



QUANT™

Q1 Report 2023

Tomas Rönn, CEO
Juha Hanni, acting CFO

26 May 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?



QUANTTM

First quarter development

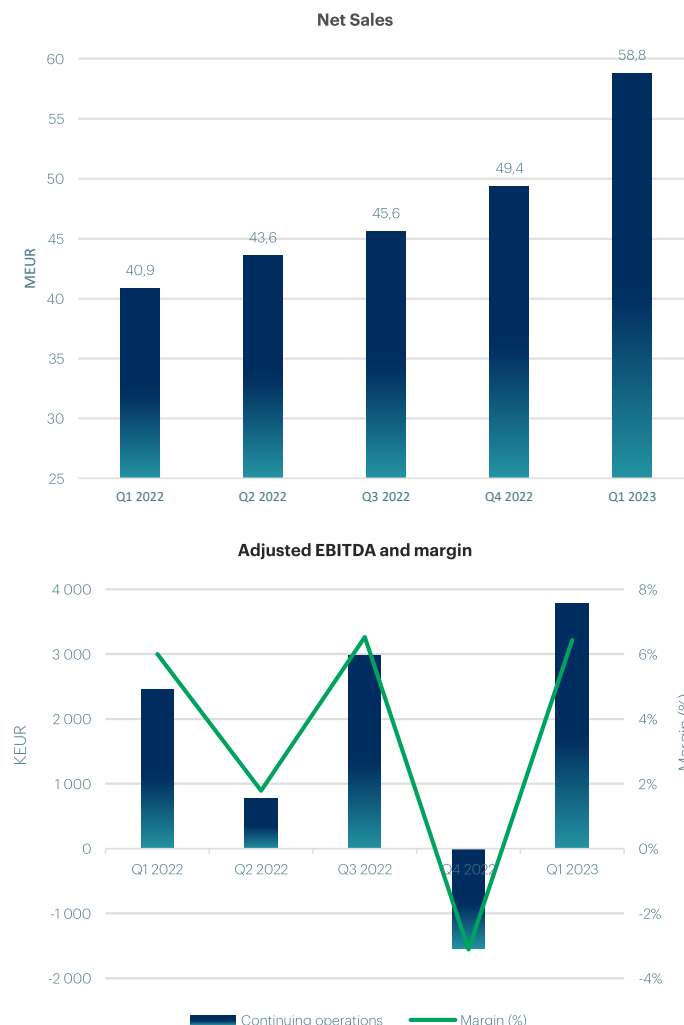
- **Strong start of the year with increase in both topline and profitability**
 - Mobilization of large contracts in Americas showing effect
 - Annual inflation clauses went into effect early in the year in Finland & Baltics
 - Macroeconomic uncertainties with high inflation and Russian geopolitical situation
 - After the quarter end, one customer in Norway notified that they will not extend after the contract end date on November 30 2023. Also, we received a termination notice for a Chilean contract in May
- **Contract portfolio increased during the quarter**
 - One contract was won (+3.2 MEUR), three contracts were renewed (-0.6 MEUR) and no contracts were lost
 - Net effect, including change in scope and FX, is an increase of the portfolio value by +4.2 MEUR to a total of 213.9 MEUR compared to 209.7 MEUR end of Q4 2022
- **Positive profitability development in the quarter across regions, with new contracts in Americas started to show effect together with improved profitability and less costs in Europe & Middle East. Finland & Baltics was boosted by annual contract price inflation clauses which went into effect early in the year**
 - Adjusted EBITDA of 3.8 MEUR compared to 2.5 MEUR prior year
 - Region Europe & Middle East – Revenue slightly below last year's quarter driven by lost contracts from 2022. This was more than offset on an Adjusted EBITDA level as profitability improved in a Norwegian contract and other existing contracts, further boosted by less selling expenses
 - Region Finland & Baltics – Topline increased versus last year's quarter as annual contract price inflation clauses went into effect early in the year together with strong upsell. This was also reflected in profitability as Adjusted EBITDA increased by 61%
 - Region Americas – Large contracts that mobilized in the quarter and the fourth quarter of 2022 translated into triple digit revenue growth. However, the full potential was dampened by lower profitability on a Chilean contract as well as higher SG&A



INTERIM REPORT Q1
JANUARY – MARCH 2023

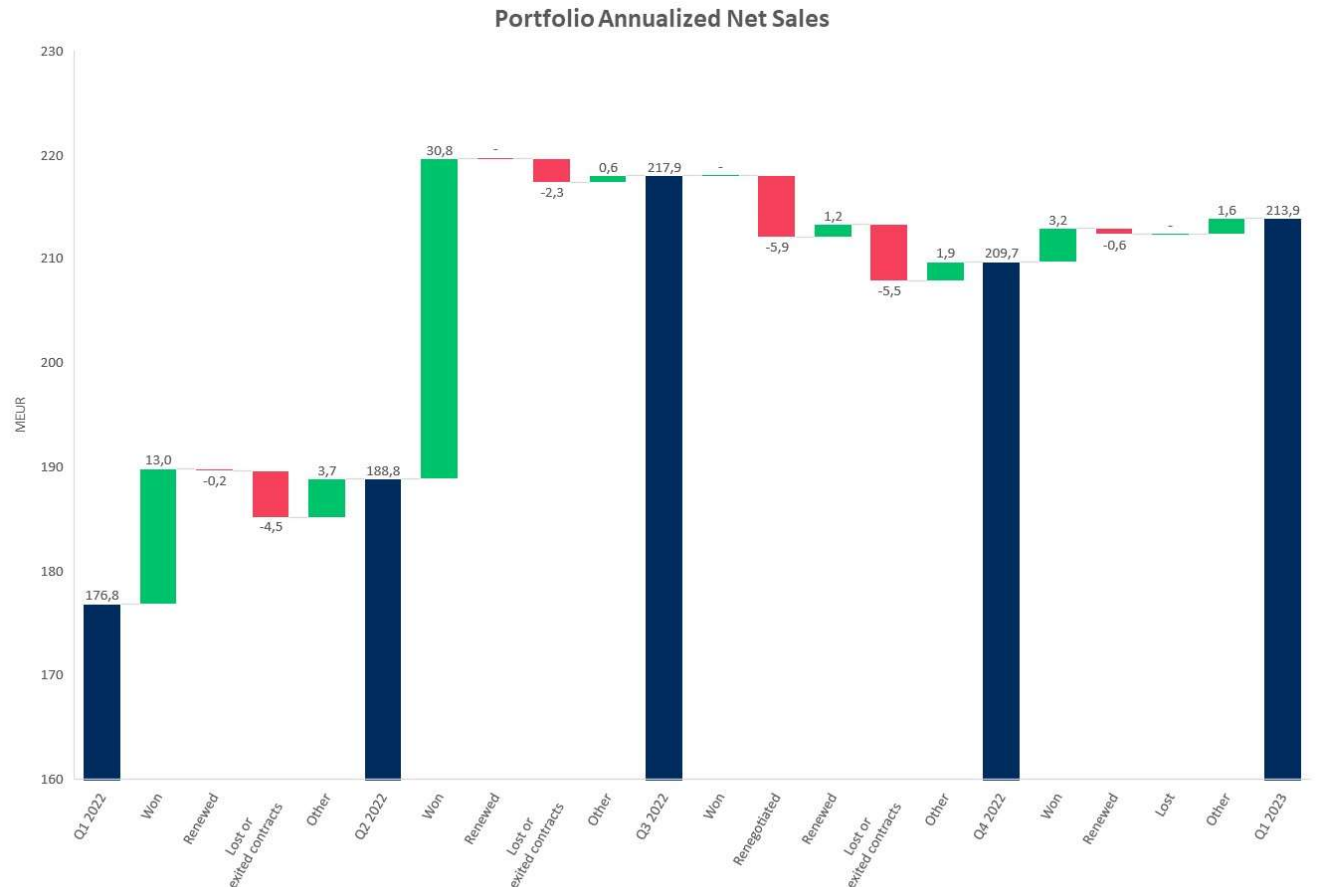
Net sales and EBITDA continuing operations

- Net sales for the period increased to EUR 58.8 (40.9) million. Organically, net sales increased by 40.8%
- Gross profit for the quarter was EUR 7.8 million, up from EUR 6.2 million prior year, driven by:
 - New contracts in Americas and Europe & Middle East
 - Improved profitability in existing contracts
 - Annual contract price inflation clauses which went into effect early during the year in Finland & Baltics
 - Partly offset by lower positive currency fluctuations on revaluation of internal receivables/payables and lost contracts
- General and administration expenses were higher than last year due to strengthening of the sales force and more overhead driven by new contracts
- Quarterly Adjusted EBITDA increased to EUR 3.8 million from EUR 2.5 million prior year, driven by higher gross profit and lower selling expenses. This was partly offset by a negative impact from currency fluctuations on revaluation of internal receivables/payables and higher general and administration expenses
- Adjusted EBITDA with IFRS 16 increased to EUR 4.1 (3.0) million



Contract portfolio overview

- Currently 76 sites in operation
- Contracts with annualized net sales of EUR 49.9 million scheduled for renewal during the next twelve months, of which EUR 10.7 million are evergreens
- First quarter development:
 - One contract was won with an annualized net sales of EUR 3.2 million
 - Three contract were renewed with a decreased scope of EUR 0.6 million
 - No contracts were lost
 - Scope changes and exchange rate effects amounted to EUR 1.6 million
- The combined effect of these changes amount to an increase in the contract portfolio annualized net sales of EUR 4.2 million compared to the previous quarter



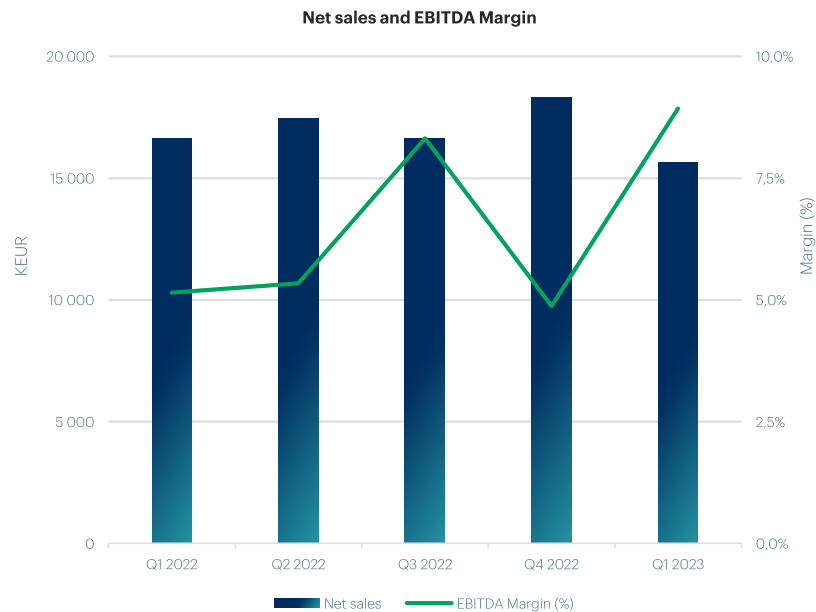
Cash flow

- Cash flow from operating activities for the quarter amounted to EUR 3.5 (2.8) million
- Change in net working capital was EUR 2.0 (3.3) million for the quarter, mainly driven by an increase in operating liabilities as new contracts started up in Americas. Partly compensated by an increase in accounts receivables for the same reason
- Net debt / LTM Adjusted EBITDA of 11.6
- For the total Group, including both continuing and discontinued operations, cash flow for the quarter was EUR 2.2 (2.1) million
- As of 31 March 2023, the loan amount drawn on the revolving working capital facility amounted to EUR 0.0 (4.0) million

KEUR	Q1		LTM	Jan-Dec
	2023	2022	Mar 2023	2022
Continuing operations				
Cash flow from operating activities	3 502	2 763	8 437	7 698
Cash flow from investing activities	-897	-359	-3 667	-3 129
Cash flow from financing activities	-295	-481	-369	-555
Net debt	69 738	134 913	69 738	71 938
Net debt / Adjusted EBITDA, times	N/A	N/A	11,6	15,4
Net debt / Adjusted EBITDA IFRS 16, times	N/A	N/A	9,2	11,1
Discontinued operations				
Cash flow, discontinued operations	-94	209	515	818
Group				
CASH FLOW FOR THE PERIOD	2 216	2 131	4 915	4 831

Segment financials

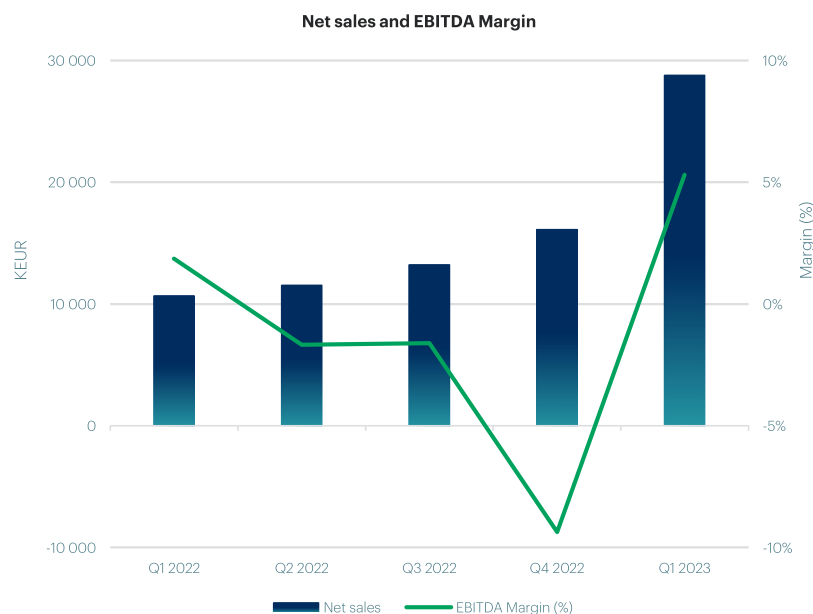
Europe & Middle East



- Net sales in the quarter was EUR 15.7 (16.6) million with the decrease relating to lost contracts from 2022, which was partially offset by increased scope in existing contracts and new contracts
- Adjusted EBITDA for the quarter was EUR 1.4 (0.9) million. The increase was due to higher gross profit as a result of improved profitability in a Norwegian contract, upsell with improved profitability in existing contracts and less selling expenses. This was partly offset by lost contracts

Segment financials

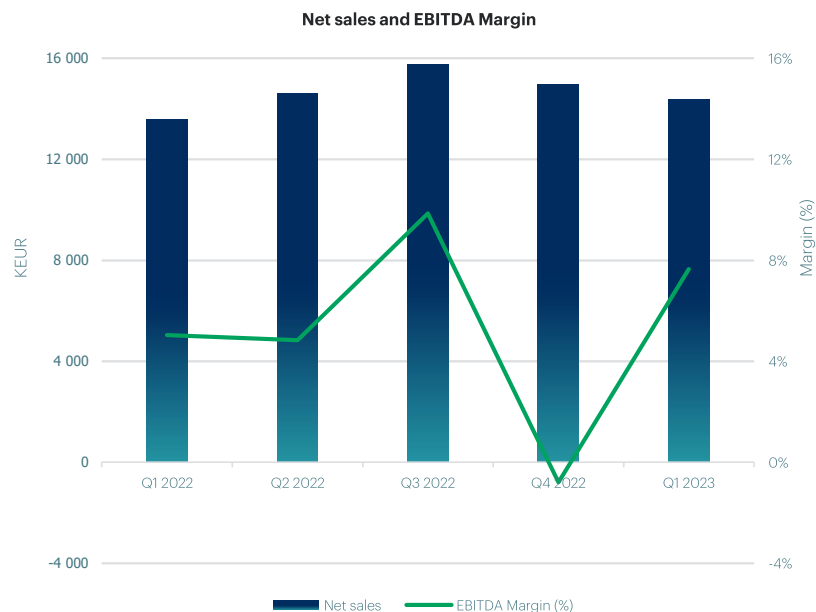
Americas



- Net sales in the quarter increased to EUR 28.8 (10.6) million. This was mainly due to new contracts that mobilized in the current quarter and the fourth quarter 2022, as well as higher revenue from projects and upselling in existing contracts, which was partially offset by lost contracts
- Adjusted EBITDA for the quarter was EUR 1.5 (0.2) million. The improvement was mainly due one new Chilean contract, which was partially offset by lower profitability in another Chilean contract as well as increased selling, general and administration expenses. Lost contracts also had a negative impact on profitability

Segment financials

Finland & Baltics



- Net sales in the quarter improved to EUR 14.4 (13.6) million, driven by annual contract price inflation clauses which went into effect early in the year and higher upsell in existing contracts, partly dampened by lost contracts
- Adjusted EBITDA in the quarter increase to EUR 1.1 (0.7) million, primarily driven by the above-mentioned contract price inflation clauses and upsell in existing contracts with good profitability

A hand holding a glowing globe with a network overlay. The globe is translucent and shows a grid of lines and dots, suggesting a global network or data flow. The hand is cupped around the globe, and the background is dark.

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THANK YOU!

Interim Report Q2 2023 will be released on 25 August 2023

FOR MORE INFORMATION GO TO QUANTSERVICE.COM