QUANT™

Q2 Report 2023

Tomas Rönn, CEO
André Strömgren, CFO

25 August 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?

Second quarter development

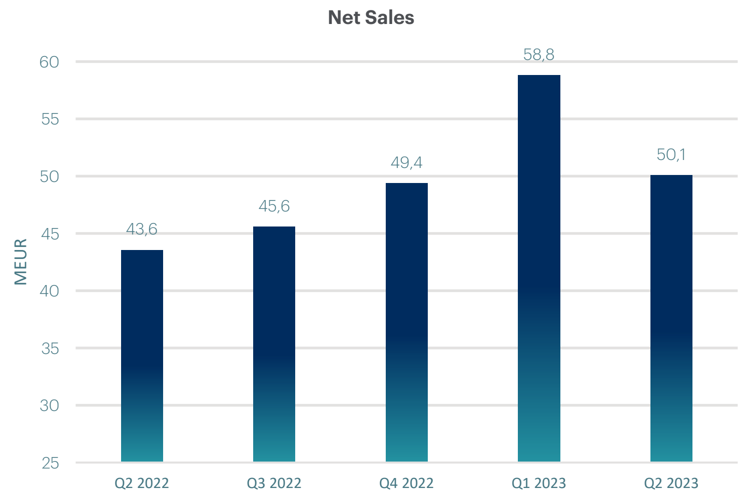
- **Strong start of the year with increase in both topline and profitability**
  - Mobilization of large contracts in Americas showing effect
  - Annual inflation clauses went into effect early in the year in Finland & Baltics
  - Macroeconomic uncertainties with high inflation and Russian geopolitical 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

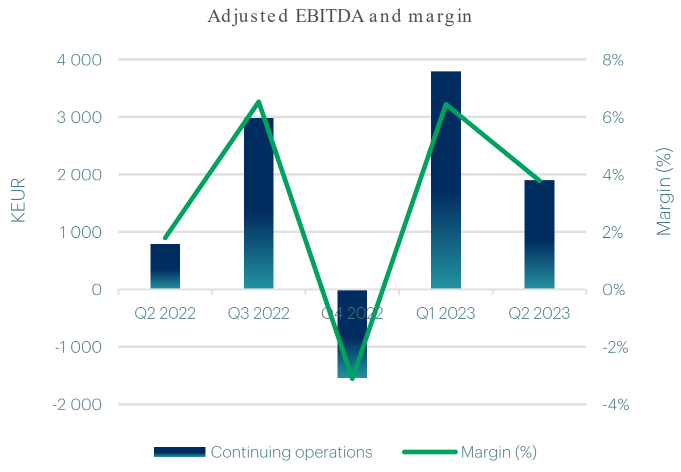
- **Contract portfolio decreased during the quarter**
  - Three contracts were lost (-25.4 MEUR), seven contracts were renewed (0.0 MEUR) and no contracts won
  - Net effect, including change in scope and FX, is a decrease of the portfolio value by +29.4 MEUR to a total of 184.8 MEUR compared to 213.9 MEUR end of Q1 2023

- **Positive profitability development due to new contracts in Americas and improved performance on existing sites, partially offset by lower profitability in region Finland and Baltics due to investment in Service Center setup and region Europe and middle East due to lost contracts last year. Costs if 2.4 MEUR connected to customer early termination was recorded as non- recurring item**
  - Adjusted EBITDA of 1.9 MEUR compared to 0.8 MEUR prior year
  - Region Europe & Middle East – Revenue slightly below last year's quarter driven by lost contracts from 2022. This is also visible in Adjusted EBITDA although partially offset by improved profitability in one Norwegian contract, upsell with higher profitability in existing contracts and 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. Adjusted EBITDA decrease was driven by higher general and administrative expense due to investment in service center setup
  - Region Americas – Increase in topline compared to last year as a result of large new contracts mobilized in the first quarter of the year, as well as higher revenue from projects and upselling in existing projects. This was partially offset by lost contracts. Adjusted EBITDA improved mainly due to new large contracts, but also improved performance in existing contracts. This was partially offset by increased SG&A. Costs of 2.4 MEUR connected to one customers early termination is recorded as non – recurring items

Net sales and EBITDA continuing operations

- Net sales for the period increased to EUR 50.1 (43.6) million. Organically, net sales increased by 15.6%
- Gross profit for the quarter was EUR 4.3 million, down from EUR 4.7 million prior year, driven by:
    - Costs in connection with early termination of one Chilean contract,
    - Partially offset by new contracts in region Americas and positive currency fluctuations revaluation of internal receivables/payables
    - Gross profit includes costs reclassified as NRI in adjusted EBITDA
- General and administration expenses were higher than last year due to investments into digitalization and more overhead driven by new contracts
- Quarterly Adjusted EBITDA increased to EUR 1.9 million from EUR 0.8 million prior year, driven by higher gross profit and a positive impact from currency fluctuations on revaluation of internal receivables/payables partially offset by higher general and admin expenses.
- Adjusted EBITDA with IFRS 16 increased to EUR 2.2 (1.4) million





Contract portfolio overview

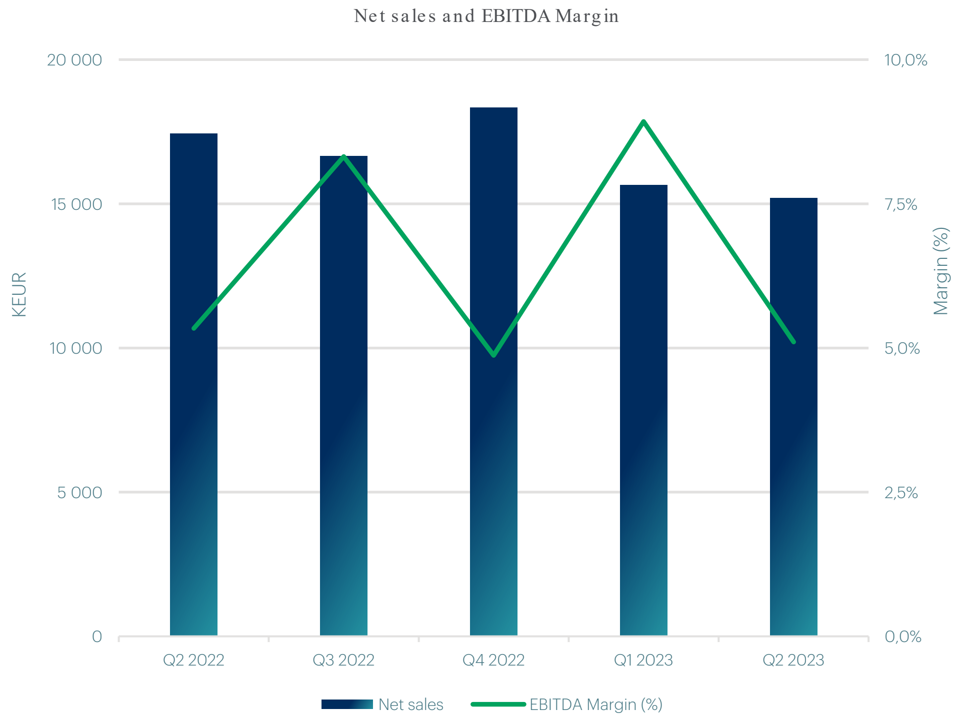
- Currently 74 sites in operation
- Contracts with annualized net sales of EUR 29.4 million scheduled for renewal during the next twelve months
- Second quarter development:
  - Three contracts were lost with an annualized net sales of EUR -25.4 million
  - Seven contract were renewed with same scope
  - No contracts were won
  - Scope changes and exchange rate effects amounted to EUR 3.7 million
- The combined effect of these changes amount to an increase in the contract portfolio annualized net sales of EUR -29.4 million compared to the previous quarter

Cash flow

- Cash flow from operating activities for the quarter amounted to EUR -2.6 (-0.5) million
- Change in net working capital was EUR 0.6 (-0.2) million for the quarter
- Net debt / LTM Adjusted EBITDA of 10.3
- For the total Group, including both continuing and discontinued operations, cash flow for the quarter was EUR -3.6 (1.8) million
- As of 30 June 2023, the loan amount drawn on the revolving working capital facility amounted to EUR 0.0 (0.0) million

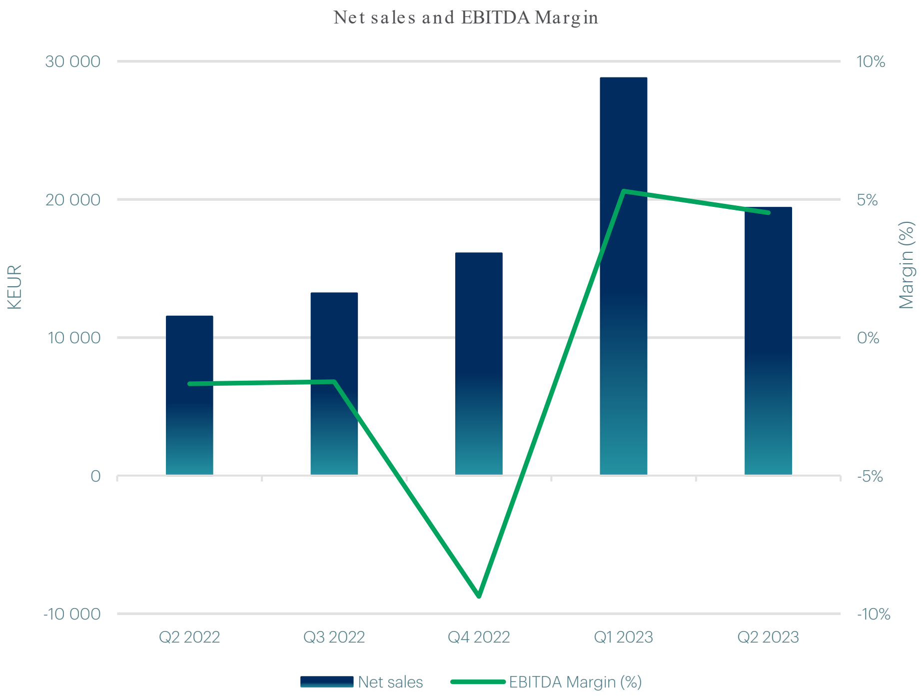
	Q2		Jan-Jun		LTM	Jan-Dec
KEUR	**2023**	**2022**	**2023**	**2022**	**Jun 2023**	**2022**
Continuing operations						
Cash flow from operating activities	-2,630	-476	875	2,287	6,285	7,698
Cash flow from investing activities	-592	-555	-1,492	-914	-3,707	-3,129
Cash flow from financing activities	-277	2,868	-572	2,387	-3,515	-555
Net debt	73,667	128,334	73,667	128,334	73,667	71,938
Net debt / Adjusted EBITDA, times	N/A	N/A	N/A	N/A	10.3	15.4
Net debt / Adjusted EBITDA IFRS 16, times	N/A	N/A	N/A	N/A	8.7	11.1
Discontinued operations						
Cash flow, discontinued operations	-64	6	-159	215	444	818
Group						
CASH FLOW FOR THE PERIOD	**-3,564**	**1,844**	**-1,348**	**3,975**	**-492**	**4,831**

Segment financials
Europe & Middle East



- Net sales in the quarter was EUR 15.2 (17.4) 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 0.8 (0.9) million. The decrease was due to lost contracts, partially offset by improved profitability in a Norwegian contract and upsell with improved profitability in existing contracts

Segment financials
Americas



- Net sales in the quarter increased to EUR 19.4 (11.5) million. This was mainly due to new contracts that mobilized in the first quarter of 2023 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 0.9 (-0.2) million. The improvement was mainly due to new contracts as well as improved performance in existing contracts due to higher upsell and less penalties, which was partially offset by increased selling, general and administration expenses. Costs of EUR -2.4 million connected to one customers early termination is recorded as non – recurring item

Segment financials
Finland & Baltics

- Net sales in the quarter improved to EUR 15.5 (14.6) 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 decrease to EUR 0.5 (0.7) million, driven by higher general and administrative expense due to investment in service center setup

THANK YOU!

Interim Report Q3 2023 will be released on 24 November 2023

FOR MORE INFORMATION GO TO QUANTSERVICE.COM