

2023

JANUARY–MARCH

Qlosr

Don't think about IT.
We do.

“Since December 2022, we have communicated eight new major customer agreements with a total business value of MSEK 288, all under implementation. These agreements, together with other new agreements with new and existing customers, have largely set the agenda for the first quarter. The focus has been on commissioning and customer satisfaction to secure profitable revenue over several years, with great potential for upsales.”

Qlosr Group AB (publ)

Interim Report Q1 2023

Disclaimer: The English version of our quarterly report is provided for convenience and reference purposes. While we have made every effort to ensure the accuracy of this translation, it is based on the original Swedish document. In case of any discrepancies, the Swedish version serves as the definitive and governing document. We appreciate your understanding and are happy to address any clarifying questions.

**Great
Place
To
Work®**

Certifierad

OKT 2022–OKT 2023
SVERIGE

Qlosr continues to grow and had a growth of 19.4 percent and increased EBITDA by 21.4 percent compared to the first quarter of 2022. Contract value keeps rising and increased by 7.0 percent compared to the fourth quarter of 2022, where contract revenue increased by 5.7 percent.

FIRST QUARTER JANUARY–MARCH 2023

- Operating revenue increased by 19.4 percent to MSEK 144.4 (120.9), of which 5.3 percent was organic growth.
- Subscription revenue increased by 13.6 percent to MSEK 65.9 (58.0), of which 4.1 percent was organic growth. Subscription revenue was 5.7 percent higher than in the fourth quarter of 2022.
- The contract value increased to MSEK 380, which is 7.0 percent higher compared to the fourth quarter of 2022.
- Gross profit increased by 15.2 percent to MSEK 60.9 (52.9). Gross margin was 42.2 percent (43.7).
- EBITDA amounted to MSEK 8.5 (7.0), corresponding to a margin of 5.9 percent (5.8), which, as planned, was affected by ongoing implementation projects for the acquired business and the first quarter being a seasonally weaker quarter.
- Net profit for the period adjusted for goodwill amortisation amounted to MSEK 2.5 (2.9).
- Cash flow from operating activities after changes in working capital amounted to MSEK -3.2 (17.3), which is in line with expectations, taking into account larger quantities of hardware purchases and ongoing implementation projects for acquired business.
- Cash and bank balance decreased during the quarter by MSEK 11.5 to MSEK 35.2, attributable to the settlement of earn-outs (Qlosr SBL and Rg19) and hardware purchases for delivery of ongoing direct business.
- The consolidated earnings per share before and after dilution for the first quarter of 2023 amounted to SEK -0.19 (-0.18).

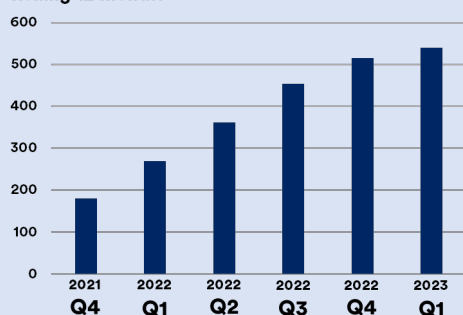
INDICATORS (MSEK)

| | The First Quarter | | 12 months *) |
|---|-------------------|-------|--------------|
| | 2023 | 2022 | 2022 |
| Revenue | 144,4 | 120,9 | 515,6 |
| <i>Of which subscription revenue</i> | 65,9 | 58,0 | 240,2 |
| EBITDA | 8,5 | 7,0 | 36,6 |
| EBITDA % | 5,9% | 5,8% | 7,1% |
| Result of the period | -11,3 | -7,7 | -32,2 |
| <i>Result of the period %</i> | -7,8% | -6,4% | -6,2% |
| Results for the period excluding goodwill amortization | 2,5 | 2,9 | 14,3 |
| <i>Results for the period excluding goodwill amortization %</i> | 1,7% | 2,4% | 2,8% |
| Cash flow from current operations after change in working capital | -3,2 | 17,3 | 51,2 |
| Cash and bank at the end of the period | 35,2 | 50,4 | 46,8 |
| Earnings per share before dilution, SEK | -0,19 | -0,18 | -0,82 |
| Earnings per share after dilution, SEK | -0,19 | -0,18 | -0,82 |

*) The 12-month period for 2022 is adjusted for non-recurring costs of SEK 14.9 million attributable to the merger of the Stockholm companies.

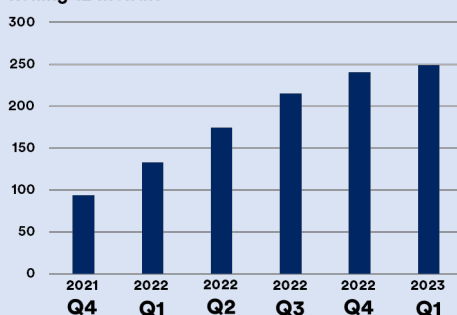
Operating revenue, MSEK

Rolling 12 months



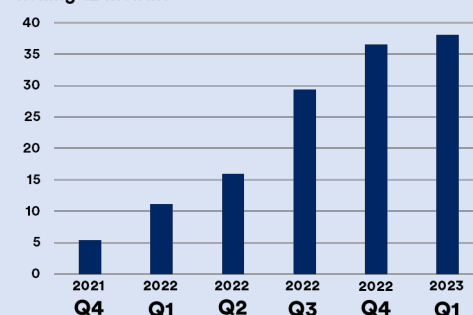
Contract revenue, MSEK

Rolling 12 months



Adjusted EBITDA, MSEK

Rolling 12 months



**SIGNIFICANT EVENTS
DURING THE QUARTER**

Qlosr received a contract award to sign an agreement with Brixly AB to provide subscription services for IT operations, support, and client management. The total value amounts to approximately MSEK 15, and the contract period is 5 years from the start of the contract, on a renewable basis.

Qlosr received an award-of-contract decision to sign an agreement with the Kristinehamn Municipality for IT workstation services, school computers, and related configuration services. The Storfors Municipality is also entitled to call off the services. The total value amounts to approximately MSEK 40 according to the Kristinehamn Municipality, and the contract period is 2 years from the start of the contract, on a renewable basis. The maximum duration of the contract is 4 years.

Qlosr received a contract award to sign an agreement with the Region of Västra Götaland according to Swedish Adda's Framework Agreement Digital Devices for Workplace and School 2019 regarding IT workplace and associated product-related services. The total value amounts to approximately MSEK 62, with call-off and delivery taking place during the period 2023-04-01 to 2023-08-31.

Qlosr received an award-of-contract decision to sign an agreement with the Uddevalla Municipality for clients and accessories. The order volume/value of this procurement is estimated at approximately MSEK 100 over a 4-year period, divided into approximately MSEK 25 per year. The contract period is 2 years from the start of the contract, with a possible extension of 1 year plus 1 year. The maximum duration of the contract is 4 years.

The following municipalities, administrations, municipal associations, and companies have the possibility, but no obligation, to call off from the contract:

- Uddevalla Municipality
- Mitt Bohuslän Rescue Services
- Uddevalla Turism AB
- AB Strömstadsbyggen
- AB Strömstadslokaler
- AB StrömstaNet
- AB Strömstads Badanstalt

- Strömstad Municipality
- Tanum Municipality
- Tanums Bostäder AB
- Tanums Hamnar AB

**SIGNIFICANT EVENTS
AFTER THE END OF THE PERIOD**

Qlosr Gothenburg is making a strong regional investment in the Business segment, which includes small and medium-sized customers. Development and ownership of the central service packaging Cloud Workplace will be included in the expanded operations in Gothenburg as part of this initiative. You can read more about this in the press release at qlosrgroup.se.

Qlosr has announced that its latest acquisition in Uddevalla, Attaxera IT AB, intends to rebrand to Qlosr in the autumn of 2023. The rebranding will also make it easier for the business in Uddevalla to utilise the delivery capacity being built in Gothenburg, which will drive increased sales throughout the region.

A WORD FROM THE CEO

Since December 2022, order intake has been higher than normal for both subscription and direct business.

The first quarter of 2023, therefore, generated slightly higher revenue than planned and an EBITDA result in line with expectations, which is an effect of the unusually high number of large contracts under implementation. The outcome for Q1 makes us confident that we will continue to grow and pass MSEK 650 in 2023 and deliver an improved EBITDA margin compared to the full year 2022.



Jonas Norberg
Group CEO

Since December 2022, we have communicated eight new major customer agreements with a total business value of MSEK 288. Of these, approximately MSEK 86 are new subscription agreements. We estimate that approximately

MSEK 120 of the total MSEK 288 will be recognised as revenue in 2023. The average duration of new subscription agreements is 36 months. With a historically strong order inflow, the first quarter has been characterised by delivering projects efficiently with high customer satisfaction.

The objective has been to use the parameters of quality, time, and cost to make ongoing prioritisations in order to meet the requirements to adhere to the budget, but also to ensure customer satisfaction so that we can continue to drive additional sales, which is an important cornerstone of our strategy.

The total contract value continued to increase during the quarter to MSEK 380, which is 7 percent higher compared to the fourth quarter of 2022.

We already informed in the plan, communicated in the Year-End Report for 2022, that implementation projects of many new major agreements would drive increased costs in the short term in favour of long-term recurring revenue. We can now see that extra personnel costs, lower consultant invoicing and external costs that were invested in long-term revenue, according to plan, had a negative impact on the first quarter's result of about MSEK 2 (1.4 percent).

We also see that the second quarter will be affected by the implementation of new subscription revenue at a higher level than usual. The implementations are proceeding as planned, which will have positive effects on sales and EBITDA for the remainder of the year.

Cash flow from operations was in line with expectations, taking into account the large hardware purchases made for both upcoming direct business and for our larger implementations of subscription network services. The comparative cash flows from operations in 2022 are disrupted by one-off effects related to the merger of the Stockholm units.

In summary, we are satisfied with the first quarter, which seasonally tends to be one of the weakest quarters of the year.

The market

Our strong position is confirmed when we analyse forecasts from market research companies on market developments for the second quarter of 2023 compared to the same period last year. Customer IT budgets are growing by 1.6 percent overall (Radar, 2023), but it is among the business budgets – not managed by IT departments – where we see a significant increase of 4.7 percent (Radar, 2023). These often constitute our primary customer segment for our packaged subscription services. The segment experiencing the greatest growth is 'Everything as a Service', where entire functional solutions are packaged – a strategy we have successfully adopted for the SME market. Radar reports a combined growth and price development of 8.2 percent in this area, with an expected price development over a rolling 12 months of 15 percent, which indicates continued strong value growth in the future (Radar, Indicators Q2 2023).

At the same time, we note that the industry's personnel turnover rate is high, with an average figure of 17.6 percent (Radar, 2023). Our personnel turnover is well below this average thanks to our focus on shared values and our nationwide operations. Despite this, we are affected by the industry's labour fluctuations, and we recognise the importance of continuing to invest in our people, who are the core of our business. Our work on our strategic value house model continues, with 'Enthusiastic employees' as the first goal, closely followed by 'Satisfied customers'. We expect that success in these areas will result in 'Profitable Development', our third and final strategic objective.

2023

With the first quarter completed, we see that for the full year 2023, we will be able to pass MSEK 650 in sales with an improved EBITDA margin compared to 2022. With the strong development of increased contract values and large new customer accounts as well as generally high order intake, we are confident in our growth.

Profitability is developing positively, but we continue to take a long-term view on growing our business, meaning that we will increase investment in our strategic senior sales organisation, which will drive business with strategically important customers that have high revenue potential over time. In 2023, this initiative will drive increased costs of approximately MSEK 5.

During the second quarter, we intend to continue the previously communicated transition to take increased margins on hardware over the contract period and dissolve financing agreements to, among other things, reduce the cost of capital.

Our overall goal remains unchanged: We will continue to drive increased recurring revenue in the same way as we have done for several years, but we also see that the volume business is a good complement. If we take a closer look at the two major volume businesses made in the first quarter of 2023, the Region of Västra Götaland and the Uddevalla Municipality, they are strategically important even if they are initially 90 percent direct businesses related to hardware. There are two reasons for this:

1. With the right processing and Qlosr's unique packaging, customers can be transformed and developed into recurring revenue over time.
2. The hardware business has a significantly lower gross margin, but as we transformed the operations in Gothenburg into a central logistics centre for the entire Group in 2022, economies of scale can be gained. We have 760 sqm high-bay warehousing, 10 employees, a full-scale Lifecycle Management structure, and a purchasing organisation that scans the market for the best price. As a result, the additional cost of the volume business is marginal.

Regarding our strategic initiatives, we see clear effects of strategic sales that already delivered according to plan during the first quarter and where other defined initiatives are progressing well. We already help our customers utilise the opportunities that private, public, and hybrid cloud services offer and have active development and delivery of cloud-related services.

The conditions for further development of public cloud and security services have changed drastically since the beginning of the year. The developments in generative AI are unprecedented, and the major cloud providers are rapidly expanding their offerings with this technology. We already have several customer dialogues underway on using these new functions and are well-positioned with already completed customer projects in RPA (Robotic Process Automation) to create automation in processes and logistics flows.

We have made a clear investment during the first quarter, where we have appointed an AI Director who, with a team, aims to implement a number of applications of generative AI within the Service Desk already in the second quarter, which will provide increased value for customers.

Our primary focus areas for internal use of generative AI are developing self-learning systems for automatic categorisation and analysis. We use generative AI to generate automatic analyses and propose solutions based on our collected data. For example, by analysing past support cases and solutions, the system can suggest the most likely solution to a new problem and suggest measures to reduce the risk of future problems.

We also have two Proof of Concept (POC) projects underway with customers, where we are using these new AI tools to streamline their operations. These tools were not even available a few months ago, underscoring the rapid development of the AI industry.

We are used to rapid development in our industry, but the progress we have seen in generative AI over the past three months is truly unique. This is why we have chosen to invest in these technologies, not only to support and develop our customers but also because we see great opportunities for streamlining our own operations. Our vision is to integrate generative AI to become an integral part of our customers' and our own daily work tools, which is expected to significantly increase productivity.

Financial targets 2024

- 60 percent of the sales will come from the subscription business.
- The subscription business should generate a gross margin of 55 percent.
- EBITA will be 10–12 percent.
- Net sales will amount to SEK 1 billion.

We currently see no reason to update or adjust our financial targets, but we will return with updated financial targets for 2026.

Stockholm on 26 May 2023

Jonas Norberg, Group CEO

ACQUISITION STRATEGY

Qlosr has a tradition of making acquisitions, with a total of nine completed acquisitions since the IPO in June 2021.

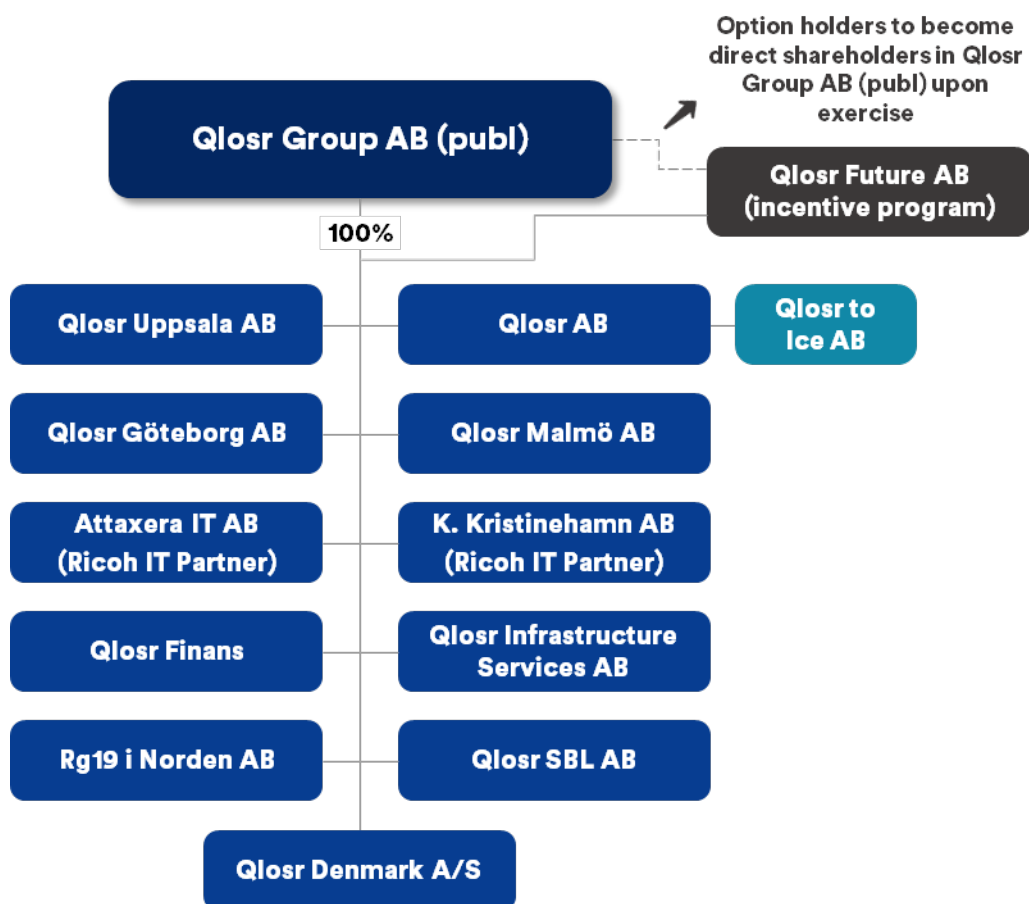
This history has given us good experience and deeper expertise in M&A. We have learned to probe the market, find the diamonds in the rough, avoid pitfalls, find new skills, create upsales, and recognise and exploit obvious synergies.



Johan Bjerhagen
M&A Director

We currently see no reason to amend our acquisition strategy as presented in the Year-End Report for 2022. Local, mainly smaller acquisitions are what we continue to prioritise. Due to the prevailing world situation, the processes we have been involved in have become more protracted, which we have had to adapt to, but we have used the time to integrate the successful acquisitions already completed. A reasonable assessment at this stage is that we will complete 2–3 acquisitions in 2023. As discussed earlier, companies in this target group can be acquired at reasonable multiples and with lower transaction costs.

CORPORATE STRUCTURE




STRATEGIC INITIATIVES

In Q1 2023, Qlosr has reaped success from strategic business, initiated cost efficiencies and broadened the cloud and AI strategy.

We have closed major deals, established an internal Shared Service Centre and created synergies by merging our operations in Stockholm.

In light of the rapid developments in Artificial Intelligence (AI), we have also decided to appoint a dedicated AI group. This group will focus on exploring AI's potential to automate and streamline internal processes, as well as to create further added value for customers.



Martin Lundqvist
Group COO

STRATEGIC INITIATIVES 2023

Strategic business

In the first quarter of 2023, we continued to reap success with our strategic sales efforts. Of the total subscribed business value of MSEK 280, MSEK 217 relates to new major strategic deals such as Brixly (MSEK 15), Region Västra Götaland (MSEK 62), Uddevalla Municipality (MSEK 100) and Kristinehamn Municipality (MSEK 40). It is a mixed bag of direct and contract revenues, where we see opportunities to eventually transform some customers with direct revenue into long-term contract revenue in consultation with the customers.

Cost efficiency

We continue to drive cost efficiency, with preparations started in the first quarter to establish an internal Shared Service Centre for the financial administration of acquired companies. This allows us to terminate externally purchased financial services, which came with the acquired companies, and instead perform the same tasks in-house at a lower cost.

Stockholm

The merger of the operations in Stockholm has proceeded well, and we have achieved synergy effects that can be exemplified by a higher combined consultant coverage than what the individual operations previously managed to achieve separately, which is positive and proof that the merger has borne fruit. In 2023, we will continue tuning the merged organisation to create further synergies.

Broadening Cloud and AI strategy

Cloud services have long been a central part of our offering, enabling continued development and broadening our services to customers. However, during the first quarter of 2023, we have seen a significant change in the market, where the implementation of Artificial Intelligence (AI) has accelerated at an unprecedented pace. A clear example of this is ChatGPT, which demonstrates the enormous potential and practical usefulness of generative AI technology.

As a result, we at Qlosr have decided to appoint a dedicated AI team. This team will focus on exploring and utilising the potential of AI to automate and streamline our internal processes and create added value for our customers. AI technology, especially advanced forms such as generative AI, requires significant computational power to operate effectively. This computing power is often provided through private and public cloud services. By deepening our knowledge and skills in both AI and cloud technology, we can ensure that we continue to offer the best possible solutions to our customers.

We will use AI's ability to automate, improve and speed up work processes while utilising the scalability and flexibility offered by cloud services. By doing this, we can improve our internal processes and help our customers become more efficient and competitive.

AI SOLUTIONS FOR INCREASED CUSTOMER VALUE

More and more customers are requesting AI-driven solutions and are looking for a partner to support them in this technological development.

We are committed to being that partner.

At the same time, we see great opportunities to use AI and related technologies to improve and streamline our own internal processes. This dual strategy ensures that we can realise the full potential of these game-changing technologies, both for our customers and for ourselves.



Johan Bendz
AI Director

The rapid progress in AI, demonstrated by companies like OpenAI, Microsoft, Google and others, is about to revolutionise how we interact with technology and carry out work. Generative AI, as exemplified by products such as ChatGPT, is a prominent example of this transformation. These AI models are not just an addition to existing technologies but fundamentally change how we interact with technology – AI is moving from requiring specialised knowledge to interact with to being something that everyone can use and benefit from.

These advances have created countless opportunities for companies to optimise their operations, improve customer experiences and foster growth. Generative AI in chat formats, such as ChatGPT and Microsoft Bing, is the application that has received the most attention, but the potential of Large Language Models (LLMs) extends much further, with the potential to transform how we work with business systems and office solutions.

Generative AI, based on natural language models, is changing not only how we interact with text but also sounds, images and any other information that can be converted into digital formats. This technology has opened up completely new possibilities, including image creation, text creation, music creation, analyses, support and advice, and much more. By classifying, editing, summarising, answering questions and creating new content, generative AI can radically change how work is done at the activity level.

To take full advantage of these advances, we have broadened our offering to include generative AI services and support. This complement to our existing partnerships with suppliers in Robot Process Automation (RPA) and Machine Learning (ML) positions us well to help our customers embrace the new services. Generative AI using LLM is exemplified by tools such as Microsoft Copilot, Azure OpenAI and Google Bard, services with great potential to improve our customers' workflows, skills and innovation capabilities.

During the quarter, we have trained our personnel in generative AI and LLM, preparing us to support our customers in their use of AI, as well as enabling us to quickly develop our own business and increase our competitiveness and customer satisfaction.

We intend to take a position where:

1. we are the customers' most suitable partner for support and assistance in introducing and utilising AI support in their businesses, including advice on the implementation of generative AI.
2. we carry out activities that help our customers to quickly adopt AI tools and concretely improve their competitiveness.
3. we undertake activities that drive increased own use of AI in order to increase customer satisfaction and streamline and simplify our work.
4. we develop services to integrate and support AI with existing technologies and solutions.

With opportunity comes responsibility. Generative AI, despite its potential, has already proven to have dark sides. This includes risks of generating incorrect or distorted information, potential misuse for misleading purposes, privacy concerns and ethical issues surrounding content creation. In light of these challenges, we are reviewing our guidelines on the use of generative AI and offering recommendations to our customers to navigate these complex issues in the best possible way.

ABOUT QLOSR GROUP

Qlosr Group AB (publ) is a complete IT solutions provider, selling and delivering packaged subscription services. Its three primary target groups are SMEs, the public sector, and the private school sector, mainly large national school groups. Most of the operations are conducted in the Nordic market and consist of packaged IT services within the workplace, networks, and server operations.

The Group's IT services are sold through long-term subscription agreements where most of the contract revenue is signed over 24–60 months and where the Group's employees handle sales, project management, and delivery. By bundling services into a complete solution, it is possible to maintain good margins while reducing the risk of comparable offers from competitors.

The business model adopts a framework agreement approach, where the scope of the agreement can change over time, creating opportunities for Qlosr Group to offer the customer a partnership with the development of new services and new contract values, as well as aligning with the Group's acquisition strategy, based on acquiring companies with evolving customer bases.

Development occurs through cross-selling centrally produced services and transformation from traditional IT purchases of products and hours to packaged subscription services.

CUSTOMER PROMISE

We understand, develop, and make a positive difference for our customer. We dare to be proactive and present. With our owner-managed organisation, we are agile, flexible, and committed.

VISION

We aim to be the leading Nordic provider of complete solutions in IT and digitalisation, with the most satisfied customers and employees within our target group.



OPERATIONAL OVERVIEW BY BUSINESS AREA

QLOSR TO BUSINESS



The target group is SMEs without their own IT department or in need of IT support.

Success factors are a close relationship with the customer, knowledge of the customer’s operations and IT environment, and the ability to offer complete delivery of IT services from a supplier, such as server operations and maintenance combined with hardware and license packaging.

The number of customers generates a stable recurring revenue with good margin potential.

QLOSR TO EDUCATION



The target group is major private national school groups without their own IT department or in need of IT support.

Success factors are a close relationship, knowledge of the customer’s operations and IT environment, and the ability to offer complete delivery of IT services tailored for schools and education.

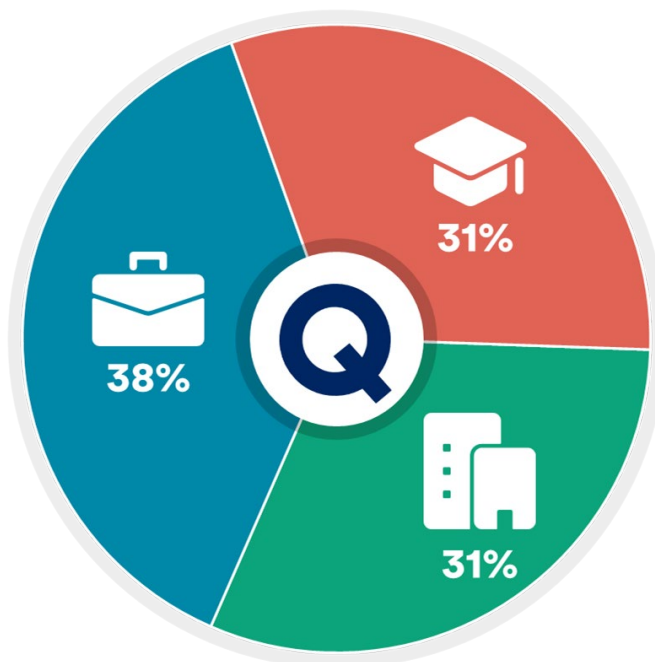
The volume of each customer (between 500 and 50 000 users) creates significant opportunities for additional sales, with each added service generating additional revenue.

QLOSR TO PUBLIC



The target group is the public sector subject to the Public Procurement Act (LOU), where services in demand match the Group’s subscription services or strategically selected areas such as volume deliveries and lifecycle management.

Success factors are close relationships with the customer before, during and after the procurement is completed.



**REVENUE BREAKDOWN
 BY BUSINESS AREA
 Q1, 2022**



**Financial
statements**

Urban Norberg
Group CFO

ECONOMIC DEVELOPMENT OF THE GROUP

Performance and position have been prepared as a Group for the current period and the comparative year to compare the periods.

A change in goodwill accounting for the part of the total purchase price that was carried out through a set-off issue was made in Q4 2022, which affects the comparison year 2022 for this report. The comparative figures for 2022 have been updated for the relevant financial figures and tables. For further information, the reader is referred to Qlosr Group's Year-End Report for 2022.

FIRST QUARTER

JANUARY–MARCH 2023

OPERATING REVENUE

Operating revenue increased by 19.4 percent to MSEK 144.4 (120.9), of which 5.3 percent was organic growth.

GROSS PROFIT

Gross profit increased by 15.2 percent to MSEK 60.9 (52.9). Gross margin amounted to 42.2 percent (43.7), affected by a high proportion of direct business and ongoing implementation projects for acquired business, which resulted in lower consulting revenue.

OPERATING COSTS

Merchandise costs increased by 22.7 percent to MSEK -83.5 (-68.1). The higher percentage increase in merchandise than operating revenue is due to a higher share of hardware deliveries (direct business).

Other external costs decreased by 21.9 percent to MSEK -9.2 (-11.7), driven by lower costs for premises and consultants who became employees.

Personnel costs increased by 26.5 percent to MSEK -43.1 (-34.0). The increase is related to growth, acquired companies, and strategic investments in sales and other areas.

The average number of employees during the period amounted to 175 (152). The increase is attributable to acquired companies and strategic investments in sales and other areas.

Depreciation of tangible and intangible assets amounted to MSEK -17.1 (-12.8), of which MSEK -13.7 (-10.6) is attributable to goodwill, MSEK -3.2 (-2.1) to machinery, equipment, and financial leases (cars), and MSEK -0.2 (-0.1) to intangible assets.

EBITDA

EBITDA amounted to MSEK 8.5 (7.0), corresponding to a margin of 5.9 percent (5.8). EBITDA was impacted as planned by ongoing implementation projects for acquired business and the fact that the first quarter is seasonally a weaker quarter.

OPERATING PROFIT

The operating profit amounted to MSEK -8.6 (-5.8), where goodwill amortisation amounted to MSEK -13.7 (-10.6).

NET FINANCIAL ITEMS

Net financial items amounted to MSEK -2.7 (-2.4). The interest expense relates to loans for the part-financing of acquisitions made.

TAX

Net tax amounted to MSEK 0.1 (0.5).

PROFIT FOR THE PERIOD

Profit for the period amounted to MSEK -11.3 (-7.7), with goodwill amortisation amounting to MSEK -13.7 (-10.6).

PROFIT FOR THE PERIOD ADJUSTED FOR GOODWILL AMORTISATION

Profit for the period adjusted for goodwill amortisation amounted to MSEK 2.5 (2.9), which equals a margin of 1.7 percent (2.4).

The goodwill arising from acquiring the companies is amortised on a straight-line basis over five years based on K3's accounting and valuation principles.

FINANCIAL POSITION AND LIQUIDITY

The Group's total assets on 31 March 2023 amounted to MSEK 450.7 (427.0).

The Group's equity on 31 March 2023 amounted to MSEK 61.5 (104.3).

The equity ratio as of 31 March 2023 amounted to 13.6 percent (27.1).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities after changes in working capital during the first quarter amounted to MSEK -3.2 (17.3), which is in line with expectations, taking into account larger quantities of hardware purchases and ongoing implementation projects for acquired business.

Cash flow from investing activities in the first quarter amounted to MSEK -16.6 (-7.2). The largest item was the cash payment of earn-outs for Qlosr SBL and Rg19 of MSEK -10.7. The remainder is attributable to machinery & equipment.

Cash flow from financing activities during the first quarter amounted to MSEK 8.3 (-2.3). In total, interest-bearing liabilities have increased by MSEK 7.4 during the quarter.

The total cash flow in the first quarter amounted to MSEK -11.5 (7.9).

PARENT COMPANY

The Parent Company's operating revenue in the first quarter amounted to MSEK 4.1 (2.7). The operating profit was MSEK -4.6 (-2.1), and the profit for the period amounted to MSEK -6.2 (-3.8).

CONSOLIDATED INCOME STATEMENT

KSEK

| Group | 3 month | | 12 month |
|--|-----------------|-----------------|-----------------|
| | jan - mar 2023 | jan - mar 2022 | jan - dec 22 |
| Net sales | 134 734 | 108 668 | 489 765 |
| Other operating income | 9 699 | 12 261 | 25 793 |
| Total operating income | 144 433 | 120 929 | 515 558 |
| Cost of sales | -83 526 | -68 056 | -299 844 |
| Other external expenses | -9 171 | -11 738 | -48 465 |
| Personnel expenses | -43 050 | -34 034 | -144 505 |
| Depreciation and write-down of fixed assets and intangible assets | -17 085 | -12 825 | -60 995 |
| | -156 | -87 | -1 024 |
| Total operating expenses | -152 988 | -126 740 | -554 833 |
| Operating profit/loss | -8 555 | -5 811 | -39 275 |
| Profit from other securities and receivables that are fixed assets | 0 | 0 | -5 |
| Interest income and similar income | 34 | 0 | 27 |
| Interest expenses and similar expenses | -2 779 | -2 400 | -10 295 |
| Total financial incomes and expenses | -2 745 | -2 400 | -10 273 |
| Result after financial earnings | -11 300 | -8 211 | -49 548 |
| Profit before tax | -11 300 | -8 211 | -49 548 |
| Income tax for the year | 48 | 497 | 2 475 |
| Profit for the year | -11 252 | -7 714 | -47 073 |

Other operating revenue relates to Sales & leasebacks arising from the financing of the hardware part of customer deliveries. From the turn of the year 2021/22, it will be reported on a net basis as Other operating revenue. Previously it was reported as part of Net sales and Merchandise.

The consolidated earnings per share before and after dilution for the first quarter of 2023 amounted to SEK -0.19 (-0.18).

CONSOLIDATED BALANCE SHEET

KSEK

| Group | 31 Mar 2023 | 31 Mar 2022 | 31 Dec 2022 |
|---|----------------|----------------|----------------|
| Capitalized development expenditure | 1 840 | 2 165 | 1 949 |
| Concession, patent, licence, brand | 3 480 | 3 960 | 3 600 |
| Goodwill | 208 611 | 195 491 | 222 316 |
| Fixed assets | 24 683 | 10 262 | 21 324 |
| Other long-term securities | 0 | 2 902 | 959 |
| Deferred tax | 12 890 | 7 113 | 12 842 |
| | 1 815 | 1 580 | 1 580 |
| Total Financial assets | 253 319 | 223 473 | 264 570 |
| Stock | 23 552 | 12 422 | 16 569 |
| Accounts receivables | 81 263 | 79 612 | 103 325 |
| Receivables inter-company | 0 | 0 | 0 |
| Income taxes receivables | 4 237 | 1 279 | 0 |
| Other receivables | 2 349 | 12 952 | 2 710 |
| Earned but not invoiced income | 2 803 | 1 625 | 2 797 |
| Prepaid expenses and accrued income | 47 912 | 45 252 | 43 085 |
| Other short-term investments | 3 | 0 | 3 |
| Cash and bank | 35 238 | 50 413 | 46 769 |
| Total current assets | 197 357 | 203 555 | 215 258 |
| ASSETS | 450 676 | 427 028 | 479 828 |
| Share capital | 12 626 | 12 575 | 12 626 |
| Other contributed capital | 178 512 | 176 424 | 178 512 |
| Other equity including the profit of the year | -129 650 | -73 330 | -118 398 |
| Total equity | 61 488 | 115 669 | 72 740 |
| Provision for pension and similar obligations | 235 | 2 902 | 1 122 |
| Provision deferred tax | 1 257 | 1 416 | 1 257 |
| Other provisions | 57 196 | | 60 696 |
| Provisions | 58 688 | 4 318 | 63 075 |
| Liabilities to credit institutes | 55 895 | 49 556 | 54 769 |
| Liabilities inter-company | 0 | 5 076 | 0 |
| Other liabilities | 101 939 | 14 378 | 94 898 |
| Long-term liabilities | 157 834 | 69 010 | 149 667 |
| Liabilities to credit institutes | 6 004 | 4 216 | 4 399 |
| Deposits customer | 127 | 320 | 4 024 |
| Accounts payable | 61 246 | 46 241 | 72 903 |
| Income tax liability | 0 | 672 | 1 619 |
| Other liabilities | 34 650 | 72 446 | 40 125 |
| Accrued expenses and prepaid income | 70 639 | 57 829 | 71 276 |
| Total short-term liabilities | 172 666 | 181 724 | 194 346 |
| EQUITY AND LIABILITIES | 450 676 | 370 721 | 479 828 |

The item Other provisions relate to earn-outs for acquisitions made for uncertain amounts. The most likely scenario is taken into account, which means that the full earn-out will be payable. Other long-term liabilities relate to earn-outs for acquisitions made that are certain in amount and interest-bearing liabilities.

As of 31 March 2023, the Group has a granted, and unused, overdraft facility of MSEK 43 (43).

CHANGES IN GROUP EQUITY

KSEK

| Group | Share capital | Other contributed capital | Profit carried forward | Loss for the year | Total equity |
|-------------------------------------|---------------|---------------------------|------------------------|-------------------|---------------|
| Opening balance 2023-01-01 | 12 626 | 178 512 | -71 325 | -47 073 | 72 740 |
| Carried forward of last year result | | | -47 073 | 47 073 | 0 |
| Loss for the year | | | | -11 252 | -11 252 |
| Ending balance 2023-03-31 | 12 626 | 178 512 | -118 398 | -11 252 | 61 488 |

| Group | Share capital | Other contributed capital | Profit carried forward | Loss for the year | Total equity |
|--|---------------|---------------------------|------------------------|-------------------|----------------|
| Adjusted opening balance 2022-01-01 | 12 466 | 171 584 | -17 003 | -48 614 | 118 434 |
| Offset issues | 109 | 4 891 | | | 5 000 |
| Carried forward of last year result | | | -48 614 | 48 614 | 0 |
| Issue costs | | -51 | | | -51 |
| Loss for the year | | | | -7 714 | -7 714 |
| Ending balance 2022-03-31 | 12 575 | 176 424 | -65 617 | -7 714 | 115 669 |

| Group | Share capital | Other contributed capital | Profit carried forward | Loss for the year | Total equity |
|--|---------------|---------------------------|------------------------|-------------------|----------------|
| Adjusted opening balance 2022-01-01 | 12 466 | 171 584 | -17 003 | -48 614 | 118 434 |
| Offset issues | 160 | 6 218 | | | 6 378 |
| Carried forward of last year result | | | -48 614 | 48 614 | 0 |
| Issue costs | | -59 | | | -59 |
| Warrants | | 769 | | | 769 |
| Redemption | | | -5 709 | | -5 709 |
| Loss for the year | | | | -47 073 | -47 073 |
| Ending balance 2022-12-31 | 12 626 | 178 512 | -71 325 | -47 073 | 72 740 |

CONSOLIDATED CASH FLOW ANALYSIS

KSEK

| Group | 3 month | | 12 Month |
|---|----------------|----------------|----------------|
| | jan - mar 2023 | jan - mar 2022 | jan - dec 2022 |
| Result before financial items | -8 555 | -5 811 | -39 275 |
| Adjustment for depreciations | 17 085 | 12 825 | 60 995 |
| Adjusted for other items not included in the cash flow | -690 | 293 | 385 |
| Received interest | 34 | 0 | 27 |
| Paid interest | -2 493 | -2 023 | -8 844 |
| Paid tax | -4 006 | -891 | -2 185 |
| Cash flow before changes in assets and liabilities of the current business | 1 375 | 4 394 | 11 103 |
| Increase/decrease in stock | -6 983 | -229 | -2 457 |
| Increase/decrease accounts receivables | 22 062 | -4 848 | -27 309 |
| Increase/decrease other receivables | -4 856 | 3 610 | 22 075 |
| Increase/decrease accounts payable | -11 657 | 6 820 | 29 748 |
| Increase/decrease other payables | -3 168 | 7 598 | 18 005 |
| Cash flow from current business | -4 602 | 12 951 | 40 062 |
| Cash flow after changes in assets and liabilities of the current business | -3 227 | 17 345 | 51 165 |
| Acquisition of tangible assets | -6 707 | -992 | -14 415 |
| Acquisition of subsidiary | -10 666 | -10 831 | -72 789 |
| Acquisition of financial assets | -235 | 0 | 0 |
| Disposal/amortization other financial assets | 959 | 4 644 | 6 579 |
| Cashflow from investing activities | -16 649 | -7 179 | -80 625 |
| New share issue | 0 | -51 | -51 |
| Redemption | 0 | 42 | -5 737 |
| Loan | 7 356 | 0 | 50 006 |
| Amortizations | -923 | -2 305 | -9 067 |
| Increase/decrease financial debts | 1 912 | 0 | -1 485 |
| Cashflow from financing activities | 8 346 | -2 314 | 33 666 |
| Cashflow for the year | -11 529 | 7 852 | 4 206 |
| Cash at the beginning of the year | 46 767 | 42 561 | 42 561 |
| Conversion difference | | | |
| Cash at the end of the year | 35 238 | 50 413 | 46 767 |

PARENT COMPANY INCOME STATEMENT

KSEK

| Qlosr Group AB | jan - mar 2023 | jan - mar 2022 | jan-dec 2022 |
|--|----------------|----------------|----------------|
| Net sales | 4 058 | 2 744 | 10 952 |
| Other operating income | 31 | 0 | 2 481 |
| Total operating income | 4 089 | 2 744 | 13 433 |
| Other external expenses | -1 712 | -2 798 | -25 666 |
| Personnel expenses | -6 932 | -2 089 | -18 679 |
| Other operating expenses | -1 | 0 | 0 |
| Total operating costs | -8 646 | -4 887 | -44 344 |
| Operating loss | -4 557 | -2 143 | -30 911 |
| Interest expenses and similar items | -1 621 | -1 695 | -6 890 |
| Total financial income and expenses | -1 621 | -1 695 | -6 890 |
| Result after financial earnings | -6 178 | -3 838 | -37 801 |
| Appropriations | 0 | 0 | 922 |
| Result before tax | -6 178 | -3 838 | -36 879 |
| Income tax for the year | 0 | 0 | 10 933 |
| Profit for the year | -6 178 | -3 838 | -25 946 |

PARENT COMPANY BALANCE SHEET

KSEK

| Qlosr Group AB | 31 Mar 2023 | 31 Mar 2022 | 31 dec 2022 |
|---------------------------------------|----------------|----------------|----------------|
| Participation in affiliated companies | 506 856 | 431 546 | 506 856 |
| Deferred tax | 10 933 | 0 | 10 933 |
| Financial assets | 235 | 0 | 0 |
| Total financial assets | 518 024 | 431 546 | 517 789 |
| Accounts receivables | 0 | | |
| Receivables inter-company | 1 414 | 25 982 | 10 840 |
| Other receivables | 26 | 5 221 | 25 |
| Income tax receivables | 79 | 0 | 0 |
| Prepaid expenses and accrued income | 2 635 | 1 032 | 1 631 |
| Cash and bank | 4 086 | 3 991 | 2 809 |
| Total current assets | 8 240 | 36 226 | 15 305 |
| ASSETS | 526 264 | 467 772 | 533 094 |
| Share capital | 12 626 | 12 575 | 12 626 |
| Free premium fund | 323 071 | 321 034 | 323 071 |
| Loss carried forward | -59 366 | -27 734 | -33 420 |
| Net result for tjhe year | -6 178 | -3 838 | -25 946 |
| Total equity | 270 154 | 302 037 | 276 332 |
| Other provisions | 56 832 | 56 407 | 60 259 |
| Provisions | 56 832 | 56 407 | 60 259 |
| Liabilities to credit institutes | 49 722 | 49 556 | 49 681 |
| Liabilities inter-company | 0 | 16 000 | 0 |
| Other long-term liabilities | 21 436 | 0 | 21 436 |
| Long-term liabilities | 71 158 | 65 556 | 71 117 |
| Accounts payable | 1 548 | 2 513 | 1 863 |
| Others liabilities | 13 151 | 30 383 | 19 728 |
| Liabilities inter-company | 109 329 | 10 000 | 97 479 |
| Accrued expenses and prepaid income | 4 092 | 876 | 6 316 |
| Total short-term liabilities | 128 121 | 43 772 | 125 386 |
| EQUITY AND LIABILITIES | 526 264 | 467 772 | 533 094 |

ALTERNATIVE KPIS

Certain information in this report, which management and analysts use to assess the Group's development, is not prepared according to K3. Management believes this information makes it easier for investors to analyse the Group's performance and financial position. Investors should consider this information as a supplement to the financial reporting required by K3.

| ALTERNATIVE KPI | DEFINITION |
|--------------------------------|--|
| Revenue growth | Change in the period's revenue, calculated as an increase in revenue compared to the previous period, expressed as a percentage. |
| Subscription revenues | Contract with a fixed contract period where the customer has specified prices for agreed service packages. The packages can contain products, software, services, and hours. |
| Subscription revenue growth | Change in the period's subscription revenues, calculated as an increase in subscription revenues compared to the previous period, expressed as a percentage. |
| Share of Subscription revenues | Subscription revenues in relation to total revenues. |
| Business value | The value that the business is expected to generate in accordance with the signed contract with the customer. The business value can be generated from direct revenues and ongoing, recurring revenues. The business value is based on the contract period that the agreement can maximally apply. |
| Contract value | Remaining contract revenues calculated from the end of the reporting period to the end of customer contracts. (The value includes newly signed subscription agreements where delivery has not yet started to the customer but does not exclude signed additional options). |
| Churn | Monthly contract revenue from lost customer contracts during the period in relation to the total monthly contract revenue for the last month of the period. |
| Gross profit | Results after operating revenues and cost of goods sold. |
| Adjusted gross profit | Results after operating revenues and cost of goods sold, excluding items affecting comparability. |
| Gross margin | Gross profit in relation to revenue. |
| EBITDA | The result before interest income and interest expenses, taxes, depreciation of tangible assets and amortization of intangible assets. |
| EBITDA margin | EBITDA in relation to revenue. |
| Adjusted EBITDA | EBITDA excluding items affecting comparability. |
| Adjusted EBITDA margin | Adjusted EBITDA in relation to revenue. |
| Equity ratio | Equity as a percentage of the balance sheet total. |

FURTHER INFORMATION

ORGANISATION

The average number of employees for the first quarter of 2023 amounted to 175 (152).

TRANSACTIONS WITH RELATED PARTIES

There were no related party transactions during the quarter.

AI AND THE INTERNATIONAL SITUATION

Our industry is changing. We are closely following the hype around AI. We have made and continue to make efforts to be early adopters and quickly learn more about new technology, both internally and for our customers. The revolutionary and quickly developing technology will create new opportunities but also require new efforts, strategies and skills in the future.

The ongoing war in Europe and high inflation continue to contribute to capital market uncertainty and higher interest rates. For this reason, we still see a medium risk that access to capital may continue to be some-what limited for us. However, we see no reason to adjust our acquisition strategy for the time being. We continuously monitor the international situation closely.

SEASONAL VARIATIONS

Historically, Q1 and Q3 have been the weaker quarters in terms of sales and profitability. Q2 and Q4 are usually the strongest quarters of the year.

ACCOUNTING PRINCIPLES

This Interim Report has been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 “K3”. The accounting principles and calculation methods applied are consistent with those described in the 2022 Annual Report.

DIVIDENDS

Qlosr Group AB (publ) seeks to invest its profits and cash flows in organic growth initiatives and acquisitions to support value creation. The Group does not expect to pay annual dividends in the medium term.

THE AUDITORS’ REVIEW

The Group’s auditors have not reviewed this report.

SHARE INFORMATION

The number of shares before and after dilution as of 31 March 2023 amounted to 57 864 090 (57 628 794), corresponding to a share capital of MSEK 12.6.

The ten largest shareholders in Qlosr Group AB as of 31 March 2023 are listed below:

| Name | Number of class A | Number of class B | Capital (%) | Votes (%) |
|--------------------------------|-------------------|-------------------|-------------|-----------|
| QLOSR HOLDING AB | 4 667 460 | 26 736 876 | 54.27 | 73.51 |
| LODET AB | - | 3 387 500 | 5.85 | 3.39 |
| NORDNET PENSIONS FÖRSÄKRING AB | - | 2 364 935 | 4.09 | 2.37 |
| HOFMANN, ANDREAS JOHANNES | - | 1 990 079 | 3.44 | 1.99 |
| AVANZA PENSION | - | 1 345 601 | 2.33 | 1.35 |
| STRIVO AB | - | 1 323 529 | 2.29 | 1.33 |
| ABG SUNDAL COLLIER ASA | - | 1 000 000 | 1.73 | 1.00 |
| GREVELIUS, FREDRIK | - | 954 104 | 1.65 | 0.96 |
| STRANDELIN, PIERRE | - | 800 000 | 1.38 | 0.80 |
| CAMBRIAN AB | - | 609 550 | 1.05 | 0.61 |
| Total top 10 | 4 667 460 | 40 512 174 | 78.08 | 87.31 |
| Total | 4 667 461 | 53 196 629 | 100.0 | 100.0 |

Source: Euroclear

ANALYSTS FOLLOWING THE QLOSR GROUP

- ABG Sundal Collier
- Mangold Fondkommission
- Analyst Group
- Aktiespararna / Analysguiden

FINANCIAL CALENDAR

QLOSR GROUP PRESENTS FINANCIAL REPORTS EVERY QUARTER.

The financial calendar is shown below.

Any future updates may occur and can be followed at qlosrgroup.se.

General Meeting, 2023

26 May 2023

Q2 Report 2023

25 August 2023

Q3 Report 2023

24 November 2023

Year-End Report & Q4 Report 2023

23 February 2024

Annual Report 2023

26 April 2024

FOR MORE INFORMATION

You can find more information about the Group on the Company's website: www.qlosrgroup.se.

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