

Year-end report 2024

Highlights October - December 2024

- Net sales increased 65% to SEK 297 (180) million
- Organically, sales increased 13%
- EBITA increased 31% to SEK 47 (36) million
- Pro forma net sales increased 9% to SEK 308 (283) million
- Pro forma adjusted EBITDA increased 4% to SEK 58 (56) million
- Pro forma adjusted EBITA increased 2% to SEK 56 (55) million

Highlights January – December 2024

- Net sales increased 101% to SEK 891 (444) million
- Organically, sales increased 13%
- EBITA increased 101% to SEK 135 (67) million
- Pro forma net sales increased 6% to SEK 1060 (999) million
- Pro forma adjusted EBITDA decreased -2% to SEK 180 (183) million
- Pro forma adjusted EBITA decreased -2% to SEK 174 (177) million
- Completed bond offering of 575 SEK million. The bond was successfully listed on the Frankfurt Open Market on 2 October, following the completion of its issuance.

Significant events October – December 2024

- Expanded presence in Sweden: Qflow further strengthened its position in the Swedish market through the acquisition of Moresco Projektledning AB in December 2024
- Loan facilities were settled in October, and a Revolving Credit Facility (RCF), amounted to SEK 150 million, was signed

Key figures

SEKm	okt-dec 2024	okt-dec 2023	jan - dec 2024	jan - dec 2023
Net sales, pro forma	308	283	1,060	999
EBITDA, pro forma	54	56	174	183
EBITA, pro forma	53	54	168	177
EBITDA, pro forma adjusted	58	56	180	183
EBITA, pro forma adjusted	56	55	174	177
KPIs				
Billing rate	82%	84%	83%	85%
Number of Full-time employees	560	403	470	247

Comments from the CEO

Svante Hagman

CEO

A steady fourth quarter

Pro forma net sales and earnings increased in the quarter compared to last year. The slower start to the year in the first quarter resulted in slightly lower net sales growth for the full year. The full year EBITA was impacted by the first quarter's weaker performance, and we observed a decrease in attendance rate during the fourth quarter due to a higher volume of vacation compared to last year.

The overall demand for Qflow's service is at a stable level. While certain market segments faced challenges due to reduced demand and pricing pressures, the company successfully secured new contracts for several large-scale infrastructure and construction projects. These wins, coupled with our ability to scale our teams to meet project demands, have positioned us well for future growth. Our assignments in long-term infrastructure and construction projects are progressing as planned, and we have successfully onboarded additional consultants to support our customers.

The Group expanded its presence in the market with the acquisition of Moresco Projektledning AB (in December), which specializes in providing operational management and project support for infrastructure projects. This brings the total number of companies within the Group to 19 in Sweden and Norway.



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 19 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

Group performance

October – December 2024

Net sales

Net sales increased by 65 percent in the quarter and amounted to SEK 297 (180) million. The significant increase compared to the same period last year is primarily attributable to the consolidation of newly acquired companies within the Group. From 12 companies at the end of the fourth quarter of 2023, the Group has grown to 19 companies as of 31 December 2024, including the recent acquisitions of Moresco Projekttledning AB. Each acquisition made in 2024 has contributed directly to increased net sales. Organic growth was 13 percent.

Cash flow

Cash flow from operating activities amounted to SEK 61 (-6) million in the quarter. This improvement is driven by a positive change in working capital. Cash flow from investment activities amounted to SEK -49 million (-38), indicating a consistent acquisition pace compared to the fourth quarter of 2023. Cash flow from financing activities decreased to SEK -388 (41). This outflow was primarily due to the repayment of SEK 470 million in outstanding loans, an action made possible by the funds raised through the bond issuance.

Financial position

At the end of the period, cash and cash equivalents amounted to SEK 204 million (124). The company demonstrates a solid financial position with an equity ratio of 51%. This indicates that a significant portion of the company's assets are financed by equity, providing a stable foundation for future growth.

January – December 2024

Net sales

Net sales amounted to SEK 891 (444) million, which is an increase of 101 percent. The increase, compared to the same period of 2023, is mainly driven by acquisitions of companies. During 2024, Qflow acquired six companies: Inviattech AB, H2 Hardanger AS, Infrakonsult Group, Fire & Risk Engineering Nordic AB, Prodecon AS and Moresco Projekttledning AB.

Organic growth was 13 percent for companies included in the group in the current as well as the entire comparison period.

Qflow Group's business is subject to seasonal fluctuations in revenue and earnings due to the number of workdays in each period. Overall, the group has performed well during the year. Q1 was weaker compared to the previous year while the rest of the year was stable.

EBITA increased by 190 percent in the period and amounted to SEK 29 (11) million. This growth is primarily attributable to acquisitions.

Cash flow

Cash flow from operating activities amounted to SEK 103 (27) million. Payments for business acquisitions for the period amounted to SEK -341 (-380) million and investments in tangible assets amounted to SEK -10 (-7) million. Cash flow from financing activities amounted to SEK 326 (222) million, primarily driven by the issuance of a SEK 575 million bond. This was offset by the repayment of SEK 470 million outstanding loans.

Financial position

The company's equity position strengthened, primarily due to a significant increase attributable to the recent new share issues of SEK 129 million mainly associated with acquisitions. However, these share issues have a minor impact on the company's cash position.

Financial statements

Consolidated income statement

SEKm	Note	okt-dec 2024	okt-dec 2023	jan - dec 2024	jan - dec 2023
Net sales	2	297	180	891	444
Other income		1	1	4	2
Total revenue		298	181	895	446
Raw materials and consumables		-3	-9	-10	-9
Other external costs		-99	-50	-292	-139
Personnel costs		-147	-85	-453	-227
Depreciation and amortization		-32	-21	-112	-59
Other operating expenses		0	0	0	0
Total cost		-281	-165	-866	-434
Operating profit		17	16	29	11
Financial income		4	1	5	1
Financial expenses		-13	-3	-31	-6
Total income from financial items		-9	-2	-26	-5
Earnings before tax		8	13	3	6
Total tax		-36	-11	-28	-11
Profit (loss) for the period		-28	2	-25	-5

Consolidated balance sheet, in summary

SEKm	Note	31 dec 2024	31 dec 2023
Assets			
Intangible assets	3	1 089	759
Tangible assets		21	15
Financial assets		3	2
Total non-current assets		1 113	777
Inventories		1	1
Accounts receivable		162	103
Accrued income not yet invoiced		35	34
Other receivables		51	36
Total Cash & bank		204	124
Total current assets		453	299
Total Assets		1 566	1 076
Equity and liabilities			
Total equity		797	696
Provisions		17	13
Long term liabilities		530	173
Short term liabilities to credit institutes		0	40
Accounts payable		42	25
Other payables		180	129
Total Equity and liabilities		1 566	1 076

Consolidated statement of changes in shareholders' equity

SEKm	Share capital	Other capital contributed	Other equity incl. Profit (loss) for the year	Total
Equity 2023-01-01	2	509	8	519
New share issue	0	182		182
Unregistered share capital	0			0
Profit (loss) for the period			-5	-5
Closing balances 2023-12-31	2	690	3	696
Equity 2024-01-01	2	690	3	696
New share issue	0	129		129
Translation differences			-2	-2
Profit (loss) for the period			-25	-25
Closing balances 2024-12-31	2	819	-24	797

Consolidated cash flow statement

SEKm	okt-dec 2024	okt-dec 2023	jan - dec 2024	jan - dec 2023
EBIT	20	16	32	11
Adjustments non-cash items	25	17	106	43
Interest received	2	1	2	1
Interest paid	-13	-3	-31	-6
Taxes received/paid	-1	-4	-25	-16
Cashflow from operations before change in working capital	33	26	83	33
Change in inventories	0	0	0	1
Change in other operating receivables	-2	-3	16	-6
Change in other operating payables	31	-29	4	-2
Cashflow from operating activities	61	-6	103	27
Investments in tangible assets	-3	-2	-10	-7
Business acquisitions	-48	-36	-341	-380
Changes in other non-current assets	3	0	3	0
Cashflow from investing activities	-49	-38	-349	-387
New share issue	8	4	13	23
New loans	8	38	784	200
Repayments of loans	-405	0	-470	0
Cashflow from financing activities	-388	41	326	222
Cashflow for the year	-377	-3	81	-138
Opening balance cash and cash equivalents	581	127	124	262
Translation difference	-1	0	-1	0
Closing balance cash and cash equivalents	204	124	204	124

Parent company income statement

SEKm	okt-dec 2024	okt-dec 2023	jan - dec 2024	jan - dec 2023
Net sales	2	1	8	4
Total revenue	2	1	8	4
Other external costs	-4	-2	-10	-5
Personnel costs	-2	-2	-11	-9
Total cost	-6	-4	-21	-14
Operating profit	-4	-2	-13	-9
Dividend income from associate companies	5	0	54	0
Financial expenses	-13	-3	-30	-6
Total income from financial items	-8	-3	23	-6
Earnings after financial items	-12	-5	10	-15
Group contribution and untaxed reserves	38	17	38	17
Earnings before tax	27	12	49	2
Tax	-4	0	-4	0
Profit (loss) for the period	23	12	45	3

Parent company balance sheet, in summary

SEKm	31 dec 2024	31 dec 2023
Assets		
Financial assets	1,389	949
Total non-current assets	1,389	949
Receivables group companies	44	19
Other receivables	3	1
Total Cash & bank	124	77
Total current assets	171	97
Total assets	1,560	1,046
Equity and Liabilities		
Total equity	896	721
Tax allocation reserves	2	2
Deferred tax liability	0	0
Long term liabilities	517	172
Short term liabilities to credit institutions	0	40
Accounts payable	2	1
Payables group companies	123	79
Other payables	20	31
Total Equity and liabilities	1,560	1,046

Notes

Note 1 Accounting principles

Qflow Group AB's annual report and consolidated financial statements as well as this quarter report have been prepared in accordance with the Annual Accounts Act and the general recommendation BFNAR 2012:1 Annual and Consolidated Financial Statements (K3) issued by the Swedish Accounting Standards Board.

The accounting principles applied for preparing consolidated financial statements are disclosed in more detail in the annual report. The accounting principles are unchanged from the latest annual report. Tax is calculated and booked only in the full year periods.

Note 2 Net sales

Sales by country

SEKm	okt-dec 2024	okt-dec 2023	jan - dec 2024	jan - dec 2023
Sweden	259	179	832	442
Norway	36	-	55	-
Other	2	1	4	2
Total Sales	297	180	891	444

Note 3 Acquisitions of companies

Several acquisitions were completed in 2024, including Moresco Projektledning AB in Sweden during the fourth quarter.

Company name	Corporate ID	Consolidated as of	Full- year sales	Number of employees
Inviattech AB	5591 47-0041	2024-01	31	15
HS Hardanger AS	925 233 323	2024-05	27	13
Infrakonsult Group	*	2024-05	93	48
Fire and risk engineering AB	556731-6285	2024-07	34	23
Prodecon AS	881 250 772	2024-09	89	34
Moresco Projektledning AB	556856-6748	2024-12	48	26

*Infrakonsult Group contains:

Infrakonsult Gruppen Skandinavien AB (5591 39-8440), Infrakonsult Sverige AB (556682-0493), Infrakonsult Mälardalen AB (559202-1 371), Infrakonsult STHLM Nord AB (559054-2287), Infrakonsult STHLM Väst AB (559365-3602) och Infrakonsult STHLM Syd AB (556889-5535).

The acquired companies have contributed to SEK 174 million in net sales and SEK 30 million in EBITA to the Group's results for the year.

In all acquisitions, 100% of the share capital was acquired.

Note 4 Significant events after the year end of the reporting period

As of February 27, Qflow Group has acquired Agima Holding AB (559065-9693). Agima is a Stockholm based company specialized in the infrastructure area. The full year sales amount to approximately SEK 70 million and 45 employees.

Other information

The group issued a senior secured floating rate bond on 25 September 2024 amounted to SEK 575 million. The bond is listed at Frankfurt open market (ISIN SE0022759825). The final maturity date is 25 September 2028.

Key performance indicators for the Group

SEKm	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net sales	297	205	211	179	180	122	84	57
Net sales pro forma	308	226	270	256	283	213	262	242
EBITA	53	29	31	30	35	11	15	6
EBITA margin %	18%	14%	15%	17%	20%	9%	17%	10%
EBITA pro forma	53	30	43	42	54	28	44	50
EBITA pro forma adj	53	30	42	42	54	28	44	50
EBITDA	54	30	32	32	37	13	15	6
EBITDA margin %	18%	15%	15%	18%	20%	10%	18%	10%
EBITDA pro forma	54	31	44	44	56	30	45	52
EBITDA pro forma adj	54	32	45	44	56	30	45	52
Working capital	38	60	45	31	39	37	35	31
KPI:s								
Net debt / Pro forma EBITDA R12 ggr	1,8x	1,9x	1,4x	0,6x	0,4x	0,4x	-	-
Equity/assets ration, %	51 %	42%	61 %	61 %	65%	65%	69%	87%
Number of shares	689 351	678 578	658 112	633 549	625 599	616 404	562 861	530 314
Average number of employees	560	511	458	382	331	305	170	129

Definitions of alternative performance measures

Note	Key ratios definition
Net sales pro forma	Total revenue according to income statement including acquired entities, as if they were part of the Group during the complete period
EBITA	Operating profit (loss) before amortization and impairment of intangible assets
EBITA margin, %	EBITA as a percentage of net sales
EBITA pro forma	Pro forma adjusted EBITA in relation to pro forma net sales
EBITA pro forma adj	EBITA adjusted for nonrecurring items and including acquired entities, as if they were part of the Group during the complete period
EBITDA	Earnings before interest tax, depreciation, and amortization and before write-down of intangible and tangible assets
EBITDA margin %	EBITDA as a ratio of net operating revenue
EBITDA pro forma	Pro forma adjusted EBITDA in relation to pro forma net sales
EBITDA pro forma adj	EBITDA adjusted for nonrecurring items and including acquired entities, as if they were part of the Group during the complete period
Working capital	Current assets not including cash and cash equivalents, less current liabilities
Net debt / Pro forma EBITDA LTM, ggr	Net debt in relation to proforma EBITDA, last twelve month
Equity/assets ratio, %	Equity in relation to total assets
Organic growth	Increases in sales of legal entities owned both the current period as well as the entire comparison period
Billing rate	Total number of billable hours in relation to the total number of worked hours

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, 2025-02-28

Svante Hagman
CEO

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

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