Quant Interim Report Q1 2020

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QUANT

Safety First

Safety with in Quant

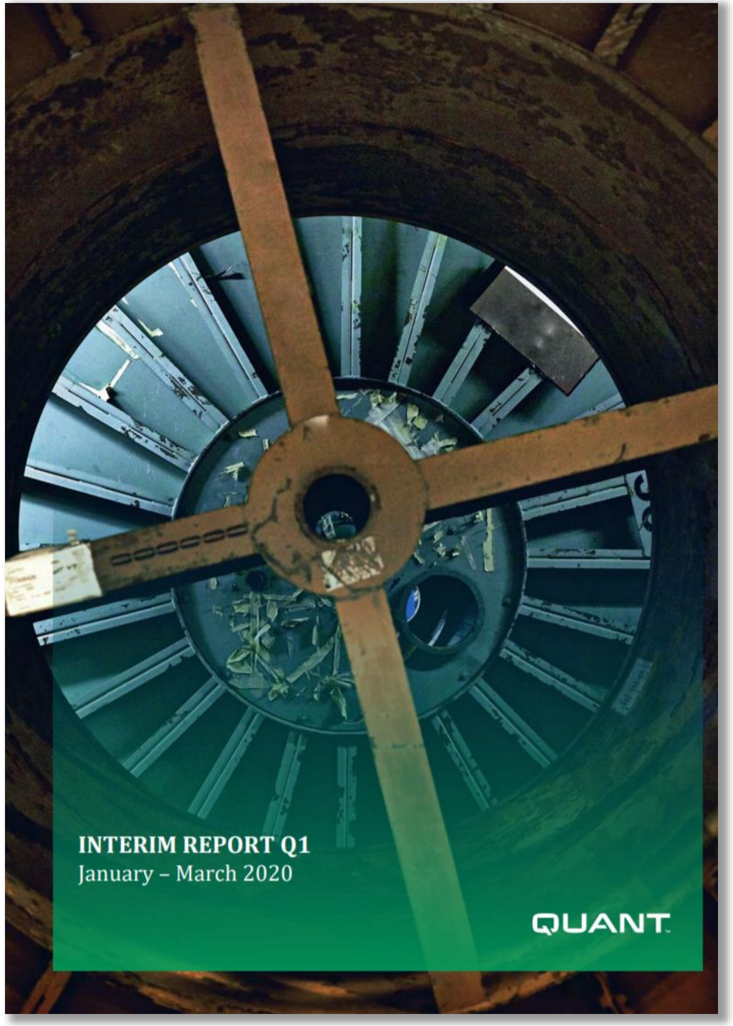
- **Safety is our choice.** We are passionate about keeping our people, suppliers and customers safe at all times
- Everybody working for Quant, as an employee or contractor, is required to take care of themselves and their colleagues. We are committed to providing the instructions and training required to ensure they can do so safely
- Improving and developing our safety systems to world class standards is always our focus. Feedback is encouraged and seen as an opportunity to improve and evolve our safety procedures and culture
- **Our ultimate safety goal is ZERO accidents.** We have only done our job when everyone goes home each and every day safe and sound

Today's safety orientation

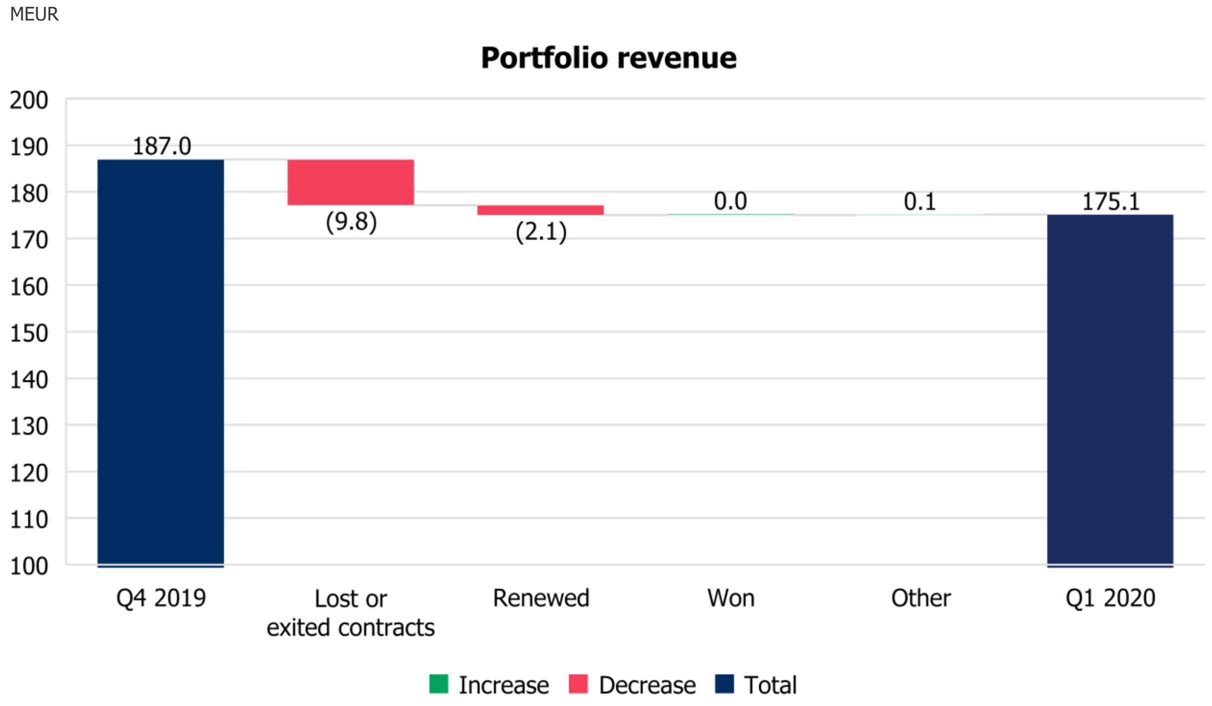
- Emergency exits
- Evacuations and assembly
- Fire extinguishers
- First aid kit / defibrillator
- Personal protective equipment
- Safety coordinator
- Planned exercises
- Emergency number 112

First quarter development

- Net sales and EBITDA declining
  - Lost contracts during 2019 now impacting top line
  - Lower performance, in particular in a few South American contracts
  - Negative currency effects
- Contract portfolio decreasing during the quarter
  - Quarterly fluctuations normal
  - Successful startup of Lantmännen, which was won in Q4 2019
  - Pipeline strengthening, despite Covid 19
- Limited impact from Covid 19
  - Safety is Quant's priority
  - Production has continued at vast majority of sites
  - General slowdown in the market for several customer segments, may impact new sales near term
  - Financial market uncertainties resulted in large FX swings



Contract portfolio overview



- Currently 92 operational sites
- Contracts with annualized net sales of EUR 42.4 million scheduled for renewal during the next twelve months
- First quarter development:
  - No new customer contracts won
  - Seven contracts lost or exited, with annualized net sales of EUR 9.8 million
  - Four contracts were renewed with reduced scope of EUR 2.1 million
  - Scope changes and exchange rate effects of positive EUR 0.1 million
- The combined effect of these changes amount to a decrease in the contract portfolio annualized net sales of EUR 11.9 million
- Of the total lost revenue of EUR 9.8 million, a smaller part was due to the exit of the last contracts in Discontinued operations, where only one contract remains operational

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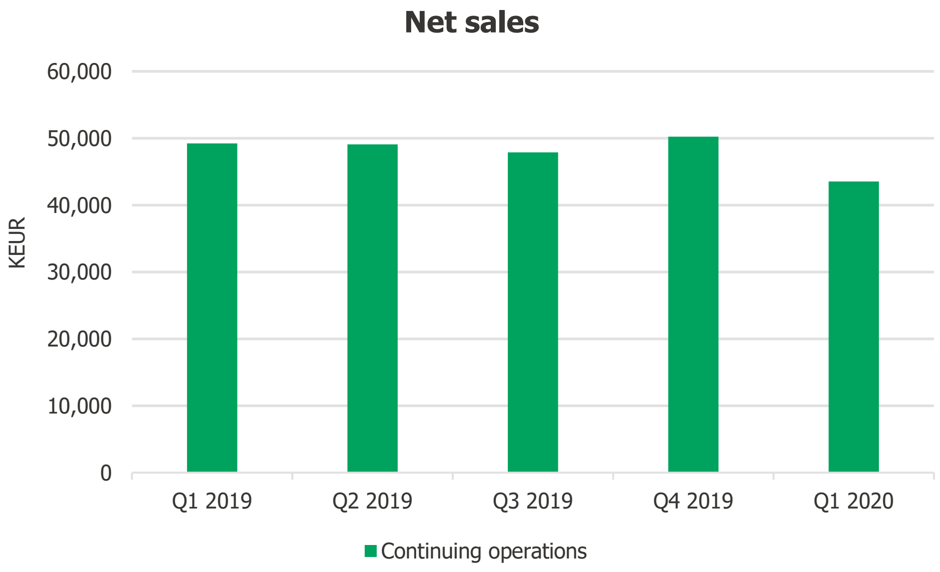
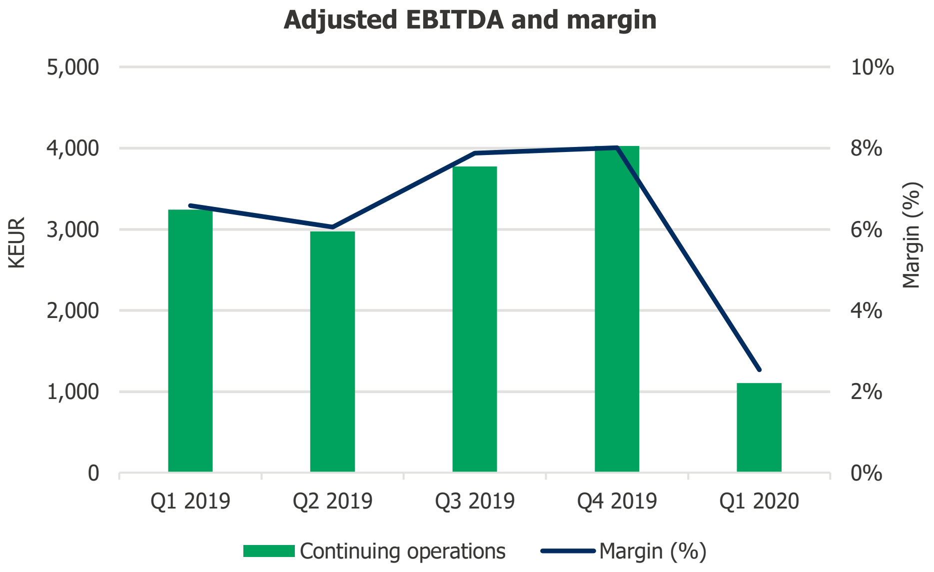
Net sales and EBITDA continuing operations





- Net sales for the period decreased by 11.6% to EUR 43.6 (49.3) million compared to Q1 2019. Organically, net sales decreased by 9.6%

- Quarterly adjusted EBITDA decreased to EUR 1.1 million from EUR 3.2 million prior year due to lower gross profit, partly offset by lower SG&A costs.
  - Gross profit was negatively impacted by EUR -1.5 (0.4) million due to revaluations of internal receivables and payables, without any cash flow effect
  - Gross profit also decreased due to lower profitability in Americas and Rest of the World
  - SG&A decreased mainly due to the transformation program.
- Adjusted EBITDA with IFRS 16 decreased to EUR 2.1 (4.4) million

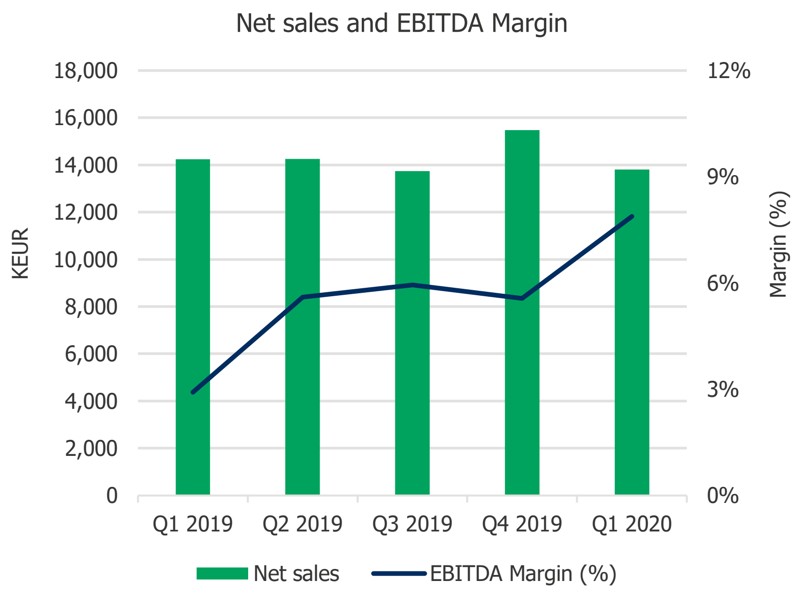
Cash flow

KEUR	Q1 2020	Q1 2019	LTM Mar 2020	Jan-Dec 2019
Continuing operations				
Cash flow from operating activities	-391	988	7,025	8,404
Net debt	-	-	125,043	121,121
Net debt / Adjusted EBITDA, times	-	-	10.5	8.6
Net debt / Adjusted EBITDA IFRS 16, times	-	-	8.2	7.0
Discontinued operations				
Cash flow from operating activities	-621	-8,158	-2,762	-10,299
Group				
Cash flow from operating activities	-1,011	-7,170	4,263	-1,895
Cash flow from investing activities	-284	-141	3,685	3,828
Cash flow from financing activities	8,747	947	-575	-8,375
CASH FLOW FOR THE PERIOD	**7,452**	**-6,364**	**7,373**	**-6,443**

- Cash flow from operating activities for the quarter amounted to EUR -0.4 (1.0) million
- Change in net working capital was EUR -0.9 (1.2) million for the quarter, with liabilities decreasing more than receivables
- Net debt / Adjusted EBITDA of 10.5
- For the total Group, including both continuing and discontinued operations, cash flow for the quarter was EUR 7.5 (-6.4) million
- During the quarter, an additional EUR 9.0 million was utilized from the revolving working capital facility as a precaution due to the market uncertainties relating to Covid-19
- At 31 March 2020, the amount drawn on the revolving working capital facility amounted to EUR 16.0 (13.0) million

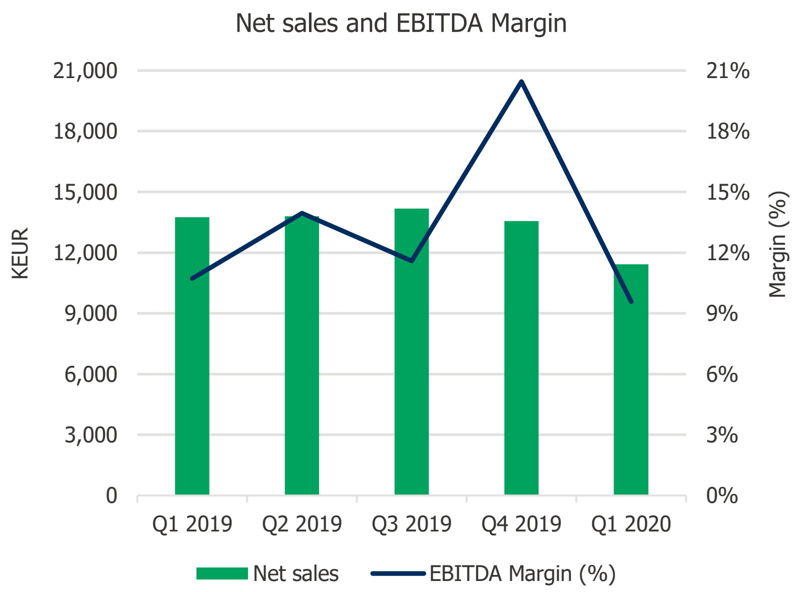
Segment financials

Europe



- Net sales in the quarter decreased to EUR 13.8 million, from EUR 14.2 million, mainly due to one lost contract. This contract was large in terms of revenue but with low profitability
- Adjusted EBITDA for the quarter was EUR 1.1 million, up from EUR 0.4 million prior year due to increased performance in existing contracts, new sites and lower overhead costs due to the transformation program

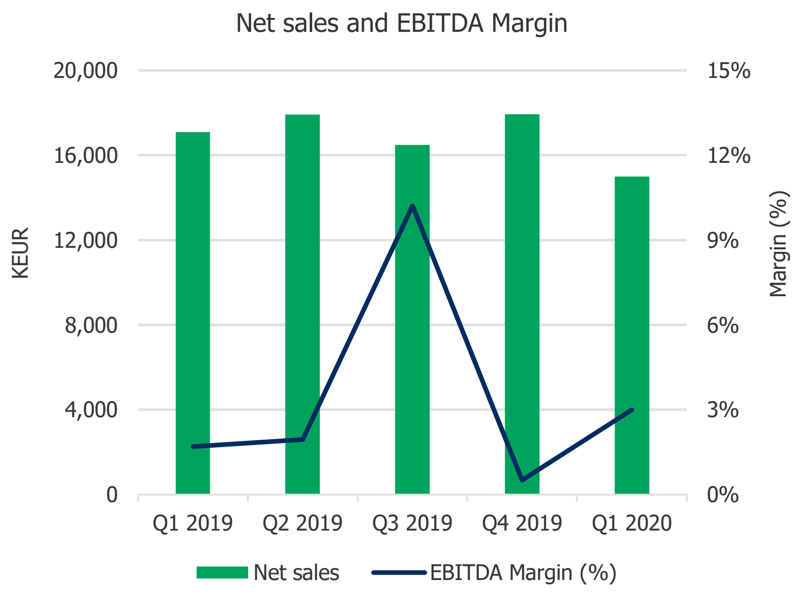
Americas



- Net sales in the quarter decreased to EUR 11.4 million, from EUR 13.7 million due to a lost contract in Brazil and lower revenue for certain contracts in Chile
- Adjusted EBITDA in the quarter was EUR 1.1 million, down from EUR 1.5 million prior year due to decreased profitability in Chile connected to the lower revenue. This was partly compensated with better profitability in Brazil and the US as well as lower overhead costs due to the transformation program

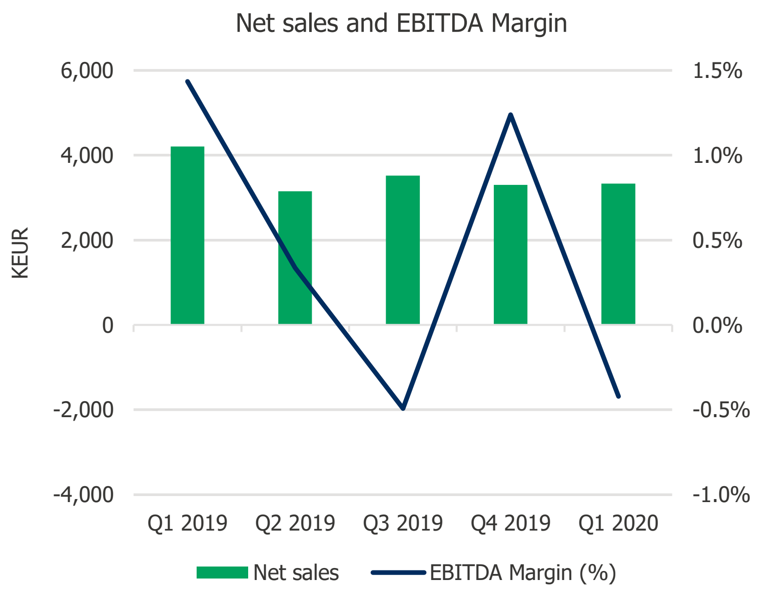
Segment financials

Finland & Baltics



- Net sales in the quarter decreased to EUR 15.0 million, from EUR 17.1 million due to lost contracts and low revenue in the field service business in Finland, partly compensated with revenues from a new contract
- Adjusted EBITDA in the quarter was EUR 0.5 million, up from EUR 0.3 million due to lower overhead costs as a result of the transformation program

Rest of World



- Net sales in the quarter decreased to EUR 3.3, from EUR 4.2 million due to a terminated contract in UAE
- Adjusted EBITDA was EUR -0.1 million, down from EUR 0.6 million last year. The low result this year was due to cost provisions in connection with a lost site in China, partly compensated with lower overhead costs due to the transformation program, whereas last year was positively impacted by a reimbursement of costs from an earlier contract termination

Thank You