount	25	39
Discounting	0	0
Added additional consideration	30	24
Revaluation of additional consideration	-	-5
Paid additional consideration	-9	-33
Exchange rate change	-	0
Closing amount	46	25

Note 8 Transition to IFRS

From April 1, 2025, Qflow Group AB (publ) prepares its consolidated financial statements in accordance with IFRS accounting standards. The date of the group's transition to IFRS is January 1, 2024. Up to and including the fiscal year 2024, the group has prepared its consolidated financial statements in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3). The transition to IFRS is accounted for in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards".

The effect of the transition to IFRS is recognized directly against the opening balance of equity. Previously published financial information for the period 2024-01-01 – 2024-12-31, prepared according to the Annual Accounts Act and BFNAR 2012:1 (K3), has been restated to IFRS. The main principle is that all IFRS and IAS standards, which have entered into force and been approved by the EU, shall be applied retrospectively. The group has applied the following exemptions from the main principle in accordance with IFRS 1:

- The group has chosen not to restate business combinations that occurred before the date of transition to IFRS, i.e., before January 1, 2024.
- The group has chosen to apply the exemption in IFRS 1 regarding leases (IFRS 16) and thus values lease liabilities and right-of-use assets at the date of transition to IFRS.

The summary below shows the effects of the above applications on the group's statement of comprehensive income, statement of financial position, and statement of cash flows. The effects are presented for the historical periods that have been restated to IFRS. The transition from previous accounting principles has also resulted in a different structure and classification of the financial statements than before.

Condensed balance sheet as of January 1, 2024, opening balance

SEKm	According to previous principles	A. Lease agreements	According to IFRS
Assets			
Goodwill and intangible assets	759		759
Property, plant and equipment	15		15
Right-of-use assets	-	99	99
Non-current financial assets	2		2
Total non-current assets	777	99	875
Inventories	1		1
Trade receivables	103		103
Contract assets	50		50
Other current financial assets	21		21
Cash and short-term deposits	124		124
Total current assets	299	0	299
Total Assets	1076	99	1174
Equity and liabilities			
Total equity	696		696
Provisions	13		13
Other non-current financial liabilities	173		173
Non-current lease liabilities	-	67	67
Interest-bearing loans and borrowings	40		40
Current lease liabilities	-	31	31
Accounts payable	26		26
Other liabilities	128		128
Total Equity and liabilities	1076	99	1174

Condensed consolidated income statement for the period April – June 2024

SEKm	According to previous principles	A. Lease agreements	B. Business combination	According to IFRS
Net sales	211			211
Other operating income	1			1
Revenue	211	0	0	211
Raw materials and consumables used	-2			-2
Other external costs	-68	11		-57
Employee benefits expense	-110			-110
Depreciation and amortisation	-27	-10	23	-14
Other operating expenses	0			0
Acquisition-related expenses	-		-11	-11
Total cost	-207	1	12	-194
Operating profit	4	1	12	17
Finance income	0			0
Finance costs	-6	-2		-7
Capital loss from securities				0
Financial expenses				0
Total income from financial items	-6	-2	0	-7
Profit before tax	-1	-1	12	10
Income tax expense	-4	0	0	-4
Profit for the year	-5	0	12	6
<i>Profit for the period attributable to:</i>				
Equity holders of the parent company	-5	0	12	6

Condensed consolidated statement of comprehensive income

SEKm	According to previous principles	A. Lease agreements	B. Business combination	According to IFRS
Profit for the year	-5	0	12	7
Other comprehensive income				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign	0	-	0	0
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	0	0	0	0
Total comprehensive income for the year, net of tax	-5	0	12	7
<i>Total comprehensive income attributable to:</i>				
Equity holders of the parent	-5	0	12	7

Condensed Consolidated Statement of Cash Flow for the period April – June 2024

SEKm	According to previous principles	A. Lease agreements	B. Business combination	According to IFRS
Operating profit	4	1	12	17
Adjustments for non-cash items	26	-10	-12	25
Interest received	0			0
Interest paid	-6	-2		-7
Income tax paid	-5			-5
Cash flow from operating activities before changes in working capital	20	-11	0	30
Increase/decrease in inventories	0			0
Increase/decrease in operating receivables	-2			-2
Increase/decrease in operating liabilities	-10			-10
Cash flows from operating activities	8	-11	0	19
Acquisition of intangible assets				
Acquisition of tangible assets	-1			-1
Acquisition of a subsidiary, net of cash acquired	-149			-149
Change of financial assets	0			0
Cash flows used in investing activities	-150	0	0	-150
New share issue	0			0
Proceeds from loans	111			111
Repayment of loans	-10	-10		-20
Net cash flows (used in)/from financing activities	101	-10	0	91
Cash flow for the period	-41			-41
Cash and cash equivalents at the beginning of the period	131			131
Net foreign exchange difference	0			0
Cash and cash equivalents at the end of the period	90			90

Condensed consolidated income statement for the period January – June 2024

SEKm	According to previous principles	A. Lease agreements	B. Business combination	According to IFRS
Net sales	389			389
Other operating income	1			1
Revenue	391	0	0	391
Raw materials and consumables used	-5			-5
Other external costs	-124	21		-103
Employee benefits expense	-199			-199
Depreciation and amortisation	-50	-19	44	-25
Other operating expenses	0			0
Acquisition-related expenses	-		-15	-15
Operating profit	12	2	29	43
Finance income	0			0
Finance costs	-10	-3		-13
Total income from financial items	-10	-3	0	-13
Profit before tax	2	-1	29	30
Income tax expense	-4	0	1	-3
Profit for the year	-2	-1	30	27

Condensed consolidated statement of comprehensive income

SEKm	According to previous principles	A. Lease agreements	B. Business combination	According to IFRS
Profit for the year	-2	-1	30	27
Other comprehensive income				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	0			0
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	0	0	0	0
Total comprehensive income for the year, net of tax	-2	-1	30	27
<i>Total comprehensive income attributable to:</i>				
Equity holders of the parent	-2	-1	30	27

Condensed consolidated balance sheet as of June 30, 2024

SEKm	According to previous principles	A. Lease agreements	B. Business combination	According to IFRS
Assets				
Goodwill and intangible assets	962		5	967
Property, plant and equipment	17			17
Right-of-use assets	-	112		112
Non-current financial assets	2	0		3
Total non-current assets	982	112	5	1099
Inventories	1			1
Trade receivables	122			122
Contract assets	17			17
Other current financial assets	85	-10	40	115
Cash and short-term deposits	90			90
Total current assets	316	-10	40	345
Total Assets	1297	102	45	1444
Equity and liabilities				
Total equity	760	-1	29	786
Provisions	12		16	28
Other non-current financial liabilities	281			281
Non-current lease liabilities	-	60		60
Interest-bearing loans and borrowings	60			60
	-	43		43
Accounts payable	33			33
Other liabilities	151			153
Total Equity and liabilities	1297	102	45	1444

Condensed consolidated cash flow statement for the period January – June 2024

SEKm	According to previous principles	A. Lease agreements	B. Business combination	According to IFRS
Operating profit	12	2	29	43
Adjustments for non-cash items	52	-19	-29	41
Interest received	0			0
Interest paid	-10	-3		-13
Income tax paid	-13			-13
Cash flow from operating activities before changes in working capital	41	-20	0	58
Increase/decrease in inventories	0			0
Increase/decrease in operating receivables	10			10
Increase/decrease in operating liabilities	-17			-17
Cash flows from operating activities	34	-20	0	51
Acquisition of tangible assets	-4			-4
Acquisition of a subsidiary, net of cash acquired	-202			-202
Change of financial assets	0			0
Cash flows used in investing activities	-206	0	0	-206
Proceeds from loans	150			150
Repayment of loans	-11	-18		-29
Cash flows (used in)/from financing activities	139	-18	0	121
Cash flow for the period	-33			-34
Cash and cash equivalents at the beginning of the period	124			124
Net foreign exchange difference	0			0
Cash and cash equivalents at period end	90			90

Condensed consolidated income statement for the period January – December 2024

SEKm	According to previous principles	A. Lease agreements	B. Business combination	According to IFRS
Net sales	891			891
Other operating income	3	0		3
Revenue	895	0	0	895
Raw materials and consumables used	-10			-10
Other external costs	-292	47		-245
Employee benefits expense	-453			-453
Depreciation and amortisation	-112	-43	96	-59
Other operating expenses	0			0
Acquisition-related expenses	-		-35	-35
Operating profit	29	4	61	93
Finance income	5			5
Finance costs	-31	-6		-37
Total income from financial items	-26	-6	0	-32
Profit before tax	3	-2	61	61
Income tax expense	-28	0	2	-25
Profit for the year	-25	-2	63	35
<i>Profit for the period attributable to:</i>				
Equity holders of the parent company	-25			35

Condensed consolidated statement of comprehensive income

SEKm	According to previous principles	A. Lease agreements	B. Business combination	According to IFRS
Profit for the year	-25	-2	63	35
Other comprehensive income				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	0	0	0	0
Net other comprehensive loss that may be reclassified to profit or loss in subsequent	0	0	0	0
Total comprehensive income for the year, net of ta	-25	-2	63	35
<i>Total comprehensive income attributable to:</i>				
Equity holders of the parent company	-25	-2	63	35

Condensed consolidated balance sheet as of December 31, 2024

SEKm	According to previous principles	A. Lease agreements	B. Business combination	According to IFRS
Assets				
Goodwill and intangible assets	1089		22	1 111
Property, plant and equipment	21			21
Right-of-use assets	-	116		116
Non-current financial assets	3	0		3
Total non-current assets	1113	116	22	1251
Inventories	2			2
Trade receivables	162			162
Contract assets	23			23
Other current financial assets	63	-10	65	118
Cash and short-term deposits	204			204
Total current assets	454	-10	65	509
Total Assets	1567	106	87	1760
Equity and liabilities				
Total equity	798	-2	63	859
Provisions	17		25	42
Other non-current financial liabilities	530			530
Non-current lease liabilities	-	58		58
Interest-bearing loans and borrowings	0			0
Current lease liabilities	-	50		50
Accounts payable	42			42
Other liabilities	180			180
Total Equity and liabilities	1567	106	87	1760

Condensed consolidated cash flow statement for the period January – December 2024

SEKm	According to previous principles	A. Lease agreements	B. Business combination	According to IFRS
Operating profit	29	4	61	93
Adjustments for non-cash items	109	43	-61	91
Interest received	2			2
Interest paid	-31	-6		-37
Income tax paid	-22			-22
Cash flow from operating activities before changes in working capital	86	41	0	126
Increase/decrease in inventories	0			0
Increase/decrease in operating receivables	13			13
Increase/decrease in operating liabilities	0			0
Cash flows from operating activities	99	41	0	139
Acquisition of intangible assets	-1			-1
Acquisition of tangible assets	-10			-10
Acquisition of a subsidiary, net of cash acquired	-337			-337
Changes in other non-current assets	3			3
Cash flows used in investing activities	-345	0	0	-345
New share issue	13			13
Proceeds from loans	784			784
Repayment of loans	-470	-40		-511
Cash flows (used in)/from financing activities	326	-40	0	286
Cashflow for the year	81			81
Opening balance cash and cash equivalents	124			124
Net foreign exchange difference	-1			-1
Cash and cash equivalents at the end of the period	204			204

NOTES TRANSITION TO IFRS

A. Leasing

According to previously applied accounting principles, the group classified lease agreements as either operational or financial leases. Under IFRS 16, the group's lease agreements (except for short-term leases and leases where the underlying assets are of low value) will be reported in the statement of financial position. The commitment to pay lease fees is discounted and reported as lease liabilities, divided into short-term and long-term portions, in the statement of financial position. Right-of-use assets for the leases are included on a separate line. Prepaid or accrued lease fees that were previously included in the statement of financial position are eliminated as they are included in the initial valuation of lease liabilities. A deferred tax asset is recognized related to the temporary difference that arises. The deferred tax asset is reported in the financial assets item. In the income statement, the operational lease cost that was reported under other external costs is eliminated. Costs are added related to depreciation of right-of-use assets and interest costs on the lease liability.

Finally, the reclassification also affects the presentation of the group's cash flows. Under previous accounting principles, the cash flow related to operational leases was reported as part of operating activities. Under IFRS 16, the payments are divided between a part amortization of the lease liability (financing activities) and a part payment of interest (operating activities).

B. Business acquisitions

In connection with the transition to IFRS, previously prepared acquisition analyses for acquisitions made after January 1, 2024, have been recalculated in accordance with the requirements of IFRS, which has resulted in certain compensation that was previously classified as part of the purchase price being reclassified. The items that have been reclassified are:

- Share-based compensation
- Transaction costs
- Allocation of intangible assets

The effect of these adjustments is reported against the goodwill calculated according to previous accounting principles, which consequently decreases in value.

Excess values on previously identified intangible assets have been revalued in connection with the review of the acquisition analyses, which has resulted in the book values of the assets being adjusted, which affects depreciation costs. The deferred tax liability related to the assets has been affected by the revaluation. The deferred tax liability is included in the balance sheet item provisions. The effect of these adjustments is reported against the goodwill calculated according to previous accounting principles, which consequently decreases in value.

According to previous accounting principles, goodwill was amortized over the estimated useful life. According to IFRS, goodwill is not amortized, but instead, annual impairment tests are carried out. In connection with the transition to IFRS, amortization of goodwill made during the financial year 2024-01-01 - 2024-12-31 has been reversed. The corresponding increase in goodwill is reported in the statement of financial position.

In accordance with previously applied accounting principles, transaction costs for acquisitions have been recognized as part of the acquisition value. According to IFRS, transaction costs shall be expensed in the period they arise, which means that other operating expenses increase in the income statement. A corresponding decrease in the goodwill value is reported in the statement of financial position.

In all completed business acquisitions, a portion of the purchase price consists of newly issued shares in Qflow Group AB. The newly issued shares in Qflow Group AB are subject to vesting conditions according to a shareholder agreement, which means that if the selling party's employment is terminated prematurely, such as by their own resignation, Qflow Group AB has an option, but not an obligation, to repurchase the unvested shares at a price below market value. From an accounting perspective, this portion of the purchase price has been recognized as a separate transaction distinct from the business acquisition and is therefore not included as part of the business acquisition. The transaction is reported over the vesting period, which is seven years, as an acquisition-related expense in the income statement with a corresponding prepaid item on the balance sheet.

C. Translation difference

In accordance with previously applied accounting principles, translation differences arising from the translation of foreign subsidiaries are recognized directly against equity. In accordance with IFRS, the translation difference is recognized in other comprehensive income. The calculated translation differences are thus presented on a separate line in other comprehensive income.

Additional items and reclassifications

According to previous accounting principles, the group's income statement and statement of financial position is presented in a different format. Certain assets, liabilities, income, and expenses recognized according to previous accounting principles have been reclassified to align with the presentation format under IFRS. These reclassifications do not affect the profit for the year or equity.

Note 9 Group accounting principles

Basis for the Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with IFRS. Furthermore, the group applies the Swedish Annual Accounts Act (1995:1554) and RFR 1 "Supplementary accounting rules for groups" issued by the Swedish Financial Reporting Board. The consolidated financial statements have been prepared on a going concern basis. Assets and liabilities are measured at historical cost, except for certain financial instruments which are measured at fair value. The preparation of reports in accordance with IFRS requires that management makes several estimates for accounting purposes. The areas that involve a high degree of judgment, are complex, or where assumptions and estimates are of material significance to the consolidated financial statements, are stated in Note 3 Significant estimates and judgments. These judgments and assumptions are based on historical experience and other factors that are deemed reasonable under the prevailing circumstances. Actual outcomes may differ from the judgments made if the judgments change or if other conditions exist. The parent company applies the same accounting policies as the group, except in cases stated under Note 11 Parent Company Accounting Policies. The parent company applies the Swedish Annual Accounts Act (1995:1554) and RFR 2 Accounting for Legal Entities. The accounting policies stated below have, unless otherwise noted, been applied consistently to all periods presented in the group's financial statements. This is Qflow Group AB's first interim report prepared in accordance with IAS 34. Qflow Group AB has applied for IFRS 1 First-time Adoption of International Financial Reporting Standards in the preparation of this interim report. The transition to IFRS is described in more detail in Note 8 Transition to IFRS.

Consolidation

Subsidiaries are all entities over which Qflow Group AB has a controlling interest. Subsidiaries are accounted for using the acquisition method. The consideration transferred includes only amounts paid to obtain control over the acquired entity. This means that amounts that settle existing relationships between the parties or relate to separate agreements, such as transactions that compensate employees or former owners of the acquired entity for future services, are accounted for separately from the business acquisition. In all completed business acquisitions, a portion of the purchase price consists of newly issued shares in Qflow Group AB. The newly issued shares in Qflow Group AB are subject to vesting conditions according to a shareholder agreement, which means that if the selling party's employment is terminated prematurely, such as by their own resignation, Quadratus Intressenter AB has an option, but not an obligation, to repurchase the unvested shares at a price below market value. From an accounting perspective, this portion of the purchase price has been treated as a separate transaction from the business acquisition and is therefore not part of the purchase price. This portion is considered compensation for future services and is amortized over the seven-year vesting period as an acquisition-related expense in the income statement. Transaction costs related to the issuance of equity instruments or debt instruments that arise are recognized directly in the group's income statement.

Contingent consideration is classified as a financial liability. Contingent considerations are recognized at fair value at the time of acquisition. Contingent considerations are revalued for each reporting period, and the change is recognized in the group's income statement under the item "acquisition-related items."

Currency

Functional Currency and Reporting Currency

Items included in the financial statements of each entity in the group are measured in the respective entity's functional currency, which for the group is the respective local currency in the country where each entity has its principal operations. The functional currency of the parent company is the Swedish krona, which is also the reporting currency for the parent company and the group. All amounts are stated in millions of Swedish kronor ("SEKm") unless otherwise specified. Rounding differences may occur.

Foreign Currency Transactions

Exchange rate differences arising from the translations are recognized in the group's income statement. Exchange gains and losses on operating receivables and operating liabilities are recognized in operating profit, while exchange gains and losses on financial receivables and liabilities are recognized as financial items.

Translation of Foreign Subsidiaries

Assets and liabilities of foreign operations are translated from the foreign operation's functional currency to the group's reporting currency, the Swedish krona, at the exchange rate prevailing on the balance sheet date. Income and expenses of a foreign operation are translated to Swedish kronor at an average rate that approximates the exchange rates that existed at the respective transaction dates. Translation differences arising from the currency translation of foreign operations are recognized in other comprehensive income and accumulated in the translation reserve within equity.

Revenue from Contracts with Customers

Qflow Group offers consulting services in infrastructure, construction, energy, environment, as well as testing and inspections. Revenue is recognized based on the contract with the customer and is measured based on the consideration the company expects to be entitled to in exchange for transferring the promised services. Consulting services are primarily provided on a time-and-materials basis, but there are also several fixed-price contracts. Revenue is recognized over time as the work is performed.

Revenue from time-and-materials contracts is generally based on a price per hour, and revenue is recognized in the period the service is delivered. For revenue from fixed-price services, revenue is recognized in proportion to the completion rate of the respective project at the balance sheet date. The percentage of completion is calculated based on incurred costs in relation to the total cost of the project. If the total costs for a project are estimated to exceed the total revenue, the expected loss is immediately recognized in full.

Principal vs. Agent Considerations

In some sales of Qflow Group's services, a third party is involved in providing the service. When another party is involved in providing a service, Qflow Group evaluates which party is the group's customer. This depends on whether the third party is the principal or the agent in providing the service to the end consumer, which determines whether revenue from the sale should be reported gross or net (adjusted for fees received by the third party). Key factors that the group evaluates when determining which party is the group's customer include but are not limited to:

1. Which party has the primary responsibility for fulfilling the promise to deliver the product or service.
2. Which party determines the price of the product or service.

Contract Assets and Contract Liabilities

A contract asset arises if the amount of work performed exceeds the amount invoiced. A contract liability arises if the amount invoiced exceeds the amount of work performed.

Employee Benefits

Defined Contribution Plans

The group's obligations regarding contributions to defined contribution plans are recognized as an expense in the group's income statement as they are earned by employees performing services for the group during the period.

Intangible Assets

An intangible asset is recognized if it is probable that the future economic benefits attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Goodwill

Goodwill is recognized at cost less any accumulated impairment losses. The factors that constitute recognized goodwill are primarily various forms of synergies, personnel, know-how, and customer relationships of strategic importance. Goodwill is considered to have an indefinite useful life and is therefore evaluated for impairment at least annually, or more frequently if events or changes in circumstances indicate a potential decrease in value.

Customer Relationships

All customer relationships have been acquired through business acquisitions. Customer relationships acquired through business acquisitions are recognized at fair value on the acquisition date. Customer relationships have a finite useful life and are recognized at cost less accumulated amortization and impairment losses. The estimated useful life for customer relationships is 5 years.

Trademarks

Trademarks consist of acquired company trademarks that are retained and used for an indefinite period, which is a key part of Qflow Group's strategy. Trademarks are recognized at fair value on the acquisition date. Trademarks are considered to have an indefinite useful life and are evaluated for impairment annually.

Other Intangible Assets

The group has software and capitalized expenses for programs recognized as intangible assets. Software licenses are capitalized based on the costs incurred when the relevant software was acquired and put into use. Expenses for the development and maintenance of software are expensed as they arise. Expenses associated with unique software products controlled by the group that are likely to provide economic benefits for more than one year and exceed the costs are recognized as intangible assets. The costs include employee costs incurred through the development of the software products. Development costs for software are amortized linearly over their estimated useful life of 5 years.

Property, Plant and Equipment

Property, plant and equipment are recognized in the group at cost less accumulated depreciation and any accumulated impairment losses. Gain or loss arising from the disposal or derecognition of an asset is the difference between the sales price and the asset's carrying amount, after deducting direct selling costs. Gains and losses are recognized as other operating income/expense.

Depreciation of property, plant and equipment is on a straight-line basis over the estimated useful life of the asset or component.

The applied useful lives are:

- Fixtures and vehicles 3-10 years

Applied depreciation methods, residual values, and useful lives are reviewed at the end of each financial year.

Lease Agreements

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

The group recognizes right-of-use assets in the statement of financial position at the commencement date of the lease (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and any impairment losses and adjusted for any remeasurement of the lease liability. The cost of right-of-use assets includes the initial value recognized for the corresponding lease liability, initial direct costs, and any prepayments made at or before the commencement date of the lease, less any lease incentives received.

At the commencement date of a lease, the group recognizes a lease liability equal to the present value of the lease payments to be made over the lease term. The lease term is determined as the non-cancellable period together with periods covered by an option to extend or terminate the lease if the group is reasonably certain to exercise those options.

Qflow Group applies the practical expedients for short-term leases and leases for which the underlying asset is of low value. A short-term lease is defined as a lease with an initial lease term of a maximum of 12 months after considering any options to extend the lease. Leases for which the underlying asset is of low value in the group consist of office equipment. Lease payments for short-term leases and leases for which the underlying asset is of low value are expensed on a straight-line basis over the lease term.

Financial Liabilities

The group's financial liabilities mainly consist of bond debt and contingent consideration. The bond debt is measured at amortized cost. The group's contingent consideration has been agreed upon with settlement through cash settlement or newly issued shares in Qflow Group AB and is measured at fair value.

Impairment of Expected Credit Losses

The simplified approach is applied to trade receivables and contract assets. Under the simplified approach, a loss allowance is recognized for the expected remaining life of the receivable or asset.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances.

Equity

The company has ordinary shares and preference shares. Share capital is recognized at the par value of the ordinary shares and the excess amount is recognized as other contributed capital. Transaction costs directly attributable to the issuance of new shares are recognized, net of tax, in equity as a deduction from the proceeds of the issuance.

Partner Program

Qflow Group AB has a partner program aimed at employees within the Qflow group. Employees are offered to purchase ordinary shares and preference shares in Qflow Group AB through directed new issues. The shares are measured at fair value, and the consideration is paid in cash. The transaction is recognized within equity.

Provisions

A provision is recognized in the statement of financial position when the company has a present legal or constructive obligation because of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are made for the amount that is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are reviewed at each reporting date.

Note 10 Parent Company's Transition to RFR 2

The parent company previously applied the Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 (K3) when preparing its financial statements. As of this financial report, and because of the group's transition to IFRS, the parent company applies to the Annual Accounts Act and RFR 2 Accounting for Legal Entities. The date for the parent company's transition to RFR 2 is January 1, 2024.

The accounting policies included in Note 11 Parent Company Accounting Policies have been applied in preparing the interim report as of June 30, 2025, and for the historical periods presented for comparative purposes.

The effect of the transition to RFR 2 is recognized directly against opening equity. Previously published financial information for the periods prepared in accordance with the Annual Accounts Act and BFNAR 2012:1 (K3) has been restated to RFR 2. The transition to IFRS has not had any effect on the parent company.

The effect related to the acquisition of subsidiaries in the group does not affect the parent company, as it is not the parent company that carries out the acquisition.

Note 11 Parent Company Accounting Principles

The parent company prepares its financial statements in accordance with the Swedish Annual Accounts Act and with the application of Recommendation RFR 2 "Accounting for Legal Entities" from FAR. The parent company applies the same accounting policies as the group, except in cases stated in RFR 2. This means that IFRS is applied with the exceptions listed below. Unless otherwise stated, the accounting policies for the parent company below have been applied consistently in all periods included in the parent company's financial statements.

Lease Agreements

Recommendations regarding the accounting for lease agreements in accordance with IFRS 16 are not applied by the parent company. This means that lease payments are expensed linearly over the lease period, and right-of-use assets and lease liabilities are not included in the parent company's balance sheet. However, the identification of lease agreements is in accordance with IFRS 16, i.e., a contract that includes a lease gives us the right to use the identified asset for a certain period in exchange for consideration.

Income from Investments in Subsidiaries

Dividends are recognized when the right to receive payment is considered certain. Income from the disposal of subsidiaries is recognized when control of the subsidiary has been transferred to the buyer.

Taxes

In the parent company, deferred tax liabilities, which are attributable to untaxed reserves, are recognized gross in the balance sheet. Provisions are recognized as gross in the income statement.

Holdings in Subsidiaries

Shareholdings in subsidiaries are recognized in the parent company in accordance with the cost method. This means that transaction costs are included in the recognized value of the investment. In cases where the recognized value exceeds the consolidated value of the subsidiaries, an impairment is recognized in the income statement. An impairment test is performed at the end of each reporting period. If a previous impairment is no longer justified, the value is reversed.

Assumptions are made regarding future conditions to calculate future cash flows that determine the recoverable amount. The recoverable amount is compared with the recognized value for these assets and forms the basis for impairments or reversals. The assumptions that most affect the recoverable amount are future earnings development, the discount rate, and the useful life. If future external factors and conditions change, the assumptions may be affected so that the recognized value of the parent company's assets changes.

Group-and Shareholder Contributions

The parent company recognizes both received and paid group contributions as appropriation of profits in accordance with the alternative method in RFR 2. Shareholder contributions paid by the parent company are recognized as an increase in shares and participation in the parent company. Received shareholder contributions are recognized as an increase in unrestricted equity.

Financial Instruments

The parent company uses the exemption not to apply IFRS 9 Financial Instruments in the legal entity. Instead, the parent company uses the cost method in accordance with the Annual Accounts Act. Accordingly, long-term financial assets in the parent company are measured at the lower cost and net selling value. However, the parent company uses the expected credit loss (ECL) model in accordance with IFRS 9 for financial assets that are debt instruments. Contingent consideration is measured at the amount the parent company considers necessary if payment is to be made at the end of the reporting period.

The parent company uses the exemption not to measure contracts regarding financial guarantees for subsidiaries, associates, and joint ventures in accordance with IFRS 9. Instead, the parent company applies the measurement rules in IAS 37 "Provisions, Contingent Liabilities and Contingent Assets."

Alternative Performance Measures Table

Alternative performance measures refer to a financial measure of historical or future performance, financial position, or cash flow that is not defined or specified in IFRS. To support the analysis of the group's development by the management and other stakeholders, Qflow Group reports certain key figures that are not defined in IFRS. These supplementary data provide additional information to IFRS and do not replace the key figures defined by IFRS. Qflow's definitions may differ from those of other companies. Definitions and calculations of key figures that cannot be reconciled with items in the income statement and balance sheet are found below.

SEKm	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net sales	390	298	297	205	211	178
EBITA	26	35	40	17	20	27
EBITA margin %	7%	12%	13%	8%	9%	15%
EBITA adjusted	50	49	51	30	32	31
EBITA adjusted margin %	13%	16%	17%	15%	15%	17%
Acquisition-related expenses	21	13	8	12	11	4
Proforma EBITDA adjusted	49	58	64	46	54	52
KPI:s						
Equity/assets ration, %	37%	48%	49%	41%	54%	57%
Number of shares	737 341	707 998	689 351	678 578	658 112	633 549
Billing rate	80%	80%	83%	82%	84%	80%
Average number of employees	766	614	560	511	458	382

Alternative Performance Measures (APMs)

EBITA och EBITDA

Aims to assess the group's activities excluding depreciation

SEKm	Apr - Jun 2025	Apr - Jun 2024	Jan - Jun 2025	Jan - Jun 2024	Jan - Dec 2024
Operating profit (EBIT)	19	17	49	43	93
Amortisation and impairment of intangible assets	7	2	12	3	10
EBITA	26	20	61	46	104
Depreciation and impairment of property, plant and equipment	17	12	30	22	48
EBITDA	43	31	91	68	152

Adjusted EBITA and EBITDA

Aims to assess the group's operational activities.

SEKm	Apr - Jun 2025	Apr - Jun 2024	Jan - Jun 2025	Jan - Jun 2024	Jan - Dec 2024
EBITA	26	20	61	46	104
Acquisition-related items	21	11	34	15	35
Non-recurring items eller Items of a one-off nature	3	1	3	1	5
Adjusted EBITA	50	32	98	63	145
Depreciation and impairment of property, plant and equipment	17	12	30	22	48
EBITDA	67	44	128	85	193

Acquisition-related expenses

SEKm	Apr - Jun 2025	Apr - Jun 2024	Jan - Jun 2025	Jan - Jun 2024	Jan - Dec 2024
Transaction costs for acquisitions	11	9	17	12	22
Share-based compensation	10	3	17	3	14
Acquisition-related expenses	21	11	34	15	35

Equity ratio

The purpose is to show what proportion of the assets are financed with equity.

SEKm	30 Juni 2025	30 Juni 2024	31 Dec 2024
Equity	978	786	858
Total assets	2 610	1 444	1 759
Equity ratio %	37%	54%	49%

Billing rate

Aims to show what percentage of available hours are billed to the customer. Calculated by putting the total number of billed hours in relation to the total number of worked hours.

Organic sales growth

The purpose is to analyse underlying net revenue growth. Shows the increase in net revenue excluding currency effects and the elimination of intra-group transactions compared to the same period in the previous year. Acquired companies are included in organic growth when they have been part of the group for the entire comparative period.

Proforma EBITDA adjusted

The purpose is to show the development of result as if all companies had been part of the group since its formation. Proforma EBITA is adjusted for IFRS 16, acquisition related expenses and one-off items.

Assurance

The CEO gives assurance that the interim report provides a true and fair overview of the Group's and Parent Company's operations, financial position and earnings.

Malmö, 2025-08-25

Svante Hagman
CEO

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

Contact information

Linda Årsköld, Head of Group Finance

Phone: +46 72 328 00 25

linda.arskold@qflow.se

Qflow Group AB (publ)

Hyllie Boulevard 53

215 37 Malmö

Corporate registration number 559384-0837

www.qflow.se