



# Investor Presentation

August 2023



# Safe Harbor

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Statements contained herein and in the accompanying oral presentation contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by the use of words such as “intend,” “expect”, and “may”, and other similar expressions that predict or indicate future events or that are not statements of historical matters. Forward-looking statements are based on current information available at the time the statements are made and on management’s reasonable belief or expectations with respect to future events, and are subject to risks and uncertainties, many of which are beyond Montrose Environmental Group, Inc.’s (“Montrose,” “we,” “us” and “our”) control, that could cause actual performance or results to differ materially from the belief or expectations expressed in or suggested by the forward-looking statements. Additional factors or events that could cause actual results to differ may also emerge from time to time, and it is not possible for us to predict all of them. Forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update any forward-looking statement to reflect future events, developments or otherwise, except as may be required by applicable law. Investors are referred to Montrose’s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2022, for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statement.

Included in this presentation and the accompanying oral presentation are certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”) designed to supplement, and not substitute, Montrose’s financial information presented in accordance with GAAP. The non-GAAP measures as defined by Montrose may not be comparable to similar non-GAAP measures presented by other companies. The presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that Montrose’s future results, cash flows or leverage will be unaffected by other unusual or nonrecurring items. Please see the appendix to this presentation for how we define these non-GAAP measures, a discussion of why we believe they are useful to investors and certain limitations thereof, reconciliations for historical periods thereof to the most directly comparable GAAP measures and certain matters related to forward-looking non-GAAP information.

The data included in this presentation regarding markets and the industry in which we operate, including the size of certain markets, are based on publicly available information, reports of government agencies, and published industry sources such as Environmental Business International, Inc. (“EBI”). In presenting this information, we have also made certain estimates and assumptions that we believe to be reasonable based on the information referred to above and similar sources, as well as our internal research, calculations and assumptions based on our analysis of such information and our knowledge of, and our experience to date in, our industries and markets. Market share data is subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process and other limitations inherent in any statistical survey of market share data. In addition, customer preferences are subject to change. Accordingly, you are cautioned not to place undue reliance on such market share data or any other such estimates. While we believe such information is reliable, we cannot guarantee the accuracy or completeness of this information, and have we independently verified any third-party information and data from our internal research has not been verified by any independent source.



# Operating Overview





## Montrose Environmental at a Glance

- Unique, high growth environmental solutions company
- Large and growing addressable market
- Resilient revenue with repeat client base and diverse end markets
- Strong record of organic growth and innovation
- Consistent record of strategically and financially accretive acquisitions
- Strong cash flow profile and balance sheet

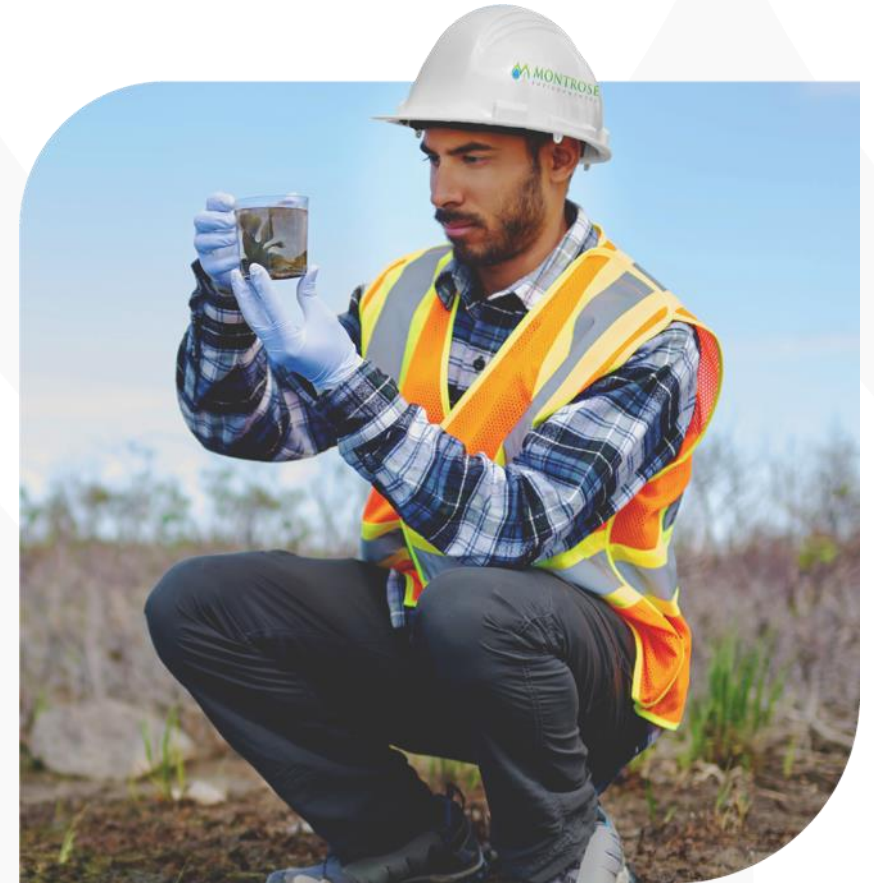
# What Does Montrose Environmental Group Do?

## We Provide Environmental Solutions Focusing On:

- Compliance with environmental regulations (e.g. air quality)
- Greenhouse gas measurement and mitigation/removal
- Water treatment and quality
- Energy transition (e.g. renewable energy)
- Response and risk management related to environmental emergencies (e.g. hurricanes or forest fires)

## We Believe Our Solutions are Differentiated Because:

- We integrate disparate and fragmented services into a targeted, cohesive solution
- We provide unique, patent-protected technology and custom-developed software solutions



# Our Integration Optimizes Environmental Solutions and Resonates With Clients

←----- **35% of Revenue Sourced From Multiple Service Lines in 2022** -----→

## Assessment, Permitting & Response

### Environmental Consulting and Engineering

Our team delivers solutions for complex environmental challenges using our regulatory expertise and implementing practical and cost-effective compliance management processes and programs. We address our clients' biggest concerns around permitting, ecoservices, assessment, and remediation. Our highly trained and experienced engineers and scientists, environmental and remediation specialists, geologists, hydrogeologists, biologists, and environmental compliance specialists work with both public- and private-sector clients, delivering turnkey solutions.

### Environmental Advisory and Specialty Services

Montrose supports clients across public and private sectors to meet their unique and complex environmental demands. Our experts take a strategic approach to address broader environmental goals from sustainability program development, data-driven decision-making using economics and ecology expertise, data management and validation, software strategy implementation and support, chemistry quality assurance, and EHSS auditing. We work through our highly-specialized practice areas to deliver excellent quality, impactful solutions based on data integrity.

### Environmental Emergency Response and Recovery

We assist companies, governments, and communities in preparing for, responding to, and recovering from threats to their environment and people. Our focus is on protecting people and affected communities, minimizing environmental damage, and restoring normalcy. We offer expertise in assessing situations, mobilizing resources, implementing emergency plans, and providing immediate assistance to those impacted. Our experienced teams, including scientists, toxicologists, and industrial hygienists, leverage state-of-the-art technology to generate data that demonstrates the protection of people and the environment. This enables us to resolve complex challenges in health, safety, environmental management, and toxicology.

## Measurement & Analysis

### Source Emissions Air Testing

Our source emissions 'stack' testing teams perform a critical function to measure and evaluate pollutants emitted from industrial stacks. This involves capturing and analyzing exhaust gas samples to ensure compliance with environmental regulations. As one of the largest stack testing companies in the country, we use industry-leading technology applications to help clients stay ahead of emerging regulations surrounding hazardous air pollutants (HAPs), GHGs, PFAS, and more.

### Methane Leak Management (LDAR and OGI)

Our LDAR (Leak Detection and Repair) teams oversee regulatory programs that identify and address leaks of volatile organic compounds, like methane, and HAPs from industrial equipment. These solutions help ensure compliance, minimize emissions, and enhance environmental and safety performance. As part of our suite of advanced solutions, our team is a global leader in using OGI (Optical Gas Imaging). This technology uses infrared cameras to detect and visualize gas leaks in industrial settings, making leak detection faster, easier, and safer.

### Environmental Laboratory Services

Our national network of accredited environmental laboratories provides critical scientific testing and analysis on environmental samples including air, water, soil, waste, and biota. These services help companies assess compliance, evaluate risks, and provide accurate data required for regulatory compliance, environmental management, and informed decision-making. Our knowledge of federal, state, and local regulations enables us to provide clients with best-in-class solutions for all their environmental testing needs.

### Real Time Air Quality Monitoring

Our versatile environmental data platform enables real-time tracking of environmental parameters. With its wide-ranging sensor compatibility, we're equipped to build customized, comprehensive monitoring programs for industrial facilities. Our experienced team of environmental professionals provides end-to-end support, from project planning and on-site installation to data collection, analysis, reporting, and sustained operation

## Remediation & Reuse

### Water Treatment Solutions

Our team is at the forefront of sustainable water treatment solutions, delivering exceptional results in addressing complex contaminants like PFAS and selenium on a global scale. With a remarkable track record of successfully treating over 10 billion liters of contaminated industrial water, our experts have emerged as trusted leaders in the industry. Our proven expertise, combined with a commitment to research and development, positions us as innovators, driving sustainable, efficient, and impactful water treatment solutions.

### Renewable Energy Solutions

Montrose brings industry-leading expertise as a partner for renewable natural gas projects. We provide comprehensive solutions, working closely with developers, site owners, investors, and other key stakeholders to help bring low carbon intensity gas projects to life. Our multidisciplinary team — comprising engineers, project managers, and operators — collaboratively designs, operates, and maintains farms and landfills throughout their RNG project journey.

## Montrose Key Stats

- ~3,500 employees
- 95+ locations worldwide
- 6,000+ clients from the private and public sectors
- 6 patents issued in 2022, for a total of 18 patents



# Capabilities Aligned with Emerging Political & Regulatory Priorities

← Focus on Environmental Matters Creates Tailwinds for Montrose →

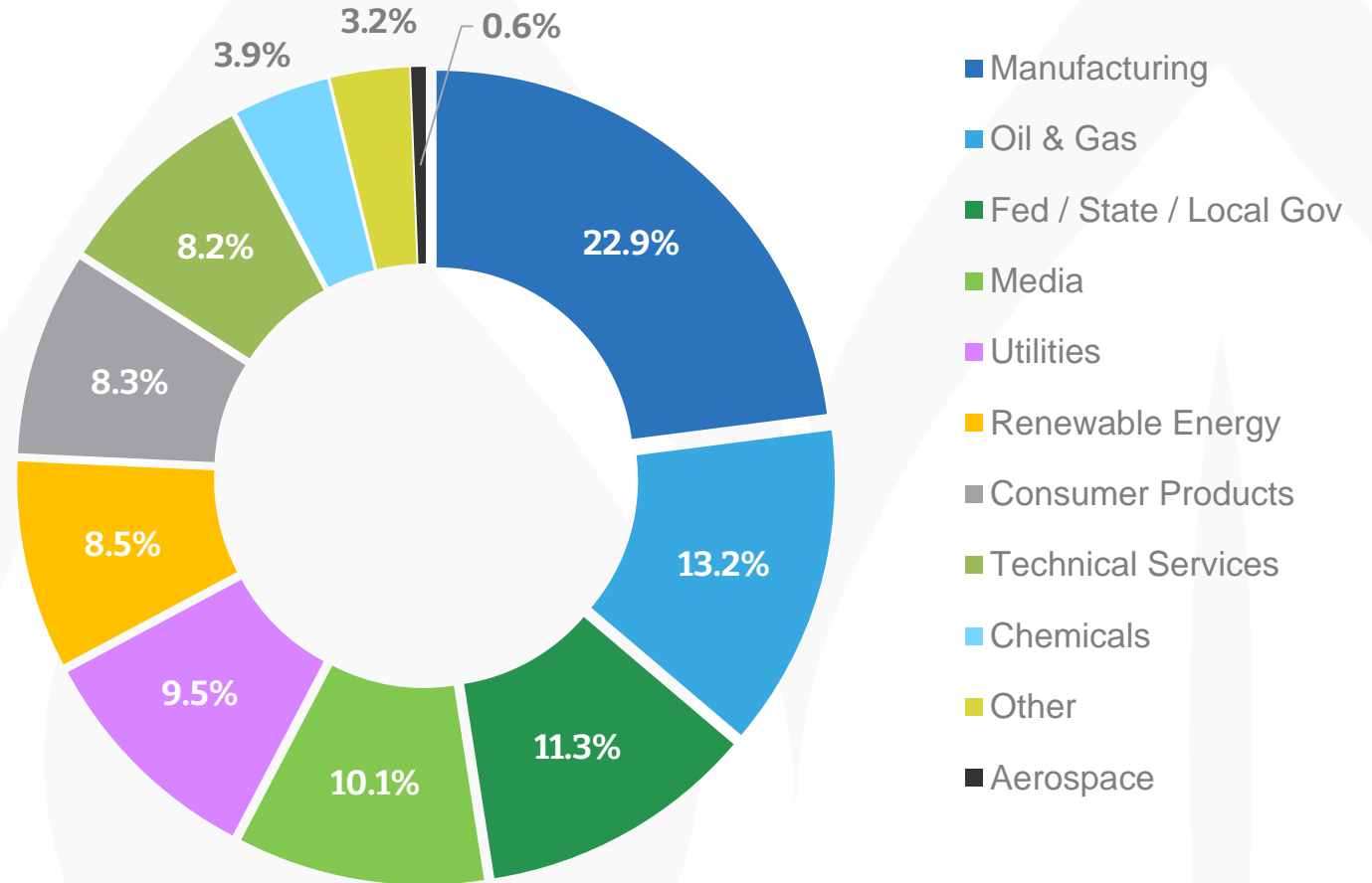
	Ecosystem	Regulatory	Remediation	Response	Air Testing	Laboratory	Renewable	Water Treatment
Climate Change & Event Driven Response	✓	✓	✓	✓	✓	✓	✓	✓
Greenhouse Gas Mitigation & Air Quality	✓	✓		✓	✓	✓	✓	
Emerging Contaminant Regulation (e.g., PFAS)	✓	✓	✓	✓	✓	✓		✓
Renewable Energy and Reduced Carbon Intensity	✓	✓					✓	
Increased Regulatory Enforcement (i.e., EPA, SEC)	✓	✓	✓		✓	✓		✓
Infrastructure and Defense Spending	✓	✓	✓	✓	✓	✓		✓



# Our Revenue is Resilient Due to Regulatory Underpinning and Diverse Customer Base

- Revenue retention is strong and consistent: clients generating 95%+ revenue in FY2021 repeated in FY2022, consistent with prior years
- Approximately 5,600 clients in 2022; largest client represents ~14% of revenue
- 89%/11% revenue split between private and public clients

### Revenue End Market Mix 2022



# We Have Consistently Created Value for Our Shareholders

## Organic Earnings Growth (+)

- Average annual organic revenue growth<sup>(1)</sup> of ~ 16% since 2020 and ~13% since 2018
- Revenue synergies catalyze cross-selling success by creating environmental value for clients
- Positioned to continue growing organic revenue at a mid-to-high single digit rate over the next several years
- Successful investments in R&D can further organic growth opportunities and increase barriers to entry

## Strategically Additive Acquisitions (+)

- Acquisitions represent a core part of growth strategy within a highly fragmented environmental market
  - Environmental services industry comprised of thousands of firms
- Strategic acquisitions purchased at attractive values can generate significant shareholder value over time
- M&A objective to acquire an expected \$10-15 million of annualized EBITDA per year at attractive multiples

(1) Excludes discontinued service lines, which generated revenues of \$17.1 million in 2020, \$12.1 million in 2021, and \$3.6 million in 2022. See the appendix for a discussion of how we calculate organic growth.

# Acquisitions Remain Core To Our Strategy and Highly Accretive



VANDRENSING.COM



**2023 Acquisitions**



## Matrix Solutions Acquisition: An Example of Value Creation



### Transaction Survey:

- In June 2023, we completed a \$48.2 million acquisition of Matrix Solutions, one of Canada's leading environmental engineering and consulting companies.
- With approximately 570 employees, 19 office locations and a blue-chip client base, Matrix is unique in its size, environmental focus and quality brand recognition in North America.
- Matrix complements our existing environmental services portfolio with substantive opportunities for cross-selling, best practices sharing and operational efficiencies.
- Revenues of ~\$72.5 million and Adjusted EBITDA of ~\$4.5 million represents margin improvement opportunity. <sup>(1)</sup>

### Attractive Outlook:

- Adjusted EBITDA margins contribution expected to climb to the low-to-mid teens percent by end of 2024.

(1) TTM April 2023; Adjusted EBITDA excludes Canadian Scientific Research and Experimental Development Credits

# Investment Highlights



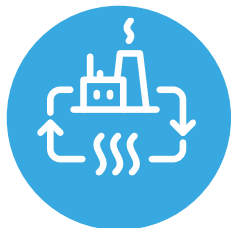
**The environment is our business**



**Strong financial performance with consistent track record of growth & cash flow generation**



**Resilient across political and economic cycles** with diverse customers and end markets



**Differentiated technology, processes and applications**



**Significant scale with global reach in large, growing and highly fragmented industry**



**Proven ability to identify, execute and integrate acquisitions** with a strong pipeline ahead



**Experienced management team** coupled with a **team-centric culture**

Our Integrated  
Solutions are Helping  
Solve the World's  
Environmental  
Challenges



# Working Across Montrose to Help Solve the Global PFAS Problem



**Our Team of Engineers, Geologists, Chemists, Scientists, Toxicologists, Risk Assessors, and Field Technicians Provide an Integrated, Cross-functional Continuum of Services to Address the Complexities Surrounding PFAS**

## **Environmental Challenge:**

PFAS are widely used, long lasting chemical components which break down very slowly over time in water, air and soil

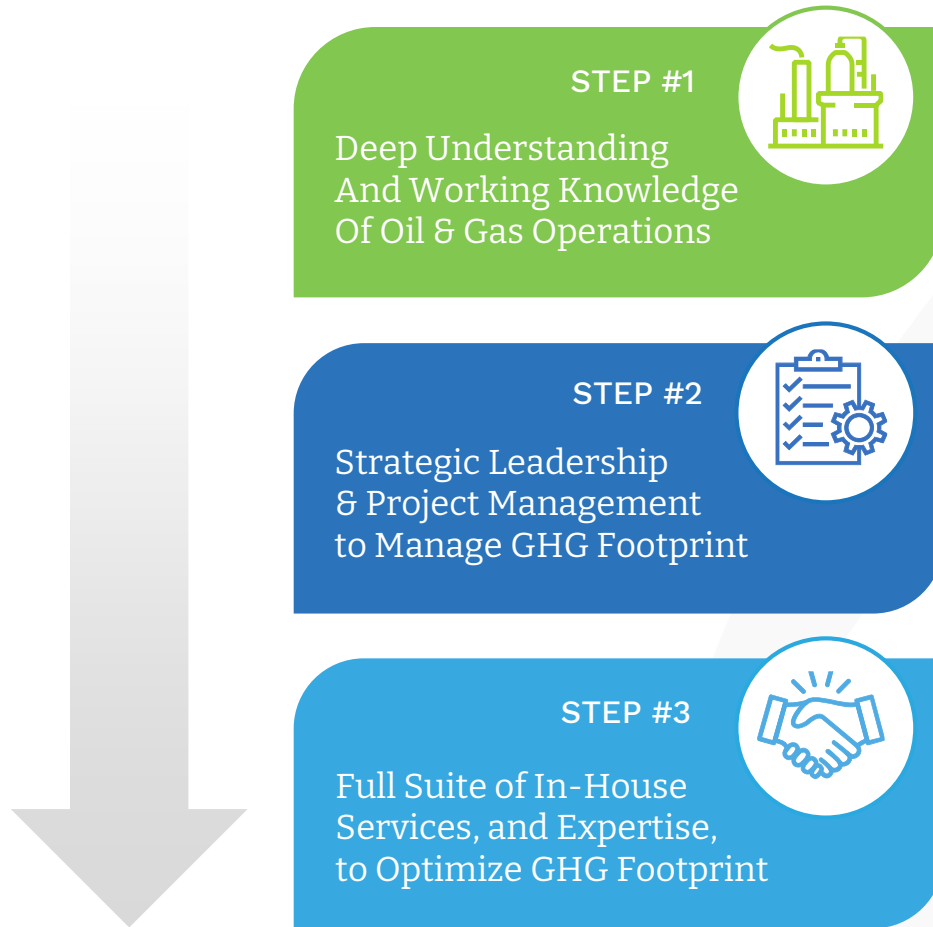
## **Remediation Outlook:**

PFAS remediation expenditures in the U.S. are estimated to surpass \$160 billion<sup>(1)</sup> at over 40,000 sites over the next 20-30 years

## **Montrose Integrated PFAS Solutions:**

- Human health and environmental risk communication
- Front-end planning
- Site characterization sampling and evaluation
- Laboratory testing
- Toxicology and risk assessment
- Regulatory compliance
- Air testing
- Water and soil remediation
- Water treatment design and installation

# Working Across Montrose to Help Solve the Global GHG Problem



**Detection + Data + Integrated Solutions  
= Helping to Achieve GHG Reduction Goals**

## Environmental Challenge:

O&G industry's operations represent 9% of human-made greenhouse gas (GHG) emissions. Stakeholders, including the SEC's newly proposed climate change disclosure rules, are pushing companies to disclose consistent, comparable, and reliable data while working towards climate-change goals.<sup>(1)</sup>

## Remediation Outlook:

The drive towards low-carbon and low-cost is the industry paradigm and we believe those who are able to achieve it will enjoy a competitive advantage.<sup>(2)</sup> In 2020, Oil and Gas Climate Initiative members invested over \$7B in low carbon solutions.<sup>(3)</sup>

## Integrated GHG Solutions :

- Advisory Services – Establishing the best frameworks to determine accurate and actionable GHG emission footprints and plans
- Testing - Cutting-edge GHG detection and measurement from our established air quality testing and laboratory business lines
- Data management – Software to enable real time data capture, analytics and visualization
- Mitigation (e.g., Biogas development)

(1) [https://www.mckinsey.com/industries/oil-and-gas/our-insights/the-future-is-now-how-oil-and-gas-companies-can-decarbonize#:~:text=The%20industry's%20operations%20account%20for,global%20emissions%20\(Exhibit%20202\).](https://www.mckinsey.com/industries/oil-and-gas/our-insights/the-future-is-now-how-oil-and-gas-companies-can-decarbonize#:~:text=The%20industry's%20operations%20account%20for,global%20emissions%20(Exhibit%20202).)

(2) [https://www.weforum.org/agenda/2021/08/oil-gas-industry-lifecycle-approach-reducing-emissions/.](https://www.weforum.org/agenda/2021/08/oil-gas-industry-lifecycle-approach-reducing-emissions/)

(3) [https://www.ogci.com/about-us/.](https://www.ogci.com/about-us/)

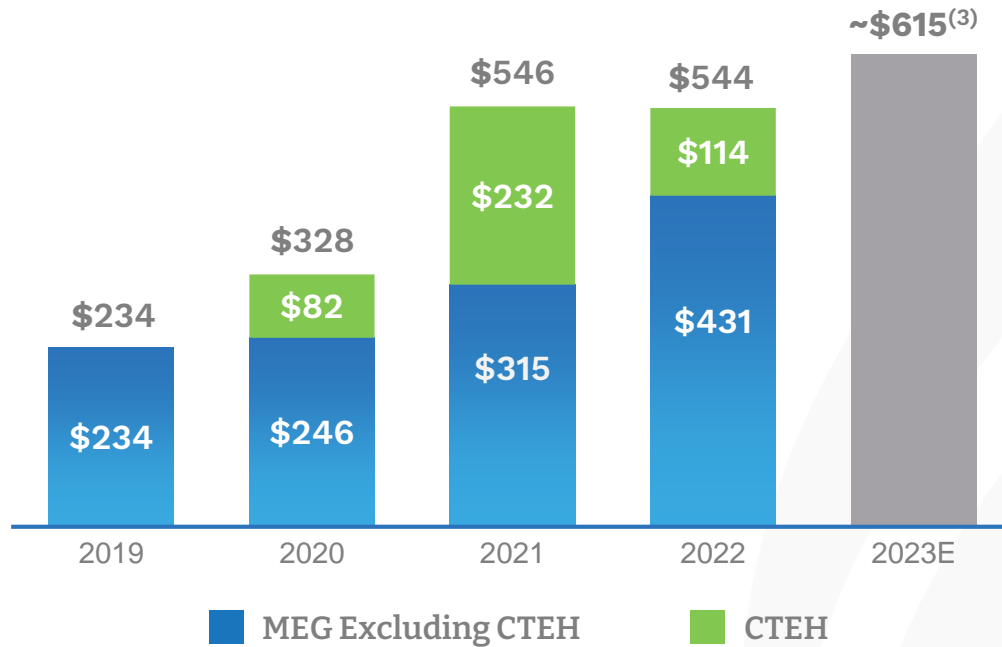
# Financial Overview



# Strong Record of Long-Term Growth

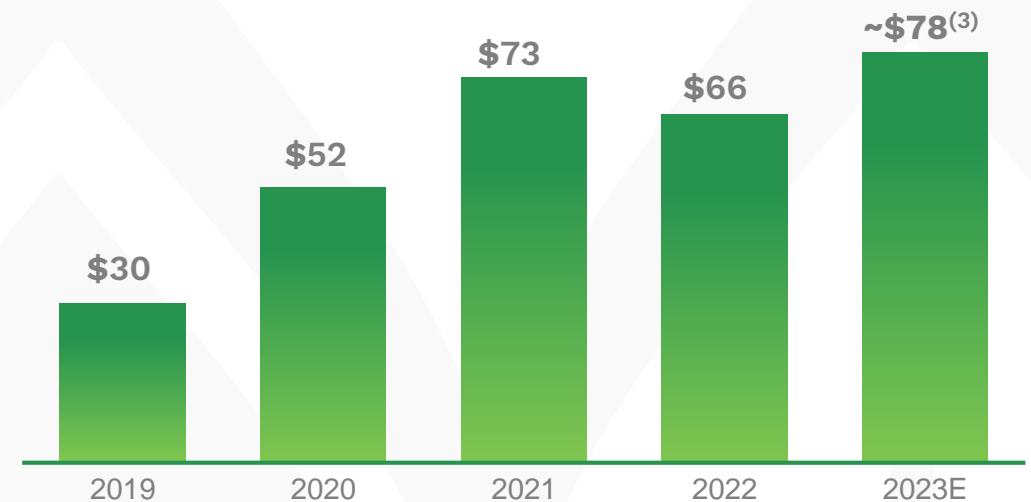
## Revenue

2019-2023E CAGR<sup>(1)</sup>: 25% and excluding CTEH 22%  
(\$ in Millions, Dec FYE)



## Consolidated Adjusted EBITDA<sup>(2)</sup>

2019-2023E CAGR: 27%  
(\$ in Millions, Dec FYE)



**Strong record of long term growth poised to continue**

(1) Excludes discontinued service lines, which generated revenues of \$17.1 million in 2020, \$12.1 million in 2021, and \$3.6 million in 2022.

(2) Consolidated Adjusted EBITDA is a non-GAAP measure. See the appendix to this presentation for a discussion of this measure, including how it is calculated and the reasons why we believe it provides useful information to investors, and a reconciliation for historical periods to the most directly comparable GAAP measure.

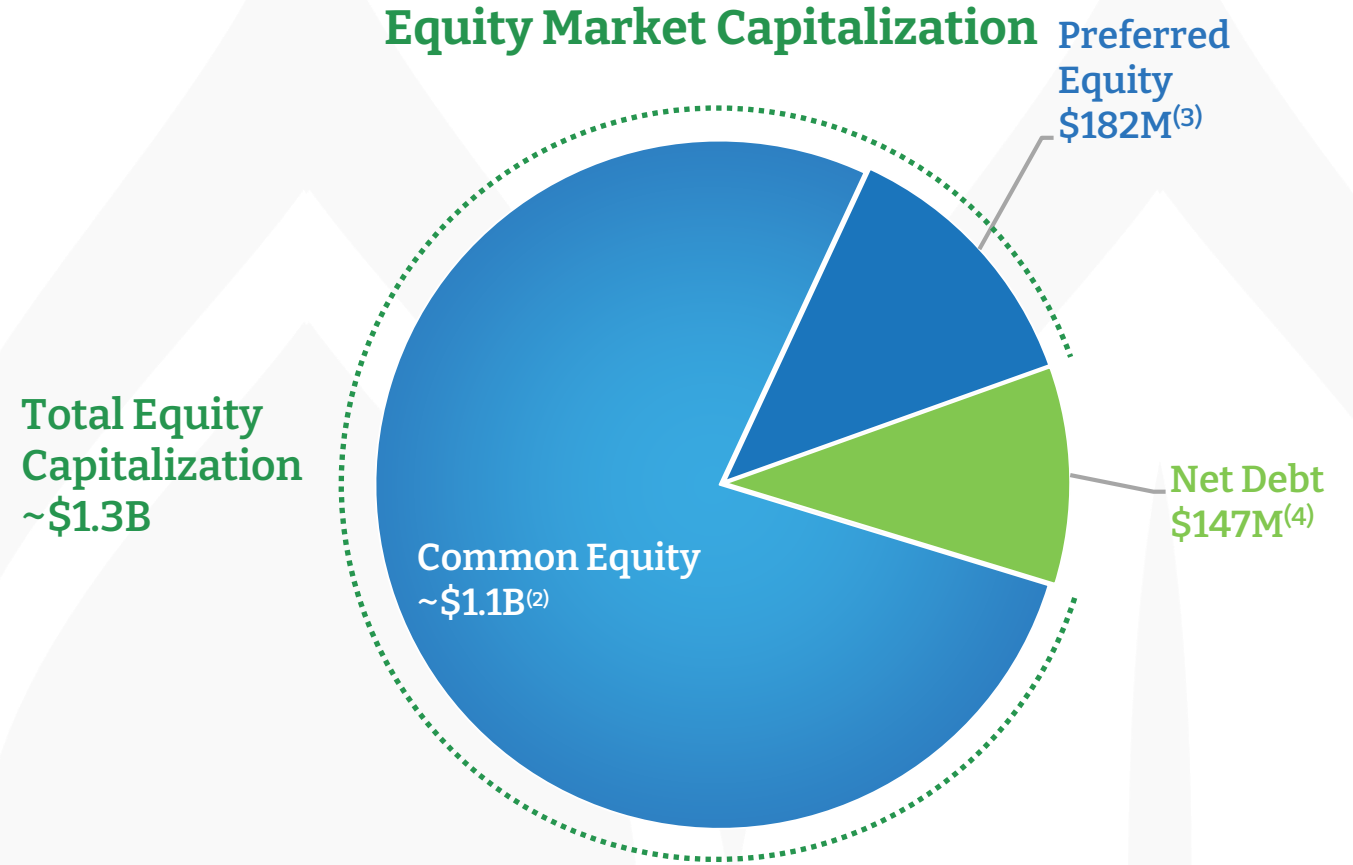
(3) Represents midpoint of 2023E outlook range for Revenue and Consolidated Adjusted Adj. EBITDA of \$590-\$640 million and \$75-\$81 million, respectively.

# Attractive Capital Structure

## Commentary

- Flexible balance sheet to pursue investments in innovation and acquisitions in highly fragmented industry
- Montrose has \$148.3 million of liquidity, including \$23.3 million of cash and \$125.0 million of availability under its revolving credit facility as of 6/30/23
- Weighted average interest rate at 4.2% on outstanding debt, incl. interest rate swaps
- Net leverage<sup>(1)</sup> of 1.9x as of 6/30/23
- Equity capitalization of ~\$1.3 billion<sup>(2)</sup> consisting of 1) 30.2 million shares of common stock outstanding plus 2) \$182.2 million of A-2 Preferred Equity held by Oaktree<sup>(3)</sup>

## Equity Market Capitalization



1) The Company's leverage ratio under its credit facility includes the impact of acquisition-related contingent earnout payments that may become payable in cash.  
2) As of August 3, 2023.  
3) Includes Initial \$175M stated value and accrued interest through July 27, 2020.  
4) Net debt is a non-GAAP measure and is calculated as total debt (excluding deferred debt issuance costs) of \$170.6 million less cash on hand of \$23.3 million as of June 30, 2023. See the appendix to this presentation for a discussion of Net Debt.

# Appendix



# Summary of Oaktree A-2 Preferred

## Investment Summary

- In April 2020, Oaktree Capital purchased \$175mm of Series A-2 Preferred Equity to fund the cash portion of the CTEH purchase price
- We believe the ongoing investment is indicative of Oaktree's optimism regarding Montrose's long term prospects

## Post-IPO Terms

- No fixed maturity date
  - Repayable in cash at Company's option (subject to certain minimum amounts and returns)
- 9.0% annual cash dividend, payable quarterly
- Beginning in year 4, a portion of principal balance becomes convertible into common stock during each of years 4, 5 and 6 at Oaktree's option (converts at 15.0% discount to market)
  - Includes mandatory notice period prior to conversion to give Montrose the option to repay in cash

## Governance

- Oaktree has the right to appoint one representative on the Montrose board of directors while A-2 Preferred Equity remains outstanding

# Non-GAAP Financial Information

In addition to our results under GAAP, in this presentation we also present certain other supplemental financial measures of financial performance that are not required by, or presented in accordance with, GAAP, including, Consolidated Adjusted EBITDA, Consolidated Adjusted EBITDA margin, Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Share. We calculate Consolidated Adjusted EBITDA as net income (loss) before interest expense, income tax expense (benefit) and depreciation and amortization, adjusted for the impact of certain other items, including stock-based compensation expense and acquisition-related costs, as set forth in greater detail in this appendix. We calculate Consolidated Adjusted EBITDA margin as Consolidated Adjusted EBITDA divided by revenue. We calculate Adjusted Net Income (Loss) as net income (loss) before amortization of intangible assets, stock-based compensation expense, fair value changes to financial instruments and contingent earnouts, and other gain or losses, as set forth in greater detail in this appendix. Adjusted Net Income (Loss) per Share represents Adjusted Net Income (Loss) attributable to stockholders divided by the weighted average number of shares of common stock outstanding during the applicable period.

Consolidated Adjusted EBITDA is one of the primary metrics used by management to evaluate our financial performance and compare it to that of our peers, evaluate the effectiveness of our business strategies, make budgeting and capital allocation decisions and in connection with our executive incentive compensation. Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Share are useful metrics to evaluate ongoing business performance after interest and tax. These measures are also frequently used by analysts, investors and other interested parties to evaluate companies in our industry. Further, we believe they are helpful in highlighting trends in our operating results because they allow for more consistent comparisons of financial performance between periods by excluding gains and losses that are non-operational in nature or outside the control of management, and, in the case of Consolidated Adjusted EBITDA, by excluding items that may differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate and capital investments.

These non-GAAP measures do, however, have certain limitations and should not be considered as an alternative to net income (loss), earnings (loss) per share or any other performance measure derived in accordance with GAAP. Our presentation of Consolidated Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Share should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items for which we may make adjustments. In addition, Consolidated Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Share may not be comparable to similarly titled measures used by other companies in our industry or across different industries, and other companies may not present these or similar measures. Management compensates for these limitations by using these measures as supplemental financial metrics and in conjunction with our results prepared in accordance with GAAP. We encourage investors and others to review our financial information in its entirety, not to rely on any single measure and to view Consolidated Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Share in conjunction with the related GAAP measures.

Additionally, we have provided estimates regarding Consolidated Adjusted EBITDA for 2023. These projections account for estimates of revenue, operating margins and corporate and other costs. However, we cannot reconcile our projection of Consolidated Adjusted EBITDA to net income (loss), the most directly comparable GAAP measure, without unreasonable efforts because of the unpredictable or unknown nature of certain significant items excluded from Consolidated Adjusted EBITDA and the resulting difficulty in quantifying the amounts thereof that are necessary to estimate net income (loss). Specifically, we are unable to estimate for the future impact of certain items, including income tax (expense) benefit, stock-based compensation expense, fair value changes and the accounting for the issuance of the Series A-2 preferred stock. We expect the variability of these items could have a significant impact on our reported GAAP financial results.

This presentation also includes Net debt, a non-GAAP measure which represents total debt (excluding deferred debt issuance costs) less cash and restricted cash. Management uses Net debt as one of the means by which it assesses financial leverage and capitalization, and it is therefore useful to investors in evaluating our business using the same measures as management. This measure is also useful to investors because it is often used by securities analysts and other interested parties in evaluating our business. The measure does, however, have certain limitations and should not be considered as an alternative to or in isolation from gross debt and cash or any other measure calculated in accordance with GAAP. Other companies, including other companies in our industry, may not use Net debt in the same way or may calculate it differently than as presented herein.

This presentation also includes Adjusted Operating Cash Flow, a non-GAAP measure which represents cash flow provided by (used in) operating activities less amounts paid for acquisition-related contingent consideration. Payments for acquisition-related consideration are not part of the Company's day-to-day operations and management uses this measure to assess the Company's operating cash flow without the impact of these unique, non-operational payments. This measure does, however, have certain limitations as the excluded acquisition-related payments are typically paid in cash and, as a result, impact the Company's liquidity as a whole, and should therefore not be considered as an alternative to or in isolation from cash flow provided by (used in) operating activities or any other liquidity measure calculated in accordance with GAAP. Other companies, including other companies in our industry, may not use this measure in the same way or may calculate it differently than as presented herein.

In this presentation we also reference our organic growth. We define organic growth as the change in revenues excluding revenues from i) our CTEH environmental emergency and/or disaster response business, ii) acquisitions for the first twelve months following the date of acquisition and iii) businesses held for sale, disposed of or discontinued. As a result of the potential annual volatility in CTEH's revenues due to the emergency response aspect of their business, we will no longer be including CTEH revenues in the calculation of organic growth. Management uses organic growth as one of the means by which it assesses our results of operations. Organic growth is not, however, a measure of revenue growth calculated in accordance with GAAP, and should be considered in conjunction with revenue growth calculated in accordance with GAAP. We have grown organically and expect to continue to do so.

# Montrose Environmental Group, Inc.

## Reconciliation of Net (Loss) Income to Consolidated Adjusted EBITDA (In thousands)

	Year Ended				
	December 31, 2022	December 31, 2021 <sup>(a)</sup>	December 31, 2020 <sup>(a)</sup>	December 31, 2019 <sup>(a)</sup>	December 31, 2018 <sup>(a)</sup>
Net loss	\$ (31,819)	\$ (25,325)	\$ (57,949)	\$ (23,557)	\$ (16,491)
Interest expense	5,239	11,615	13,819	6,755	11,085
Income tax expense (benefit)	2,250	1,709	851	(3,121)	(4,968)
Depreciation and amortization	47,479	44,810	37,274	27,705	23,915
<b>EBITDA</b>	<b>\$ 23,149</b>	<b>\$ 32,809</b>	<b>\$ (6,005)</b>	<b>\$ 7,782</b>	<b>\$ 13,541</b>
Stock-based compensation <sup>(1)</sup>	43,290	10,321	4,849	4,345	5,794
Acquisition costs <sup>(2)</sup>	1,891	2,088	4,344	3,474	1,589
Fair value changes in financial instruments <sup>(3)</sup>	(3,396)	2,195	20,319	11,160	(352)
Expenses related to financing transactions <sup>(4)</sup>	7	50	378	—	398
Fair value changes in business acquisition contingencies <sup>(5)</sup>	(3,227)	24,372	12,942	1,392	(158)
Short term purchase accounting fair value adjustment to deferred revenue <sup>(6)</sup>	—	—	243	858	—
Public offering expense <sup>(7)</sup>	—	—	7,657	610	—
Other losses and expenses <sup>(8)</sup>	4,459	1,400	7,567	577	(1,680)
<b>Consolidated Adjusted EBITDA</b>	<b>\$ 66,173</b>	<b>\$ 73,235</b>	<b>\$ 52,294</b>	<b>\$ 30,198</b>	<b>\$ 19,132</b>

(a) Prior period amounts have been recalculated from amounts originally disclosed using the current methodology.

(1) Represents non-cash stock-based compensation expenses related to (i) option awards issued to employees, (ii) restricted stock grants issued to directors and selected employees, (iii) and stock appreciation rights grants issued to selected employees.

(2) Includes financial and tax diligence, consulting, legal, valuation, accounting and travel costs and acquisition-related incentives related to our acquisition activity.

(3) Amounts relate to the change in fair value of the interest rate swap instrument and the embedded derivatives and warrant options attached to the Series A-1 preferred stock and the Series A-2 preferred stock.

(4) Amounts represent non-capitalizable expenses associated with refinancing and amending our debt facilities.

(5) Reflects the difference between the expected settlement value of business acquisition contingencies at the time of the closing of acquisitions and the expected (or actual) value of these contingencies at the end of the relevant period.

(6) Purchase accounting fair value adjustment to deferred revenue represents the impact of the fair value adjustment to the carrying value of deferred revenue as of the date of acquisition of ECT2.

(7) Represents expenses incurred by us to prepare for our initial public offering, costs from IPO-related bonuses, and costs related to the November 2020 secondary public offering.

(8) In 2022, amounts include costs associated with the exiting of the legacy water treatment and biogas operations and maintenance contracts and the Company's start-up lab in Berkeley, California, as well as an impairment charge for certain operating lease right-of-use assets and severance costs related to the restructuring within our soil remediation business. In 2021, amounts include non-operational charges incurred due to the remeasurement of finance leases as a result of the adoption of ASC 842 and costs related to the implementation of a new ERP. In 2020, 2019 and 2018, amounts represent loss (earnings) from the Discontinued Service Lines and the Berkeley lab.