

QUANT™

Smart services for a sustainable world



INTERIM REPORT Q1
JANUARY – MARCH 2022

INTERIM OVERVIEW

All numbers, unless expressly stated, refer to Continuing operations*

January - March

- Net sales for the quarter were in line with last year EUR 40.9 (40.9) million. Organically, net sales decreased by -0.3%
- During the quarter the contract portfolio value increased by net EUR 4.0 million. Two contracts were won, seven contracts were renewed, and two contracts were lost. Portfolio run rate annualized net sales at the end of the quarter was EUR 176.8 million, compared to EUR 172.8 million at the end of the fourth quarter of 2021
- Operating profit amounted to EUR 1.4 million, compared to EUR 0.2 million prior year
- Adjusted EBITDA amounted to EUR 2.5 million compared to EUR 2.6 million prior year, excluding the effect of implementation of IFRS 16 Leases. In constant currencies, Adjusted EBITDA for the quarter was EUR 2.5 (2.6) million. Adjusted EBITDA with IFRS 16 implementation was EUR 3.0 (3.3) million
- Cash flow from operating activities amounted to EUR 2.8 (-2.6) million, of which change in working capital amounted to EUR 3.3 (-3.3) million
- Net profit for the continuing business amounted to EUR 0.8 million compared to a loss of EUR -2.1 million prior year
- The Adjusted EBITDA for Discontinued operations was EUR -0.2 (-0.7) million and the net loss was EUR -0.1 (-6.9) million, which is not included in the reported numbers above
- Group net profit for the quarter, including discontinued operations, was EUR 0.7 (-9.0) million

Significant events during the quarter

On 8 February 2022 it was announced that Quant had signed a renewal of an existing Total Maintenance Partnership with Metsä Wood. The agreement covers industrial maintenance on five production sites in Finland and Estonia. The agreement renewal contains scope changes beneficial to both parties, which increase Quant's contract portfolio by EUR 2 million in the first quarter of 2022.

On 24 March 2022 Quant AB (publ) announced, as part of an initiation of a written procedure in respect of its senior bonds, that Permira Credit Solutions II Master Sub S.A. ("Permira Credit"), the holder of the junior bond, and Nordic Capital, the current majority owner of Quant, have agreed in principle to a conditional agreement under which Permira Credit is expected to become the new majority owner of Quant. Nordic Capital is expected to remain as a minority shareholder.

Significant events after the end of the quarter

On 7 April 2022 Quant received an approval from the holders of the senior bonds in the written procedure and on 21 April 2022 the Interim Amendment was fully and finally executed. At the time of the publication of the interim report the company awaits formal approval of merger control filings. For more information, see note Significant events after the end of the quarter in the notes section of this report.

KEUR	Q1		LTM	Jan-Dec
	2022	2021	Mar 2022	2021
Net sales	40,853	40,861	164,427	164,435
Operating profit (loss)	1,419	212	-1,571	-2,778
Adjusted EBITDA	2,453	2,610	7,052	7,209
Adjusted EBITDA, %	6.0%	6.4%	4.3%	4.4%
Adjusted EBITDA IFRS 16	3,025	3,291	9,521	9,786
Adjusted EBITDA IFRS 16, %	7.4%	8.1%	5.8%	6.0%
Cash flow from operating activities	2,763	-2,555	3,538	-1,781
Net debt	-	-	134,913	135,295
Net debt / Adjusted EBITDA, times	-	-	19.1	18.8
Net debt / Adjusted EBITDA IFRS 16, times	-	-	14.5	14.2
Discontinued operations				
Operating profit (loss)	-191	-6,892	-687	-7,388
Adjusted EBITDA	-191	-719	-338	-865
Adjusted EBITDA IFRS 16	-191	-719	-338	-865

A detailed presentation of the alternative performance measures Adjusted EBITDA, Net Debt and Net Debt / Adjusted EBITDA, together with other measures, is found on page 16.

*In January 2021 Quant took the decision to discontinue operations in China and from January 1, 2021 operations in China are reported as Discontinued operations, and are reported separately in the income statement, balance sheet and cash flow. Historical comparison periods for the income statement and the cash flow statement have been adjusted accordingly.

CEO COMMENTS

TOMAS RÖNN
CEO
QUANT AB (PUBL)



At Quant we are proud of our safety culture. We are operating under clear safety rules which are repeated and discussed throughout each year. To celebrate this, and to reinforce the importance safety has on Quant and our operations, we held a global Safety Week in early May 2022. During this week, managers visited sites around the globe, we conducted safety trainings and forums to discuss and consider safety in the workplace. Globally more than 300 lifesaving rules training sessions were taken, more than 50 managers visited sites, and more than 200 safety situation workshops were held. We are very proud of the outcome and expect Quant to continue to provide world-class safety behavior.

During the first quarter of 2022 Adjusted EBITDA came in at EUR 2.5 million compared to EUR 2.6 million in 2021. Region Europe & Middle East had topline in line with last year. Profitability for the region was negatively impacted by high covid-19 sick leave in early 2022, primarily in a Norwegian contract. Region Americas revenue increased compared to last year, but profitability was impacted by a lost contract in Chile and fewer shutdowns compared to last year. Discussions are ongoing regarding the full scope of the maintenance operations in the Peruvian Exalmar contract which is expected to start full-scale operations in 2022. Region Finland & Baltics increased profitability in the quarter due to good contract management and contract renewals.

The world economy is experiencing ripple effects from the Russian geopolitical situation after the invasion of Ukraine. We prepared ourselves, like many other companies, for effects close to the Russian political sphere which in our case could be effects in Finland and the Baltics. What has occurred so far shows the interconnectedness of the global economy. Quant lost one contract in the first quarter of the year in Sweden, directly linked to the Russian geopolitical situation. The customer experienced severe shocks to both supply of input materials and to their ability to sell their products. In an effort to save the company they were forced to take drastic measures. For other customers, Quant is

tirelessly working with customers as part of their strategy to mitigate effects of the Russian geopolitical crisis. This is part of our company's DNA. We help customers increase efficiency on their production facilities, and we help them mitigate production issues when they occur.

The contract portfolio increased by EUR 4.0 million during the quarter as we have won two contracts, renewed six contracts, and lost two contracts. The portfolio value at the end of the quarter amounted to EUR 176.8 million. After the end of the quarter Quant has renewed an additional two contracts for an annualized revenue of EUR 9.7 million, taking down contracts scheduled for renewal during the next twelve months from the reported EUR 44.6 million to EUR 34.8 million.

During the quarter Quant announced a plan to refinance the group and to bring in new owners. On 7 April we press released that the bondholders had approved our plan, which in part became effective on 21 April. As part of this process local authorities must receive information and competition merger filings have been made in several countries. We expect to complete the refinancing and change of ownership before the end of the second quarter.

Recently we have seen a substantial decrease in the impact of the pandemic, but instead we are challenged by the current geopolitical situation, inflation, and supply chain obstacles. We are, however, continuing to implement our strategy and build on the success of increasing our portfolio value from last year.

I would like to thank the entire organization for the excellent work and our customers and other stakeholders for the continuous trust and support.

Tomas Rönn
CEO

FIRST QUARTER OF 2022

Net sales and profit

Net sales during the quarter were in line with prior year and amounted to EUR 40.9 million (40.9). The increase from new contracts in regions Europe & Middle East and Americas, and increased revenues in existing contracts was offset by contracts lost prior year. Organically, i.e. adjusted for acquisitions, non-recurring adjustments and currency, net sales decreased by -0.3% compared to the same quarter last year. In the period, there were no adjustments for structural changes and other non-recurring adjustments.

Gross profit for the quarter amounted to EUR 6.2 million up from EUR 6.1 million prior year. Gross profit was positively impacted by currency fluctuations on revaluations of internal receivables and payables in the amount of EUR 1.2 (0.1) million and improved performance on existing contracts in region Finland and Baltics. This was offset by decreased profitability due to lost contracts and lower shutdown activity in region Americas.

Operating profit for the quarter was EUR 1.4 million, compared to EUR 0.2 million last year due to increased gross profit and lower amortization, partially offset by higher expenses related to the additions to the management team and investments in sales force.

Quarterly adjusted EBITDA, excluding the impact from IFRS 16, decreased to EUR 2.5 million from EUR 2.6 million prior year due to change in gross profit and higher general, administration and sales expense as the full management team is now in place and increased investment in sales. In constant currency the adjusted EBITDA was EUR 2.5 (2.6) million. Quarterly adjusted EBITDA with IFRS 16 was EUR 3.0 (3.3) million.

Net financial items for the quarter were EUR -0.3 million compared to EUR -2.7 million last year primarily due to positive impact on revaluations of internal loans to subsidiaries as a result of exchange rate fluctuations.

Net profit in the quarter amounted to EUR 0.8 million compared to EUR -2.1 million prior year due to higher gross profit, lower amortization and lower financial expenses.

The Adjusted EBITDA for discontinued operations was EUR -0.2 (-0.7) million in the quarter. For discontinued operations, the net profit in the quarter was EUR -0.1 (-6.9) million. The significant net loss for discontinued operation in the first quarter of last year was due to a write down of goodwill in China.

Cash flow

Cash flow from operating activities for the quarter amounted to EUR 2.8 (-2.6) million. Change in net working capital was EUR 3.3 (-3.3) million for the quarter mostly due to an increase in operating liabilities. For the total Group, including both continuing and discontinued operations, cash flow for the quarter was EUR 2.1 (-12.8) million. On 31 March 2022 the amount drawn on the revolving working capital facility amounted to EUR 4.0 (2.0) million.

Contract portfolio

During the quarter, Quant had 77 sites in operation worldwide. A standard contract has a duration of three to five years, usually with extension possibilities after the initial period. In outsourced maintenance, changes to the contract portfolio are a natural part of doing business, as contracts are won and lost. New contract wins and losses of existing contracts do not coincide in the short term, whereby it is necessary to consider the long-term trend. Contracts with annualized net sales of EUR 44.6 (42.3) million are scheduled for renewal during the next twelve months.

During the first quarter two contracts were won, with a combined annualized net sales of EUR 2.8 million. Seven contracts were renewed with an increased scope of EUR 2.2 million. Two contracts were lost with annualized net sales of EUR -4.0 million. The combined effect of these changes, including scope changes in existing contracts and exchange rate effects totalling EUR 3.0 million, amount to an increase in the contract portfolio annualized net sales of EUR 4.0 million to end of quarter annualized run rate of EUR 176.8 million, compared to 172.8 at the end of the fourth quarter of 2021.

Financial position

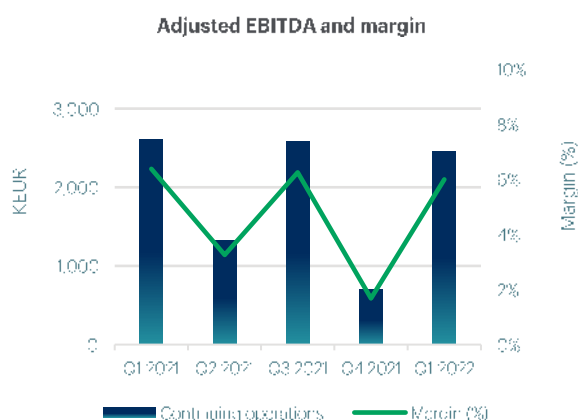
Interest-bearing liabilities after deduction of financing costs, and excluding lease liabilities, amounted to EUR 147.0 (137.5) million. During the first quarter interest-bearing liabilities increased by EUR 2.0 million mainly due to capitalized interest. Net debt excluding the impact of IFRS 16 implementation amounted to EUR 134.9 (128.7) million, whereas Net debt with IFRS 16 effects included (Net Debt IFRS 16) amounted to EUR 137.9 (133.0) million (see separate table for calculation of Net debt and other Alternative Performance Measures).

Items affecting comparability

Items affecting comparability includes events and transactions with significant effects, which are affecting the possibility to accurately compare income for the current period with previous periods, including restructuring initiatives, costs related to M&A significant impairment, and other major non-recurring income or costs. Items affecting comparability are recorded as non-recurring items, which amounted to EUR -0.0 (0.0) million for the Group in the quarter.

Parent company and ownership

Quant AB offers headquarter functions for the group and includes group management as well as group-wide functions. Cash and cash equivalents at the end of Q1 2022 amounted to EUR 5.1 (1.2) million. Quant AB is owned by Cidron FS Holding AB. The group's parent company is Cidron FS Top Holding AB, which owns 100% of the shares in Cidron FS Holding AB. The ultimate beneficial owner of Cidron FS Top Holding AB is Nordic Capital Fund VIII.

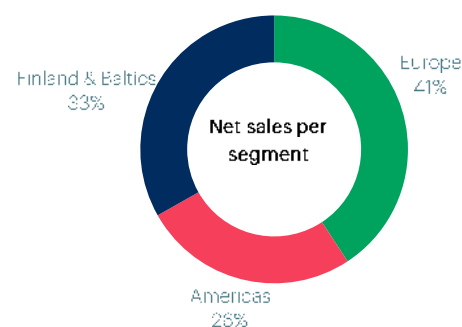


SEGMENTS

Quant's customer contracts consist of providing maintenance outsourcing services, and as such net sales is recognized over time as the services are performed.

Quant is organized in a geographic setup, which is reflected in the reporting of financials in geographic segments. The reporting segment Other refers primarily to costs for headquarters functions that have not been operationally allocated to the geographic segments and eliminations. Assets held for sale and discontinued are reported separately as Discontinued operations.

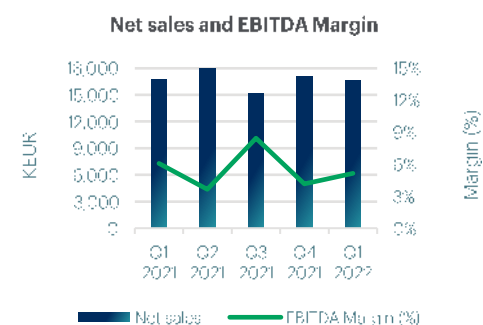
The segment reporting reflects the organizational structure as of January 2021.



Europe & Middle East

Net sales in the quarter decreased to EUR 16.6 million, from EUR 16.7 million prior year due to lost contracts, partially offset by increased scope in existing contracts and new contracts.

Adjusted EBITDA for the quarter was EUR 0.9 million, compared to EUR 1.0 million prior year. The decrease in adjusted EBITDA is due to lower profitability in a Norwegian contract caused by high covid-related sick leave in the first quarter of 2022, and contracts lost after the end of Q1 prior year.

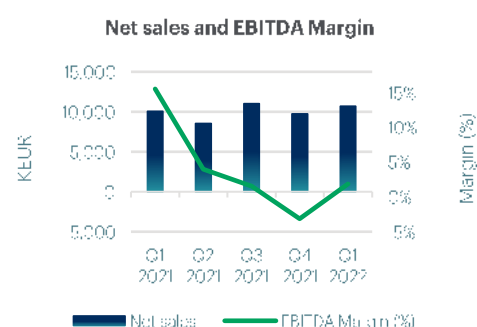


KEUR	Q1		Jan-Dec
	2022	2021	2021
Net sales	16,647	16,732	66,882
Operating profit (loss)	830	955	3,523
Adjusted EBITDA	857	1,018	3,657
Adjusted EBITDA %	5.1%	6.1%	5.5%

Americas

Net sales in the quarter increased to EUR 10.6 million, from EUR 10.0 million prior year, mainly due to new contracts signed last year and higher revenue from projects and upselling in running contracts. This was partially offset by decreased revenue from one contract in Chile which was lost in 2020 and exited at the end of the first quarter of last year.

Adjusted EBITDA for the quarter was EUR 0.2 million, down from EUR 1.6 million last year. This is mainly due to one lost contract in Chile and lower profitability due to low shutdown activity in the first quarter. Additionally, sales expense increased as a result of strengthening the region's sales force.

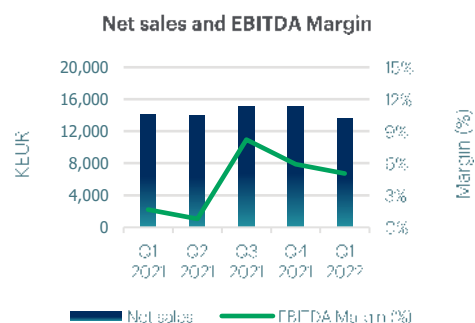


KEUR	Q1		Jan-Dec
	2022	2021	2021
Net sales	10,647	10,033	39,249
Operating profit (loss)	133	1,450	1,383
Adjusted EBITDA	198	1,558	1,762
Adjusted EBITDA %	1.9%	15.5%	4.5%

Finland & Baltics

Net sales in the first quarter decreased to EUR 13.6 million, from EUR 14.1 million in the same period last year, due to lost contracts partially offset by increased upsell and revenue from one new contract.

Adjusted EBITDA in the quarter increased to EUR 0.7 million, from EUR 0.2 million prior year, as many contracts increased profitability due to good contract management and mutually beneficial discussions with customers.



KEUR	Q1		Jan-Dec
	2022	2021	2021
Net sales	13,559	14,093	58,304
Operating profit (loss)	608	162	2,181
Adjusted EBITDA	683	235	2,479
Adjusted EBITDA %	5.0%	1.7%	4.3%

SEGMENT OVERVIEW

Net Sales

KEUR	Q1		LTM	Jan-Dec
	2022	2021	Mar 2022	2021
Europe & Middle East	16,647	16,732	66,796	66,882
Americas	10,647	10,033	39,864	39,249
Finland & Baltics	13,559	14,093	57,770	58,304
Other	-	3	-3	-
Group (continuing operations)	40,853	40,861	164,427	164,435

Operating profit (loss)

KEUR	Q1		LTM	Jan-Dec
	2022	2021	Mar 2022	2021
Europe & Middle East	830	955	3,397	3,523
Americas	133	1,450	66	1,383
Finland & Baltics	608	162	2,627	2,181
Other	-151	-2,354	-7,661	-9,864
Group (continuing operations)	1,419	212	-1,571	-2,778

Adjusted EBITDA

KEUR	Q1		LTM	Jan-Dec
	2022	2021	Mar 2022	2021
Europe & Middle East	857	1,018	3,496	3,657
Americas	198	1,558	402	1,762
Finland & Baltics	683	235	2,926	2,479
Other	715	-201	228	-688
Group (continuing operations)	2,453	2,610	7,052	7,209
Group, %	6.0%	6.4%	4.3%	4.4%
Adjusted EBITDA IFRS 16 (continuing operations)	3,025	3,291	9,521	9,786
Adjusted EBITDA IFRS 16 (continuing operations) %	7.4%	8.1%	5.8%	6.0%

SIGNATURE PAGE

The condensed set of financial statements in this interim report were prepared in accordance with IFRS, as approved by the EU and with generally accepted accounting practices and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the company.

Stockholm, May 18, 2022

Casper Lerche

Chairman of the Finance and Audit Committee

Henrik Sandréus

Member of the Finance and Audit Committee

Tomas Rönn

CEO

The report has not been subject to review by the Company's auditors.

Contact Information



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Quant AB, organization number: 556975-5654

Financial Calendar



Interim report Q2 April – June: August 26, 2022

Interim report Q3 July – September: November 25, 2022

Interim report Q4 October – December: February 28, 2023

Annual report 2022: April 30, 2023

CONSOLIDATED ACCOUNTS

Condensed Consolidated Income Statement

KEUR	Q1		Jan-Dec
	2022	2021	2021
Continuing operations			
Net sales	40,853	40,861	164,435
Cost of sales	-34,624	-34,791	-143,207
Gross profit	6,229	6,071	21,228
General and administration expenses	-4,004	-5,242	-21,209
Selling expenses	-730	-559	-2,466
Research and development costs	-78	-51	-294
Other operating items	1	-7	-37
Operating profit (loss)	1,419	212	-2,778
Net financial items	-349	-2,739	-14,148
Profit (loss) before tax	1,070	-2,527	-16,926
Tax	-282	469	1,426
Net profit (loss)	789	-2,058	-15,500
Discontinued operations			
Net sales	-	516	946
Operating profit (loss)	-191	-6,892	-7,388
Profit (loss) before tax	-191	-6,912	-7,422
Net profit (loss)	-123	-6,906	-7,358
Group total			
Net sales	40,853	41,377	165,381
Operating profit (loss)	1,228	-6,680	-10,166
Profit (loss) before tax	879	-9,439	-24,347
Net profit (loss)	666	-8,964	-22,858
Net profit (loss) attrib to parent company shareholders	666	-8,964	-22,858
Earnings per share basic*, EUR Continuing operations	1.58	-4.12	-31.00
Earnings per share basic*, EUR Discontinued operations	-0.25	-13.81	-14.72
*As no potential shares exist, there is no dilution effect.			
Number of shares at end of period	500,000	500,000	500,000
Number of shares average	500,000	500,000	500,000

Condensed Consolidated Statement of Comprehensive income

KEUR	Q1		Jan-Dec
	2022	2021	2021
Net profit (loss)	666	-8,964	-22,858
<i>Other comprehensive income</i>			
Translations differences pertaining to foreign operations	-3,062	50	245
Items that will be reclassified to profit or loss	-3,062	50	245
Revaluation of defined benefit plans	-	-	1,287
Tax pertaining to items that will not be reallocated to profit/loss	-	-	-252
Items that will not be reclassified to profit or loss	-	-	1,035
Other comprehensive income	-3,062	50	1,280
Total comprehensive income	-2,396	-8,914	-21,578

Condensed Consolidated Statement of Changes in Equity

KEUR	31 Mar 2022	31 Mar 2021	31 Dec 2021
Opening Shareholder's equity	-55,231	-33,653	-33,653
Net income/loss for the period	666	-8,964	-22,858
Other comprehensive income	-3,062	50	1,280
Total comprehensive income	-2,396	-8,914	-28,153
Closing Shareholder's equity	-57,627	-42,567	-55,231

Condensed Consolidated Statement of Financial Position

KEUR	31 Mar 2022	31 Mar 2021	31 Dec 2021
Non-current assets			
Intangible fixed assets	86,087	93,938	86,424
Tangible fixed assets	1,912	1,486	1,598
Right of use assets	2,780	4,037	3,185
Financial fixed assets	1,873	2,632	1,768
Total non-current assets	92,651	102,094	92,975
Current assets			
Inventories	1,728	1,789	1,402
Current receivables	32,631	32,687	32,194
Cash and bank	12,050	8,809	9,648
Assets held for sale	259	360	358
Total current assets	46,669	43,645	43,601
Total assets	139,320	145,739	136,576
Equity	-57,627	-42,567	-55,231
Non-current liabilities			
Long term borrowings	138,298	131,069	136,341
Provisions for pensions and similar obligations	2,462	4,212	2,441
Provisions for taxes	3,300	4,813	3,443
Leasing liabilities	1,817	2,052	1,502
Total non-current liabilities	145,877	142,147	143,727
Current liabilities			
Accounts payable, trade	8,788	8,179	8,301
Short term borrowings	8,665	6,419	8,602
Leasing liabilities	1,143	2,222	1,869
Other provisions	507	465	515
Other current liabilities	31,132	28,583	28,287
Liabilities related to assets held for sale	836	291	506
Total current liabilities	51,071	46,159	48,080
Total Liabilities	196,948	188,306	191,807
Total Liabilities and Equity	139,320	145,739	136,576

Condensed Consolidated Cashflow Statement

KEUR	Q1		Jan-Dec
	2022	2021	2021
Continuing operations			
Profit (loss) after financial items	1,070	-2,527	-16,926
<u>Adjustments for non-cash items</u>			
Reversal of depreciation & amortization	1,106	2,460	9,784
Reversal of depreciation Right of Use Assets	484	576	2,158
Change in provisions	-36	-276	-1,546
Other	-2,924	1,023	8,216
Total items not affecting cash	-1,371	3,784	18,612
Taxes paid	-189	-484	-342
<u>Working Capital</u>			
Change in inventories	-326	-392	-24
Change in receivables	818	1,116	-2
Change in liabilities	2,760	-4,052	-3,099
Cash flow from working capital	3,252	-3,329	-3,125
CASH FLOW FROM OPERATING ACTIVITIES	2,763	-2,555	-1,781
<u>Investing activities</u>			
Change in intangible assets	-5	-	-50
Change in tangible assets	-354	-220	-894
Change in financial fixed assets	-0	-19	7
CASH FLOW FROM INVESTING ACTIVITIES	-359	-238	-937
<u>Financing activities</u>			
Change in loans	-0	-9,000	-7,000
Change in financial leases	-481	-545	-1,369
CASH FLOW FROM FINANCING ACTIVITIES	-481	-9,545	-8,369
TOTAL CASH FLOW FROM CONTINUING OPERATIONS	1,923	-12,338	-11,087
Discontinued operations			
Cash flow from operating activities	209	-427	-827
Cash flow from investing activities	-	-	-
Cash flow from financing activities	-	-	-
TOTAL CASH FLOW FROM DISCONTINUED OPERATIONS	209	-427	-827
Group			
Cash flow from operating activities	2,971	-2,982	-2,607
Cash flow from investing activities	-359	-238	-937
Cash flow from financing activities	-481	-9,545	-8,369
CASH FLOW FOR THE PERIOD	2,131	-12,765	-11,914
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,648	21,351	21,351
Cash flow for the period	2,131	-12,765	-11,914
Exchange rate effects	271	223	210
CASH & CASH EQUIVALENTS AT END OF PERIOD	12,050	8,809	9,648

PARENT COMPANY

Condensed Parent Company Income Statement

KEUR	Q1		Jan-Dec
	2022	2021	2021
Net sales	2,454	2,932	10,752
Cost of sales	-602	-631	-2,496
Gross profit	1,852	2,302	8,256
General and administration expenses	-1,093	-1,163	-5,189
Selling expenses	-106	-62	-303
Research and development costs	-78	-56	-310
Other operating items	381	7	43
Operating profit (loss)	957	1,027	2,497
Interest income	603	673	2,845
Interest expenses	-3,141	-2,966	-12,259
Other financial items	-375	-173	-7,333
Foreign exchange gains/losses	2,396	414	24
Net financial items	-517	-2,052	-16,724
Profit (loss) before tax	439	-1,025	-14,226
Tax	-459	-123	-145
Net profit (loss)	-20	-1,148	-14,371

Condensed Parent Company Statement of Comprehensive Income

KEUR	Q1		Jan-Dec
	2022	2021	2021
Net profit (loss)	-20	-1,148	-14,371
Total comprehensive income	-20	-1,148	-14,371

Condensed Parent Company Statement of Financial Position

KEUR	31 Mar 2022	31 Mar 2021	31 Dec 2021
Intangible fixed assets	-	-	-
Tangible fixed assets	707	632	519
Financial fixed assets	96,509	101,954	96,509
Total non-current assets	97,215	102,586	97,027
Current receivables	104,336	104,773	106,935
Cash and bank	5,063	1,167	1,393
Total current assets	109,398	105,940	108,328
Total assets	206,614	208,526	205,355
Equity	45,463	58,706	45,483
Long term borrowings	138,298	131,069	136,341
Provisions for pensions and similar obligations	-	823	-
Other non interest bearing liabilities, external	316	457	353
Total non-current liabilities	138,615	132,350	136,693
Accounts payable, trade	249	212	208
Short term borrowings	8,665	6,419	8,602
Other current liabilities	13,622	10,840	14,369
Total current liabilities	22,536	17,471	23,179
Total Liabilities	161,151	149,820	159,872
Total Liabilities and Equity	206,614	208,526	205,355

ALTERNATIVE PERFORMANCE MEASURES

Quant uses certain alternative performance measures (APMs) not defined in the rules for financial reporting adopted by Quant. APMs, i.e. performance measures not based on financial statements standards, provide meaningful supplemental information by excluding items that may not be indicative of the operating result or cash flows of Quant. Alternative performance measures enhance comparability from period to period and are frequently used by analysts, investors and other parties. These APMs, as defined, cannot be fully compared with other companies' APMs and should not be considered as a substitute for measures of performance in accordance with IFRS.

Alternative Performance Measure	Definition	Reason for use
EBITDA	Earnings before interest, tax, depreciation and amortization, and before write-down of intangible and tangible assets.	Shows the operational profitability that the business primarily can affect
Adjusted EBITDA	EBITDA excluding items affecting comparability (non-recurring items) and the effect of IFRS 16 Leases	Related to the underlying performance and cash generation ability of the business
Adjusted EBITDA Margin	Adjusted EBITDA as a percentage of Net Sales	Enables comparability of underlying profitability for different size segments
Adjusted EBITDA IFRS 16	EBITDA excluding items affecting comparability (non-recurring items), but including the effect of IFRS 16 Leases, with expenses related to leases in Depreciation and Interest cost	Related to the underlying performance and cash generation ability of the business, aligned with updated IFRS standards
Net debt	Interest-bearing liabilities, excluding lease liabilities, less cash and cash equivalents	Indicates how much debt the group has net of cash and is an important measure for bond holders
Net debt IFRS 16	Interest-bearing liabilities, including lease liabilities, less cash and cash equivalents	Indicates how much debt the group has net of cash, with lease liabilities recorded as debt in accordance with IFRS 16, aligned with adjusted EBITDA IFRS 16
Net debt/adjusted EBITDA / Net Debt / Adjusted EBITDA IFRS 16	Net debt in relation to adjusted EBITDA / Net debt IFRS 16 in relation to adjusted EBITDA IFRS 16	Shows the ability to service debt, an important measure for bond holders, both without and with application of IFRS 16
Growth excluding structural and other non-recurring adjustments	Growth excluding structural changes and other non-recurring adjustments shows the change in net sales, excluding changes related to acquisitions, divestments, and other non-recurring adjustments, such as accounting related changes	Shows the actual growth, including currency effects, of the business
Organic growth	Organic growth refers to growth in net sales excluding (i) growth related to acquisitions and divestments and other non-recurring adjustments and (ii) growth related to fluctuations in currency exchange rates	Shows the actual growth of the business, excluding currency effects
Local currency/constant currencies	Excludes the impact of changes in exchange rates when translating net sales and profits of entities with reporting currencies other than Euro, to the group currency Euro	Shows growth excluding currency effects
Contract Portfolio	The annualized net sales of current customer contracts, adjusted for (i) signed new contracts, included at date of contract signing, irrespective of start date; (ii) terminated contracts, excluded at date of formal notification, irrespective of end date; (iii) changes formally agreed with the customers of existing contracts, included at date of agreement. This includes changes due to renewals of contracts or other reasons	Shows current recurring annual net sales adjusted for short- and medium-term changes
Items affecting comparability/non-recurring items	Items affecting comparability are of a one-off, non-recurring, non-operational, extraordinary, unusual or exceptional nature (including restructuring expenditures).	Shows the value of items which affect the comparability of Quant's result and profitability between periods

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

KEUR	Q1		LTM	Jan-Dec
	2022	2021	Mar 2022	2021
Continuing operations				
Operating profit (loss)	1,419	212	-1,571	-2,778
Depreciation & amortization	1,589	3,015	10,495	11,921
Non recurring items	17	42	596	621
Reversal of Write-down intangible assets	-	22	-0	22
Reversal of Write-down tangible assets	-	-	-	-
Adjusted EBITDA IFRS 16	3,025	3,291	9,521	9,786
Effect from IFRS 16	-573	-681	-2,468	-2,577
Adjusted EBITDA	2,453	2,610	7,052	7,209
Net sales	40,853	40,861	164,427	164,435
Adjusted EBITDA margin	6.0%	6.4%	4.3%	4.4%
Discontinued operations				
Operating profit (loss)	-191	-6,892	-687	-7,388
Depreciation & amortization	-	11	2	13
Non recurring items	-	-	-	-
Reversal of Write-down intangible assets	-	6,162	348	6,510
Reversal of Write-down tangible assets	-	-	-	-
Adjusted EBITDA IFRS 16	-191	-719	-338	-865
Effect from IFRS 16	-	-	-	-
Adjusted EBITDA	-191	-719	-338	-865
Net sales	-	516	430	946
Adjusted EBITDA margin	-	-139.4%	-78.5%	-91.5%
Group total				
Operating profit (loss)	1,228	-6,680	-2,258	-10,166
Depreciation & amortization	1,589	3,026	10,498	11,934
Non recurring items	17	42	596	621
Reversal of Write-down intangible assets	-	6,184	348	6,531
Reversal of Write-down tangible assets	-	-	-	-
Adjusted EBITDA IFRS 16	2,834	2,572	9,183	8,921
Effect from IFRS 16	-573	-681	-2,468	-2,577
Adjusted EBITDA	2,262	1,891	6,715	6,344
Net sales	40,853	41,377	164,857	165,381
Adjusted EBITDA margin	5.5%	4.6%	4.1%	3.8%

KEUR	31 Mar		LTM	Jan-Dec
	2022	2021	Mar 2022	2021
Net Debt				
Cash and bank	12,050	8,809	12,050	9,648
Financial assets	12,050	8,809	12,050	9,648
Long term borrowings	138,298	131,069	138,298	136,341
Short term borrowings	8,665	6,419	8,665	8,602
Adjusted financial liabilities	146,963	137,488	146,963	144,943
Net Debt	134,913	128,678	134,913	135,295
Lease liabilities	2,960	4,274	2,960	3,371
Net Debt IFRS 16	137,873	132,953	137,873	138,665
Net Debt	-	-	134,913	135,295
Adjusted EBITDA Continued operations	-	-	7,052	7,209
Net Debt / Adjusted EBITDA, times	-	-	19.1	18.8
Net Debt IFRS 16	-	-	137,873	138,665
Adjusted EBITDA IFRS 16 Continued operations	-	-	9,521	9,786
Net Debt IFRS 16/ Adjusted EBITDA IFRS 16, times			14.5	14.2

KEUR	Q1 2022
Changes in net sales	
Net sales	40,853
Net sales in comparative period of previous year	40,861
Net sales, change	-8
Minus: Structural changes and other non-recurring adjustments	-
Plus: Changes in exchange rates	-105
Organic Growth	-114
Structural changes and other Non-recurring adjustments, %	-
Organic Growth, %	-0.3%
Net sales	40,853
Plus: Changes in exchange rates	-105
Net sales in constant currency	40,748
Adjusted EBITDA	2,453
Plus: Changes in exchange rates	67
Adjusted EBITDA in constant currency	2,520

NOTES

Accounting principles

This interim report has been prepared under International Financial Reporting Standards (IFRS), in accordance with IAS 34 Interim Financial Reporting. The accounting policies and methods of calculation used in the preparation of the latest annual report have been applied, with the exception of new and amended standards and interpretations effective on 1 January 2022.

The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which is in compliance with RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. New or revised IFRS standard that came into force in 2022 did not have any material impact on the Group's financial reporting.

Transactions with related parties

There have been no transactions between Quant and related parties that have significantly affected the Company's position and results during the period.

Employees

The number of full-time employees (FTEs) for the quarter was 2,546 compared to 2,469 during the fourth quarter of 2021. The number of employees at 31 March 2022 was 2,546 compared to 2,524 at 31 December 2021.

Risks and uncertainties

The significant risks and uncertainties to which the Quant Group is exposed include global economic and market risks, operational risks, technology risks, and disputes and litigation risks. Through its operations, Quant is exposed to a number of different financial risks: market risk (primarily currency risk and interest rate risk), financing risk, credit risk and liquidity risk. Financial risks arise when refinancing and credit risks as well as changes in interest rates and exchange rates affect the group's earnings, cash flow and value. Quant has experienced the effects of the global Covid-19 pandemic through high sick leave vacancies, temporary staff, and higher cost for safety and transportation. Sales becomes affected as traveling and abilities to meet are restricted.

The outbreak of the war in Ukraine in February has affected the global macroeconomic outlook. Quant does not have operations in Russia or Ukraine and therefore is not directly affected by the conflict. The risks for Quant are indirect and stem from changes to the macroeconomic environment such as changes in inflation expectations, disturbances, sanctions, and shortages in supply chains and labor markets, as well as changes in behavior which may adversely affects Quant's business model and profitability.

A full description of the risks to which the Group is exposed can be found in Quant's Annual report 2021.

Fair value of financial instruments

The Group has no financial instruments that are measured at fair value in the balance sheet. For borrowing, there is no material difference between the carrying amount and fair value, as the Group's borrowings are at variable interest rates. Nor does the Group have any other off-balance sheet financial assets or liabilities.

Discontinued operations

No divestments have occurred during the quarter.

In January 2021 Quant China was classified as a discontinued operation. A decision was taken by management to discontinue operations in China through a sale, non-renewal or termination of existing contracts. This decision triggered a write down of Goodwill, Customer relations and Customer contracts in the amount of EUR 5.2 million, EUR 0.8 million and EUR 0.4 million, respectively. On December 31, 2021 operations in China were closed and preparations were initiated to enter liquidation.

Significant events during the quarter

On 8 February 2022 it was announced that Quant had signed a renewal of an existing Total Maintenance Partnership with Metsä Wood, into an evergreen contract which cover industrial maintenance on five production sites in Finland and Estonia. The agreement renewal contains scope changes beneficial to both parties, which increase Quant's contract portfolio by EUR 2 million in the first quarter of 2022.

On 24 March 2022 Quant AB (publ) announced, as part of an initiation of a written procedure in respect of its senior bonds, that Permira Credit Solutions II Master Sub S.A. ("Permira Credit"), the holder of the junior bond, and Nordic Capital, the current majority owner of Quant, have agreed in principle to a conditional agreement under which Permira Credit is expected to become the new majority owner of Quant. Nordic Capital is expected to remain as a minority shareholder. The agreement between Permira Credit and Nordic Capital is conditional upon, amongst other things, agreements and consents relating to an extension and reduction of the existing super senior revolving credit facility, and is subject to formal approval of merger filings with competition authorities. Permira Credit will, as part of the agreement with Nordic Capital, provide EUR 10 million of new capital as a cash injection on the balance sheet. Amounts corresponding to the junior bond and certain shareholder loans will, in time, also be capitalized resulting in releases of these debts.

In the written procedure the holders of the senior bonds were requested to approve, inter alia, (i) an unconditional extension (the "Interim Amendment") of the terms of the senior bonds by three months, extending the maturity date from 25 February 2023 to 25 May 2023, and (ii) conditional amendments (the "Final Amendments") consisting of an extension of the term of the senior bonds from 15 May 2023 to 15 November 2025, an amendment of the change of control clause to allow for Permira Credit to take over as the new majority owner of Quant, a correction of wording to allow non-wholly owned subsidiaries to make pro-rata distributions to group companies and joint venture partners, an undertaking to achieve an increase of equity to an amount corresponding to the junior bond which is then extinguished, and an update of the call structure of the Senior Bond. The Final Amendments are conditional upon the cash injection by Permira Credit and the extension and reduction of the existing super senior revolving credit facility.

Significant events after the quarter

On 7 April 2022 Quant received an approval from the holders of the senior bonds in the written procedure and on 21 April 2022 the Interim Amendment was fully and finally executed. At the time of the publication of the interim report the company was awaiting formal approval of merger control filings. For more information, please visit www.quantservice.com/investors

Quant's vision is to build Smart Services for a Sustainable World.

The service is data driven, using cutting edge digital tools, to deliver right the first time in a service minded and professional way.