QUANT™

Q4 Report 2022

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24 February 2023

SAFETY FIRST

Safety within Quant

Safety is our choice. We are passionate about keeping our people, suppliers and customers safe at all times.

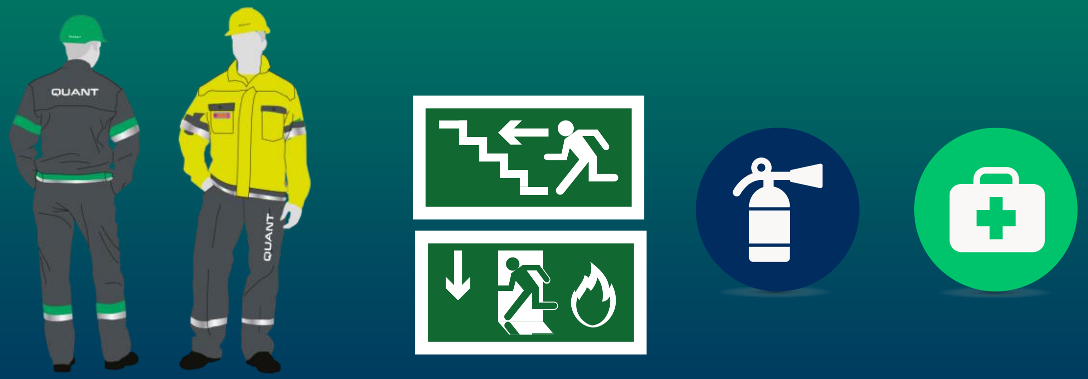
Everybody working for Quant, as an employee or contractor, is required to take care of themselves and their colleagues. We are committed to providing the instructions and training required to ensure they can do so safely.

Improving and developing our safety systems to world class standards is always our focus. Feedback is encouraged and seen as an opportunity to improve and evolve our safety procedures and culture.

Our ultimate safety goal is ZERO accidents. We have only done our job when everyone goes home each and every day safe and sound.

TODAY'S SAFETY ORIENTATION

- Everyone is in a safe meeting environment?
- Nobody is driving?

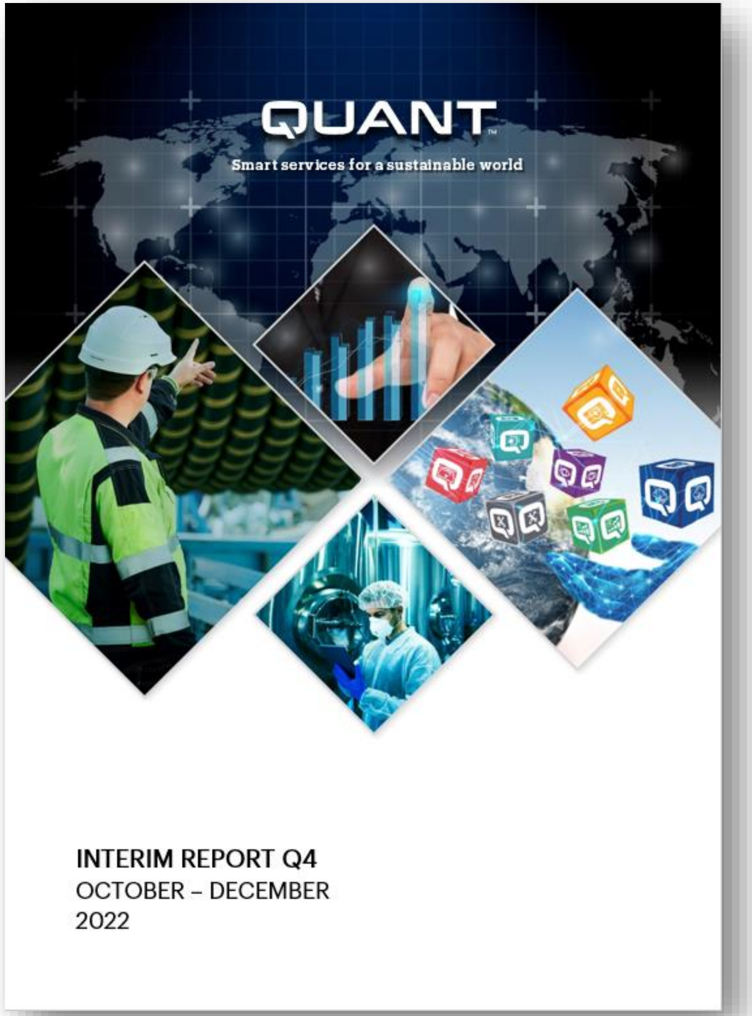


Fourth quarter development

- **Merger completed and strong topline growth**
  - Merger completed in December, junior bonds and shareholder loans totaling 59 MEUR were extinguished
  - Strong revenue growth in Americas as new contracts started up
  - Macroeconomic uncertainties with high inflation, supply chain disruptions and Russian geopolitical situation

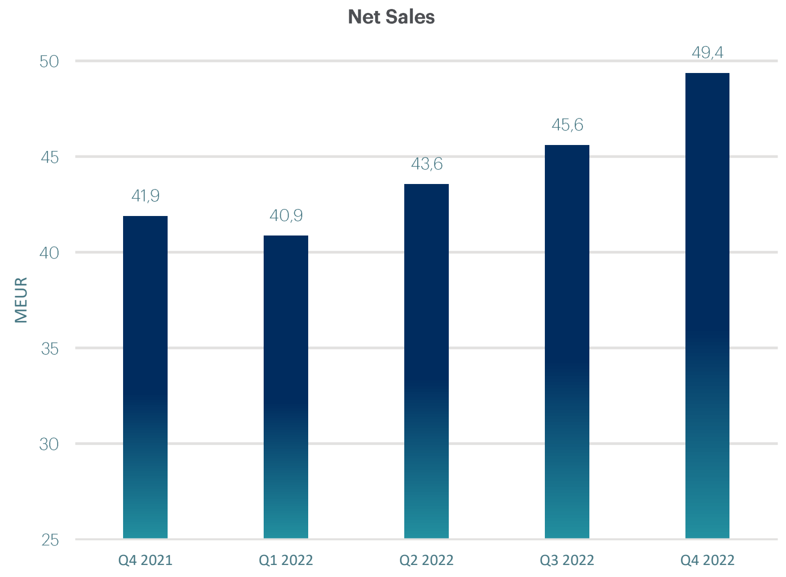
- **Contract portfolio decreased during the quarter**
  - Three contracts were scaled down (-5.9 MEUR), seven contracts renewed (+1.2 MEUR) and five contracts were lost (-5.5 MEUR)
  - Net effect, including change in scope and FX, is a decrease of the portfolio value by -8.2 MEUR to a total of 209.7 MEUR compared to 217.9 MEUR end of Q3 2022

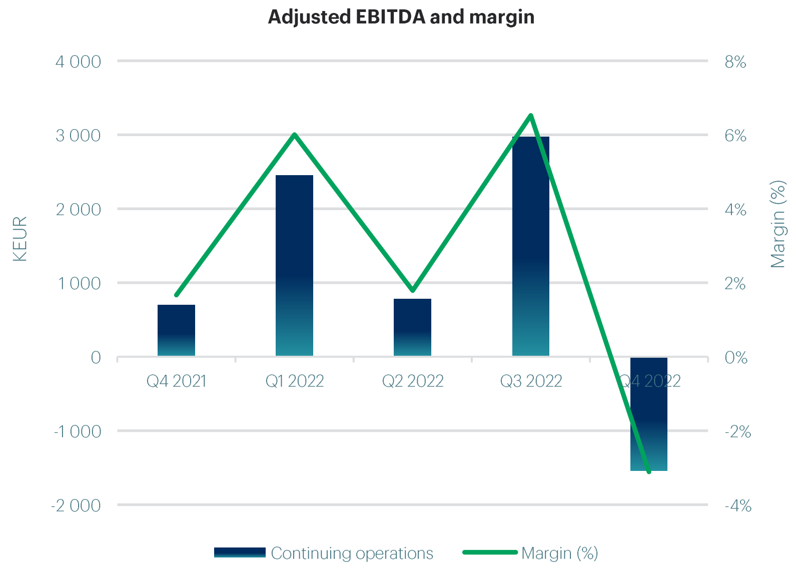
- **Profitability in the quarter was negatively impacted by two events in region Americas, while inflationary pressure and supply chain shortages proved challenging for certain contracts in region Finland & Baltics**
  - Adjusted EBITDA of -1.5 MEUR compared to 0.7 MEUR prior year
  - Region Europe & Middle East – Revenue up on increased scope in existing contracts and new contracts. This, together with improved profitability in a Norwegian contract, increased the regions profitability by 26%
  - Region Finland & Baltics – Topline in line with last year's quarter. Profitability was negatively impacted by inflationary pressure, as cost increases in certain contracts will only be met by contract price inflation clauses in early 2023, and supply chain challenges for certain contracts
  - Region Americas – Revenue significantly increased as new contracts started up. Profitability was negatively impacted by extended and challenging mobilization of one contract in Brazil, renegotiation of an underperforming Chilean contract with scope decrease and related layoff costs impacting the quarter, as well as increased SG&A driven by new contracts



Net sales and EBITDA continuing operations

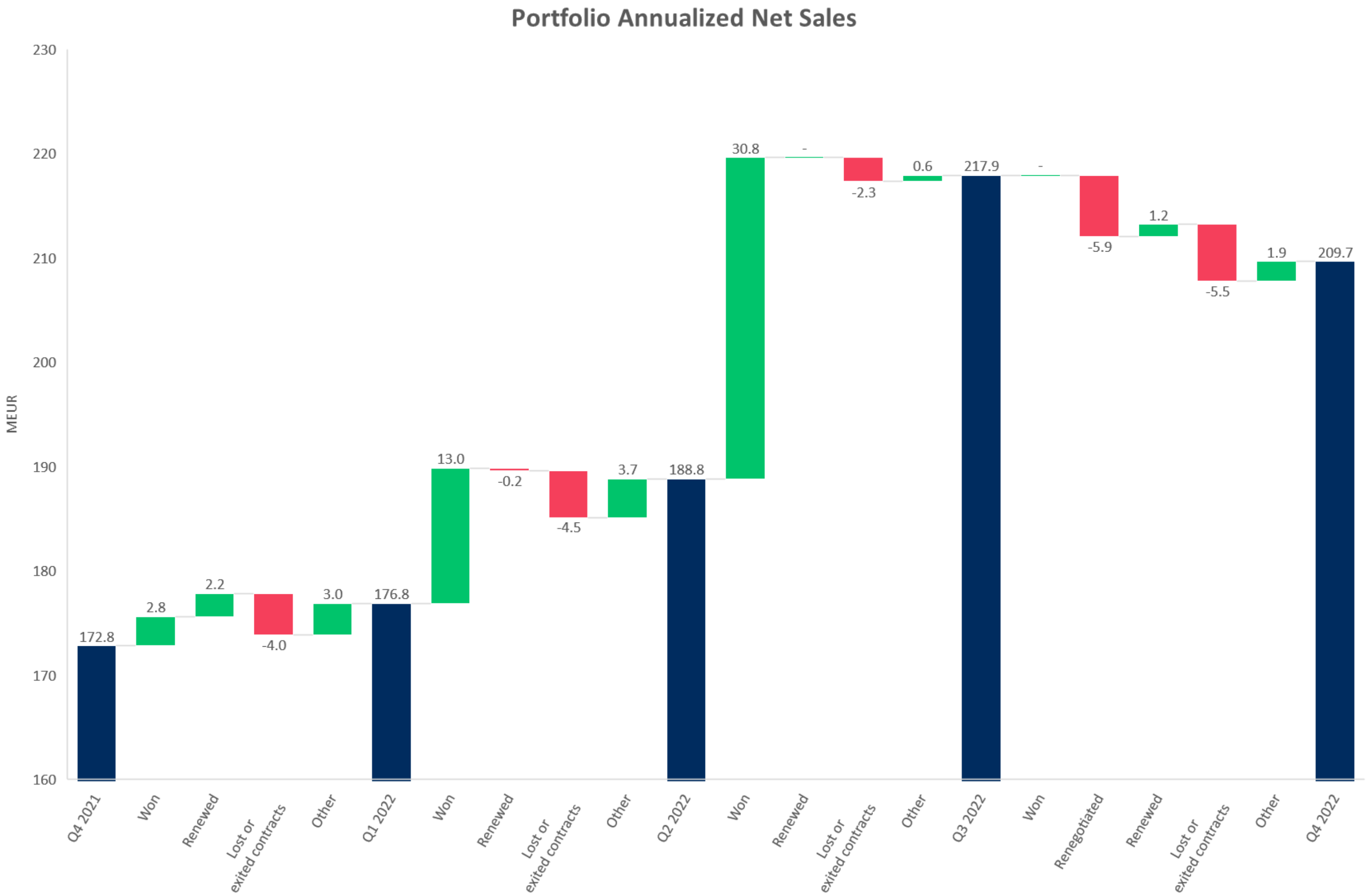
- Net sales for the period increased to EUR 49.4 (41.9) million. Organically, net sales increased by 16.3%
- Gross profit for the quarter was EUR 2.6 million, down from EUR 4.2 million prior year, driven by:
    - Extended and challenging mobilization of one contract in Americas impacting the quarter by EUR -1.2 million
    - Renegotiated underperforming contract in Chile at reduced scope with related layoff costs of EUR -0.7 million
    - Inflationary pressure and supply chain shortages impacting existing contracts in Finland
    - Negatively impacted by currency fluctuations on revaluation of internal receivables/payables and lost contracts
    - Partly offset by improved profitability in existing contracts in Americas and Europe & Middle East, and new contracts in the same region
- SG&A was higher than last year due to strengthening of the sales force and more overhead driven by new contracts
- Quarterly adjusted EBITDA decreased to EUR -1.5 million from EUR 0.7 million prior year due lower gross profit, higher SG&A, and a EUR -0.5 million negative impact from currency fluctuations on revaluation of internal receivables/payables
- Adjusted EBITDA with IFRS 16 decreased to EUR -1.1 (1.3) million





Contract portfolio overview

- Currently 78 sites in operation
- Contracts with annualized net sales of EUR 52.6 million scheduled for renewal during the next twelve months, of which EUR 8.5 million are evergreens
- Fourth quarter development:
  - Three contracts were scaled down with an annualized net sales of EUR -5.9 million
  - Seven contract were renewed with an increased scope of EUR 1.2 million
  - Five contracts were lost at an annualized net sales of EUR -5.5 million
  - Scope changes and exchange rate effects amounted to EUR 1.9 million
- The combined effect of these changes amount to a decrease in the contract portfolio annualized net sales of EUR -8.2 million compared to the previous quarter

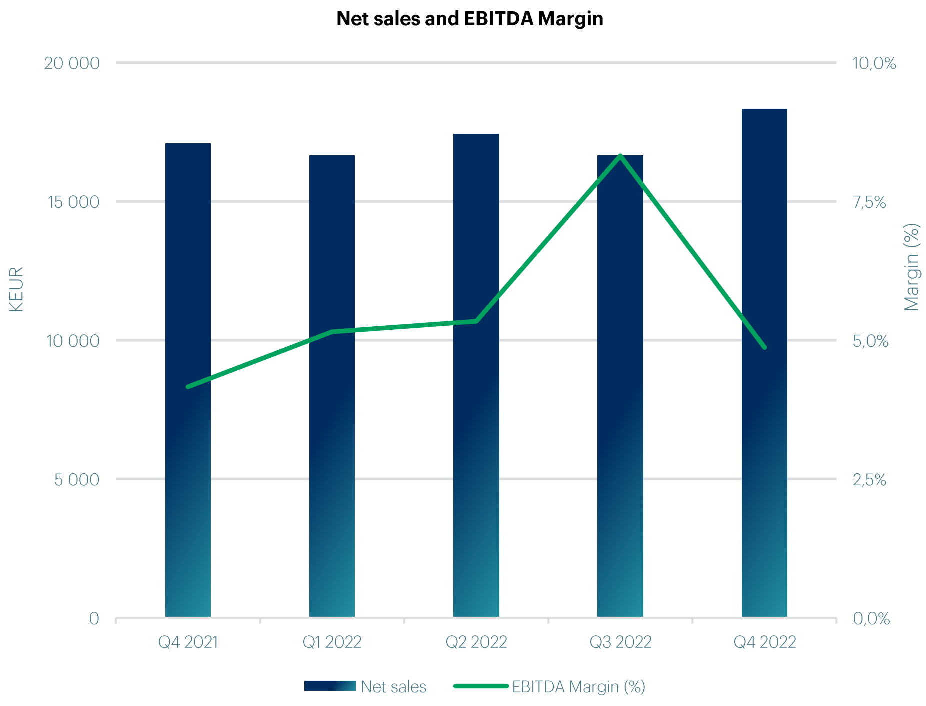


Cash flow

- Cash flow from operating activities for the quarter amounted to EUR 5.8 (2.4) million
- Change in net working capital was EUR 8.2 (3.1) million for the quarter, mainly driven by an increase in operating liabilities as new contracts started up in Americas
- Net debt / full year Adjusted EBITDA of 15.4
- For the total Group, including both continuing and discontinued operations, cash flow for the quarter was EUR 3.6 (-3.5) million
- As of 31 December 2022, the loan amount drawn on the revolving working capital facility amounted to EUR 0.0 (4.0) million

	Q4		Jan-Dec	
KEUR	2022	2021	2022	2021
Continuing operations				
Cash flow from operating activities	5,839	2,366	7,698	-1,781
Cash flow from investing activities	-1,599	-142	-3,129	-937
Cash flow from financing activities	-1,335	865	-555	-8,369
Net debt	71,938	135,295	71,938	135,295
Net debt / Adjusted EBITDA, times	N/A	N/A	15.4	18.8
Net debt / Adjusted EBITDA IFRS 16, times	N/A	N/A	11.1	14.2
Discontinued operations				
Cash flow, discontinued operations	725	373	818	-827
Group				
CASH FLOW FOR THE PERIOD	**3,630**	**3,461**	**4,831**	**-11,914**

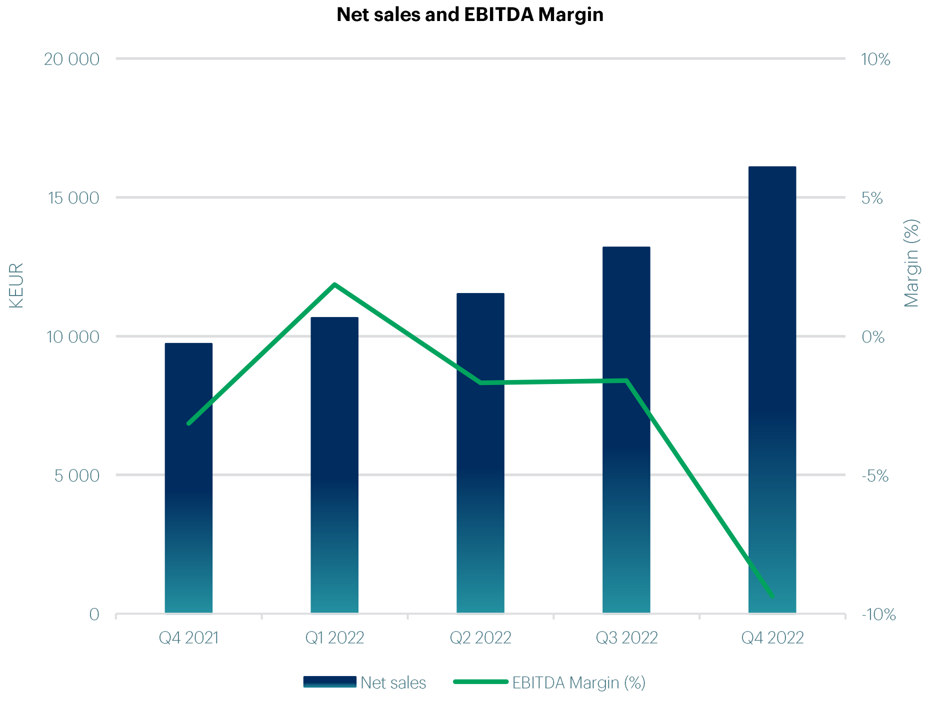
Segment financials
Europe & Middle East



- Net sales in the quarter was EUR 18.3 (17.1) million, due to increased scope in existing contracts and new contracts, partially offset by lost contracts

- Adjusted EBITDA for the quarter was EUR 0.9 (0.7) million, as a result of improved profitability in a Norwegian contract and new sites. This was partly offset by higher SG&A and lost contracts

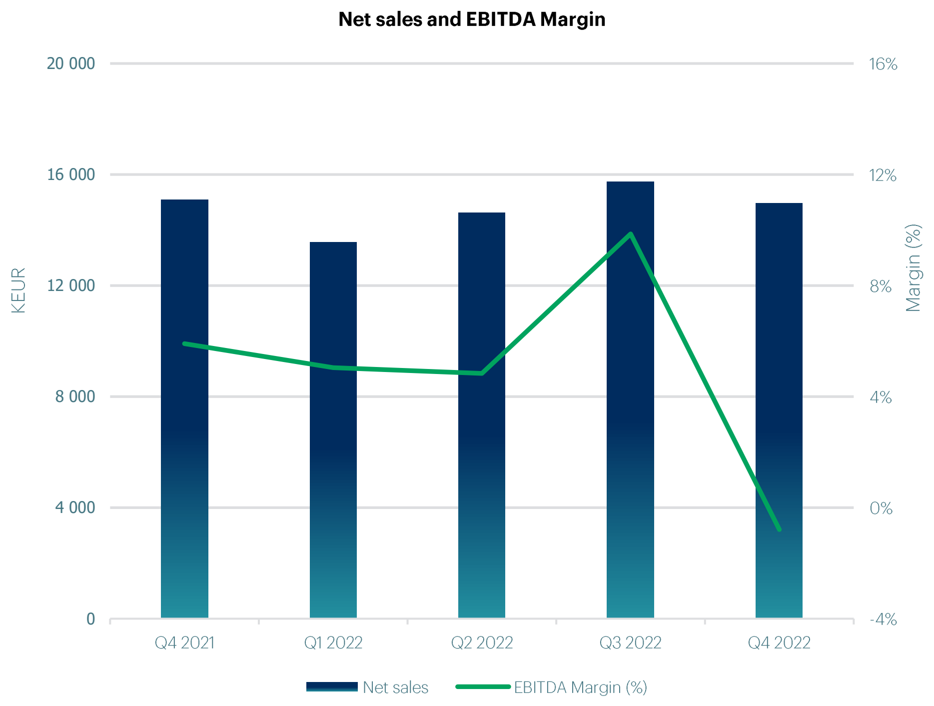
Segment financials
Americas



- Net sales in the quarter increased to EUR 16.1 (9.7) due to new sales, higher revenue from projects and upselling in existing contracts, partially offset by lost contracts

- Adjusted EBITDA in the quarter was EUR -1.5 (-0.3). This was mainly due to:
    - A challenging and extended mobilization of one contract in Brazil, impacting the quarter by EUR -1.2 million
    - Renegotiation of a Chilean underperforming contract at reduced scope with related layoff cost of EUR -0.7 million
    - Increased SG&A due to strengthening of the region’s sales force and increased overhead due to new sites
    - Lost contracts

Segment financials
Finland & Baltics



- Net sales in the quarter decreased to EUR 15.0 (15.1) million due to lost contracts, which was partly compensated by higher upsell in existing contracts
- Adjusted EBITDA in the quarter decreased to EUR -0.1 (0.9) million driven by:
  - Cost increases in certain contracts which will first be met by contract price inflation clauses in in early 2023
  - Customers' supply chain shortages impacted existing contracts and consequently lowered revenue
  - Higher SG&A and lost contracts

THANK YOU!

Interim Report Q1 2023 will be released on 26 May 2023

FOR MORE INFORMATION GO TO QUANTSERVICE.COM