QUANT™

ANNUAL REPORT 2023

Smart services for a **sustainable** world

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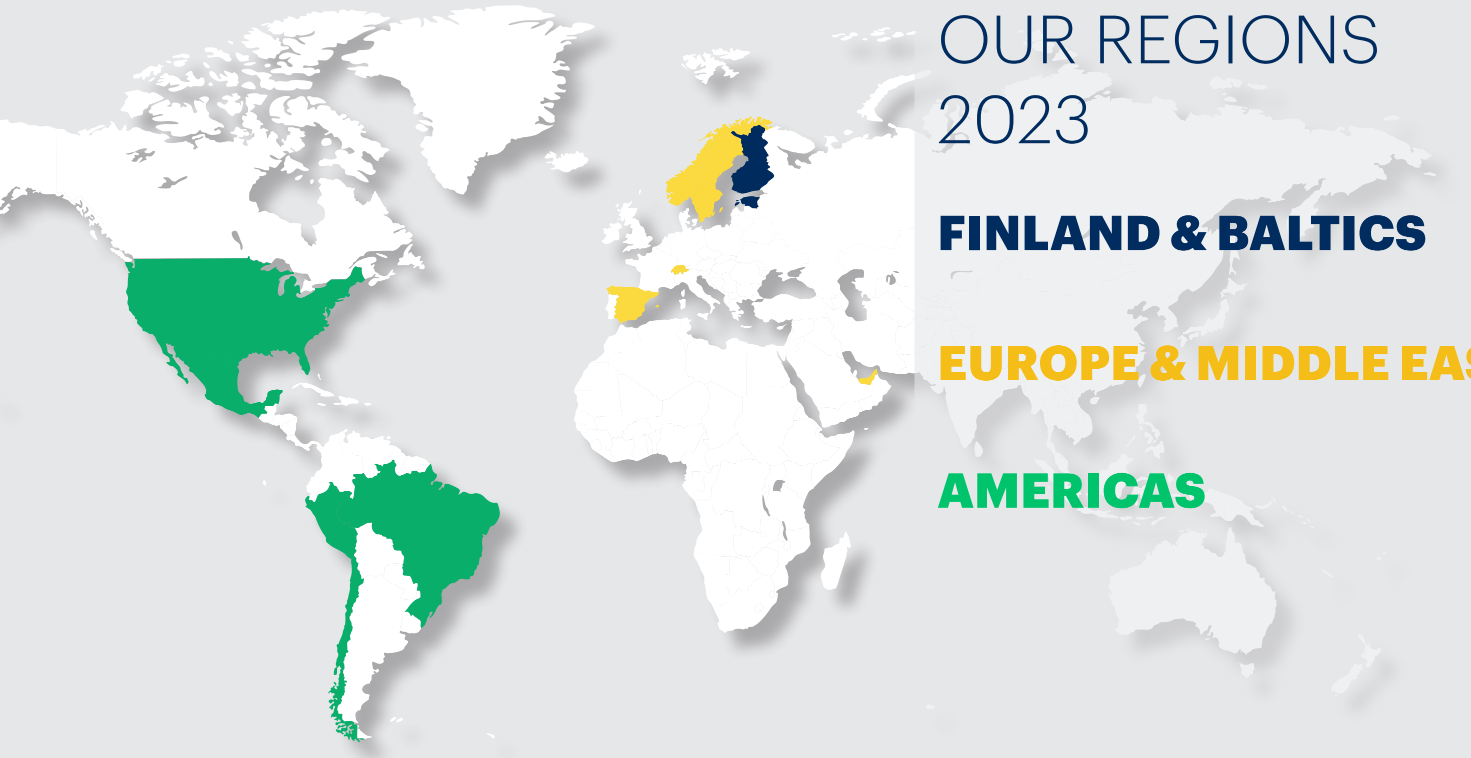


OUR REGIONS 2023

FINLAND & BALTICS

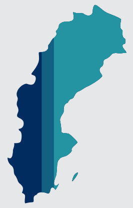
EUROPE & MIDDLE EAST

AMERICAS

THIS IS QUANT™

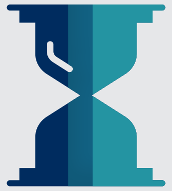
WORLD CLASS INDUSTRIAL MAINTENANCE PROVIDER

Quant is the number one partner in supporting the customer journey towards Smart Maintenance. Smart Maintenance is achieved by a systematic maintenance approach with integrated digital tools to drive sustainability, plant performance, cost optimization, and safety. Our success is the result of strong partnerships between Quant and our customers.



SWEDEN

HQ in Stockholm, Sweden



MORE THAN 35

Years of experience

2,700

Number of Employees

MEUR 206

2023 Full Year Revenue

71

Sites in operation

CEO REVIEW

Reflecting on the year 2023, I am pleased to provide an overview of Quant's journey amidst a dynamic market landscape. As stewards of industrial maintenance excellence, our commitment to continued improvement remained unwavering, guided by a steadfast dedication to our core values.

During the year, Quant delivered a robust financial performance. Our annual net sales surged impressively by 15.3%, reaching EUR 205.9 million, driven by successful contract mobilizations from the previous year. Notably, Adjusted EBITDA for the full year stood at EUR 9.2 million, a significant improvement from the previous year's EUR 4.7 million, and a testament to our strategic emphasis on profitability and operational efficiency.

Ensuring safety remains at the forefront of our operations, it is not just a priority but a fundamental aspect of our commitment to excellence. I am delighted to report a declining trend in our key safety indicator, Lost Time Incidents (LTI), underscoring our commitment to a culture of safety. Our successful execution of safety week activities further exemplified our dedication, engaging not only Quant colleagues but also customers and stakeholders. Encouraged by the positive feedback from the safety week in 2023, we turned this event into a safety month in 2024.

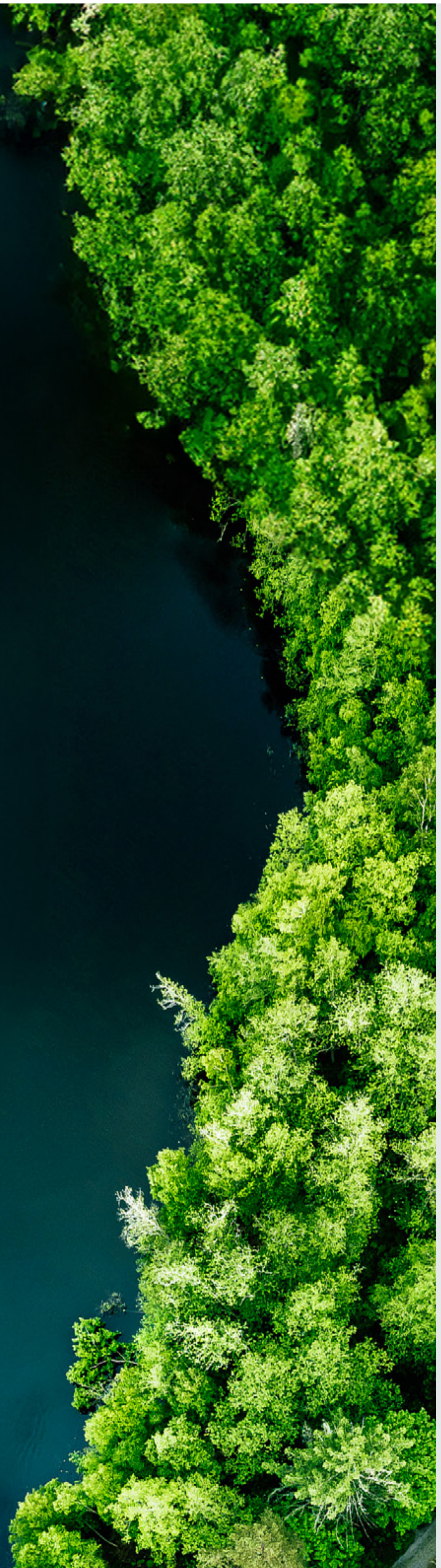
We observed improved profitability in all regions. While Europe & Middle East faced declining net sales due to lost contracts, diligent contract management led to improved profitability. In Americas, revenue surged significantly, driven by new contracts, resulting in a remarkable turnaround in profitability for the full year. Region Finland & Baltics presented higher net sales and profitability attributed to effective contract management and upselling initiatives.

As we embark on the new fiscal year, our vision remains clear: to surpass a portfolio value of EUR 200 million, excel in contract execution, and optimize cost structures. These guiding principles will navigate us through the ever-evolving industrial terrain, fostering sustainable growth and value creation.

I extend my heartfelt gratitude to every Quant colleague for their dedication and hard work. Together, we will continue to overcome challenges, seize opportunities, and reinforce Quant's position as a leader in industrial maintenance services.

With unwavering commitment and strategic focus, we look forward to the opportunities and challenges that lie ahead, confident in our ability to create long-term value for all stakeholders.

TOMAS RÖNN
CEO, Quant AB (publ)



QUANT **ANNUAL REPORT** 2023

OUR CORE **VALUES**

We are passionate

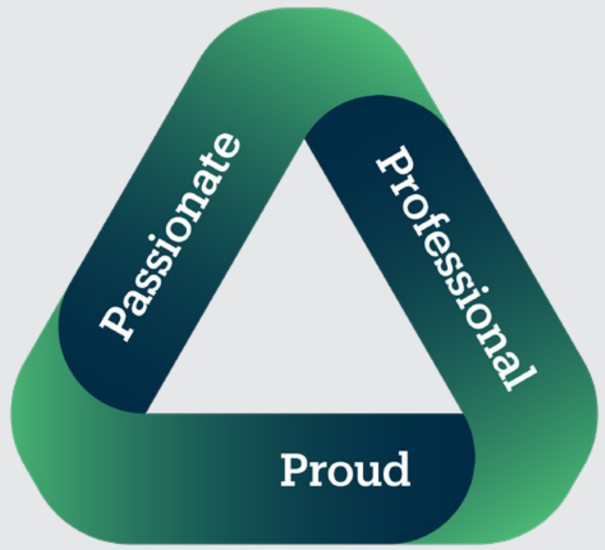
We are passionate about safety, sustainability and reliability.

We are professional

We deliver smart services and innovative solutions.

We are proud

We are proud to partner with our customers for mutual success.



MARKET & TRENDS

In an environment of growing global competition, complexity and digitalization, the market is driven by an ever-growing need for cost efficiency, plant performance, energy and resource efficiency, and health and safety.

Sustainable manufacturing

Sustainable manufacturing and industrial production means application of economically sound processes which minimize negative environmental impacts while conserving energy and natural resources. This increasingly leads to demands for external partners such as Quant to provide modern, structured and efficient maintenance services coupled with effective change management processes.

Extend asset life cycle

The need to extend the productive lifetime of assets and production equipment is expected to continue to be strong, especially in mature industrial markets, meaning continued need for professional maintenance services.

Increased technical complexity

As machinery and equipment become more complex, this forces companies to source specialist maintenance services from external partners to a greater extent than before. The maintenance budget allocated for external services is expected to increase going forward.

More cost flexibility for the customer

Companies want to optimize their operational cost, and also align their costs to varying production output and demand, making them less vulnerable to for example economic downturns or other demand dips. Companies are expected to increase the portion of maintenance services carried out by external service providers in order to achieve a more flexible setup.

Growing need to reduce cost of unreliability and downtime

Industrial customers become more and more aware of the cost of unreliability and downtime caused by unexpected and repetitive equipment failures. As a consequence, preventive and predictive maintenance solutions will gain even more traction to help enterprises optimize production output and cost, thereby lowering cost of unit produced and increasing price competitiveness.

Continued digitalization

There is a significant potential in leveraging industrial Internet of Things (IoT) solutions across most industries. Digital solutions providing decision support are now readily available, can collect vast amount of data and transform them into meaningful insights. Moreover, artificial intelligence and machine learning approaches can be integrated aiming at optimizing various aspects of service delivery, such as on-line predictive maintenance and quality assessment. Real-time inputs from sensors, actuators, and other control parameters could not only predict asset failures, but also help companies monitor maintenance in real time and take proactive actions.

Improved sourcing of maintenance repair and overhaul services

Maintenance repair and overhaul (MRO) sourcing services will mature and develop. Companies will look for master suppliers who can handle a larger and wider scope, as well as manage multiple sub suppliers, thereby leveraging scale and know-how.

QUANT **ANNUAL REPORT** 2023
MARKET & TRENDS

THE MAIN MARKET PLAYERS OFFERING INDUSTRIAL MAINTENANCE SERVICES

The industrial maintenance industry has four main categories of providers:

1. Integrated maintenance service providers
2. Original equipment manufacturers (OEM)
3. Engineering, procurement and construction providers (EPC)
4. Local contractors

Quant holds a leading market position in the industrial maintenance market as an integrated maintenance service provider for management, development and execution of maintenance at customer plants.

Integrated maintenance services providers, such as Quant, offer services covering management, engineering, planning, and execution of maintenance services, either provided through a business process outsourcing setup, typically for the complete plant, or via regional or local hub-based service organizations, then responsible only for a certain process or asset class.

OEMs typically provide a portfolio of add-on services (specialist support, spare parts, and training) when selling the equipment to customers. Services expansion and spare parts supply are clear focus areas for most OEMs. Some OEMs want to primarily focus on spare parts and build up a network of associated technical specialist firms serving their machinery in a specific market, while others have their own service organization.

EPCs can include maintenance services, typically until end of commissioning, as one area of responsibility in turnkey projects. However, this is often done through partnerships with OEMs or integrated maintenance service providers.

Local contractors, often family-owned, compete through price, closeness and responsiveness. They sometimes have a local workshop supporting their repair activities.

STRATEGY

We continue to implement our strategy with an increased focus on sales and growing our portfolio while maintaining our focus on successful delivery of our contracts to ensure profitability.

People Empowerment

We want Quant to be an attractive workplace. We shall find and attract new people to strengthen our business. We will improve and increase opportunities for internal training through smart, digital platforms. Good performance by employees should be recognized and celebrated.

Digitalization

We will continue to develop digital tools that enable the delivery of smart services. Internal efficiency, connecting with our customers, and expanding partnerships with other leading companies are the three development areas that we focus on.

Safety and Operational Excellence

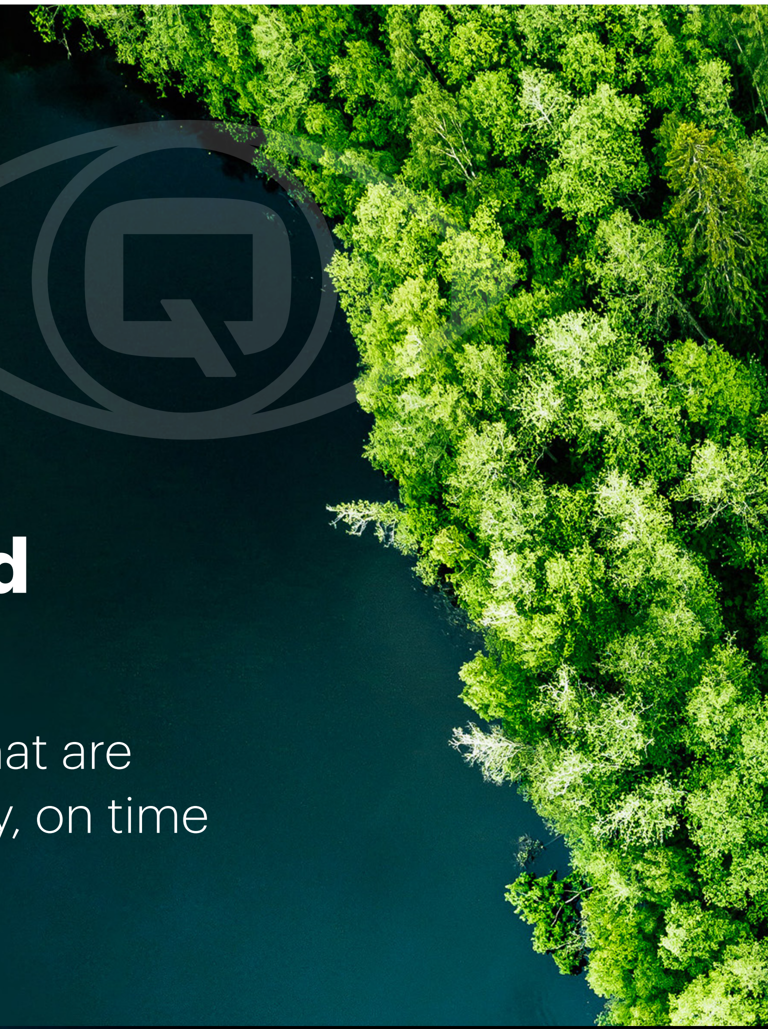
We shall have a business model, processes and capabilities that are fit for purpose. We will refine and update our operating model through distributed process ownership and excellence centers, and develop a model and digital tools to capture delivered client value in a stringent and efficient way.

Commercial Exellence

We will develop our offering to prove the value of maintenance. We shall ensure that agile service offerings are developed through close collaboration between service and process owners, together with digital development. We shall engage in industries here Quant has experience and can make a difference.

PROFITABILITY

The result of satisfied employees, high operational performance, digitalization and strong sales is improved profitability. Our aim is to achieve profitability above industry average.



OUR VISION

Smart services for a sustainable world

Smart services are services that are delivered safely and efficiently, on time every time.

OUR MISSION

We keep machines working

through smart services, performance improvements in a safe and sustainable way.

OFFERING

Quant is a leader in the industrial maintenance services market, working in almost every industry. The core of our value proposition consists of improving safety, creating organizational equity, driving plant performance, and cost alignment. The approach is to view the maintenance function as a profit contributor, and not as a cost center, with Quant as the partner driving this transformation.

Our partnership models are not one-size-fits-all, they are offered and tailored by combining Quant services and contractual models in a way that suits each customer's unique needs, emphasizing shared risk and return, and common objectives.

Generally, there two main categories of Quant - Customer maintenance partnerships:

In the first category, which can be seen as a form of business process outsourcing, Quant takes on the maintenance management responsibility for the plant ("four walls" scope), coupled with the provision of maintenance engineering, planning & scheduling, and execution services. Maintenance related material and sub-contracting can either go through Quant's books, or the customer's. The pricing model is either fixed price or cost-plus (or a combination of the two), preferably combined with a key performance indicator-based benefit sharing model, for alignment of objectives.

In the second category are cases where the customer wants to retain the maintenance management responsibility, Quant focuses on maintenance execution for the plant, coupled with team scheduling and team management, while most engineering and planning remains with the customer. Here, the commercial models are also always tailored to the specific customer situation.

Additionally, Quant can take on smaller scope projects such as maintenance of non-core processes and equipment categories, such as utilities and facilities.

Cornerstones of **Quant Smart Maintenance concept**

STRATEGIC MAINTENANCE DEVELOPMENT & PLANNING

RELIABILITY AVAILABILITY MAINTAINABILITY AND SAFETY CENTRED APPROACH

WORLD CLASS MAINTENANCE EXECUTION

PLANT PERFORMANCE

SUPPLY CHAIN & SPARE PART MANAGEMENT

SUSTAINABILITY FOCUSED ASSET LIFE CYCLE MANAGEMENT

EMBEDDED DIGITAL SOLUTIONS

ORGANIZATION – PEOPLE AND CULTURE

THE JOURNEY TO A PARTNERSHIP

A partnership starts with a review of the customer's current maintenance maturity and their needs. Quant takes the customer on a journey by putting basic maintenance such as skilled maintenance professionals and a good safety practice in place before moving up through availability focused maintenance and plant performance focused maintenance to reach the goal of smart maintenance. This journey drives strong safety results, maintenance cost optimization and improved plant efficiency.

FEASIBILITY STUDY		BUSINESS CASE	PARTNERSHIP	
Preparation form a hypothesis	**Conduct study on site**	**Develop business case**	**Customer presentation**	**Contract signing and partnership**
• Customer and Quant perform an Engagement workshop to form situation-based hypothesis for improvement and change of maintenance operations • Collection of quantitative and qualitative data	• Audit maintenance processes on site • Interview key personnel on site • Benchmark performance against Quant's best practice database • Identify improvement potential • Safety • Overall equipment efficiency • Reliability • Overall Craft Effectiveness • Cost optimization	• Finalize feasibility study • Develop a business case, often jointly with dedicated customer representatives • Develop Quant's partnership proposal	• Present result of feasibility study and business case • Organize a reference site visit to an existing Quant customer • Present Quant's partnership proposal to customer decision makers	• Initiated partnership development phase • Sign maintenance agreement • Mobilize site and initiate the journey with Quant

Quant go to site to review the state of maintenance operations, operational and financial data. We identify strengths and improvement potential for both productivity and maintenance. The outcome is benchmarked against our database of feasibility studies to find a challenging but realistic target for plant performance versus maintenance spend.

Quant develop the business case, often jointly with dedicated customer representatives. The result of the feasibility study and the business case is presented to the customer. Often a site reference visit is organized, where a potential customer can visit and talk to an existing Quant customer about their maintenance journey with Quant. A partnership proposal is presented to the customer.

A letter of intent is signed. A maintenance service agreement based on Quant's proposal is signed. The site is mobilized, and the customer has initiated the maintenance journey with Quant.

A long-term maintenance partnership with Quant leads to tangible results

Quant partners with customers for success – improving business as well as people and company culture

QUANT SMART MAINTENANCE

SAFETY STEWARDSHIP	SKILLED EMPLOYEES AND LEADERSHIP	PROVEN MAINTENANCE PROCESSES	DIGITAL TOOLS AND INTELLIGENCE
01	02	03	04

	01	02	03	04
Outcome	ENHANCED SAFETY CULTURE	OPTIMIZED COST	IMPROVED PLANT PRODUCTIVITY	BETTER CONTROL AND TRANSPARENCY
Tangible results	Δ Decrease in recordable accidents Δ Improved service culture	Δ Optimization of maintenance cost Δ Increased preventive/ corrective maintenance ratio	Δ Overall Equipment Effectiveness (OEE) increase Δ Higher plant availability Δ Higher plant performance	Δ Improved analysis and monitoring of granular data Δ Reduction in production downtime Δ Increased customer satisfaction index (cNPS)

Smart maintenance for outstanding plant performance

Quant Smart Maintenance is our way of combining employee knowledge, leading processes and methodologies, world-class safety stewardship, and enabling these with a modern digital platform.

Digitalization is a key differentiator between outsourced and in-house industrial maintenance. The underlying technology is developing very fast, making in-house development challenging.

Quant has the capability to identify, integrate, and apply new technology and digital solutions in an agile and cost-efficient manner. Having a distinct and developed digital portfolio creates value for both our customers and for Quant.

In 2023, we have strengthened our collaboration with IBM. The in-depth collaboration makes it possible to apply the latest technology and drive the development of our services with digital solutions, such as Augmented Reality (AR) and Artificial Intelligence (AI).

DIGITAL TOOLS SUITE

quantEffect

- Accurate and automatic measurement of Overall Equipment Effectiveness (OEE)
- Cloud-based solution with user friendly interfaces, including on your mobile
- Scalable from a single machine up to multi-site production plants
- All industries supported
- Easy and quick implementation

quantPredict

- Cloud-based condition monitoring system
- Supports various sensor manufacturers
- Supports various sensor types (vibration, pressure, temperature, current)
- Alarm limits for multiple machine health parameters
- Automatic email notification
- Automatic notifications to various maintenance (CMMS) systems
- Running time-based maintenance support

quantWorx

- Improved operational efficiency
- Decreased administration activities
- Extended interface towards operations
- Improved data management quality
- Convergence of information on a single support
- Increased transparency
- Opportunity to detect and highlight potentialities and new opportunities

quantShield

- Empowers the safety culture
- Gives instant information around safety hazards
- Simplifies continuous improvement and knowledge sharing
- Increased transparency and performance management

quantNumbers

- In-depth analysis of operational and business data
- Can be delivered to customers' own business intelligence system or viewed through Quant's selected software
- Complete key performance indicator management

quantDrone

- Visual and thermal inspection of various structures
- Early detection of structural issues (structural integrity, corrosion)
- Improved asset reliability controlled function deterioration
- Improved safety

Safety - **Our choice, our priority**

Safety is not just a priority for us at Quant; it is fundamental to our corporate identity. Integrating new individuals into our safety culture, aligning with the standards of our customers who share our commitment to operational safety, is a crucial part of this process.

We have updated our onboarding process with increased focus on developing the safety culture before employees commence their work. This initiative ensures that every team member understands and fully adopts our safety practices from the outset.

This year, we have intensified our efforts to strengthen awareness and knowledge in safety. Our safety week was reinvented with a different approach, reducing the number of activities to encourage more active participation and greater awareness. This change allowed the message and tools to reach a broader audience, resulting in a more significant impact and overall participation.

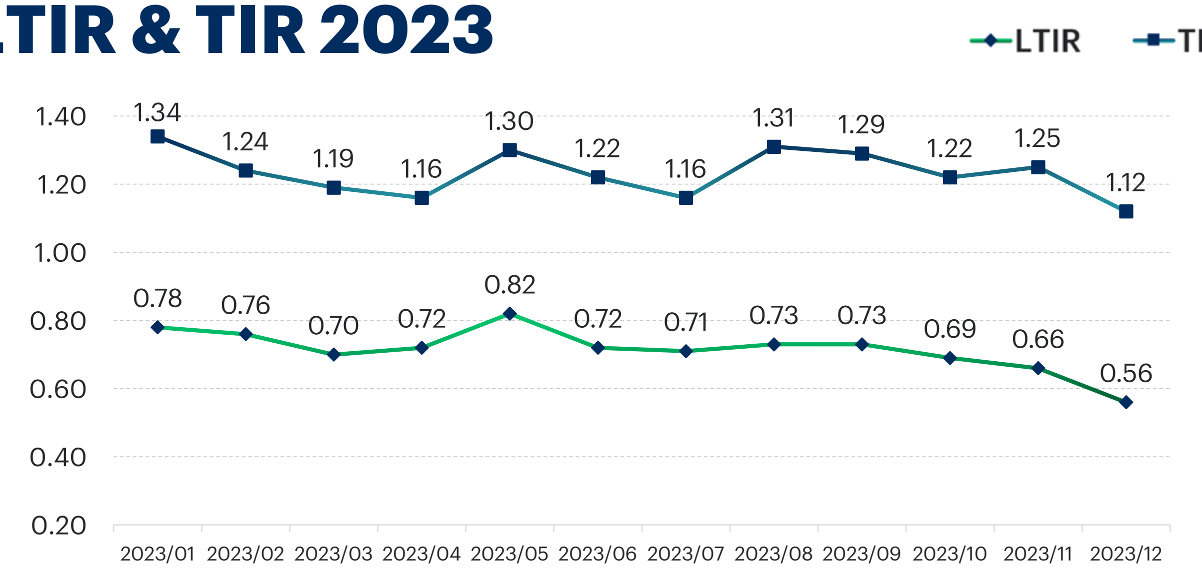
We are committed to continuing to strengthen our safety culture and making it an integral part of every aspect of our daily work.

Safety is not just an option; it is our choice and our priority.

QUANT LIFE SAVING RULES

- Risk Assessment
- Work Permit
- Personal Protective Equipment
- Lock out - Tag out
- Atmospheric Testing
- Fall Protection
- Hanging load
- Moving Vehicles
- Safe Driving

LTIR & TIR 2023



Quant's team **awarded by Vale**

At the end of 2023, one of our teams working at the Carajás site in Brazil was awarded by our customer Vale for completing a project not only improving the safety at site, but also making the production process more efficient.

The Carajás mine is one of the largest iron ore mines in the world, and it is run by our customer Vale. Last year, one of the Quant teams at this site was awarded by Vale for the completion of a spray system installation.

In the plant's classification circuit, there are screens acting as filters, separating materials of different sizes. What passes through the screens are materials of interest for the production, while the materials filtered out is returned to be processed again. The Quant team has installed a mechanic screen washing system, eliminating the previous need of washing the screens manually. This has not only improved safety at site, as the operator's exposure risk in the washing process is now eliminated, but also reduced the washing time from forty to six minutes, significantly improving the efficiency in the production.

We are very proud of the Quant team receiving the award from Vale. Big congratulations!

i CARE. we CARE.

Quant Safety Week 2023

In May, we conducted Quant Safety Week 2023. This is an annual, global event within Quant, aiming at strengthening our safety culture even further to reach our ultimate target of zero accidents.

This year's main theme was risk assessment, and the slogan was "I care, we care". Our employees participated in different safety-related activities during the entire week, and the event provided a platform for valuable learnings and knowledge sharing.

At Quant, safety is our choice and culture, meaning that operations and safety are always interlinked and that all of us share the belief that all injuries are preventable. Moreover, our customers expect and demand a strong safety culture. Having safety as a cornerstone in the development of our operational processes is crucial!

SUSTAINABLE QUANT

Standardized processes for a Sustainable Future

At Quant, sustainability is a fundamental pillar of our business philosophy. We have implemented standardized processes that synchronize operations across the entire company. This holistic approach ensures coherence and a unified workflow, promoting sustainable practices in diverse projects and regions.

Commitment to Equity Beyond the Workplace

Our dedication to sustainability extends beyond workplace practices to promote principles of inclusion, diversity, and gender identity. This year, we have undertaken substantial initiatives to advance equal conditions across our operations, addressing key areas such as the recruitment process, working conditions, and career development. A primary focus has been placed on fostering the growth of female talent within our organization, even in the face of operating within a traditionally male-dominated industry. As a global entity, we celebrate the richness of various cultures, religions, and backgrounds, promoting an environment where everyone feels valued and respected.

Recertification Excellence

We take pride in the certifications of our operations across Quant, adhering to the stringent standards of ISO 9001, ISO 14001, and ISO 45001.

This reaffirms our commitment to quality, environmental responsibility, and occupational health and safety.

Minimizing Ecological Footprint

In our pursuit of sustainability, we have initiated environmental programs aimed at reducing our ecological footprint.

Through responsible choices and mindful practices, we strive to contribute positively to the well-being of our planet.

Corporate Social Responsibility and Community Engagement

Our commitment to sustainability extends to corporate social responsibility, with active engagement in local communities.

We support causes related to social welfare and solidarity, collaborating with universities, social impact programs and training, involving our customers.

THE ANDINA TEAM WINNING QUANT AWARDS

In February, the runners-up and winners of Quant Awards 2023 were announced. The Andina team in Chile won the Sustainability Award, for consistent and efficient management of the safety on the site, achieving zero recordable incidents for 17 years.

Site Manager Mario Carvajal highlights the teamwork behind this achievement, recognizing the contribution from each member of the site team.

- Every member of the team, whether it is a worker, technician, supervisor, or administrator, understands the importance of their role in managing risks and implementing improvements, he says.

- We are committed to following strict safety management standards and tools, both from our client and Quant, to ensure that we maintain a disciplined approach to safety management. We have also developed a strong collaborative relationship with our client, allowing us to work together as a team in effectively managing safety.

There are several safety related activities in the underground mine performed daily to ensure a strong safety culture. As an example, there are start-of-shift meetings where both direct workers and supervisory groups participate. During these meetings, the group analyze safety events that occur at Quant, our client, or in the industry.

- From these discussions, we learn and commit to implementing necessary changes, Mario says.

- We also have daily safety analysis meetings between our group of supervisors and our client. This is an essential part of our safety management process, to maintain alignment and focus on safety efforts from the both of us.

A third example is the field safety dialogues, where workers and supervisors evaluate and share impressions about the risks and interactions, the status of tools, work complexities, and how to control all risks detected. These are held before the start of every work task.

- In conclusion, our dedication to safety is our first priority, and we believe that our daily activities are essential to maintain safe work at our site, Mario says.

He feels proud about receiving this award together with his team.

- We are human, and errors can occur even with the best practices or high safety standards. So in this context, we feel proud, but always with our feet on the ground. This is a collective achievement where each and every one of us counts.

How a company operates in relation to ethical, social, environmental and economic aspects should be fundamental for any company. At Quant, sustainability is considered in how we design our services & offerings, how we engage suppliers, how we assess risks and opportunities, and how we interact in the communities where we operate. We have defined processes which corresponds to key areas of sustainability: Occupational Health and Safety, Environment, Integrity and Business Ethics, and Quality. The Quant process is aligned with the UN Sustainable Development Goals.

For more information about Quant's sustainability work read the 2023 Sustainability Report. The report can be found on ***quantservice.com****.*

QUANT AWARDS 2023

Quant is an entrepreneurial company. To be successful, it is essential that we all pull together and work as a team, helping wherever it may be needed regardless of titles, hierarchy, or which part of the organization one belongs to. Through Quant Awards, we celebrate individuals and teams that personify the Quant values and entrepreneurial spirit.

Here are the winners and runners-up of Quant Awards 2023. Big congratulations to all of you!

Category: Sustainability
Winner: The Andina Team, Chile
Runner up: Christian Suarez, CAP UPP site in Chile

Category: Collegial Support
Winner: Jucimar Alves de Carvalho, Vale Vittoria site in Brazil
Runner up: Daniel Travis, Controller in Finland

Category: Customer Service
Winner: Jukka Kaunetsalo, Mölnlycke site in Finland
Runner up: Sebastian Pérez, Andina site in Chile
Runner up: Tommi Turunen, Suolahti site in Finland

Category: Innovation
Winner: Gulfex1 Extrusion maintenance & Automation team, United Arab Emirates
Runner up: Jaime Villalobos, Andina site in Chile

Category: Sales
Winner: Quant Gulf, United Arab Emirates

QUANT **ACADEMY**

- To learn and share knowledge

The purpose of Quant Academy is to educate our people with professional and focused competence development programs. People development is a commitment to our employees as well as to our customers and other stakeholders, and one of the key initiatives in our strategy. The Academy is in place to deliver on this commitment.

Quant Academy serves as a framework for our people to connect, to learn, and to share knowledge and best practices. With its offering, Quant Academy is one of the key drivers of our Quant culture, and hence contributes to variety of topics such as leadership and future talent development. The ultimate goal of the Academy is to empower all our passionate and proud maintenance professionals to deliver superior customer service.

One of the major milestones in Quant Academy in 2023 was to implement a Learning Management System. The LMS supports us to deliver focused and standardized training content for our employees to study by themselves when most suitable for them. Since the roll-out of the system, we have introduced several e-learning courses and translated the most important ones to our main local languages. A special focus has been put on safety courses, and for example our Quant Life Saving Rules training course has been completed by over 1,700 employes with over 2,400 study hours since its launch in 2021.

In 2023, one of our key focus areas related to people development was leadership. A specific course was created, and then adopted and rolled out in all our regions. This was a face-to-face training course gathering our leaders from different countries to discuss, share, learn, and practice their skills.

Another major milestone within Quant Academy has been to further develop our Smart Maintenance Awareness training first launched in 2022. The global process owners took the initiative to review some of our core execution processes and the training packages around them. The updated program was launched in October 2023 in Finland with participants from all our regions.

From apprentice **to employee**

Felix Nguyen

Following a two-year apprenticeship, Felix Nguyen was hired as a junior staff member of our team in Baden, Switzerland. He gained a lot of experience and knowledge during the apprenticeship and is now looking forward to continuing his learning path.

– I get good support from my senior colleagues and there is a good potential to develop in my professional role, he says.

Last year, we welcomed Felix Nguyen as a new member of our site team in Baden, Switzerland. Felix had been doing an apprenticeship as a polymechanic, which turned into an employment.

During his apprenticeship, Felix got support from senior staff members to gain expertise. He worked with maintaining and adjusting fixtures and was also responsible for some smaller independent projects regarding minor repairs and similar.

– I have learned a lot during this time. For example, I have gained skills, knowledge, and competence, and developed a structural approach to execute dedicated tasks according to the job requirements, he says.

– Another aspect is the way of working – to think before you act and to execute tasks in a correct and safe manner.

Good potential to grow your career

Although the apprenticeship has now turned into an employment, the learning path continues. Felix works with senior engineers on a daily basis to learn and develop even more, while his area of responsibility is growing.

– I have started to take over more responsibility for certain maintenance and repair tasks, and I can also work more independently to develop myself.

He thinks Quant is a good place to work, highlighting the teamwork and support from colleagues and supervisors. The work tasks are varied, and there is a good potential to grow in his professional role.

– I would recommend working at Quant. The team spirit is good, and the work is flexible and varied which is fun, he says.

– I think an open-minded person with a multicultural mindset would enjoy working here. If you want to take responsibility in your professional role and are a service-minded person, Quant is a good place to work.

AMERICAS

The year 2023 has proven to be a challenging one, marked by global economic uncertainties, inflation, catastrophies such as El Niño and floodings. Financially, we find ourselves trailing our plan, having faced the loss of significant contracts in Brazil, Chile, and Peru. The inability to make up for this with new business ventures has added complexity to our financial landscape.

Safety has been another area where our performance did not meet our expectations of zero accidents, nevertheless we got good performance in all the countries of the region with room for improvement in Chile. Acknowledging this, we are actively working to empower our workforce in matters of safety and health care. We are fostering a culture that encourages employees to report risky situations and promoting thorough investigations into the root causes of incidents. This proactive approach is crucial in creating a safer work environment.

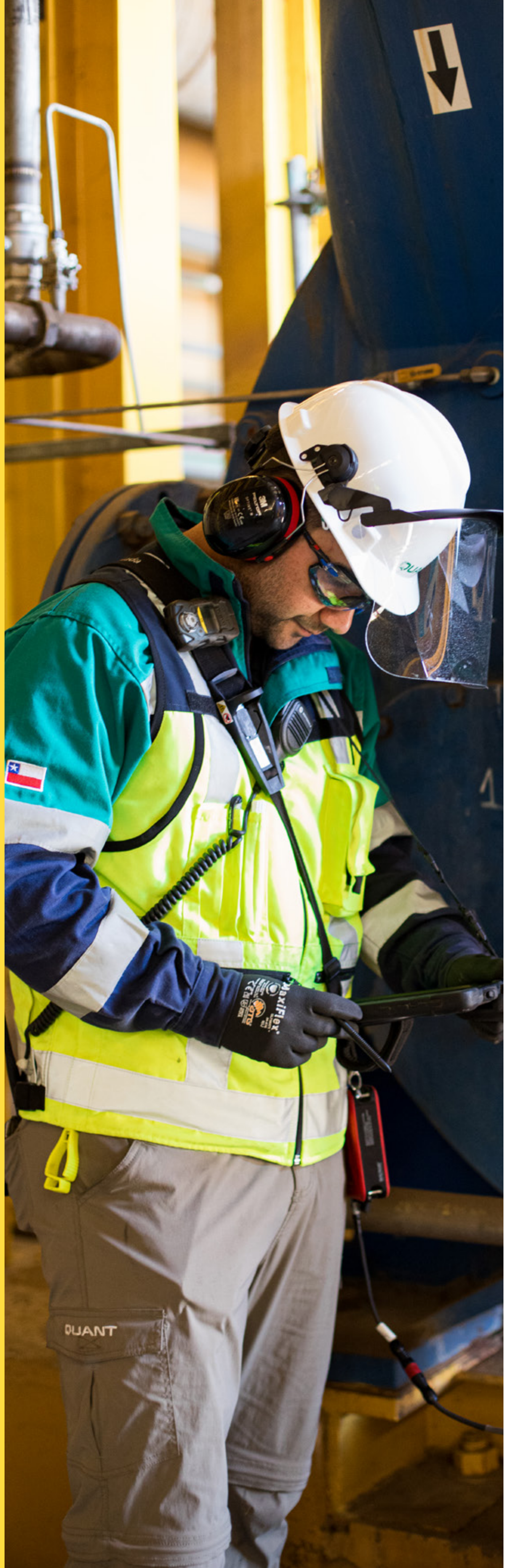
Diversity and inclusion remain at the forefront of our sustainability goals. We are determined in our commitment to promoting a diverse workforce, believing that it contributes to a more equitable and inclusive workplace. By hiring individuals with varied backgrounds and experiences, we aim to create an environment where everyone feels valued and has equal opportunities for growth.

Beyond our organizational boundaries, we continue to make a positive impact in the communities where we operate. As an example, we collaborated with our customer Vale, we participated in social programs in Brazil, contributing to community development and well-being. Additionally, our Female Training Program in Andina has been instrumental in empowering women in the workplace, among other initiatives.

In the realm of health awareness, we organized a campaign to educate our colleagues and customers on breast cancer and prostate cancer by doing different activities in all the sites of the region, through the Pink October and Blue November campaigns. One of the most relevant activities was online and in-person conferences.

To promote new technologies and to work with the communities and the academia, we participated in a workshop on Artificial Intelligence at Los Andes, conducted in collaboration with Codelco and Aconcagua University, which reflects our dedication to advancing knowledge and innovation.

As reflected in the challenges faced and lessons learned in 2023, we remain optimistic about the transformative opportunities that lie ahead, with a better safety culture, strong pipeline and a lean structure that will lead us to be successful and return to growth in 2024.



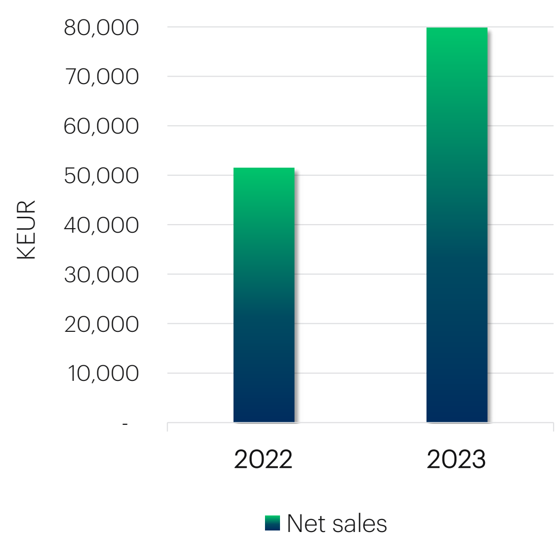
QUANT **ANNUAL REPORT** 2023
SEGMENTS

AMERICAS

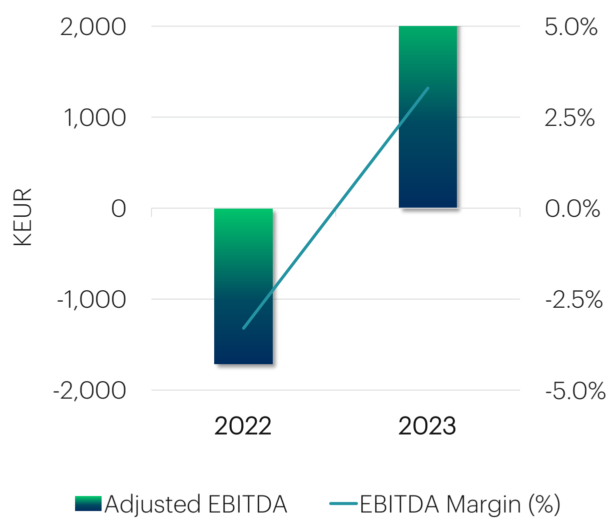
KEUR	2023	2022
Net sales	79,781	51,437
Operating profit (loss)	-1,080	-2,080
Adjusted EBITDA	2,280	-1,714
Adjusted EBITDA %	2.9%	-3.3%

Net sales 2023 increased to EUR 80.1 million, from EUR 51.4 million prior year due to new contracts and higher revenue from projects and upselling in existing contracts. Adjusted EBITDA 2023 was EUR 2.6 million compared to EUR -1.7 million prior year. This was due to new contracts mobilizing at the end of 2022 and beginning of 2023 as well as improved profitability in existing contracts offset by lost contracts. Cost of EUR 2.9 million related to one customer's early termination as well as restructuring cost is classified as non-recurring items in Adjusted EBITDA.

NET SALES



EBITDA & EBITDA MARGIN



Three years without Lost Time Incidents in Mexico

In July, our team in Mexico exceeded three years without Lost Time Incidents (LTI). Two of the keys behind this success are the strong safety culture and the close cooperation with our customer.

Another important factor is risk assessments, which has been a focus area not only within the Quant team, but also in the work done together with the customer. Combining the Quant model with the customer's model has contributed to building a high safety awareness.

The partnership stretches back several years. During this time, we have implemented our proven procedures and processes, creating a solid foundation for improving and developing the area of maintenance. While industrial maintenance is our core business, we also take into account other areas that may have an impact on the results. This way of working, offering a wide range of maintenance-related services, has been highly appreciated by our customer and we are looking forward to continuing to strengthen and develop our partnership.

EUROPE & MIDDLE EAST

In region Europe & Middle East, we employ around 500 people, spread out over six different countries. Our customers are located all over region Europe & Middle East where we have several partnership contracts stretching many years back in time.

Safety was, as always, in focus during the year. Continued efforts and attention were put on preventive safety actions and last-minute risk assessments during the year. In May, we in the region joined the annual global Safety week where all employees were involved in several preventive safety trainings and information sessions.

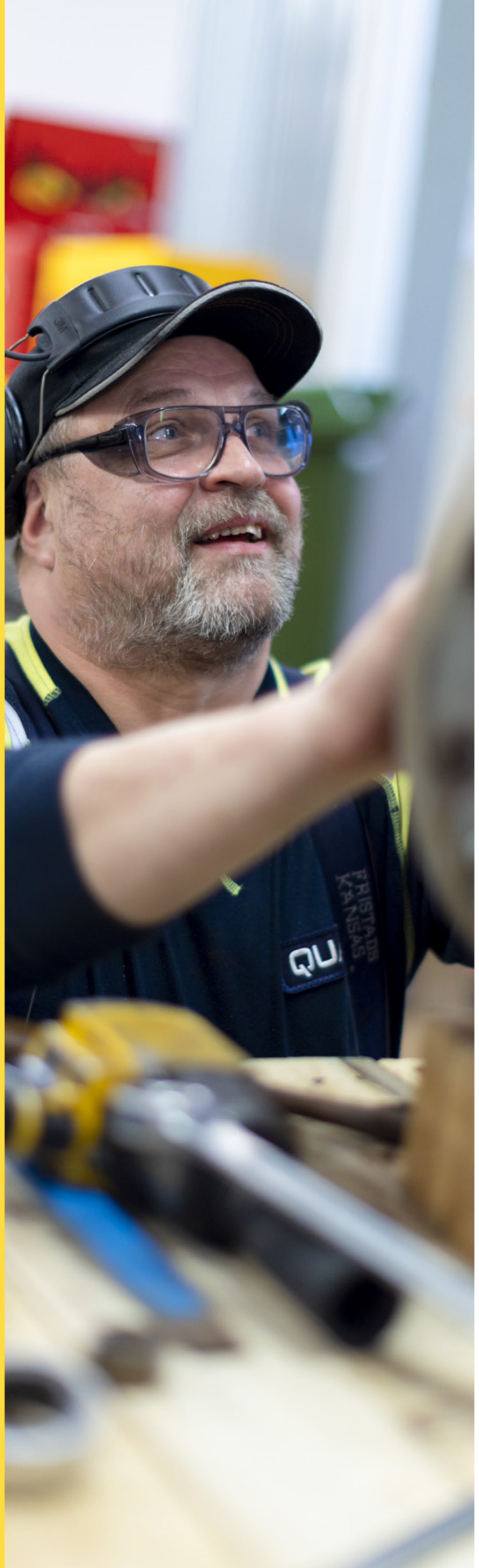
Several sites in the Region Europe & Middle East have had several thousand days without incidents. While several sites had zero incidents, we still had 10 recordable incidents in 2023. As a company and a region we are aiming to reach zero incidents bringing all our employees home without injuries.

The turnover for 2023 decreased compared to last year mainly due to lost contracts, but also as a result of reduced scope in certain contracts where the business climate has impacted our customers with lower production volumes. The loss in revenue was partially offset by new contracts and increased upsell with customers experiencing all time high production volumes. The region delivered good results when it comes to EBITDA and cash flow as all remaining contracts performed well.

We won three new contracts in the year thanks to great existing customer references. Expanding portfolio in existing industry segments and diversifying portfolio in new business areas aligning us with sustainable and innovative industry trends. The three new contracts were offset by the loss of two existing contracts causing a decrease in portfolio value for the region during the year.

Demonstrating the trust and satisfaction our clients have in our services, we successfully renewed six major contracts for an extended period of three to five years. These renewals are a testament to our enduring partnerships and consistent delivery of customer value. Renewing a contract is evidence that our services bring value for our customers and the Quant partnership concept is a successful solution.

We continued our journey for improved productivity and cost effectiveness through digitalization of maintenance processes. We have also put a lot of effort into keeping and recruiting new technicians and engineers and other key personnel. We broadened our service offerings with the successful launch of our Reliability Assets Management Services (RAMS) vertical. This new venture caters to non-Total Maintenance Partnership projects and short-term engagements, showcasing our flexibility and commitment to meeting diverse client needs.



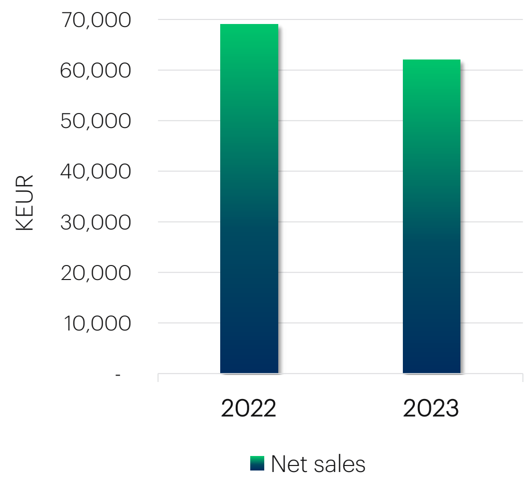
EUROPE & MIDDLE EAST

KEUR	2023	2022
Net sales	62,058	69,060
Operating profit (loss)	4,281	3,944
Adjusted EBITDA	4,418	4,067
Adjusted EBITDA %	7.1%	5.9%

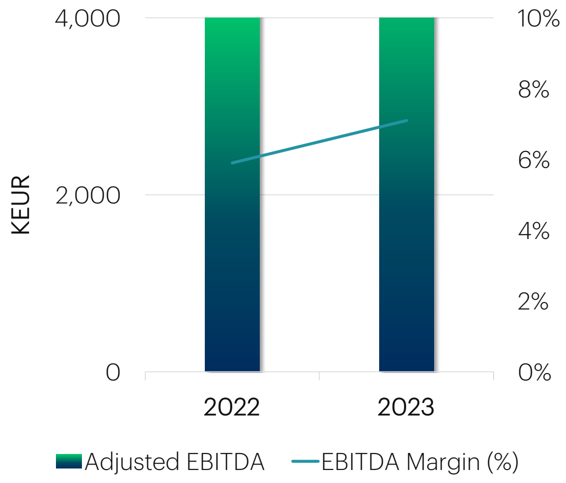
Net sales 2023 decreased to EUR 62.1 million, from EUR 69.1 million last year due to lost contracts, partially offset by new contracts and increased upselling in existing contracts.

Adjusted EBITDA 2023 was EUR 4.4 million, compared to prior year at EUR 4.1 million, driven by higher gross profit due to higher profitability in existing contracts as well as lower selling, general and administrative expenses partly offset by lost contracts.

NET SALES



EBITDA & EBITDA MARGIN



Digitalization project in Sweden

Last year, we started a project at one of our sites in Sweden where the customer's key machines have been connected to quantEffect. By using this cloud-based solution for automatic measurement of Overall Equipment Effectiveness (OEE), our customer easily gets an overview of the production.

At this site, quantEffect has been used for another key machine in the same department since 2018 and it is also used for machines in another department. Now, yet another piece of equipment has been connected to the system. Through sensors collecting the requested data, the customer can monitor the machines in real-time.

– It helps the customer to easily get a clear overview of the productivity of their machines, how often they are running and how much time they lose due to various reasons, says Andreas Ekstrand Larsson, Operational Excellence Engineer at Quant.

Using a screen installed on the machines, the production staff can easily monitor the productivity of the machines and manage any outages. In addition to the benefits that quantEffect brings to the customer, the system is also helpful for Quant's maintenance staff. Using the data collected via the system, Quant can implement measures to increase the technical availability of each machine.

– When the system is set up, we define which errors are counted as technical errors. We can then measure how many and what type of technical errors a machine has and implement measures to prevent problems and increase the technical availability, Andreas says.

FINLAND & BALTICS

In 2023, the market conditions for Quant in Finland and Estonia became more turbulent as many customers were forced to reduce production and start cost savings activities. Also, the war in Ukraine was causing uncertainty and inflation was still above average. Further, the employee market continued to be very tight for positions related to electrification and automation competences, as well as locations outside the large settlements.

Despite challenging external factors, the year was successful on many fronts. Investment in additional resources and consistent good work in preventative safety measures started to pay off, as we saw decline in Lost Time Incident (LTI) rate. We are on the right track, but still far from our ultimate target of zero incidents.

General pace of life increases all the time, and same applies for work life with customers continuously asking for efficiency gains. This puts a lot of pressure on us, and although improving at Quant, we are still suffering from too high workload and stress as latest engagement survey reveals. On the positive side, vast majority of people feel respected and the overall employee satisfaction and retention rate improved for the fourth consecutive year. The main driver for this is consistent work in terms of leadership development and having an engaged management and supervisor workforce in place.

2023 was challenging for our customers, in particular in businesses related to the construction industry. Consequently, we had to adjust our operations, reorganize, and unfortunately lay off some personnel in the end of the year. Despite successful shutdown management and working hard on reducing backlogs, we saw a decline in customer satisfaction. Customer expectations have risen and today they expect us to actively provide suggestions and to be proactive in helping customers develop their core business. Here we need to respond. On the positive side, our availability and ease of contact are largely appreciated by the customers.

The Service Center business development has picked some pace with a new workshop in Pori opened and Oulu operations started, offering development well on its way, and centralised project and engineering team formed. The organization has grown with more than 35 persons already and recruitments will continue, new offering soon be launched, and opening of additional new locations is in the planning phase. Naturally all this has come with an upfront investment cost, but it has already helped us in improved cross collaboration and effective use of capabilities across sites. This is a great platform to build on for the future.

The maintenance market continues to change, and we need to adjust our offering and operations towards more flexible and data driven models. Sales is focused on finetuning of our value proposition, numerous feasibility studies, and healthy pipeline development. We did not add any large new accounts to our portfolio but increased our portfolio value as the result of contract renewals, scope additions, and upselling to existing customers. Considering market circumstances, we are very pleased with the growth and our improved profitability – it is a remarkable achievement by the entire Finland & Baltics organization.

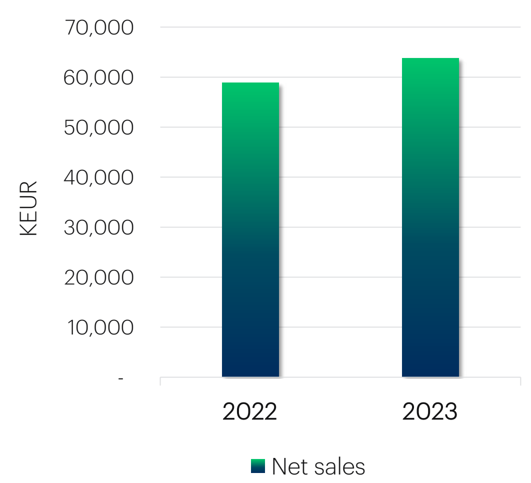
FINLAND & BALTICS

KEUR	2023	2022
Net sales	63,800	58,876
Operating profit (loss)	3,565	2,531
Adjusted EBITDA	3,759	2,820
Adjusted EBITDA %	5.9%	4.8%

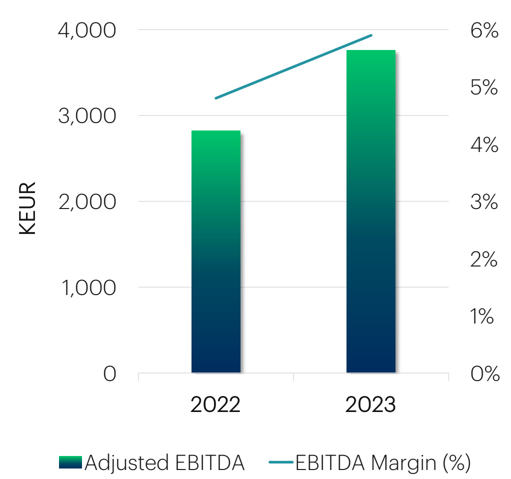
Net sales 2023 increased to EUR 63.8 million, from EUR 58.9 million driven by annual contract inflation clauses which went into effect early in the year and higher upsell in existing contracts, partly dampened by lost contracts.

Adjusted EBITDA 2023 was EUR 3.8 million, up from EUR 2.8 million, due to the above-mentioned contract price inflation clauses and higher upsell in existing contracts, partly offset by higher general and administrative expenses.

NET SALES



EBITDA & EBITDA MARGIN



Quant Service Center – a new concept

To better meet the industry demands, Quant Finland has developed its service offering by establishing a new business unit - Service Center. Through Service Center, Quant offers flexible industrial maintenance expertise, project and engineering services, and resourcing to support the core maintenance, whenever and wherever our customers need it.

Whether the core maintenance is offered by a customer or a Quant team on site, the Service Center concept suits both. The core services can be expanded by a wide range of industry repair and maintenance services, inspection services, project and engineering services, predictive maintenance, and condition monitoring.

- This is a unique concept, combining the expertise of our centralized project and engineering teams with the expertise of local Service Center units. This development of our offering shows that Quant is more than just an ordinary maintenance company. Our flexible Service Center model makes a wide range of expertise and specialists available to current and future needs, says Juho Jääskeläinen, Service Center Director.

CONTRACT **PORTFOLIO**

On 31 December 2023, Quant had 71 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 49.1 (52.6) million are scheduled for renewal during 2024.

During 2023 four contracts were won, with a combined annualized net sales of EUR 4.0 million. Seventeen contracts were renewed with a reduced scope corresponding to annualized nets sales of EUR -0.4 million. Eight contracts were lost with annualized net sales of EUR -44.2 million. The combined effect of these changes, including scope changes in existing contracts of EUR 3.5 million and exchange rate effects of EUR -4.4 million, amount to a decrease in the contract portfolio annualized net sales of EUR -41.5 million to end of period annualized run rate of EUR 168.2 million, compared to EUR 209.7 million at the end of 2022.

EXECUTIVE **MANAGEMENT TEAM**

Tomas Rönn
CEO

Nationality: Finnish
Location: Sweden
Qualifications/Education:
Extensive international experience with industrial business development, sales and operations during 34 years at Wärsilä.
BSc, Electrical and Electronics Engineering

Madelene Kärvin
CFO

Nationality: Swedish
Location: Sweden
Qualifications/Education:
Wide experience in Finance & Management, across diverse sectors like industrial processes, pharmaceuticals, med-tech devices, and retail. Most recently served as VP & CFO/CIO at IPCO, a global company specializing in sustainable large-scale production.

Maja Robertsson
CHIEF DIGITAL OFFICER

Nationality: Swedishv
Location: Sweden
Qualifications/Education:
Broad experience from digital strategy development and execution at management level in various industries.
BSc in Computer and Systems Sciences.

Patricio Ibarra Gomez
REGION MANAGER AMERICAS

Nationality: Chilean
Location: Chile
Qualifications/Education:
Industrial Engineer, has more than 18 years of experience in mining and service industry, including overseas assignments in different industries.
Master in Safety and Quality systems MBA.

Pekka Venäläinen
REGION MANAGER EUROPE & MIDDLE EAST

Nationality: Finnish
Location: Sweden
Qualifications/Education:
Broad experience in industrial customer relations, business development and maintenance management. 28 years in ABB.
BSc in Industrial Automation.
Business Administration,
General Management.

BOARD **OF DIRECTORS**

Bo Elisson
SWEDEN

Chairman of the board
since 2022

Samuel Gross
UNITED KINGDOM

Board member
since 2022

Alexander Bell
UNITED KINGDOM

Board member
since 2022

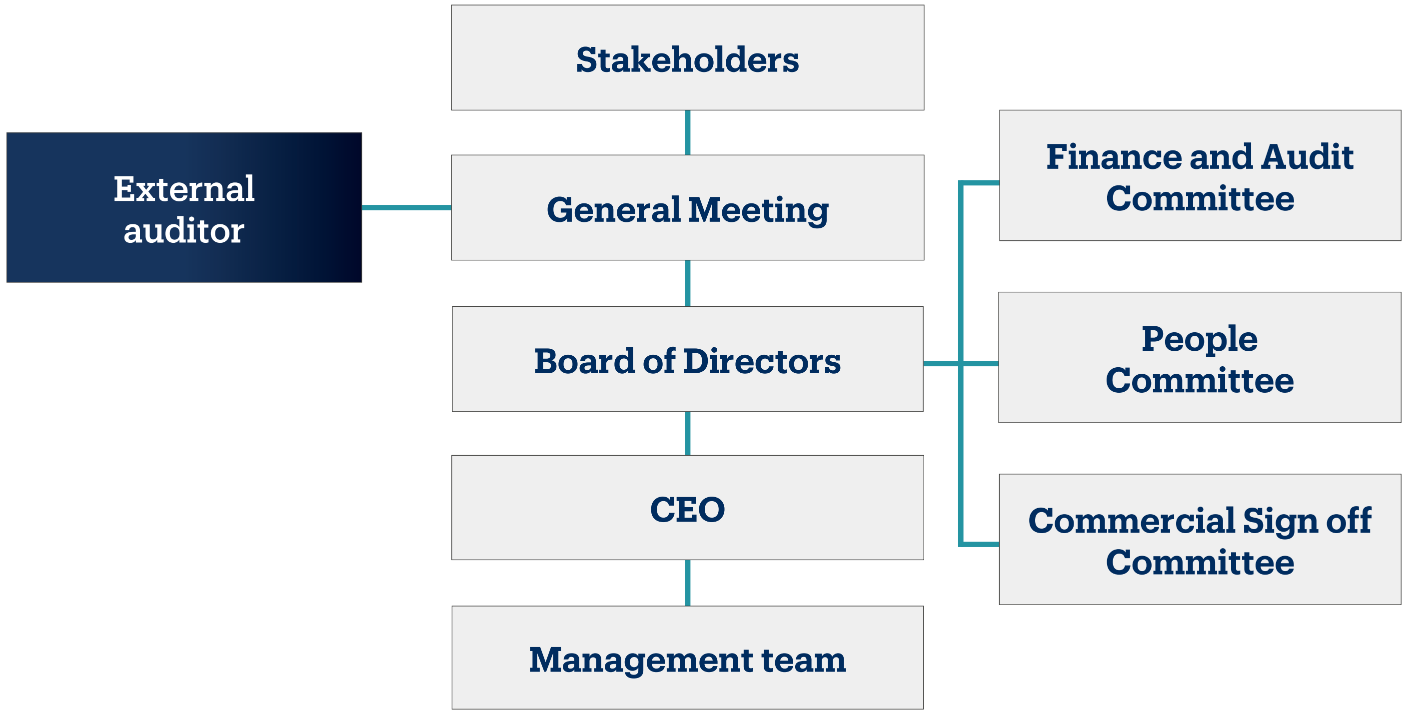
Tomas Rönn
SWEDEN

Board member
since 2022,
CEO

QUANT AB (publ) CORPORATE GOVERNANCE REPORT

Quant AB (publ) (Quant, or "the Company") is a Swedish public company, with privately held shares, and a senior bond listed on Bourse de Luxembourg (the Luxemburg Stock Exchange). Corporate governance is primarily regulated by the Swedish Companies Act and other Swedish legislation and by Rules and Regulations of the Luxemburg Stock Exchange.

The Quant corporate governance structure



External governance systems

The external governance systems that constitute the framework for corporate governance at Quant consist primarily of the Swedish Companies Act, the Swedish Annual Accounts Act, the Luxemburg Stock exchange rules and regulations, as well as other applicable regulations and relevant legislation.

Internal governance systems

The Articles of Association adopted by the shareholders, the Quant Charter of the Board of Directors adopted by the Board, the instructions for the CEO and the instructions for the Board Committees constitute the key internal governance systems. The People Committee sets the remuneration for the CEO, the management team and oversees the overall remunerations of the group. The Commercial Sign-off Committee reviews and decides on larger contract pursuits and negotiations. The Finance and Audit Committee prepares matters relating to finance and audit. In addition to this, the Group has a number of policies and instructions with rules and principles for the Group's operations and employees, for example, the Code of Conduct, Anti-Bribery Manual, Competition Manual, Data Protection Manual, Trade Sanction Manual, Whistleblowing Policy and the Insider Policy.

Quant Articles of Association

Quant Articles of Association were adopted at an Extraordinary General Meeting on November 28, 2017 and were registered at the Swedish Companies Registration Office on the same date. In Quant's Articles of Association, there is no limitation on how many votes each shareholder can represent at a general meeting. On the Annual General Meeting (AGM), the shareholders' elect the board of directors. Between AGMs, Extraordinary General Meetings can be held to elect new board members. Any General Meeting will be summoned at least 2 (two) and no more than 6 (six) weeks before the meeting, including for changes of the Articles of Association. Summoning is made by post. There is no outstanding delegation to the board to issue or acquire own shares.

Shareholders

Quant's shares are privately held. All shares are of the same type and have equal rights in every respect. Quant AB is owned by Quibot Topco AB which owns 100% of the shares in Quant AB. Quibot Topco AB is owned by Permira Credit Solutions II Master Sub S.A.

Internal control of the financial reporting

The Board of Directors are responsible for establishing fundamental rules and guidelines for internal control. The Finance and Audit Committee (the "Committee") is appointed by the Company's Board of Directors, with the task of preparing matters relating to finance and audit, monitoring the work of the auditors and the Company's internal control systems, monitoring the current risks (Operational, Legal / Regulatory / Policy and Financial), follow-up of external audits and the Company's financial information, reviewing and approving the Company's quarterly reports for Q1 and Q3, reviewing integrity cases and other issues the Board assigns the Committee to prepare. The Board of Directors and the finance and audit committee interact directly with the external auditors.

The Board of Directors is overall responsible for establishing fundamental rules and guidelines, and the CEO is ultimately responsible for the effectiveness, implementation and supervision of monitoring of the internal control environment within the Group. The CFO is responsible for the operational effectiveness of the internal control environment within the Group. At a local level, the regional managers and regional controllers are responsible for the internal control.

Financial reporting competencies

The Group Management Team and local management teams ensure that the company has employees with the right competency in all key financial positions and that there are procedures in place to ensure that employees in key financial positions have the requisite knowledge and skills.

Reporting routines

The financial reporting should provide sufficient, up-to-date and reliable information of a financial and non-financial nature. As far as possible, management reporting is directly linked to the financial reporting and to the consolidation tool.

Local management and accounting teams report their financial results and key performance indicators (KPIS) monthly and in accordance with the Group's accounting and reporting policies. This reporting is the basis for Quant's internal and external reporting and serves as a basis for legal and business reviews. The business reviews, in the form of monthly financial and operational reviews, are carried out according to a structure in which sales, earnings, cash flow and other key measures and trends of importance to the Group are compiled and form a basis for analysis and actions by the management and controllers at different levels. Other important and group-wide components of the reporting routines are the annual budgeting process, the quarterly forecasting, and the weekly cash flow forecast process.

To ensure the efficiency of internal control over financial reporting, reviews are carried out by the Board, the audit committee, the CEO, the Group Management Team, the central finance and treasury team and the Group's various subsidiaries. Every month, financial reports are reviewed against budget and established targets and risks related to the financial reporting are assessed.

Basis for financial reporting risk assessment

- Existence; reported assets and liabilities exist on the reporting date.
- Completeness; all transactions during the reporting period are recorded and reported.
- Rights and obligations; Assets are the rights of the organization and the liabilities are its obligations as of a given date.
- Valuation and allocation; all items in the financial reporting are reported in conformity with IFRS valuation principles and are correctly calculated and summarized and appropriately recorded.
- Presentation and disclosure; items in the financial reports are properly described, sorted and classified.

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in Quant AB (publ), corporate identity number 556975-5654

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2022 (the financial year 2022) on pages 29-30 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, April 26, 2024
Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg
Authorized Public Accountant

MANAGEMENT REPORT

General about the business

Quant is a supplier of industrial maintenance services and is the global leader within the area. The business currently operates in 12 countries in its continuing operations, which are organized into three geographic regions: Europe & Middle East, Americas, and Finland & Baltics. The service is adapted to suit the customers' production facilities and includes a combination of maintenance processes, maintenance expertise, safety measures and a digital way of working. This comprehensive solution leads to increased productivity through a more efficient cost structure for maintenance, higher security and increased transparency.

As of 30th of December 2014 Nordic Capital (Nordic Capital Fund VIII) acquired the business unit ABB Full Service from ABB. In connection with the acquisition, ABB Full Service changed name to Quant. On 24 June 2014, Quant AB was formed with its registered office in Stockholm and was owned until 2022 by Nordic Capital through its subsidiary Cidron FS Holding AB. In 2022 the majority of shares in Quant AB were acquired by Permira Credit Solutions II Master Sub S.A. with Nordic Capital as minority owner. Since then, Quant AB is a wholly-owned subsidiary of Quibot Topco AB, Swedish corporate ID no. 559374-5150, which is a limited liability company registered in Sweden having its registered office in Stockholm. Quibot Topco AB is owned by Permira Credit Solutions II Master Sub S.A.

The parent company, Quant AB (publ), Swedish corporate ID no. 556975-5654 is a limited liability company registered in Sweden, having its registered office at the address: S:t Göransgatan 66, 112 33 Stockholm, Sweden. Since Feb 7, 2019, Quant AB (publ) has its bonds registered on the EU regulated market of the Luxembourg Stock Exchange. The company is responsible for headquarter functions for the group and includes group management as well as group-wide functions.

Development of the company's business, results and position

All reported figures refer to continuing operations unless otherwise stated.

Net sales amounted to EUR 205.6 (179.4) million. The increase was due to new contracts and increased upselling in certain existing contracts. The increase was partially offset by lost contracts. Organic growth was 15.2%. Gross profit for the year was EUR 22.5 million, an increase from EUR 20.0 million last year, mainly driven by new contracts in Region Americas, improved profitability in existing contracts and inflation adjustments in contracts in Region Finland & Baltics. This was partially offset by lost contracts in Regions Americas and Europe & Middle East as well as changes in currency fluctuations, which were EUR -0.3 million compared to EUR 0.5 million last year.

Operating loss for year was EUR 1.6 million, compared to a loss of EUR -9.7 million prior year. This increase was driven by write-down of goodwill in Region Finland & Baltics of EUR 10 million last year as well as improved profitability in existing contracts.

Adjusted EBITDA, excluding the impact from IFRS 16, for the full year was EUR 8.9 million, compared to EUR 4.7 million prior year mainly due to higher gross profit and offset by higher general, administrative and selling expenses. In constant currency the adjusted EBITDA was EUR 8.4 (4.6) million. Adjusted EBITDA including the impact from IFRS 16 was EUR 10.2 (6.7) million.

Financial items amounted to EUR -11.0 (-13.2) million. The improvement was due to reduced interest expenses compared to the previous year. In 2022, interest-bearing liabilities were reduced significantly as an effect of the change in ownership structure.

Net loss for the year amounted to EUR -8.2 million compared to a loss of EUR -21.9 million prior year. The improvement was primarily due to EUR 10 million write-down of goodwill which burdened last year's result and lower interest expenses in 2023 compared to the previous year.

Cash flow from operating activities in 2023 amounted to EUR 1.5 (7.7) million. Change in working capital was EUR 3.3 (9.8) million mostly due to an increase in operational receivables.

Financial position

Interest-bearing liabilities after deduction of financing costs, and excluding lease liabilities, amounted to EUR 87.1 (86.3) million. Net debt excluding the impact of IFRS 16 implementation amounted to EUR 76.1 (71.9) million, whereas Net debt with IFRS 16 effects included (Net Debt IFRS 16) amounted to EUR 77.5 (73.9) million. With EUR 13.0 (14,4) million in cash at the end of 2023 the Group had a good liquidity position.

Discontinued operations

The Adjusted EBITDA for discontinued operations 2023 was EUR -0.3 (0.5) million and net profit was EUR -0.9 (0.6) million.

Multi-year overview, Group including discontinued operations

MEUR	2023	2022	2021	2020	2019
Net sales	205.6	179.4	165.4	171.2	204.7
Operating profit/loss	1.4	-9.2	-10.2	-4.6	-18.4
Profit/loss for the year	**-9.1**	**-21.3**	**-22.9**	**-18.4**	**-24.5**
Cash flow from operating activities	1.1	8.1	-2.6	7.7	-1.9
FTE	**3,002**	**2,637**	**2,373**	**2,357**	**2,562**

QUANT **ANNUAL REPORT** 2023
MANAGEMENT REPORT

Significant events during the fiscal year and after the end of the financial year

On 28 April 2023 it was announced that Quant and Alcoa in Norway will conclude their successful 3-year partnership. Alcoa will execute maintenance operations internally from 1 December 2023.

On 29 May 2023 it was announced that Quant Service Peru S.A.C and Pesquera Exalmar S.A.A. have mutually agreed to end the maintenance service contract as of 31 May 2023 due to extreme weather conditions affecting the entire fishing industry. Quant will reduce its contract portfolio value with approximately EUR 10.9 million as a result of the terminated contract.

On 22 September 2023 it was announced that Arauco, a global manufacturer of forest products, has announced the decision to indefinitely suspend cellulose production at the Licancél mill in Chile. This move is a response to extreme weather fluctuations and natural disasters. As a consequence of this suspension, a portion pertaining to the Licancél mill of Quant's ten-year maintenance partnership agreement, which was initially signed in July 2022, was canceled. Quant's work on the Constitutión mill remains unaffected and continues operations as planned. The impact of this closure will be a EUR 10.9 million decrease in Quant's contract portfolio.

On 18 December 2023 it was announced that Hitachi Energy and Quant have agreed to renew partnership agreements which are expected to generate an average annual revenue of SEK 130 million (EUR 11.5 million) until 2026 with an option for an extension for a further two years. This renewal will not affect the value of Quant's contract portfolio. As part of the contract renewal, Hitachi Energy and Quant have agreed on a long-term strategic development plan for how Quant will actively support Hitachi Energy through its growth journey in the forthcoming years.

Important events after the end of the fiscal year

On February 9, 2024, it was announced that Metsä Wood, part of the Metsä Group, has informed Quant Finland and Quant Estonia of its intention to make a strategic decision to integrate the maintenance functions internally, leading to the termination of the maintenance service agreements with Quant. On 24 April, 2024, Metsä Wood signed Business Purchase Agreements with Quant Finland and Quant Estonia, specifying the handover date of 1 October, 2024. In Q2 of 2024, Quant's portfolio value will decrease by EUR 25 million as a result of this contract termination.

Covid impact and risk for Quant

By 2023, the effects of the global Covid-19 pandemic had largely subsided and the related risks were significantly decreased. Employee sick leave and other effects returned to normal levels.

Important conditions

The group has operations in 12 countries with 10 different currencies, which means that changes in currency rates can have a significant impact on its result. The group is also exposed to changes in market interest rates. For more information, see note 3.

Expected future development and important risks and insecurity factors

Global economic and market risks

The Group's business is highly dependent on its customers' demand for its services and their ability and willingness to meet their payment obligations under existing contracts in a timely manner, and accordingly its revenues are to a large extent dependent on the strength of the markets its customers are engaged in. While the Group's customer base is spread across a number of different global markets and a diversified set of product markets, it is ultimately dependent on macro-economic factors including the global economic situation which is outside the Group's control. Changes in the geopolitical and macroeconomic situation, among others, the war in Ukraine, higher inflation, high energy prices, a higher trend in global interest rates, behavorial changes after the global pandemic and the trend towards a more protectionist political rhetoric has an impact on the world economy through changes in inflation expectations, disturbances, sanctions, and shortages in supply chains and labor markets, as well as changes in behavior which may adversely affect Quant's business model and profitability.

Operational risks

The operational risks in Quant's business is primarily attributable to contractual commitments in customer contracts for responsibility and service performance. Quant performs its services in an environment where customers place high demands on safety when performing the service to ensure minimal negative impact on people, environment and business process. Since Quant's services are mainly performed by personnel, there is a risk that injuries and damages may occur due to negligence or other lack of performance of the service. Quant does its utmost to minimize the occurrence of these types of risk through, inter alia, risk analysis, training, certification, follow-up of performance of service, and through careful contract management with clear liability limits.

As a maintenance services business, the Group is highly dependent on retaining its customer portfolio as well as its ability to attract new customers on a regular basis in order to secure both short and long-term profitability. The Group currently faces competition from both global and local providers of maintenance services and is also facing the risk of its customers make strategic decisions to in-source the services provided. The loss of larger contracts or a loss of a number of less significant contracts, without the replacement with new contracts, would have a significant impact on the Group's profitability. Any demobilization from a customer site is required to be managed in an organized manner that allows for exit costs to be minimized and, unless lost contracts are replaced by new contracts, that the group's operations are adjusted to reduced earnings. To manage the risk of loss of contract Quant is ensuring value-add for the customer by, for instance, maintaining motivated and well-trained personnel, a continuous development of services and processes and an active customer relationship dialogue.

Quant has a number of pricing models in its contracts, including primarily fixed price contracts but also cost-plus pricing models. The Group's operations and financial position may be impacted negatively if the total effective maintenance costs are above the agreed fixed price level, if cost increases occur which exceed price indexation in customer contracts, or if price pressures hinders Quant from applying a profit margin which it considers satisfactory in order to win or keep a contract.

The risk of cost overruns, which may have a significant impact on the profitability of contracts, are most prominent at the start-up and/or termination stages of a contract, or in periods of site maintenance shut-down during the contract term. To manage this risk Quant has well-defined processes and procedures for these key parts of the contract life, as well as operational, financial and legal risk reviews of contracts before entering into new customer partnerships.

The group operates in a relatively specialized business, and the possibility to retain key persons as well as the ability to attract qualified personnel is crucial for the group's success.

Digitalization

In an increasingly digitalized world, one of the Group's focus areas in order to ensure long-term profitability is to stay ahead of technological advances and to offer cutting-edge technology as part of its services. While the group currently includes advanced technology when delivering industrial maintenance services to its customers, the pace of advances in technology is increasing, and any failure by the Group to keep up with such advances may result in not being able to offer the modern services where our services are not competitive in relation to those offered by our competitors.

IT and cyber risks

The digital transformation leads to great opportunities with new technology to speed up the transfer of information, but it also opens up for new risks. Quant continuously monitors its IT infrastructure and applications for cyber security risks to remediate where required and proactively manage its defense. Cyber security control failures are an emerging risk closely monitored by Quant. IT failures, for example in key applications, may have significant impact on Quant's ability to carry out its services. In addition to this, the increased development within and towards the connection and interconnection of different parts of production and processes means that the internet of things (IoT) takes a greater role and expands the work area for Quant's IT infrastructure. Quant's digital unit constantly works to proactively eliminate these risks and, as one part of this, performs regular end-user trainings to increase general awareness, as well as works with the organization to continually avert risks.

Disputes and litigations

The Group regularly review significant outstanding claims and disputes to determine the need for provisions. Among the factors considered in such an assessment are the type of litigation or summons, the amount of any damages, the development of the case, perceptions of legal professionals and other advisers, experience from similar cases, and decisions of Group management regarding the Group's actions concerning these claims or disputes. Estimates do not necessarily reflect the outcome of pending litigation, and differences between outcome and estimate may significantly affect the company's financial position and have an unfavorable impact on operating income and liquidity.

Financial 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. The continued development of the global economy, including interest rate and currency risk, is an uncertainty factor for earnings performance. A more detailed description of Quant's financial risks and how the group manage these risks is found in note 3.

Insurable risks

Usage of insurance is governed by central guidelines. These include professional indemnity and product liability, property, disruption, transport, crime, CEO and board responsibilities and liability insurance for employment-related requirements. Most insurance policies are managed centrally by the Group.

Use of financial instruments

Financial instruments derive from interest-bearing borrowing from bank and currency hedging of intercompany loans. Quant may use hedging instruments, but currently chooses not to use it. As of December 31, 2023, there is no currency swaps hedging for intercompany loans.

Permit or notification required under the Environmental Code

The Group does not operate a business that requires any permit or notification.

Sustainability report

Quant's Sustainability Report 2023 is reported separately from this Annual Report. The statutory Sustainability Report is found on Quant's homepage at www. quantservice.com/investors.

For further information regarding the parent company's profit and financial position, information can be found in the following income statement, balance sheet and cash flow statement.

FINANCIAL STATEMENTS

Consolidated Income Statement

KEUR	Note	2023	2022
Continuing operations			
Net sales	4	205,638	179,374
Cost of sales		-183,132	-159,391
Gross profit		**22,506**	**19,983**
General and administrative expenses		-18,475	-16,536
Selling expenses		-2,420	-2,870
Research and development expenses		-4	-297
Other operating income		64	71
Other operating expenses		-24	-10,032
Operating Loss	6, 7, 8, 20	**1,647**	**-9,681**
Profit/Loss from financial items			
Interest income and similar profit/loss items	9	116	86
Interest expense and similar profit/loss items	10	-10,507	-14,949
Foreign exchange gains and losses	9, 10	-648	1,626
Total financial items		**-11,039**	**-13,236**
Profit/loss after financial items		**-9,392**	**-22,917**
Taxes	12	1,172	1,033
Loss for the year, continuing operations		**-8,220**	**-21,884**
Net profit (loss), discontinued operations	36	-874	621
Net profit (loss), Group total		**-9,095**	**-21,263**
Basic earnings per share*, EUR	13		
Continuing operations		-1.64	-7.44
Discontinued operations		-0.17	0.21
Group total		**-1.82**	**-7.23**

*The Group has no employee incentive program that would have a dilutive effect on the Parent company's ordinary shares outstanding. Therefore, only Earnings per share basic is presented, and diluted Earnings per share is not calculated.

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Consolidated Statement of Comprehensive Income

KEUR	Note	2023	2022
Loss for the year		**-9,095**	**-21,263**
Other comprehensive income			
Items that have been or could be reclassified to profit/loss			
Translation differences pertaining to foreign operations		243	-2,424
Items that will not be reclassified to profit/loss			
Revaluation of defined benefit plans		-103	1,386
Tax pertaining to items that could not be reclassified to profit/loss		20	-271
		-83	**1,114**
Total other comprehensive income		**161**	**-1,310**
Total comprehensive income		**-8,934**	**-22,573**
Total comprehensive income continuing operations		-8,060	-23,194
Total comprehensive income discontinued operations		-874	621
Total comprehensive income		**-8,934**	**-22,573**
Attributable to:			
Shareholders of the parent company		-8,934	-22,573
Non-controlling interest		-	-

Consolidated Statement of Financial Position

KEUR	Note	Dec 31 2023	Dec 31 2022
ASSETS			
Non-current Assets			
Intangible assets			
Goodwill	14,18	61,154	61,613
Other intangible assets	15, 16, 17,18	9,756	11,472
Total Intangible assets		**70,910**	**73,084**
Property, plant and equipment			
Property, plant and equipment	19	2,322	2,597
Right of use assets	20	1,379	1,893
Total property, plant and equipment		**3,702**	**4,490**
Deferred tax asset	23	3,407	2,784
Other non-current receivables		46	35
Total non-current assets		**78,066**	**80,394**
Current Assets			
Inventories			
Raw materials and consumables		894	940
Products in progress		733	693
Total inventories		**1,627**	**1,632**
Current receivables			
Accounts receivable - trade	24	23,511	19,945
Current tax assets		803	829
Other receivables		1,960	1,695
Prepaid expenses and accrued income	25	14,332	11,644
Total current receivables		**40,606**	**34,113**
Cash and bank	26	13,004	14,389
Assets held for sale	36	45	218
Total current assets		55,281	50,352
TOTAL ASSETS		**133,346**	**130,746**

Consolidated Statement of Financial Position, continued

KEUR	Note	Dec 31 2023	Dec 31 2022
EQUITY AND LIABILITIES			
Equity			
Share capital		528	528
Other added capital		104,025	104,025
Reserves		-2,794	-3,037
Loss brought forward, incl. net loss for the year		-119,342	-110,164
Total Equity		**-17,583**	**-8,649**
Non-current liabilities			
Liabilities to credit institutions		87,112	86,327
Provisions for pensions and similar obligations	28	1,574	1,294
Provisions for taxes	23	1,572	2,809
Leasing liabilities		703	841
Total non-current liabilities		**90,962**	**91,272**
Current liabilities			
Liabilities to credit institutions	3, 29	2,000	–
Accounts payable - trade		12,368	10,303
Leasing liabilities	20	717	1,148
Current tax liability		1,115	879
Other provisions	28	1,235	835
Other current liabilities		10,483	8,548
Accrued expenses and deferred income	30	31,119	25,753
Liabilities related to assets held for sale	*36*	*931*	*656*
Total current liabilities		**59,968**	**48,123**
TOTAL EQUITY AND LIABILITIES		**133,346**	**130,746**

Statement of Changes In Consolidated Equity

KEUR	Share capital	Other	Reserves	Retained	Total Equity
Opening balance 2022-01-01	**53**	**94,500**	**-613**	**-149,171**	**-55,231**
Profit/loss for the year	-	-	-	-21,263	-21,263
Other comprehensive income/loss	-	-	-2,424	1,114	-1,310
Total comprehensive income/loss for the year	-	-	**-2,424**	**-20,149**	**-22,573**
Directed share issue	475	-	-	-	475
Capital injection	-	9,525	-	-	9,525
Merger result	-	-	-	59,155	59,155
Closing balance 2022-12-31	**528**	**104,025**	**-3,037**	**-110,164**	**-8,649**
Profit/loss for the year	-	-	-	-9,095	-9,095
Other comprehensive income/loss	-	-	243	-83	161
Total comprehensive income/loss for the year	-	-	243	-9,178	-8,934
Closing balance 2023-12-31	**528**	**104,025**	**-2,794**	**-119,342**	**-17,583**

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Statement of Consolidated Cash Flows

KEUR	Note	2023	2022
Continuing operations			
Operating activities			
Loss after financial items		**-9,392**	**-22,917**
Adjustments for non-cash items			
Depreciation and amortization		4,620	14,679
Depreciation and amortization, right of use assets		1,031	1,689
Change in provisions		608	-952
Unrealized exchange rate differences		993	-4,104
Other non-cash items	34	985	9,929
Total adjustments not included in cash flow		**8,237**	**21,241**
Income tax paid		**-613**	**-439**
Cash flow from operating activities before changes in working capital		**-1,768**	**-2,114**
Changes in working capital			
Increase (-) / Reduction (+) of inventories		-2	-293
Increase (-) / Reduction (+) of current receivables		-7,845	-1,704
Increase (+) / Reduction (-) of current liabilities		11,156	11,809
Cash flow from changes in working capital		**3,309**	**9,812**
Cash flow from operating activities		**1,541**	**7,698**
Investing activities			
Acquisition/divestment in subsidiaries	36	-10	-
Investments in intangible assets	17	-2,143	-1,413
Investments in tangible assets	19	-925	-1,708
Sales of tangible assets	19	155	-
Investments in financial fixed assets		64	-8
Cash flow from investing activities		**-2,859**	**-3,129**
Financing activities			
Capital injection		-	9,525
New shares issued	13	-	475
Expenses related to extension of Senior Bond		-	-4,779
Repayment of loans	34	-	-4,000
New loans taken	34	2,000	-
Amortization lease liabilities	34	-1,084	-1,777
Cash flow from financing activities		**916**	**-555**
Cash flow for the year, continuing operations		**-403**	**4,013**
Discontinued operations			
Cash flow for the year, discontinued operations	36	**-296**	**818**
Group total			
Cash flow for the year, Group total		**-698**	**4,831**
Cash and cash equivalents at the beginning of the year	26	14,389	9,648
Exchange rate differences in cash and cash equivalents		-687	-89
Cash and cash equivalents at the end of the year	26	**13,004**	**14,389**

Parent Company Income Statement

KEUR	Note	2023	2022
Net sales		12,499	9,932
Cost of sales		-3,475	-2,497
Gross profit		**9,024**	**7,435**
General and administrative expenses		-4,913	-4,272
Selling expenses Research and development expenses		-289	-403
Research and development expenses		-	-302
Other operating expenses	6, 7, 8, 20	-112	231
Operating Loss		**3,710**	**2,688**
Profit/Loss from financial items			
Interest income and similar profit/loss items	9	2,306	2,700
Interest expense and similar profit/loss items	10	-9,235	-13,018
Other financial items	9, 10	-3,992	-17,295
Foreign exchange gains and losses	9, 10	-1,114	993
Total financial items		**-12,034**	**-26,619**
Appropriations	11	**-259**	-
Profit/loss before tax		**-8,584**	**-23,931**
Taxes	12	-139	-229
Loss for the year		**-8,723**	**-24,160**

Parent Company Statement of Comprehensive Income

KEUR	Note	2023	2022
Net profit/loss for the year		-8,723	-24,160
Total comprehensive income		**-8,723**	**-24,160**

Parent Company Statement of Financial Position

KEUR	Note	Dec 31 2023	Dec 31 2022
ASSETS			
Non-current assets			
Intangible assets			
Other intangible assets	17	3,552	1,408
Total intangible assets		**3,552**	**1,408**
Property, plant and equipment			
Right of use assets	20	222	370
Total property, plant and equipment		**222**	**370**
Financial assets			
Participations in group companies	21	**80,245**	**80,245**
Deferred tax asset	23	**241**	**225**
Total financial assets		**80,487**	**80,470**
Total non-current assets		**84,260**	**82,248**
Current Assets			
Current receivables			
Receivables from group companies		104,982	106,855
Other receivables		302	309
Prepaid expenses and accrued income	25	830	664
Total current receivables		**106,114**	**107,828**
Cash and bank	26	1,097	2,546
Total current assets		**107,211**	**110,376**
TOTAL ASSETS		**191,472**	**192,624**

KEUR	Note	Dec 31 2023	Dec 31 2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		528	528
Reserve for development expenditures		3,316	1,408
Total Restricted equity		**3,844**	**1,936**
Non-restricted equity			
Profit or loss brought forward		79,016	45,430
Merger result		-	59,155
Transfer to reserve for development expenditures		-1,907	-1,408
Net profit/loss for the year		-8,723	-24,160
Share premium reserve		9,525	9,525
Total non-restricted equity		**77,911**	**88,541**
Total Equity		**81,755**	**90,478**
Untaxes reserves		**539**	**-**
Non-current liabilities			
Liabilities to credit institutions	3, 29	87,112	86,327
Leasing liabilities	20	42	203
Total non-current liabilities		**87,155**	**86,531**
Current liabilities			
Liabilities to credit institutions	3, 29	2,000	-
Accounts payable - trade		1,365	844
Liabilities to group companies		15,341	11,306
Leasing liabilities	20	178	178
Other current liabilities		764	555
Accrued expenses and deferred income	30	2,376	2,733
Total current liabilities		**22,024**	**15,616**
TOTAL EQUITY AND LIABILITIES		**191,472**	**192,624**

Parent Company Statement of Changes in Equity

KEUR	Share Capital	Other contributed equity	Reserves	Retained earnings	Total Equity
Opening balance 2022-01-01	**53**			**45,430**	**45,483**
Total comprehensive income for the period				-24,160	-24,160
Transfer from non-restricted to restricted equity, reserve for development expenditures			1,408	-1,408	-
Merger result				59,155	59,155
Transactions with shareholders					
Capital injection	475	9,525	-	-	10,000
Closing balance 2022-12-31	**528**	**9,525**	**1,408**	**79,016**	**90,478**
Total comprehensive income for the period				**-8,723**	**-8,723**
Transfer from non-restricted to restricted equity, reserve for development expenditures			**1,907**	**-1,907**	**-**
Closing balance 2023-12-31	**528**	**9,525**	**3,315**	**68,386**	**81,755**

Parent Company Statement of Cash Flows

KEUR	Note	2023	2022
Continuing operations			
Operating activities			
Loss after financial items		**-8,045**	**-23,931**
Adjustments for non-cash items			
Depreciation and amortization		-	-
Depreciation and amortization, right of use assets		148	148
Write-down shares in subsidiaries		-	16,040
Unrealized exchange rate differences		1,234	-1,272
Change in provisions		-	-
Other non-cash items	34	275	6,884
Total adjustments not included in cash flow		**1,657**	**21,800**
Income tax paid		**-24**	**-191**
Cash flow from operating activities before changes in working capital		**-6,412**	**-2,322**
Changes in working capital			
Increase (-) / Reduction (+) of inventories		-	-
Increase (-) / Reduction (+) of current receivables		-2,369	-760
Increase (+) / Reduction (-) of current liabilities		-472	2,818
Cash flow from changes in working capital		-2,841	2,058
Cash flow from operating activities		**-9,253**	**-264**
Investing activities			
Investments in intangible assets	17	-2,143	-1,408
Cash flow from investing actiivities		**-2,143**	**-1,408**
Financing activities			
Capital injection		-	9,525
New shares issued		-	475
Expenses related to extension of Senior Bond		-	-4,779
New loans taken	34	2,000	
Repayment of loans	34	-	-4,000
Change in loans to group companies	34	8,162	1,773
Amortization lease liabilities	34	-161	-149
Cash flow from financing activities		**10,001**	**2,845**
Cash flow for the year		**-1,395**	**1,172**
Cash and cash equivalents at the beginning of the year	26	2,546	1,393
Exchange rate differences in cash and cash equivalents		-54	-18
Cash and cash equivalents at the end of the year	26	**1,079**	**2,546**

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Note 1 Accounting principles

The consolidated financial statements have been prepared in accordance with EU-approved International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). In addition, the Group applies the Swedish Financial Reporting Board's recommendation RFR 1 supplementary accounting regulations for corporate conglomerates, which specifies the supplements to IFRS required pursuant to the stipulations of the Swedish Annual Accounts Act.

The parent company applies the same accounting principles as the group except in the cases listed below under the section "Parent Company Accounting Principles".

The Annual Report was approved for issue by the Board of Directors and the CEO on 25 April 2024. The Balance Sheets and Income Statements will be subject to approval by the Annual General Meeting on 26 April 2024.

Basis for appraisal applied when establishing the financial statements

Assets, provisions and liabilities have been valued at acquisition values unless otherwise stated below.

Functional currency and reporting currency

The functional currency of the parent company is the Euro (EUR), which is also the reporting currency for the parent company and the Group. This means that the financial statements are presented in Euro. Unless otherwise stated, all otherwise stated all amounts are rounded to the nearest thousand (EUR thousand). Amounts in parentheses refer to the previous year. Income statement items refer to the period January 1 – December 31, while balance sheet items refer to December 31.

Assessments and estimates in the financial statements

To prepare the financial statements in accordance with IFRS requires management to make assessments and estimates and to make assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, income and expenses. The actual outcome may deviate from these estimates and assessments.

The estimates and assumptions are reviewed regularly. Changes to estimates are reported in the period in which the change is made if the change only affected this period, or in the period the change is made and future periods if the change affects both the current period and future periods.

Disclosures of such IFRS standards or interpretations that have entered into force in 2023

Disclosure of such IFRS standards or interpretations that have not yet entered into force

No other changes to accounting standards with future application are considered to have any material effect on the consolidated accounts.

Classification

The classification of fixed assets and non-current liabilities consists substantially of amounts that are expected to be recovered or paid more than 12 months from the balance sheet date. Current assets and current liabilities consist substantially of amounts that are expected to be recovered or paid within 12 months of the balance sheet date.

Consolidation principles and business combinations

Subsidiaries

Subsidiaries are companies that are under a controlling influence from Quant AB. Controlling influence exists if Quant AB has power over the investee company, is exposed to, or has the right to, variable returns from its engagement with the company and can use its influence over the investment to influence the return. When assessing whether a controlling influence exists, potential voting shares are taken into account and if de facto managerial control exists.

Subsidiaries are reported according to the acquisition method. The method implies that the acquisition of a subsidiary is regarded as a transaction whereby the group indirectly acquires the subsidiary's assets and assumes its liabilities. In the acquisition analysis, the fair value of the acquisition date is determined by the identifiable assets and liabilities assumed, as well as any non-controlling interest. Transaction expenditure, with the exception of transaction expenditure relating to the issue of equity instruments or debt instruments, that arises is reported directly in profit or loss for the year. In the case of business combinations where transferred remuneration, possible non-controlling interest and value of previously owned share (in the case of incremental acquisitions) exceed the fair value of acquired assets and assumed liabilities that is recognized separately, the difference is recognized as goodwill. When the difference is negative, so-called acquisition at low price, this is reported directly in profit or loss for the year.

Contingent consideration is reported at fair value at the time of acquisition. Where the contingent consideration is classified as an equity instrument, no revaluation and regulation is made within equity. For other contingent considerations, these are revalued at each reporting date and the change is reported in profit or loss for the year.

In cases where the acquisition does not relate to 100% of the subsidiary, non-controlling interest is acquired. There are two options for reporting non-controlling interests. These two options are to report non-controlling interest in net proportional assets or that non-controlling interests are recognized at fair value, which means that non-controlling interests have share in goodwill. The choice between the different options to report non-controlling interests can be made depending on the acquisition.

Transactions eliminated on consolidation

Intercompany receivables and liabilities, income or expenses and unrealized gains or losses arising from intra-group transactions between business units are eliminated in full when the consolidated financial statements are prepared.

Foreign currency

Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing on the transaction date. Functional currency is the currency of the primary economic environments in which the companies conduct their business. Monetary assets and liabilities denominated in foreign currency are converted into functional currency at the balance sheet date and exchange rate differences are recognized. Exchange rate differences arising from translation are reported in profit or loss for the year. Non-monetary assets and liabilities that are reported at historical acquisition values are translated with the exchange rate at the transaction. Non-monetary assets and liabilities that are recognized at fair value are translated into the functional currency at the rate prevailing at the time of measurement at fair value.

Financial statements of foreign operations

Assets and liabilities in foreign operations, including goodwill and other group surplus and discount values, are translated from entity functional currency to the group's reporting currency, euro, at the exchange rate prevailing on balance sheet date. Income and expenses in a foreign operation are translated into euro at an average rate that is an approximation of the exchange rates prevailing at the time of the respective transaction. Translation differences arising from currency translation of foreign operations are recognized in other comprehensive income and accumulate in a separate component of equity, the term "translation reserve". When controlling influence or significant influence ceases for a foreign operation, they are realized in the operations related to accumulated translation differences, which are reclassified from the translation reserve in equity to the profit/loss for the year. Where disposal occurs but controlling influence remains, the proportional share of accumulated translation differences from the conversion reserve is transferred to non-controlling interests. In the case of disposal of parts of associates, but significant influence remains, the proportionate share of the translation differences is reclassified to profit for the year.

Revenue

Quant is a supplier of industrial maintenance services whose customers are comprised of industrial facilities such as production factories, pulp and paper mills and mining operations to name a few. Quant enters into long-term contracts with its customers, in which Quant commits to maintaining the facility, including areas such as maintaining production equipment, and improving the safety, performance, reliability and energy efficiency of the facility. The performance of facility maintenance services is a single performance obligation which is delivered over a period of time, the contract period.

For more information about the Group's revenue accounting principles and reporting, see Note 5 Revenue.

Leasing

When entering into an agreement an assessment is made as to whether the agreement is a lease or contains a lease. If the agreement transfers the right for a determined period to control the use of an identified asset the Group recognizes a right-of-use asset and associated liability. For all lease agreements the Group accounts for the lease and non-lease components of a contract separately. Quant's lease agreements comprise office space, vehicles and equipment. Typically lease periods are 3 years, which is in line with or shorter than its underlying customer contract. Initially the liability is valued at the present value of the remaining lease payments for the estimated lease period, using the value of lease payments discounted at Quant's marginal borrowing rate for each country of operation.

The liability is recognized in the Statement of financial position and divided between current and non-current parts. In the Income statement each lease payment is distributed between amortization of the debt and financial expense, which is the amount corresponding to a fixed interest rate for the liability. Right-of-use assets are initially valued at the value of the liability plus lease payments paid upon or before the start date, plus any initial direct payments. The right-of-use asset is recognized as Property, plant and equipment in the Statement of financial position and is depreciated on a straight-line basis over the term of the lease.

The term of the lease comprises the non-cancellable period plus additional periods in the agreement if it is deemed at the start date reasonably certain these will be used.

No right-of-use asset or lease liability is recognized for leases with a term of 12 months or less or with underlying assets of low value. Lease payments for such leases are recognized as a cost on a straight-line basis over the term of the lease.

Financial income and expenses

Financial income consists of interest income on invested funds and gain on the change in value of financial assets valued at fair value through profit or loss.

Interest income on financial instruments is reported according to the effective interest method. Dividend income is recognized when the right to receive dividends is determined. The result of the disposal of a financial instrument is recognized when the risks and benefits associated with ownership of the instrument are transferred to the buyer and the group no longer has control over the instrument.

Financial expenses consist of interest expenses on loans, the effect of the dissolution of the present value calculation of provisions, loss on changes in value of financial assets valued at fair value through profit or loss, impairment of financial assets and such losses on hedging instruments reported in profit or loss for the year. Borrowing costs are recognized in profit or loss using the effective interest method, except to the extent that they are directly attributable to the purchase, construction or production of assets that take a significant amount of time to complete for their intended use or sales, in which case they are included in the acquisition value of the assets.

The effective interest rate is the interest rate discounting the estimated future cash receipts and disbursements for the expected maturity of the financial assets or liabilities of the net carrying amount of the asset or liability. The calculation includes all fees paid or received by the contracting parties that are part of the effective interest rate, transaction costs and all other surplus or deficit rates.

Taxes

Income taxes consist of current tax and deferred tax. Income taxes are reported in the income statement except where the underlying transaction is recognized in other comprehensive income or in equity, whereby the related tax effect is recognized in other comprehensive income or equity.

Current tax is tax that is to be paid or received in the current year, based on the tax rates enacted or substantively enacted at the end of the reporting period, including adjustments of current tax in respect of prior periods.

Deferred tax is calculated using the balance sheet method on the basis of temporary differences between the carrying amounts and the tax values of assets and liabilities. Temporary differences are not taken into consideration that occurred when goodwill was first recognized, nor for the difference arising from the initial recognition of assets and liabilities that are not business combinations that at the time of the transaction do not affect either the accounting taxable profit or loss. Furthermore, temporary differences attributable to shares in subsidiaries and associates that are not expected to be reversed in the foreseeable future are also not considered. The valuation of deferred tax is based on how the underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated by applying the tax rates and tax rules adopted or adopted in practice decided at the reporting date.

Deferred tax assets relating to deductible temporary differences and loss carryforwards are recognized only to the extent that it is probable that they will be utilized. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilized.

Any additional income tax arising from dividends is recognized at the same time as the dividend is recognized as a liability.

Financial instruments

Financial instruments are any form of contract that gives rise to a financial asset in a company and a financial liability or an equity instrument of another company.

A financial asset or financial liability is included in the statement of financial position when the company becomes a party under the contractual terms of the instrument. A claim is raised when the company has performed, and a contractual obligation exists for the counterparty to pay, even if the invoice has not yet been sent. Accounts receivable are included in the statement of financial position when the invoice has been sent. Debt is raised when the counterparty has performed, and contractual obligation exists to pay, even if the invoice has not yet been received. Accounts payable are entered when the invoice is received.

A financial asset is removed from the statement of financial position when the rights in the agreement are realized, expired or the company loses control of them. The same applies to parts of financial assets. A financial liability is removed from the statement of financial position when the contractual obligation is fulfilled or otherwise extinguished. The same applies to parts of financial liabilities.

A financial asset and a financial liability are offset and reported with a net amount in the statement of financial position only when there is a legal right to offset the amounts and that there is an intention to regulate the items with a net amount or to simultaneously realize the asset and settle the debt.

Acquisitions and divestments of financial assets are reported on the trade date. The business day constitutes the date on which the company commits to acquire or divest the asset.

Financial assets – classification and subsequent measurement

Quant has no financial assets that are measured at fair value through profit and loss or other comprehensive income. All financial assets are classified and valued at amortized cost, therefore there is no hierarchy level used for these assets as described in IFRS 9. Financial assets are comprised of:

- Accounts receivable and other receivables
- Cash and cash equivalents

Accounts receivable and other receivables

The expected maturity of accounts receivable and other receivables is short, and values are recognized at nominal amounts with no discounts.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances at financial institutions are recognized at their nominal amount.

Impairment

Financial assets carried at amortized cost are assessed for impairment based on expected credit losses. The expected credit loss allowance is based on the current financial situation of each customer.

Financial liabilities – classification and subsequent measurement

Interest-bearing liabilities

Interest-bearing liabilities are initially recognized at fair value net of transaction costs incurred. After initial recognition, interest-bearing liabilities are valued at amortized cost using effective interest method.

Other financial liabilities

Other financial liabilities are classified and subsequently measured at amortized cost, and are comprised of

- Accounts payable
- Other non-current financial liabilities

Property, plant and equipment

Property, plant and equipment are reported in the group at cost less accumulated amortization and any impairment losses. The cost includes the purchase price and expenditure directly attributable to the asset to bring it into place and in condition to be used in accordance with the purpose of the acquisition. Accounting principles for depreciation are shown below.

Borrowing costs that are directly attributable to the purchase, construction or production of assets that take a significant amount of time to complete for their intended use or sale are included in the acquisition value.

Additional expenditure

Additional expenditure is added to the acquisition value only if it is probable that the future economic benefits associated with the asset will be realized and the cost can be calculated reliably. All other additional expenditure is recognized as an expense in the period in which it arises.

An additional expense is added to the acquisition value if the expenditure relates to the exchange of identified components or parts thereof. Even where new components have been created, the expenditure is added to the acquisition value. Any values of replaced components, or parts of components, not written off are decommissioned and expensed in connection with the exchange. Repairs are expensed continuously.

Depreciation Principles

Depreciation is linear over the estimated useful life of the asset.

	USEFUL LIFE
IT and office equipment	3-5 years
Machinery and other technical facilities	3-15 years

Intangible assets

Goodwill

Goodwill is valued at acquisition value less any accumulated impairment losses. Goodwill is allocated to cash- generating units and is tested at least annually for impairment. Goodwill incurred in the acquisition of associates is included in the carrying amount of participations in associates.

Other intangible assets

Other intangible assets acquired by the group consist of client contracts, customer relationships and computer systems and are reported at cost less accumulated amortization (see below) and any impairment losses.

Costs incurred for internally generated goodwill and internally generated trademarks are reported in profit or loss for the year when the cost arises.

Additional expenditure

Additional expenditure on capitalized intangible assets is recognized as an asset in the statement of financial position only when they increase the future economic benefits for the specific asset to which they relate. All other expenditure expensed when they arise.

Amortization

Amortization is reported in the income statement on a straight-line basis over the estimated useful lives of intangible assets, unless such useful lives are unquantifiable. The useful life periods are reviewed at least annually. Amortization is recognized as a whole as administrative expenses. Goodwill and other intangible assets with an indefinite useful life or which are not yet ready for use are tested annually for impairment as well as at any point in time when there is an indication that the asset in question has decreased in value. Intangible assets with nondescript useful lives are depreciated from the time they are available for use. The estimated useful life periods are:

	USEFUL LIFE
Customer contract	7 years
Customer relations	11 years
IT Licenses	3 years
Software	3-5 years

Impairment

The group's reported assets are assessed at the end of each reporting period to assess whether there is an indication of an impairment requirement. IAS 36 applies to impairment of assets other than financial assets, which are accounted for under IFRS 9 Financial instruments and is described in the Financial Instruments section above.

Write-down of tangible and intangible assets and participations in associated companies

If there is an indication of impairment, the asset's recoverable amount is calculated (see below). For goodwill, other intangible assets with indefinite useful lives and intangible assets that are not yet ready for use, the recoverable amount is calculated annually. If it is not possible to determine essentially independent cash flows to an individual asset, and its fair value minus the cost of selling costs cannot be used, the assets are grouped when assessing impairment at the lowest level where it is possible to identify essentially independent cash flows – a so-called cash-generating unit.

An impairment loss is recognized when the carrying amount of an asset or a cash-generating unit (group of units) exceeds the recoverable value. An impairment loss is recognized as an expense in profit or loss.

The recoverable amount is the highest of fair value minus selling costs and value in use. In calculating the value, future cash flows are discounted by a discount factor taking into account the risk-free interest rate and the risks associated with the specific asset.

Reversal of impairment losses

An impairment loss on assets included in the scope of IAS 36 is reversed if there is both an indication that the impairment no longer exists and there has been a change in the assumptions that formed the basis for the calculation of the recoverable value. However, impairment of goodwill is never reversed. A reversal is only made to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognized, less depreciation, where applicable, if no impairment was made.

Write-downs of loan receivables and accounts receivables that are recognized at amortized cost are reversed if the earlier reasons for impairment are no longer present and full payment from the customer is expected to be received.

Inventory

Inventories are valued at the lower of cost and net realizable value. The cost of inventories is calculated by applying the first-in, first-out (FIFO) method and includes expenditure incurred in the acquisition of the inventory assets and transporting them to their current location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, after deduction of estimated costs for completion and for the purpose of obtaining a sale.

Payment of capital to the owners

Dividends are recognized as a liability after the Annual General Meeting approves the dividend.

Employee Benefits

Short-term remunerations

Short-term employee benefits are calculated without discounting and are recognized as an expense when the related services are received.

A provision is recognized for the expected bonus payments when the group has an existing legal or constructive obligation to make such payments as a result of services received from employees and the obligation can be calculated reliably.

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Defined contribution pension plans

The plans in which the company's obligation is limited to the fees that the company has undertaken to pay is classified as a defined-contribution pension plan. In such a case, the amount of the employee's pension depends on the fees paid by the company to the plan or to an insurance company and the return on capital provided by the contributions. Consequently, it is the employee who bears the actuarial risk (that the compensation is lower than expected) and the investment risk (that the assets invested will be insufficient to provide the expected benefits). The company's obligations for contributions to defined contribution plans are recognized as an expense in the profit or loss for the year as they are earned by the employees carrying out services to the company over a period of time.

Defined benefit pension plans

Defined benefit plans are other post-employment benefit plans than defined contribution plans. The Group has one significant such plan in Switzerland. The group's net obligation for defined benefit plans is calculated separately for each plan by estimating the future remuneration that employees earned through their employment in both current and previous periods; This compensation is discounted to a present value. The discount rate is the interest rate on the balance sheet date of an investment grade corporate bond, including mortgage bonds, with a maturity corresponding to the group's pension obligations. When there is no viable market for such corporate bonds, the market rate is instead used on government bonds with a corresponding maturity. The calculation is performed by a qualified actuary, using the projected Unit Credit Method. Furthermore, the fair value of any plan assets is calculated as of the reporting date.

The group's net obligation comprises the present value of the obligation, minus the fair value of the plan assets adjusted for any asset constraints.

Interest expense/revenue net of the defined benefit obligation/asset is reported in profit or loss for the year during net financial items. Net interest income is based on the interest that arises when discounting the net obligation, i.e. interest on the obligation, plan assets and interest on the effect of any asset constraints. Other components are reported in operating income.

Revaluation effects consist of actuarial gains and losses, difference between the actual return on management assets and the amount included in net interest income and any changes in the effects of asset restrictions (excluding interest included in net interest income). The revaluation effects are recognized in other comprehensive income.

When the calculation results in an asset for the group, the carrying amount of the asset is limited to the lower of the surplus in the plan and the asset restriction calculated using the discount rate. The asset restriction is the present value of the future economic benefits in the form of reduced future fees or cash refunds. For the calculation of the present value of future refunds or payments, any requirements for minimum funding are taken into account.

Changes or curtailments of a defined benefit plan are recognized at the earliest of the following dates: A) when the change in the plan or reduction occurs or (b) when the entity reports related restructuring costs and termination benefits. The changes/reductions are reported directly in profit or loss for the year.

The special payroll tax is part of the actuarial assumptions and is therefore accounted for as part of the net obligation/asset. The part of the special payroll tax that is calculated on the basis of the safeguarding law of a legal person is recognized for reasons of simplification as accrued expense instead of as part of the net obligation/asset.

Return tax is reported on an ongoing basis in profit or loss for the period in which the tax relates and is thus not included in the liability calculation. In the case of funded plans, the tax is charged on the return on plan assets and is recognized in other comprehensive income. In unfunded or partly unfunded plans, the tax is charged to net profit for the year.

Termination benefits

A cost of remuneration in connection with redundancies is recognized at first when the company can no longer withdraw the offer to the employees or when the company recognizes restructuring costs. The benefits that are expected to be settled after 12 months are reported at its present value. Benefits that are not expected to be settled entirely within twelve months are reported according to long-term benefits.

Provisions

A provision differs from other debts in that there is uncertainty about the period of payment or the amount to regulate the provision. A provision is recognized in the statement of financial position when there is an existing legal or constructive obligation as a result of a past even, and it is probable that an outflow of financial resources will be required to regulate the obligation and a reliable estimate of the amount can be made.

Provisions are made with the amount that is the best estimate of what is required to settle the existing obligation at the balance sheet date. Where the effect of when payment is made is material, provisions are calculated by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and, if applicable, the risks associated with the debt.

A provision for restructuring is recognized when the Group has adopted a comprehensive and formal restructuring plan, and the restructuring has either been started or published. No provisions are made for future operating expenses.

Discontinued operations

To qualify as Discontinued operations, an entity or operational segment of the Quant Group must be classified as held for sale or be part of a plan to dispose of the entity or operational segment. In May of 2019 Quant took the decision to sell or discontinue operations in a number of countries and these are reported as Discontinued operations in the Statement of Consolidated Comprehensive Income and Statement of Consolidated Cash Flows with historical comparisons. The Consolidated Statement of Financial Position reports Assets and liabilities for Discontinued operations in the current year, with no historical comparisons. For further information see note 36 Business combinations, discontinued operations and assets and liabilities held for sale.

Contingent liabilities

A contingent liability is recognized when there is a possible commitment arising from past events and whose existence is confirmed only by one or more uncertain future events outside the group's control or when there is a commitment that is not recognized as a liability or provision because it is not probable that an outflow of resources will be required or cannot be calculated with sufficient reliability.

Earnings per share

Calculation of earnings per share is based on consolidated profit or loss for the period attributable to shareholders of the parent and on the weighted average number of outstanding shares during the period. The Group has no employees share plans or other type of share program that would cause a dilutive effect on ordinary shares. Therefore, Earnings per share after dilution is not calculated.

Parent Company Accounting Policies

The parent company has prepared its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. Statements issued by the Swedish Financial Reporting Board for listed companies are also applied. RFR 2 means that the parent company in the annual report of the legal entity shall apply all IFRS and statements adopted by the EU as far as possible within the framework of the Annual Accounts Act, the Security Law and with regard to the relationship between accounting and taxation. The recommendation specifies the exceptions and additions to IFRS which should be made.

Differences between the group's and the parent company's accounting policies

The differences between the group's and the parent company's accounting principles are shown below. The accounting principles for the parent company described below have been applied consistently to all periods presented in the parent company's financial statements.

Classification and presentation forms

The parent company uses the terms balance sheet and cash flow statement for the reports reported in the Group as the statement of financial position and the statement of cash flows. The income statement and balance sheet are for the parent company in accordance with the annual Accounts Act schedule, while the statement of income and other comprehensive income, the statement of changes in equity and the cash flow analysis is based on IAS 1 Presentation of Financial statements and IAS 7 Statement of Cashflows. The differences with the group's reports that are made in the parent company's income statement and balance sheet consist mainly of accounting for financial income and expenses, fixed assets, equity and the existence of provisions as own heading in the balance sheet.

Subsidiaries

Shares in subsidiaries are reported in the parent company according to the cost method. This means that transaction expenses are included in the carrying amount of investments in subsidiaries. In the consolidated financial statements, transaction expenses attributable to subsidiaries are reported directly in the result when these are incurred.

Financial instruments

As a result of the relationship between accounting and taxation, the rules on financial instruments is not applied in the parent company as a legal entity.

In the parent company, financial fixed assets are valued at cost less any impairment losses and financial current assets according to the lowest value principle. The acquisition value of interest-bearing instruments is adjusted for the accrued difference between what was initially paid, after deduction of transaction costs, and the amount paid on the due date (premium or discount).

Anticipated dividends

Anticipated dividends from subsidiaries are reported in cases where the parent company has the right to decide on the size of the dividend and the parent company has decided on the size of the dividend before the parent company publishes its financial statements.

Tangible fixed Assets

Tangible fixed assets in the parent company are reported at cost less accumulated amortization and any impairment losses in the same way as for the group but with additions for any write-ups.

Leased assets

The new policies on leases, in accordance with IFRS 16, that went into effect on 1January 2019 and which the Group complies with are also applied in the parent company.

Group contributions

Group contributions are reported as financial appropriation.

Note 2 Estimates and assumptions

The estimates and assumptions that Quant's management and Board of Directors mention below are those that are deemed most important to obtain an understanding of Quant's financial reporting. The information is limited to areas that are essential, taking into account the degree of impact and underlying security. Estimates and assumptions are based on historical experience and assumptions that management and the Board of Directors consider reasonable under the relevant circumstances. Drawn conclusions form the basis of the carrying amounts of assets and liabilities, where these cannot be determined by information from other sources. Actual outcome may differ from these through estimates and assumptions.

Pension obligations

Within the group, defined benefit pension plans have significant commitments for future benefits to current and former staff. Quant has one significant commitment in Switzerland. To carry out the calculation of the pension liability, actuarial assumptions are of great importance for the outcome of the calculation. The assessments mainly concern the discount rate on commitments and expected return on plan assets, but also assumptions about the rate of wage increases, staff turnover and estimated life expectancy. A reduced discount rate increases the reported pension liability. The actual outcome may deviate from the accounts in the case where the assumptions applied have been shown to be incorrect. See Note 27 Pensions to see the assumptions used to determine future pension obligations.

Intangible assets

Intangible assets mainly refer to goodwill, customer contracts and customer relations. Goodwill with an indefinite life expectancy is not subject to annual depreciation. Insofar as the underlying activities develop negatively, an impairment loss may arise. An impairment test is carried out annually mainly based on the value of use, with assumptions about sales development, profit margins, current investments, changes in working capital and more.

Disputes and litigations

The Group regularly review significant outstanding claims and disputes to determine the need for provisions. Among the factors considered in such an assessment are the type of litigation or summons, the amount of any damages, the development of the case, perceptions of legal professionals and other advisers, experience from similar cases, and decisions of Group management regarding the Group's actions concerning these claims or disputes. Estimates do not necessarily reflect the outcome of pending litigation, and differences between outcome and estimate may significantly affect the company's financial position and have an unfavorable impact on operating income and liquidity.

Note 3 Financial risk management framework

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 a central treasury function whose overall objective is to act as the group's internal bank, to provide a cost-effective and secure financing of the group, manage interest rate and currency risks and ensure effective liquidity management for the group. Treasury identifies, evaluates and secures financial risks in close co-operation with the group's operating units.

Quant has a finance policy approved by the Board whose purpose is to limit the financial risks that Quant is exposed to and determine how financial risks are to be controlled and managed. The financial policy is revised annually. Risk management and financing activities are reported continuously to management and the Board of Directors. The Board reviews and decides on strategies for managing financial risks as summarized below.

Market risk

Currency risk

Quant's operations are conducted in several countries. The Group is thereby exposed to currency risks, both through transactions in foreign currencies and through the translation of income statements and balance sheets into euro. Quant's assets are contracts for the outsourcing of industrial maintenance, which generate revenues and costs mainly in SEK, EUR CLP and USD but there is exposure in other currencies as well. Changes in exchange rates in the non-euro currencies relevant for Quant thus entail changes in Quant's operating profit.

Transaction exposure

The group is exposed to different types of currency risks. Transaction exposure is derived from the group's sales and purchases in foreign currencies. These currency risks consist partly of the risk of fluctuations in the value of accounts receivable or accounts payable, and the currency risk in expected and contracted cash flows.

Quant's operations are largely local in the countries where the group is active. This means that the transaction exposure risk is limited for the group. Quant's finance policy stipulates no minimum for currency hedging of transaction exposure, at the end of the year Quant had no transaction exposure derivatives outstanding. The group's treasury function evaluates the ongoing transaction exposure risk and proposes hedging strategies.

Translation exposures

Currency risks are also found in the translation of foreign subsidiaries' assets and liabilities to the parent company's functional currency. Quant's exposure to translation risk arises because a large proportion of the subsidiaries have a functional currency that deviates from the accounting currency of the group. In accordance with the financial policy, Quant had not hedged the translation exposure at the end of the financial year.

Sensitivity analysis exchange rate risk

Assuming that the currencies, significant for Quant's earnings and cash flow, are weakened by 10% against the group's functional currency, the group's EBITDA is affected 7% (5%). External borrowing is entirely in Euro which is the Group's functional currency and therefore there is no exchange rate risk on external borrowing.

Financial currency exposure

The group is also exposed to currency risks with respect to payment flows for loans and investments in foreign currency. In accordance with the finance policy, the goal is to limit currency effects on financial investments and loans. Group companies lend and deposit liquidity internally in the local currency of the respective borrowers to the extent possible, depending on the local currency regulations and or the convertibility of the currencies. The net exposure of financial assets and liabilities is centralized to the parent company and currency can be hedged according to the group's finance policy. At the end of the period, Quant had no financial hedge derivatives outstanding.

Interest rate risk

Interest rate risk is the risk that market rates fluctuate in such a way that Quant's net interest expense develops negatively. The effect on the group's result of a change in interest rates depends on the fixation periods of the loans and investments and the current share of fixed and variable interest rates. Since the group does not hold any significant interest-bearing assets, in addition to bank balances, the group's income from operating activities is essentially independent of changes in market interest rates. Quant is exposed to interest rate risk through interest-bearing borrowing, which is one of the group's sources of finance in addition to equity and cash flow from operating activities. Interest-bearing borrowing consists mainly of centrally agreed bonds, which runs both on fixed margin on floating market rates, and on a fixed interest rate. In order to limit interest rate risk, Quant has the policy option of entering into interest rate derivatives in order to reduce the effects of future interest fluctuations by changing parts of the variable interest rate at a fixed rate. On December 31, 2023 there were no such interest rate derivative outstanding.

The average fixation period for the group's borrowings (excluding shareholder loans) at the end of 2023 was 0.1 (0.1) years. On the basis of interest rate exposure as of December 31, 2023, a change in market interest rates of one percentage point would affect the group's net financial items by EUR +/- 0.9 (1.0) million. The simulation assumes a parallel shift of all interest rate curves and does not take into account any currency and maturity differences.

Capital management

The group's goal is to generate returns to its owners while maintaining a good financial position, which helps to maintain the confidence of investors, creditors, customers and suppliers. The group's capital management aims to create a balance between equity and loan financing so that financing of the business is secured at a reasonable cost of capital. In addition to equity, the group is financed through bonds and a bank facility, which contains financial commitments and contractual restrictions, so-called covenants, which limits the group's ability to act freely. For more information, see the *Financial covenants* paragraph above.

Credit risk

The credit risk on financial assets arises related to cash and cash equivalents and accounts receivable from customers. Credit risk related to bank balances are limited to where the Group has bank accounts. The group's liquidity is concentrated, according to the Group's finance policy, to the parent company and banks with a high rating. The liquidity that remains in the group companies within Quant is usually spread evenly across companies and thus evenly spread on different banks in different geographical areas.

Responsibility for credit risk related to accounts receivable and accrued income lies with individual group companies. The credit risk for each new customer is analyzed before the customer contract is finalized. A risk assessment of creditworthiness is carried out regularly by observing the customer's financial position and other influencing factors, as well as previous experience.

Impairment of financial assets must be based on expected credit losses for the remaining term of the financial asset. In compliance with IFRS 9 Financial Instruments, Quant applies a simplified impairment model for accounts receivable, whereby the expected credit loss is recognized for the estimated remaining lifetime of the receivable. The provision for expected credit losses is based on an individual assessment of overdue receivables for each customer. A continuous assessment is made of the credit risk in receivables outstanding and at December 31, 2023 the provision for expected credit losses amounted to EUR 0.3 (0.0) million. Further information regarding Accounts receivable and contract assets and provision for expected credit losses are found in note 24.

Financial covenants

The group's bonds and its bank facility contain financial commitments, so called covenants, where the group has committed to maintain financial ratios. The bond agreements contain covenants where the group's borrowing against the result shall not exceed certain ratios. These covenants are measured only under certain circumstances. The working capital facility contains covenants where drawn working capital facility loans against the group's results may not exceed certain ratios as well as where the Group cash and bank balances and available working capital facility may not go below certain ratios, both of which are measured quarterly in connection with the quarterly reports. The bond and facility agreements are also restrictive in relation to, inter alia, borrowings, the establishment of security or guarantees, acquisitions and sales of companies.

Liquidity risk and financing risk

Liquidity risk is defined as the risk that Quant cannot fulfil its obligations to pay debts on time or at a reasonable cost. The group's capital management aims to create a balance between equity and loan financing so that financing of operations is secured at a reasonable cost of capital. The aim is to finance growth and normal investments with own generated cash flow as far as possible. Risks are managed centrally for the entire group by the central treasury function. The group's goal is to always have sufficient funds in available liquidity and unused loan facilities, a so- called liquidity reserve, to cover 45 days of the group's disbursement needs. Liquidity is monitored continuously to meet expected disbursement needs.

Refinancing is defined as the risk that financing or refinancing is difficult or costly to obtain. Quant has access to funding through the money market and the Board of Directors continuously monitors and evaluates the group's financing and refinancing possibilities over time.

Maturity structure financial liabilities – undiscounted cash flows

The table below shows the undiscounted cash flows relating to the group's interest-bearing financial liabilities based on the remaining maturities of the annual accounts. Variable interest flows with future rate setting days are based on interest rates at year-end. Cash flows in foreign currencies are converted to euro at the balance rates.

2023	Nominal amount, local currency	Total	<1 years	1-5 years	> 5 years
Senior Secured Bonds (EUR)	92,000	92,000	-	92,000	-
Super Senior RCF (EUR)	2,000	2,000	2,000	-	-
Interest expense		11,209	5,597	5,612	-
Capitalized borrowing costs		-4,888	-1,701	-3,187	-
Leasing liabilities		1,420	717	703	-
Trade payables		12,368	12,368	-	-
Other liabilities		10,483	10,483	-	-
Total		**124,592**	**29,450**	**95,412**	

2022	Nominal amount, local currency	Total	<1 years	1-5 years	> 5 years
Senior Secured Bonds (EUR)	92,000	92,000	-	92,000	-
Interest expense		16,100	4,891	11,209	-
Capitalized borrowing costs		-5,673	-801	-4,872	-
Leasing liabilities		1,990	1,148	841	-
Trade payables		10,303	10,303	-	-
Other liabilities		8,548	8,548	-	-
Total		**123,269**	**24,090**	**99,178**	-

Note 4 Segment reporting

	Europe & Middle East		Americas		Finland & Baltics	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Net sales external	62,058	69,060	79,781	51,437	63,800	58,876
Net sales intra-segment	202	533	348	7	1,897	1,072
Total net sales	**62,259**	**69,593**	**80,129**	**51,444**	**65,697**	**59,948**
Cost of sales	-51,268	-58,257	-74,624	-48,060	-56,480	-52,212
Gross profit	**10,991**	**11,335**	**5,505**	**3,385**	**9,217**	**7,736**
Operating expenses	-6,710	-7,391	-6,584	-5,465	-5,653	-5,205
Operating profit (loss)	**4,281**	**3,944**	**-1,080**	**-2,080**	**3,565**	**2,531**
Depreciation	129	110	504	362	180	238
Amortization	-	13	-	4	13	52
Write-down of tangible assets	-	-	-	-	-	-
EBITDA before non-recurring items	**4,418**	**4,067**	**-576**	**-1,714**	**3,759**	**2,820**
Non-recurring items			2,855			
Adjusted EBITDA including IFRS16*						
Adjusted EBITDA margin						
IFRS 16 Leasing*						
Adjusted EBITDA	**4,418**	**4,067**	**2,280**	**-1,714**	**3,759**	**2,820**
Adjusted EBITDA margin	**7,1%**	**5.9%**	**2,9%**	**-3.3%**	**5,9%**	**4.8%**
Financial items*						
Profit/loss before taxes						
Taxes*						
Loss for the year						

	Other		Elimination		Group (Continuing operations)	
	2023	2022	2023	2022	2023	2022
Net sales external	-	-	-	-	205,638	179,374
Net sales intra-segment	15,995	13,827	-18,442	-15,438	-	-
Total net sales	**15,995**	**13,827**	**-18,442**	**-15,438**	**205,638**	**179,374**
Cost of sales	-6,915	-4,641	6,154	3,780	-183,132	-159,391
Gross profit	**9,080**	**9,186**	**-12,288**	**-11,659**	**22,506**	**19,983**
Operating expenses	-10,614	-,687	8,503	-2,241	-21,059	-29,990
Operating profit (loss)	**-1,534**	**-501**	**-3,785**	**-13,900**	**1,447**	**-10,007**
Depreciation	-	-	-	-	813	709
Amortization	-	-	3,785	3,813	3,807	3,883
Write-down of tangible assets	-	-	-	10,087	-	10,087
EBITDA before non-recurr items	**-1,534**	**-501**	**-**	**-**	**6,068**	**4,672**
Non-recurring items	-	-	-	-	2,855	-
Adjusted EBITDA including IFRS16*					**10,153**	**6,688**
Adjusted EBITDA margin					**4,9%**	**3.7%**
IFRS 16 Leasing*					-1,230	-2,015
Adjusted EBITDA	**-1,534**	**-501**	**-**	**-**	**8,923**	**4,672**
Adjusted EBITDA margin					**4,3%**	**2.6%**
Financial items*					-11,039	-13,236
Profit/loss before taxes					**-9,392**	**-22,917**
Taxes*					1,172	1,033
Loss for the year					**-8,220**	**-21,884**

*Group management does not follow up IFRS 16 Leasing, Financial items and Taxes per segment.

Operating segments are reported in a manner consistent with the internal reporting presented to the chief operating decision maker. The chief operating decision maker is the function responsible for allocation of resources and analysing the segment's performance and profitability. At Quant, this function has been identified as the CEO who is responsible for and deals with the day-to-day administration of the Group based on guidelines and instructions from the Board of Director's. The Group management team supports the CEO in this endeavour.

Quant's operations are organized geographically, and management follows up the business in three operating geographic regions: Europe & Middle East, Americas, and Finland & Baltics. Region Other refers primarily to costs for headquarter functions that have not been operationally allocated to the geographic segments. The Group's segments are structured geographically because Quant delivers its services locally with Quant teams at sites in each country. Regional management is responsible for all operations, new sales, budgets, and outcomes.

Quant's business offering is entirely related to the supply of industrial maintenance services to its customers, therefore there is no further split of revenues into different types of services supplied.

For 2023, there is one customer in Region Americas who accounts for more than 10% of Quant's external revenue. External revenue to this customer accounted for 12% of Quant's external revenue.

Geographic areas

Sales figures are based on the country in which the customer is located. Assets are reported in the location of the asset.

Revenue

KEUR	2023	2022
Sweden	23,270	32,653
Finland	56,560	52,584
Chile	44,855	26,881
Other countries	80,953	67,255
Total	205,638	179,374

Non-current assets *

KEUR	2023	2022
Sweden	4,340	2,300
Finland	1,060	1,022
Chile	243	652
Other countries	1,672	1,997
Total	7,315	5,971

*Excluding pension assets but including right-of-use assets

Note 5 Revenue

Quant is a supplier of industrial maintenance services whose customers are comprised of industrial facilities such as production factories, pulp and paper mills and mining operations. Quant enters into long-term contracts with its customers, in which Quant commits to maintaining a facility, including areas such as maintaining production equipment, and improving the safety, performance, reliability and energy efficiency of the facility. Quant's revenue is comprised solely of the performance of facility maintenance services and these are a single performance obligation which is delivered over a period of time, the contract period.

The main type of customer contract is fixed price for a period of normally 3 to 5 years, where a yearly fixed price is determined in return for agreed upon maintenance services. Revenue for these contracts is recognized on a straight-line basis evenly over the year when the delivery of services and corresponding costs incurred are stable throughout the year. However, in some production facilities there may be a period during the year of more intense maintenance service requirements during production shutdowns, with a higher portion of the annual revenue recognized in these periods. In such cases the input method is used whereby revenue is recognized on the basis of the inputs toward the total yearly contract commitment during these periods relative to the total expected inputs toward the total contract commitment for the year. The inputs are costs incurred and are comprised primarily of labor hours expended and materials consumed.

In a fixed price contract, Quant's sole commitment and performance obligation to the customer is the maintenance services of the facility, including the reparation of equipment and machinery. Therefore, revenue is not recognized separately for spare parts used in the maintenance process. Spare parts procured to maintain the facility are reported as cost of sales by Quant as part of the cost of fulfilling its total maintenance commitment and are not sold separately to the customer at a profit.

Invoicing of accrued income is not due to undelivered services, but a question of periodising the revenue. Deferred income is reported when Quant invoices an amount for services that will be delivered in a future period. Quant has a ten-year maintenance partnership agreement with a fixed price with a customer in the Americas region. Quant invoices the same amount monthly, but recognition of revenue on the work that Quant has performed is dependent on the agreed work plan and timings for the shutdowns of the production facilities. During these shutdowns, Quant delivers a significant amount of services within a short period of time compared to the invoiced amount. The increase in deferred income refers to invoiced work that has not yet been performed due to large shutdowns that occur at irregular intervals during the ten-year period.

To a lesser extent, Quant enters into cost-plus customer contracts, where an agreed upon profit margin is added to the incurred cost of maintenance services during the period, such as employee costs and materials. The amount of cost-plus profit is the revenue recognized during the period, together with the related costs incurred during that period. Hybrid contracts of both a fixed price element and a cost-plus element exist.

Customer contracts can include variable considerations in the form of bonuses or penalties based on agreed and pre-determined performance objectives (KPIs). Revenue recognition is based on the most likely amount method based on performance outcome during the period.

For new contracts where Quant assumes the start-up costs these costs, such as employee recruitment and education, are recognized as an asset in statement of financial position and recognized over the contract period as an expense in the income statement. Investments in equipment and tools are recognized as fixed assets and depreciated over the contract period. In some cases, invoices are not sent in the same period as the service rendered but are reported in the statement of financial position as accrued or deferred revenue.

Order backlog (Unfulfilled performance obligations)

Quant's customer contracts mainly consist of multi-year contracts. In some cases, the customer has the possibility to terminate the contract prematurely, while in other cases it is not possible. To give an accurate view of the order backlog, it is management's view that a better representation than the aggregate value of all contract revenue is the Contract portfolio. At 31 December 2023, Quant's contract portfolio was EUR 168.2 (209.7) million and is expected to be recognized as revenue within one year.

Quant's definition of contract portfolio is the expected annual revenue of current customer contracts, adjusted for

- Signed new contracts, included at date of contract signing, irrespective of start date
- Terminated contracts, excluded at date of formal notification, irrespective of end date
- 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

Note 6 Employees and personnel costs

Average number of full-time employees (FTEs)

	2023	of which men, %	2022	of which men, %
Parent				
Sweden	6	65%	6	68%
Total in the parent company	**6**	**65%**	**6**	**68%**
Group				
Sweden	220	86%	282	86%
Estonia	85	78%	99	78%
Finland	468	80%	444	97%
Germany	1	100%	1	100%
Hungary	3	100%	5	100%
Peru	5	79%	10	93%
Norway	128	95%	139	95%
Switzerland	24	88%	26	87%
Spain	48	88%	28	86%
United Arab Emirates	125	100%	122	100%
Mexico	10	59%	13	68%
USA	35	100%	37	98%
Argentina	-		8	100%
Brazil	1,198	92%	832	90%
Chile	647	93%	711	94%
Total Group including Parent company	**3,002**	**90%**	**2,762**	**92%**
Of which discontinued operations	1	100%	1	100%
Continuing operations	**3,001**	**90%**	**2,761**	**92%**
Total Group including Parent company	**3,002**		**2,762**	

Gender distribution in on the Board of Directors and in Group management

	2023 of which women, %	2022 of which women, %
Board of Directors	0%	0%
Other senior executives	20%	20%

Salaries, other remunerations and social expenses

	2023		2022	
KEUR	Salaries and remuneration	Social security contributions	Salaries and remuneration	Social security contributions
Parent company	1,225	558	1,562	799
of which pension costs, 1)		*261*		*444*
Subsidiaries	92,104	25,425	89,015	24,167
of which pension costs		6,685		6,547
Group in Total	**93,329**	**25,983**	**90,576**	**24,967**
Of which Discontinued operations 2)	131	18	124	16
Continuing operations 2)	**93,198**	25,965	**90,452**	24,950
of which pension costs continuing operations		6,946		6,991

1) Of the Parent company's pension costs, EUR 128 (241) thousand is for senior management, in total 2 (2) persons. CEO pension costs amounted to EUR 85 (170) thousand.

Salaries, other remunerations allocated between Board members, CEO and other senior executives

	2023		2022	
KEUR	Board and CEO	Other senior executives	Board and CEO	Other senior executives
Group	514	558	609	601
of which bonus, etc	25	34	111	66
Group in Total	**514**	**558**	**609**	**601**
of which bonus, etc	25	34	111	66

Salaries and other remunerations to Board of Directors

KEUR	2023	2022
Mikael Norin, Chairman	-	37
Olof Faxander	-	5
Per Hallius	-	17
Casper Lerche	-	5
Henrik Sandréus	-	5
Bo Elisson, Chairman	110	61
Total Board of Directors	**110**	**129**

In 2023, the CEO was entitled to a maximum of 80% of annual salary as a bonus (defined as monthly salary times twelve). Other senior executives were entitled to between 25% and 40% of annual salary. Total remuneration to the CEO including bonus for the financial year 2023 amounted to EUR 0.5 (0.5) million. Salaries and remuneration for senior executives, excluding the Board of Directors and the CEO, amounted to EUR 0.6 (0.6) million. During the year, senior executives consisted of CFO, CDO, CHRO and General Counsel.

Severance

The CEO has a 6 months' notice period and the right to 6 months' severance. Other senior executives have up to 6 months' notice period and the right to up to 6 months' severance pay.

Note 7 Auditors' fees

KEUR	Group 2023	Group 2022	Parent company 2023	Parent company 2022
PricewaterhouseCoopers				
Audit engagement	308	294	113	104
Tax consultancy services	29	-	29	-
Audit activities not including audit engagement	-	5	-	5
Total PricewaterhouseCoopers	**338**	**299**	**142**	**109**
Other auditors				
Audit engagement	36	61	-	-
Audit activities not including audit engagement	18	-	-	-
Total Other auditors	**54**	**61**	**-**	**-**
Total Auditors' fees	**391**	**361**	**142**	**109**

Note 8 Expenses by Nature

Continuing operations

KEUR	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Materials and consumables	19,619	18,716	-	-
Personnel expenses	126,511	122,380	2,184	2,461
Other external expenses	52,275	31,661	6,489	4,638
Depreciation, amortization and impairment	5,651	16,368	148	148
Total expenses	**204,055**	**189,126**	**8,822**	**7,247**

Note 9 Interest income and similar profit/loss items

KEUR	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Gain on disposal of participations in subsidiary	77			
Interest income, external	39	86	29	11
Interest income, group companies	-		2,278	2,689
Foreign exchange gains	-	1,626	-	993
Total	**116**	**1,713**	**2,306**	**3,694**

Note 10 Financial expenses

KEUR	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Interest expense, external	-9,424	-13,103	-8,636	-12,833
Interest expense, group companies	-	-	-574	-147
Interest expense leasing	-146	-229	-25	-37
Write down of shares in subsidiaries	-	-	-	-16,040
Write down of loan to subsidiary	-	-	-2,527	-
Foreign exchange losses	-648	-	-1,114	-
Other	**-937**	**-1,617**	**-1,464**	**-1,799**
Total financial costs	**-11,155**	**-14,949**	**-14,341**	**-30,857**

Note 11 Appropriations

KEUR	Parent company 2023	Parent company 2022
Group contributions received	279	-
Provision to tax allocation reserve	-539	-
Total	**-259**	**-**

Untaxed reserves	Parent company Bal at 1 Jan 2023	Parent company Appropriations	Parent company Bal at 31 Dec 2023
Tax allocation reserves			
Fiscal year 2023	-	539	539
Total	**-**	**539**	**539**

Note 12 Taxes

	Group		Parent company	
KEUR	2023	2022	2023	2022
Current tax	-762	-923	-344	-244
Current tax attributable to previous year	-90	17	188	14
Deferred tax	2,024	1,939	17	1
Total taxes	**1,172**	**1,033**	**-139**	**-229**

Reconciliation of effective tax

Group

KEUR	2023%	2023	2022%	2022
Profit before tax		**-9,961**		**-22,454**
Tax according to applicable tax rates for the parent	21%	2,052	21%	4,626
Effect of other tax rates on foreign subsidiaries	4%	364	2%	525
Non-deductible costs	-21%	-2,082	-23%	-5,191
Non-taxable income	-	-	-	112
Withholding tax	-	-26	-	-47
Temporary differences	-	-	9%	1,939
Effects of loss carryforward, net	-7%	649	-4%	-948
Tax attributable to previous years	-1%	-90	1%	175
Reported effective tax*	**9%**	**866**	**5%**	**1,191**

Parent company

KEUR	2023%	2023	2022%	2022
Profit before tax		**-8,584**		**-23,931**
Tax according to applicable tax rates for the parent	21%	1,768	21%	4,930
Non-deductible costs	-24%	-2,069	-22%	-5,239
Non-taxable income	-	-	-	112
Withholding tax	-	-26	-	-47
Temporary differences	-	-	-	1
Tax attributable to previous years	2%	188	-	14
Reported effective tax	**-2%**	**-139**	**-1%**	**-229**

*Of which EUR 1,172 (1,033) thousand is continued operations and EUR -306 (159) thousand related to discontinued operations. The Group's unutilized loss carry-forwards for which no deferred tax assets are recognized amount to EUR 40 (35) million. Of this amount, EUR 20 million has no expiration date, EUR 13 million expires in 5 to 10 years and EUR 7 million expires in less than 5 years. The Group's consolidated statement of financial position currently contains no deferred tax assets relating to accumulate loss carry-forwards.

Note 13 Earnings per share

Group total

	Group	
KEUR	2023	2022
Net loss for the year attributable to Parent company shareholders	-9,095	-21,263
Weighted average number of shares during the year	5,000,000	2,941,096
***Earnings per share, EUR**	**-1.82**	**-7.23**

Continuing operations

KEUR	2023	2022
Net loss for the year attributable to Parent company shareholders	-8,220	-21,884
Weighted average number of shares during the year	5,000,000	2,941,096
Earnings per share, EUR	**-1.64**	**-7.44**

Discontinued operations

KEUR	2023	2022
Net loss for the year attributable to Parent company shareholders	-874	621
Weighted average number of shares during the year	5,000,000	2,941,096
Earnings per share, EUR	**-0.17**	**0.21**

The Group has no employee incentive program that would have a dilutive effect on the Parent company's ordinary shares outstanding. Therefore, only Earnings per share basic is presented, and diluted Earnings per share is not calculated.

Number of shares and share capital

The total number of shares in the Parent company is 500,000 (500,000) and the entire amount is comprised of common shares. 450,000 new shares were emitted in June 2022 when Quant AB's ownership structure changed. Share capital in the Parent company is EUR 52,733 (52,733).

Note 14 Goodwill

	Group	
KEUR	2023	2022
Opening acquisition cost	85,112	86,122
Translation differences	-1,723	-1,010
Closing acquisition cost	83,389	85,112
Opening accumulated impairment losses	**-23,500**	**-13,596**
Impairment losses	-	-10,058
Translation differences	1,265	153
Closing accumulated impairment losses	-22,235	-23,500
Net carrying amount at year-end	**61,154**	**61,613**

For information regarding impairment testing see note 18.

Note 15 Customer contracts

KEUR	Group 2023	Group 2022
Opening acquisition cost	50,089	50,080
Translation differences	-752	9
Closing acquisition cost	49,337	50,089
Opening accumulated amortization	-45,858	-44,407
Amortization for the period	-1,531	-1,531
Translation differences	618	-20
Closing accumulated amortization	-46,871	-45,958
Opening accumulated impairment losses	-1,707	-1,718
Translation differences	134	11
Closing accumulated impairment losses	-1,573	-1,707
Net carrying amount at year-end	**893**	**2,424**

For information regarding impairment testing see note 18.

Note 16 Customer relations

KEUR	Group 2023	Group 2022
Opening acquisition cost	28,836	28,769
Translation differences	-694	68
Closing acquisition cost	28,143	28,836
Opening accumulated amortization	-18,527	-16,222
Amortization for the period	-2,254	-2,283
Translation differences	396	-22
Closing accumulated amortization	-20,385	-18,527
Opening accumulated impairment losses	-2,707	-2,707
Impairment losses	-	-29
Translation differences	246	29
Closing accumulated impairment losses	-2,461	-2,707
Net carrying amount at year-end	**5,296**	**7,602**

For information regarding impairment testing see note 18.

Note 17 Other intangible assets

	Group		Parent company	
KEUR	2023	2022	2023	2022
Opening acquisition cost	10,238	8,858	9,084	7,676
Investments	2,143	1,413	2,143	1,408
Disposals	-7,925	-	-7,676	-
Reclassifications to discontinued operations	-148	-	-	-
Translation differences	5	-34	-	-
Closing acquisition cost	4,314	10,238	3,552	9,408
Opening accumulated amortization	-8,772	-8,734	-7,676	-7,676
Disposals	7,925	-	7676	-
Amortization for the year	-22	-70	-	-
Reclassifications to discontinued operations	148	-	-	-
Translation differences	-5	31	-	-
Closing accumulated amortization	-727	-8,772	-	-7,676
Opening accumulated impairment losses	-20	-22	-	-
Impairment losses	-	-	-	-
Translation differences	-	2	-	-
Closing accumulated impairment losses	-20	-20	-	-
Net carrying amount at year-end	**3,566**	**1,446**	**3,552**	**1,408**

Note 18 Impairment

Goodwill and other immaterial assets are allocated to three cash-generating units (CGE) as follows:

Europe & Middle East
Americas
Finland & Baltics

Quant carried out its annual impairment test on Goodwill as of 30 November 2023. Quant tested if the carrying amount of the cash-generating units exceeded their recoverable amount. The recoverable amount represents the highest of the net realizable value of an asset and its value in use, i.e. the discounted present value of future cash flows. The recoverable amount of these cash-generating units is based on the calculation of value through the use of cash flow forecasts based on budgets approved by management that spans a period of three years and one month, from 1 December 2023 until 31 December 2026. Impairment tests are carried out by each region (each a cash generating unit) using the following assumptions:

Europe & Middle East

Cash flow forecasts for the three-year and one month period are based on an average annual growth rate of 7.0 (-0.9) percent. Cash flows beyond the three-year period are extrapolated using an estimated long-term growth rate of 2 (2) percent. The discount rate used for calculating recoverable amounts before tax is 10.6 (10.9) percent and 10.3 (10.6) percent after tax.

Americas

Cash flow forecasts for the three-year and one month period are based on an average annual growth rate of 1.0 (27.8) percent. Cash flows beyond the three-year period are extrapolated using an estimated long-term growth rate of 2 (2) percent. The discount rate used for calculating recoverable amounts before tax is 14.5 (16.0) percent and 13.9 (15.2) percent after tax.

Finland and Baltics

Cash flow forecasts for the three-year and one month period are based on an average annual growth rate of 7.8 (8.6) percent. Cash flows beyond the three-year period are extrapolated using an estimated long-term growth rate of 2 (2) percent. The discount rate used for calculating recoverable amounts before tax is 11.6 (11.6) percent and 11.2 (11.2) percent after tax.

Management did not identify the need for impairment as a result of the impairment test.

Reported values of how Goodwill and other intangible assets have been allocated to the CGU

2023

KEUR	Customer contracts	Customer relations	Goodwill	Total
Europe & Middle East	-	1,173	28,961	30,134
Americas	-	1,186	8,565	9,751
FBA	893	2,938	23,628	27,459
Total	**893**	**5,296**	**61,154**	**67,344**

2022

KEUR	Customer contracts	Customer relations	Goodwill	Total
Europe & Middle East	-	1,750	28,973	30,724
Americas	-	1,850	9,011	10,861
FBA	2,424	4,002	23,628	30,054
Total	**2,424**	**7,602**	**61,613**	**71,639**

Significant assumptions used in the calculations of value for use. The calculations of carrying values for all CGU are most susceptible to deviations from the following assumptions:

- Forecasts, including operating margin and sales growth

- Discount rate

- Growth rates used to extrapolate cash flows beyond the forecast period

Discount rates

The discount rate represents the financial market's assessment of the risks specific to the company, taking into account both the time value of money and individual risks. The calculation of the discount rate is based on specific circumstances attributable to the company and originates in it weighted average cost of capital (WACC). The calculation of the WACC takes into account that the operations are both leveraged and financed with equity. The cost of equity is based on the expectation of a certain return on capital invested in the financial market. Specific risks are included in the calculation by applying an individual beta value. Beta value is updated annually based on publicly available market data.

Growth that is used to extrapolate cash flows beyond forecast periods

Long-term growth rates are a conservative assessment as they are set to anticipated long-term inflation.

Sensitivity to changes and assumptions

With regard to the calculation of the carrying values, the management considers that no reasonable changes to any of the most important assumptions would result in a materially higher value of the carrying amount of the recoverable amount.

Note 19 Property, plant and equipment

	Group		Parent company	
KEUR	**2023**	**2022**	**2023**	**2022**
Opening acquisition cost	8,495	6,668	80	80
Investments	925	1,708	-	-
Sold/Scrapped	-3,428	-41	-4	-
Translation differences	102	161	-	-
Closing acquisition cost	6,095	8,495	76	80
Opening accumulated depreciation	-5,898	-5,070	-80	-80
Sold/Scrapped	2,996	30	4	-
Depreciation for the year	-813	-709	-	-
Translation differences	-57	-149	-	-
Closing accumulated depreciation	-3,772	-5,898	-76	-80
Net carrying amount at year-end	**2,322**	**2,597**	**-**	**-**

Note 20 Leases

	Group		Parent company	
KEUR	**2023**	**2022**	**2023**	**2022**
Amounts related to leases recognized in the statement of financial position:				
Right-of-use assets				
Vehicles	1,097	1,227		
Buildings	282	667	222	370
Total	**1,379**	**1,893**	**222**	**370**
Total right-of-use assets	**1,330**	**1,844**	**176**	**324**
Lease liabilities				
Non-current	703	841	42	203
Current	717	1,148	178	178
Total liabilities	**1,420**	**1,990**	**220**	**381**
Amounts related to leases recognized in the income statement				
Depreciation charge of right-of-use assets				
Vehicles	657	1,208		-
Buildings	375	481	148	148
Total	**1,031**	**1,689**	**148**	**148**
Interest expense (included in finance cost)	146	229	25	37
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	472	504	-	-
Expenses relating to leases of low value assets that are not shown above as short-term leases (included in administrative expenses)	67	55	-	9
Total cash outflow for leases	**1,717**	**2,478**	**173**	**195**

Additions to the right-of use assets during 2023 amounted to EUR 0.5 (0.4) million. Currency exchange rates impacted the value of right of use assets by EUR 0.0 (0.0) million. For maturity analysis of leasing liabilities, see Note 3 Financial risks.

Note 21 Participations in Group companies

KEUR	2023	2022
Acquisition cost	80,245	96,285
Capital contributions	-	-16,040
Closing acquisition cost	80,245	80,245
Net carrying amount at year-end	**80,245**	**80,245**

Parent company and Group holdings of participations in Group companies

Subsidiary/ID no		2023		2022	
	Numbers of shares	% share	Carrying amount	% share	Carrying amount
Direct ownership					
Quant US Corp., (5631810)			2,087	100%	2,087
Quant Sweden Holding AB, (556981-3115, Västerås)	50,000		78,158	100%	78,158
Indirect ownership					
Quant Service GmbH, (CHE-344.849.137)		100%		100%	
Quant Service Sweden AB, (556981-7652)		100%		100%	
Quant Brasil Manutenção Industrial LTDA., (35.228.780-747)		100%		100%	
Quant Finland Oy, (2588556-2)		100%		100%	
Quant Chile SpA, (76502)		100%		100%	
Quant Argentina SA., (110570)		100%		100%	
Quant Industrial Technology Services (Shanghai) Co., Ltd., (310141400017193)		100%		100%	
Quant Maintenance Mexico S.A. DE C.V., (24061*7)		100%		100%	
Quant Estonia OÜ, (12736628)		100%		100%	
Quant Spain, S.L., (B-87116869)		100%		100%	
Quant Germany GmbH, (HRB 133266)		100%		100%	
Quant Service Hungary Kft, (Cg.01-09-197470)		-		100%	
Quant Netherlands B.V., (61625914)		-		100%	
Quant Norway AS, (914317061)		100%		100%	
Quant Service Czech Republic s.r.o., (035 15 737)		-		100%	
Quant Service Poland sp.z.o.o., (KRS 0000741595)		-		100%	
Quant Service Peru S.A.C (145 98 429)		100%		100%	
Quant South Africa, (1998/020657/07)		74%		74%	
Quant Maintenance Service Namibia (Pty) Ltd, (2014/0522)		100%		100%	
Quant Gulf Equipment and General Maintenance LLC, (1203868)		49%		49%	
			80,245		**80,245**

The ownership share of the capital corresponds to the proportion of the total number of shares. All companies listed in the table above are consolidated as Subsidiaries using the consolidation method described under *Accounting principles: consolidation and business combinations “Subsidiaries”* on page 42.

Note 22 Financial assets and liabilities by valuation category in the Group

KEUR	2023		2022	
	Carrying amount	Fair Value	Carrying amount	Fair value
Assets				
Non-current receivables	46	46	35	35
Accounts receivable	23,511	23,511	19,945	19,945
Other receivables	1,960	1,960	1,695	1,695
Accrued income	12,354	12,354	10,196	10,196
Liquid funds	13,004	13,004	14,389	14,389
Total assets	**50,875**	**50,875**	**46,261**	**46,261**
Liabilities				
Interest-bearing liabilities 1)	89,112	89,112	86,327	86,327
Other non-current liabilities	703	703	841	841
Accounts payables	12,368	12,368	10,303	10,303
Other liabilities	4,308	4,308	2,940	2,940
Accrued expenses	21,720	21,720	25,753	25,753
Total liabilities	**128,213**	**128,213**	**126,165**	**126,165**

Quant has no financial instruments that are recognized at fair value through the income statement.

1) The carrying amount of the Group’s interest-bearing liabilities are deemed to be a reasonable approximation of their fair value.

Note 23 Deferred tax

Deferred tax assets and tax liabilities

The tax assets and provisions for deferred tax relates to the following assets and liabilities:

KEUR	2023			2022		
Group	Deferred tax assets	Deferred tax liability	Net	Deferred tax assets	Deferred tax liability	Net
Intangible assets	-	-1,572	-1,572	-	-2,131	-2,131
Pension contributions	279	-	279	241	-	241
Other	3,128	-	3,128	2,543	-678	1,865
Total	**3,407**	**-1,572**	**1,835**	**2,784**	**-2,809**	**-25**

Change in deferred tax in temporary differences and loss carryforwards

Group	Bal at 1 Jan 2023	Profit/loss for the year	OCI	Reclass to Discontinued	Translation differences	Bal at 31 Dec 2023
Intangible assets	-2,125	680	-	-	4	-1,441
Pension contributions	240	13	20	-	16	290
Other	1,860	1,331	-	-	-204	2,987
Total	**-25**	**2,024**	**20**	**-**	**-184**	**1,835**

Group	Bal at 1 Jan 2022	Profit/loss for the year	OCI	Reclass to Discontinued	Translation differences	Bal at 31 Dec 2022
Intangible assets	-2,922	816	-	-	-19	-2,125
Pension contributions	469	26	-271	-	17	240
Other	752	1,097	-	-	10	1,860
Total	**-1,701**	**1,939**	**-271**	**-**	**9**	**-25**

Note 24 Accounts receivable

Accounts Receivable	Group	
KEUR	**2023**	**2022**
Accounts receivable	23,771	19,967
Provision for expected credit losses	-260	-22
Closing balance Dec 31	23,511	19945

Analysis of credit exposure in accounts receivable	Group	
KEUR	**2023**	**2022**
Not due	18,474	17,066
Overdue 0 - 30 days	4,158	2,661
Overdue 31 - 60 days	725	103
Overdue 61 - 90 days	81	12
Overdue 91 -180	34	126
Overdue > 181	39	0
Total accounts receivable	**23,511**	**19,967**

Note 25 Prepaid expenses and accrued income

	Group		Parent company	
KEUR	**2023**	**2022**	**2023**	**2022**
Prepaid expenses	1,978	1,448	830	660
Accrued income	12,354	10,196	-	-
Total prepaid expenses and accrued income	**14,332**	**11,644**	**830**	**660**

Note 26 Cash and cash equivalents

The following subcomponents are included in cash:

	Group		Parent company	
KEUR	**2023**	**2022**	**2023**	**2021**
Bank deposits	13,004	14,389	1,097	2,546
Total Cash and cash equivalents	**13,004**	**14,389**	**1,097**	**2,546**

Note 27 Pensions

Group defined benefit plans

Changes in the present value of the obligation for defined benefit plans

KEUR	2023	2022
Obligation for defined benefit plans as of 1 January	**1,238**	**2,400**
Paid compensation	-185	-186
Cost recognized in profit for the year	252	316
Cost recognized in other comprehensive income	103	-1,386
Exchange rate differences	87	93
Obligation for defined benefit plans as of 31 December	**1,496**	**1,238**
Provisions for Benefit Pension Plans	1,496	1,238
Provisions for other pensions	78	56
Total Provisions for pensions and similar obligations	**1,574**	**1,294**

Overview of defined benefit plans

The group has one defined benefit plan that provides employee benefits to employees when they retire. The plan provides compensation based on average salary during the last ten years of employment calculated with respect to inflation.

KEUR

12/31/2023	**Pension obligation**	**Plan assets**	**Net**
Switzerland	10,264	8,769	1,496
Others	-	-	-
Total pension obligations and plan assets	**10,264**	**8,769**	**1,496**

12/31/2022	**Pension obligation**	**Plan assets**	**Net**
Switzerland	9,079	7,841	1,238
Others	-	-	-
Total pension obligations and plan assets	**9,079**	**7,841**	**1,238**

The defined benefit plans are exposed to actuarial risks such as life expectancy, interest rate and investment risks.

The plan assets consist of equity instruments:	**2023**	**2022**
Currency (CHF)	4%	4%
Bonds	25%	25%
Equity instruments	32%	29%
Real estate	23%	26%
Mortgages	4%	4%
Alternative investments	12%	12%
Total	**100%**	**100%**

Actuarial assumptions

The following significant actuarial assumptions have been applied in calculating the obligations: (weighted average values)

	2023	**2022**
Discount rate	1,4%	2.3%
Expected wage increase	2.0%	2.0%
Expected increase in pensions	0.0%	0.0%

Sensitivity analysis

The table below presents possible changes in actuarial assumptions at the balance sheet date, other assumptions unchanged, and how these would affect the defined benefit obligation

	2023	2022
Discount rate (- 0,25% change)	-3%	-3%
Discount rate (+ 0,25% change)	3%	3%
Expected increase in pensions (- 0,25% change)	1%	2%
Expected increase in pensions (+ 0,25% change)	-1%	-2%

Cost recognized in the income statement as cost of goods sold

KEUR	2023	2022
Costs concerning service for current period	-223	-308
Gain in regulation	-	-
Net interest income / interest expense	-29	-8
Net cost recognized in the income statement	**-252**	**-316**

Cost recognized in other comprehensive income

KEUR	2023	2022
Actuarial gains (-) and losses (+)	469	-2,488
Difference between actual return and return according to the discount rate on plan assets	-366	1,103
Effects of change in asset limitation, excluding amounts reported in net interest income	-	-
Net reported in other comprehensive income	**103**	**-1,386**

Note 28 Provisions

	Group	
KEUR	2023	2022
Other provisions	1,235	835
Total provisions	**1,235**	**835**

Other provisions are comprised mainly of non-current employee-related liabilities.

Note 29 Interest-bearing liabilities

	Group		Parent company	
KEUR	2023	2022	2023	2022
Liabilities due within one year from the balance sheet date	2,717	1,148	2,178	178
Liabilities due within one to five years from the balance sheet date	92,703	92,841	92,042	92,203
Liabilities due later than five years from the balance sheet date	-	-	-	-
Capitalized borrowing costs	-4,888	-5,673	-4,888	-5,673
Total interest-bearing liabilities	**90,533**	**88,317**	**89,332**	**86,708**

Interest-bearing liabilities are comprised of liabilities to credit institutions and leasing liabilities. For information on leasing liabilities, see Note 3 Financial risks.

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Credit facilities

Senior bonds

Bonds of EUR 62.5 million were issued in the Swedish capital market on 15 February 2018 and have an original maturity of five years with maturity date on February 15, 2023. On 16 June 2022 the amendments requested by the company in the written procedure initiated on 24 March 2022 went into effect, which, among other things, extended the maturity date of the senior bonds to 15 November 2025. The bonds run on variable interest rate plus a margin of 6%, which is paid quarterly. The bonds are issued by Quant AB and are secured with shares in subsidiaries, which are also jointly and severally liable for all obligations under the bond agreement. The super senior working capital facility has a substantive legal priority over the senior bonds. The senior bonds were listed on Luxembourg Stock Exchange on 7 February 2019. On 29 June 2018 Quant issued further bonds of EUR 29.5 million under the senior secured bond agreement.

Super senior working capital facility

The group has a working capital facility with Nordea Bank AB (publ) of EUR 10 million, which is possible to use for working capital requirements and as collateral for guarantees issued within the framework of Quant's operations. The working capital facility is possible to utilize in many different currencies and drawn loans run at variable interest rates for the loan period plus a margin of 4.25%. Loans under the working capital facility are due according to initial loan period requested by Quant. Refunded amounts are re-available for borrowing until the working capital facility's final maturity date of 16 November 2024. The working capital facility is entered into by Quant AB and secured with shares in subsidiaries, which are also jointly and severally liable for all obligations under the facility agreement. The super senior working capital facility has a substantive legal priority over the senior bond loan.

Note 30 Accrued expenses and deferred income

	Group		Parent company	
KEUR	2023	2022	2023	2022
Accrued interest expenses	1,178	895	1,458	1,094
Accrued restructuring costs	136	70	-	-
Accrued personnel expenses	12,758	16,413	591	898
Deferred income	13,348	3,299	-	-
Other accrued expenses	3,699	5,075	327	741
Total accrued expenses and deferred income	**31,119**	**25,753**	**2,376**	**2,733**

Contract liabilities	Group	
KEUR	2023	2022
Opening balance	**3,299**	**2,049**
Income recognised invoiced previous years	-3,299	-2,049
Invoiced during the year	218,986	182,673
Income recognised during the year	-205,638	-179,374
Closing balance	**13,348**	**3,299**

The increase in deferred income is related to Quant Chile and a specific contract. In July 2022 Quant entered into a 10-year maintenance partnership agreement with a fixed price with Arauco. Quant invoices the same amount monthly, but recognition of revenue on the work Quant has performed is dependent on the agreed workplan and shutdown periods. During these shutdowns Quant delivers a significant amount of services within a short period of time compared to the invoiced amounts. The increase in deferred income refers to invoiced work that has not yet been performed due to large shutdowns that occur at irregular intervals during the 10-year period.

Note 31 Pledged assets and contingent liabilities

Quibot Topco AB has entered into a security package with the security agent Nordic Trustee on behalf of the bond investors and Nordea regarding the company's borrowing. The security is set for short and long-term bank loans in Sweden as stated in note 29. For these bank loans, the shares in Quant AB and Quant Sweden Holding AB, via the respective parent company, have been pledged. The amount indicated as pledged assets in the parent company consists of the parent company's carrying value of the shareholdings. The amount stated as pledged assets in the group intends to illustrate how the group's shareholders' equity is affected in the event that the pledged shares are to be mobilized.

Pledged assets and contingent liabilities

	Group		Parent company	
KEUR	**2023**	**2022**	**2023**	**2022**
Pledged assets				
Bank guarantees	2,405	2,831	2,405	2,831
Shares in subsidiaries	14,679	14,176	80,245	80,245
Total pledged assets	**17,084**	**17,007**	**82,650**	**83,076**
Contingent liabilities	-	-	-	-

Note 32 Transactions with related parties

Related party transactions

All transactions with the Board and the Group's senior executives have been reported in Note 6 Employee and personnel costs. Other than the information in this note, there have been no transactions between any members of the Board or the Group's senior executives.

In 2023 a payment of EUR 500 thousand for services rendered was made to the joint venture partner of Quant Gulf Equipment and General Maintenance LLC in United Arab Emirates. There have been no other transactions between Quant and related parties that have a significantly afftected the Company's position and results during the period.

Sales within the group

Of the parent company's total sales, 100% (100%) relate to sales to other companies within the Quant group.

Note 33 Interest received and paid

	Group		Parent company	
KEUR	**2023**	**2022**	**2023**	**2022**
Interest received	39	86	2,306	2,700
Interest paid	-9,141	-13,843	-8,928	-13,720
Leasing interest paid	-146	-229	-25	-37
Total	**-9,247**	**-13,985**	**-6,647**	**-11,057**

Note 34 Supplemental information to cash flow finance activities

Reconciliation of items included in financing activities - Group, continuing operations

KEUR Group	**Bal at 1 Jan 2023**	**Cash flow effects**	**Non-cash flow effects**	**Foreign exchange differences**	**Bal at 31 Dec 2023**
Liabilities to credit institutions	86,327	2,000	785	-	89,112
Lease liabilities	1,990	-1,084	551	-35	1,420
Total	**88,317**	**916**	**1,336**	**-35**	**90,533**
Group	**Bal at 1 Jan 2022**	**Cash flow effects**	**Non-cash flow effects**	**Foreign exchange differences**	**Bal at 31 Dec 2022**
Liabilities to credit institutions	144,943	-8,779	-49,892	55	86,327
Lease liabilities	3,371	-1,777	432	-36	1,990
Total	**148,313**	**-10,556**	**-49,460**	**19**	**88,317**

Other adjustments for non-cash items				
Continuing operations	**Group**		**Parent company**	
KEUR	**2023**	**2022**	**2023**	**2022**
Capitalized interest expense	-	7,828	-	7,828
Amortized borrowing costs	785	1,693	785	1,693
Pension revaluation direct to equity	-103	1,386	-	-
Capital gain/loss from fixed assets	31	11	-	-
Changes accrued interest	283	-739	-479	-2,383
Other	-11	-249	-31	-254
Total items not included in cash flow	**985**	**9,929**	**275**	**6,884**

Note 35 Appropriation of Earnings

	KEUR
Non-restricted equity in the Parent company at the disposal of the Annual General Meeting:	
Retained earnings	77 109
Loss for the year	-8,723
Total	**68,386**

The Board of Directors and the CEO propose that the amount be appropriated as follows:	
Amount carried forward	**68,386**

Note 36 Business combinations, discontinued operations and assets and liabilities held for sale

2023

On 30 June 2023 Quant Hungary, a subsidiary with 5 research and development employees, was sold to a former employee. Below is the reported value of assets and liabilities that were sold. The effect of the divestment on cash and cash equivalents was 0 and a capital gain of EUR 11 thousand was reported in the Income Statement as ”Other income”.

KEUR	
Property, plant and equipment	6
Cash and cash equivalents	11
Other liabilities	-
Net assets	**-17**

There were no acquisitions carried out during 2023.

2022

There were no acquisitions carried out during 2022.

INCOME STATEMENT FOR DISCONTINUED OPERATIONS

	Group	
KEUR	**2023**	**2022**
Net sales	-	-
Cost of sales	-	-
Gross profit	**-**	**-**
General and administrative expenses	-307	-243
Other operating income	-	704
Other operating expenses	**-**	**-**
Operating Loss	**-307**	**461**
Interest income and similar profit/loss items	-	1
Interest expense and similar profit/loss items	-144	-
Foreign exchange gains and losses	-118	-
Total financial items	**-261**	**1**
Profit/loss before tax	**-568**	**462**
Taxes	-306	159
Loss for the year	**-874**	**621**

ASSETS AND LIABILITIES HELD FOR SALE

	Group	
KEUR	**2023**	**2022**
Financial assets	44	217
Other receivables	1	1
Total assets	**45**	**218**
Provisions	45	219
Accounts payable	4	14
Accrued expenses and deferred income	193	19
Other non-interest-bearing liabilities	689	405
Total liabilities	**931**	**656**

CASH FLOW FOR DISCONTINUED OPERATIONS

	Group	
KEUR	**2023**	**2022**
Cash flow from operating activities	-469	818
Cash flow from investing activities	174	-
Cash flow from financing activities	-	-
Total cash flow for the period	**-296**	**818**

Note 37 Events after the reporting period

On February 9, 2024, it was announced that Metsä Wood, part of the Metsä Group, has informed Quant Finland and Quant Estonia of its intention to make a strategic decision to integrate the maintenance functions internally, leading to the termination of the maintenance service agreements with Quant. On 24 April, 2024, Metsä Wood signed Business Purchase Agreements with Quant Finland and Quant Estonia, specifying the handover date of 1 October, 2024. In Q2 of 2024, Quant's portfolio value will decrease by EUR 25 million as a result of this contract termination.

SIGNATURES

The undersigned declare that the consolidated accounts and annual report were prepared in accordance with IFRS, as approved by the EU, and with generally accepted accounting practices, and give a true and fair presentation of the position and performance of the Group and the Parent company, and that the Management report includes a fair view of the development and performance of the business and position of the Group and the Parent company as well as describing the material risks and uncertainty factors to which the Parent company and subsidiaries that are members of the Group are exposed.

Quant AB
556975-5654

Stockholm, April 26, 2024

Bo Elisson
CHAIRMAN OF THE BOARD

Samuel Gross
BOARD MEMBER

Alexander Bell
BOARD MEMBER

Tomas Rönn
BOARD MEMBER and CEO

Our audit report has been submitted, April 26, 2024

Öhrlings Pricewaterhouse Coopers AB

NICKLAS KULLBERG
AUTHORIZED PUBLIC ACCOUNTANT

The Management Report, financial statements and notes are a translation from the Swedish original.

AUDITOR'S REPORT

(Translation from the Swedish original)
To the general meeting of the shareholders of Quant AB (publ), corporate identity number 556975-5654

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Quant AB (publ) for the year 2023 except for the corporate governance statement on pages 29-30. The annual accounts and consolidated accounts of the company are included on pages 31-74 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 29-30. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates. In addition to the parent company, Quant AB, the Group Audit has included the operating companies in Sweden, Chile, Finland, Brazil and Norway.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Recognition of revenue from the sale of maintenance and repair services at the right amount and in the right period. The Group's revenues are mainly related to multi-year customer contracts with manufacturing companies where Quant provides maintenance and repair services for customers' production facilities. The contracts are mainly of standard nature and contain either one main performance obligation for maintenance work, or several performance obligations, which in addition to maintenance work also includes e.g. additional work or sales of spare parts. Pricing can be both fixed and variable. In some cases, the contracts have a fixed price combined with certain variable parts such as bonuses based on agreed KPIs. In these cases, management's calculations and assumptions form the basis for revenue recognition. For multi-year fixed-price contracts, revenue is recognized evenly over the life of the contract. Invoicing normally occurs in the month in which the services are performed. In cases where invoicing differs from worked-up revenue for the period, accrued revenue or prepaid income is reported to the extent that the invoiced amount differs from the worked-up revenue. As a result of manual calculations and assumptions being made in the accounts, combined with the fact that the revenue flow is significant, we have assessed the revenue as an important area in the audit. *For accounting principles regarding the Group's revenues, we refer to Note 5 in the annual report for 2023.*	We have focused a significant part of our audit on evaluating Quant's principles for revenue recognition. We have done this, among other things, by performing the following audit procedures: • Analysis of revenue during the year compared to the previous year. • Reviewed a selection of major contracts against the contract terms and Quant's guidelines for assessing revenue recognition. • On a sample basis, tested that revenue is reported in the correct period and at the correct amount. • Reviewed credit notes after the end of the financial year. • Evaluated Quant's accounting principles and the notes provided.
Impairment testing of acquisition-related surplus values and goodwill In the consolidated balance sheet, acquisition-related surplus values and goodwill are reported at a value of 70 910 kEUR. Goodwill and acquisition-related surplus values correspond to the difference between the value of net assets and the purchase price paid in an acquisition. Unlike other assets, there is no amortization of goodwill, which is tested annually for impairment or when there is an indication of impairment. Other acquisition-related surplus values are amortized over the estimated useful life. When the company management examines cash-generating units for impairment, the reported values are compared with the estimated recoverable amount. If the recoverable amount is substantially lower than the reported value, the asset is written down to its estimated recoverable value. The recoverable amount is determined by calculating the asset's value in use. When calculating the value in use, company management must make assumptions about future growth and margin development. Future events and new information may change these assessments and estimates, and it is therefore particularly important for the management to continuously evaluate whether the value of the acquisition-related intangible assets can be justified taking into account the assumptions made.	In our audit, we have focused on management's assessment of impairment and the identified surplus values. We have, among other things, performed the following procedures: • Evaluated Quant's process for testing acquisition-related surplus values and goodwill for impairment. • Reviewed the accuracy of the calculation models by using PwC's internal specialists in company valuation. • Evaluated the reasonableness of the discount rate used • Verified that identified write-down needs were reported correctly in the income statement. • Evaluated the reasonableness of assumptions made and conducted sensitivity analyzes for changed assumptions. • Evaluated management's forecasting ability by comparing previously made forecasts against actual outcomes. • Based on materiality, confirmed that sufficient note information is provided in the annual report. The performed audit procedures have not identified any significant observations related to this area.

Other Information than the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for this other information. The other information consists of an expanded description of the group's business during 2023 on pages 2-28 and 79-80 in the document "Annual report 2023". The report is found at the company's website.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

The auditor's audit of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Quant AB for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Quant AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Quant AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors (and the Managing Director), but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21 113 97 Stockholm, was appointed auditor of Quant AB (publ) by the general meeting of the shareholders on 27 April 2023 and has been the company's auditor since 5 November 2019.

Stockholm, April 26, 2024

PricewaterhouseCoopers AB

Nicklas Kullberg
Authorized Public Accountant

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

	Jan-Dec	
KEUR	**2023**	**2022**
Continuing operations		
Operating profit (loss)	1,647	-9,681
Depreciation & amortization	5,651	6,281
Non recurring items	2,855	-
Reversal of Write-down tangible assets	-	-
Adjusted EBITDA IFRS 16	**10,153**	**6,688**
Effect from IFRS 16	-1,230	-2,015
Adjusted EBITDA	**8,923**	**4,672**
Net sales	205,638	179,374
Adjusted EBITDA margin	**4.3%**	**2.6%**
Discontinued operations		
Operating profit (loss)	**-307**	**461**
Depreciation & amortization	-	-
Non recurring items	-	-
Reversal of Write-down intangible assets	-	-
Reversal of Write-down tangible assets	-	-
Adjusted EBITDA IFRS 16	**-307**	**461**
Effect from IFRS 16	-	-
Adjusted EBITDA	**-307**	**461**
Net sales	-	-
Adjusted EBITDA margin	**-**	**-**
Group total		
Operating profit (loss)	**1,339**	**-9,220**
Depreciation & amortization	5,651	6,281
Non recurring items	2,855	-
Reversal of Write-down intangible assets	-	10,087
Reversal of Write-down tangible assets	-	-
Adjusted EBITDA IFRS 16	**9,846**	**7,149**
Effect from IFRS 16	-1,230	-2,015
Adjusted EBITDA	**8,616**	**5,133**
Net sales	205,638	179,374
Adjusted EBITDA margin	**4.2%**	**2.9%**

FINANCIAL INFORMATION

Financial information and other relevant company information is published on www.quantservice.com/investor.

INVESTOR RELATIONS CONTACT

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FINANCIAL CALENDAR

Interim report Q1
(January – March 2024)
May 22, 2024

Interim report Q2
(April – June 2024)
August 30, 2024

Interim report Q3
(July – September 2024)
November 22, 2024

Interim report Q4
(October – December 2024)
February 28, 2025

For further questions:
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www.quantservice.com

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