



QUANT™

Q1 Report 2021

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21 May 2021

SAFETY FIRST



Safety within Quant

Safety is our choice. We are passionate about keeping our people, suppliers and customers safe at all times.

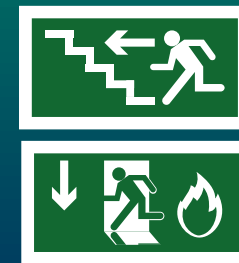
Everybody working for Quant, as an employee or contractor, is required to take care of themselves and their colleagues. We are committed to providing the instructions and training required to ensure they can do so safely.

Improving and developing our safety systems to world class standards is always our focus. Feedback is encouraged and seen as an opportunity to improve and evolve our safety procedures and culture.

Our ultimate safety goal is ZERO accidents. We have only done our job when everyone goes home each and every day safe and sound.

TODAY'S SAFETY ORIENTATION

- Everyone is in a safe meeting environment?
- Nobody is driving?



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Quant Safety Week 2021: What can go wrong?

- Global event within Quant
- Aim: Strengthen and improve our safety culture even further
- Global and local activities each day, focusing on a specific OHSE related topic



First quarter development

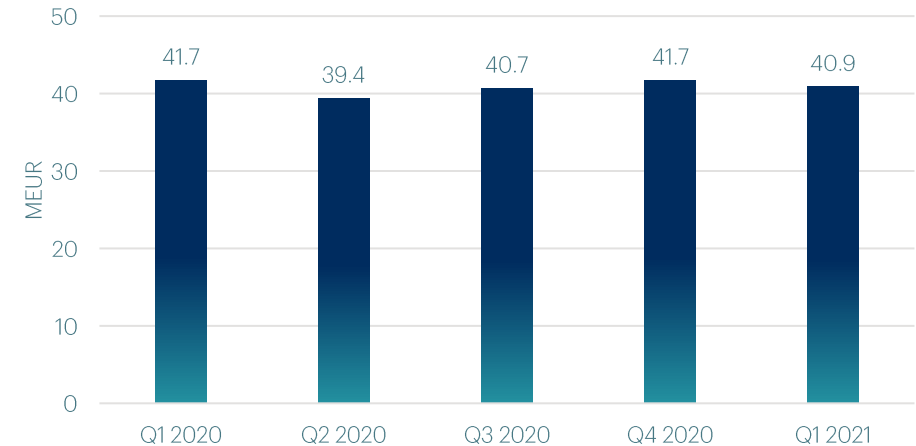
- **Contract wins on the back of healthy pipeline**
 - Sales pipeline continued to increase
 - Closing of new deals still challenging due to the pandemic
- **Net sales and profitability improves on previous quarter**
 - Changed organizational structure, no Region Rest of World
 - UAE included in Region Europe
 - China reported under region Other
 - Lost contracts during continuing to impact top line
 - Adjusted EBITDA of 2.6 MEUR compared to 1.2 MEUR prior year
 - Improving profitability in Region Americas, which was hit hard by the pandemic in 2020
 - Regions Europe and Finland & Baltics struggled with cost overruns
- **Contract portfolio increase during the quarter**
 - Three contracts won – Exalmar in Peru, Vale in Brazil and BASF in Finland
 - One contract renewed and no lost contracts
 - Exalmar contract, a six-year contract for 12 MEUR per year the last five years



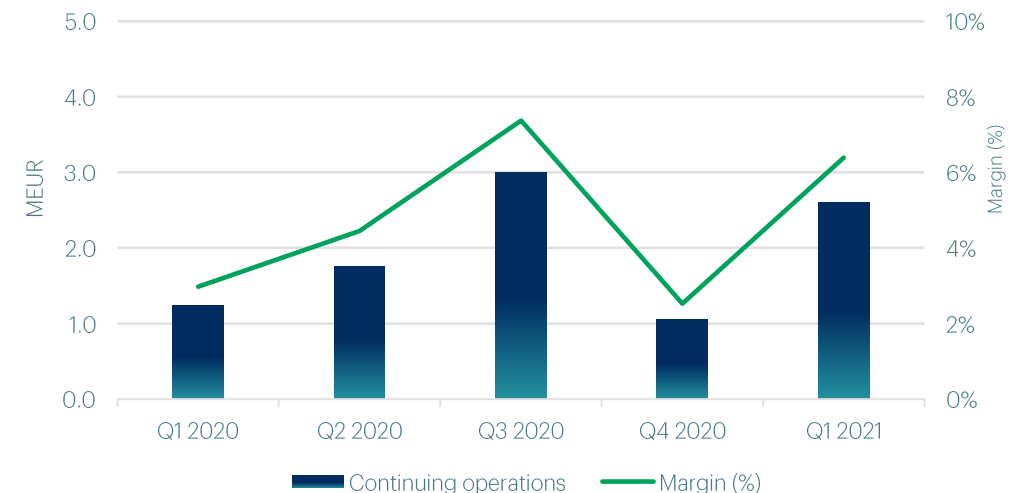
Net sales and EBITDA continuing operations

- Net sales for the period decreased by 2.1% to EUR 40.9 (41.7) million. Organically, net sales decreased by 1.2%
- Quarterly adjusted EBITDA increased to EUR 2.6 million from EUR 1.2 million prior year due to large currency fluctuations in 2020, improved profitability for contracts in Americas, and the start of new contracts
- Gross profit for the quarter increased to EUR 6.1 million from EUR 4.3 million prior year
 - The impact from changes in currency rates were EUR 0.1 million compared to EUR -1.5 million in the first quarter of 2020.
 - The gross profit for the first quarter of 2021 was positively impacted by good performance on existing contracts in region Americas, new contract start-ups in region Europe, and the initiation of a new contract with Exalmar in Peru
- SG&A underlying cost base is in line with last year, excluding adjustments and investments in new sales
- Adjusted EBITDA with IFRS 16 increased to EUR 3.3 (2.2) million

Net sales

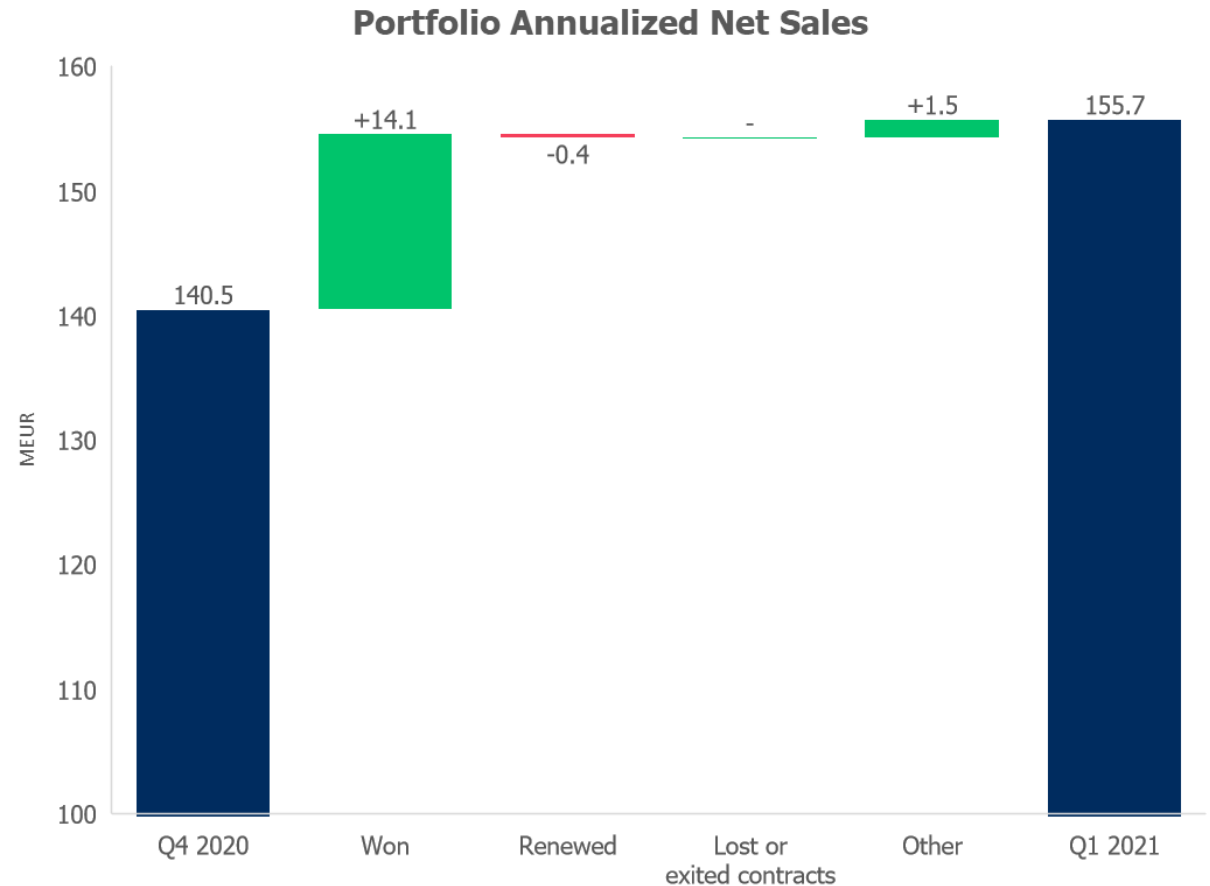


Adjusted EBITDA and margin



Contract portfolio overview

- Currently 84 sites in operation
- Contracts with annualized net sales of EUR 32 million scheduled for renewal during the next twelve months
- First quarter development:
 - Three contracts were won with annualized net sales of EUR 141 million
 - No contracts were lost
 - One contracts was renewed with a total scope reduction of EUR -0.4 million
 - Scope changes and exchange rate effects of EUR 1.5 million
- The combined effect of these changes amount to an increase in the contract portfolio annualized net sales of EUR 15.3 million



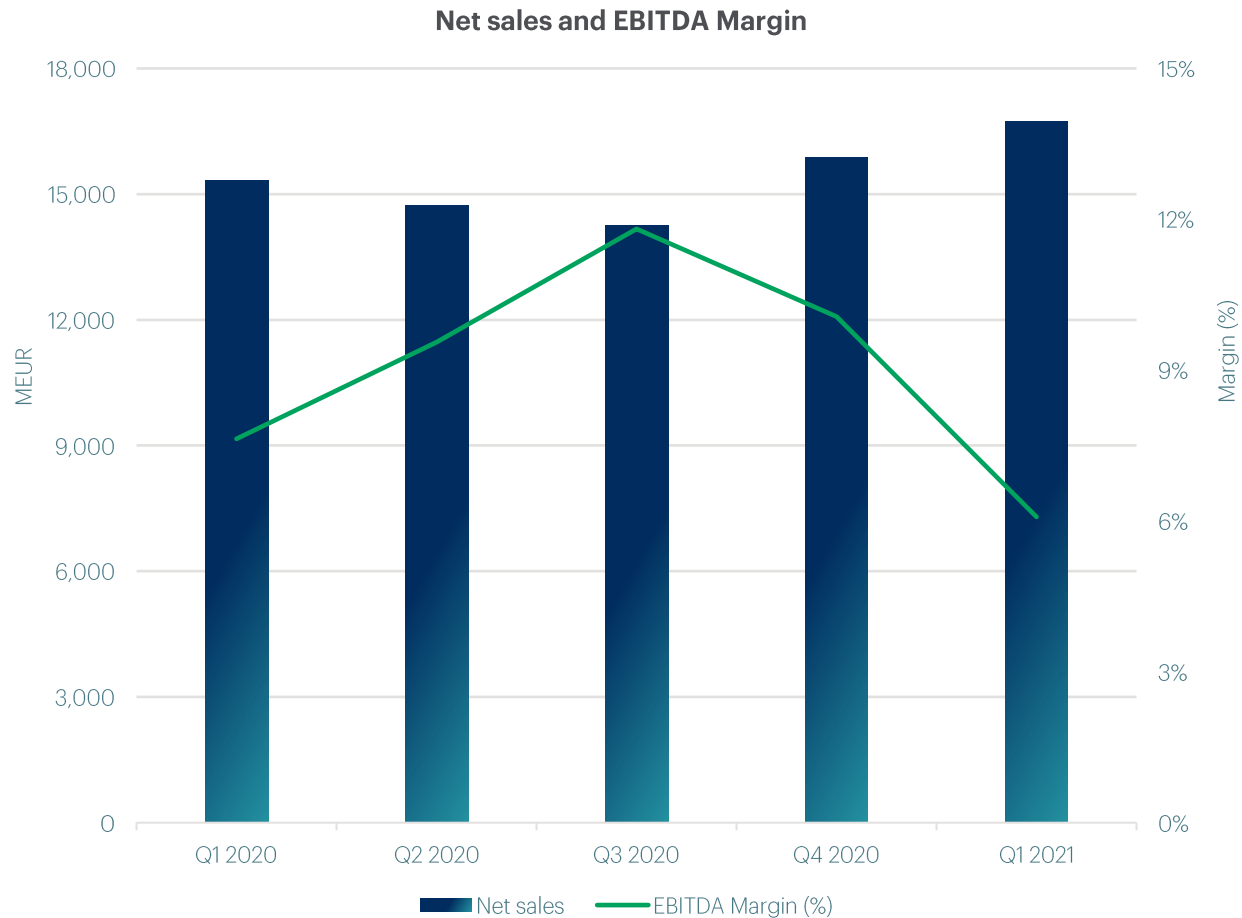
Cash flow

- Cash flow from operating activities for the quarter amounted to EUR -2.6 (-0.8) million
- Change in net working capital was EUR 3.3 (-1.5) million for the quarter
- Net debt / Adjusted EBITDA of 15.3
- Cash flow from change in loan was EUR -9 million, compared to EUR + 9 million last year
- For the total Group, including both continuing and discontinued operations, cash flow for the quarter was EUR -12.8 (7.5) million
- At 31 March 2021, the amount drawn on the revolving working capital facility amounted to EUR 2.0 (16.0) million

KEUR	Q1		LTM	Jan-Dec
	2021	2020	Mar 2021	2020
Continuing operations				
Cash flow from operating activities	-2,555	-804	5,937	7,688
Net debt	-	-	128,678	123,505
Net debt / Adjusted EBITDA, times	-	-	15.3	17.5
Net debt / Adjusted EBITDA IFRS 16, times	-	-	11.5	12.3
Discontinued operations				
Cash flow from operating activities	-427	-208	-172.7	47
Group				
Cash flow from operating activities	-2,982	-1,011	5,764	7,735
Cash flow from investing activities	-238	-284	-792	-838
Cash flow from financing activities	-9,545	8,747	-16,546	1,746
CASH FLOW FOR THE PERIOD	-12,765	7,452	-11,575	8,643

Segment financials

Europe



- Net sales in the quarter increased to EUR 16.7 (15.3) million due to new contract with Alcoa Mosjøen in Norway, offset by change in scope and lower upsell on existing contracts
- Adjusted EBITDA for the quarter was EUR 1.0 (1.1) million, due to lower upsell and change in scope in existing agreements, offset by the new contract with Alcoa Mosjøen in Norway

Segment financials

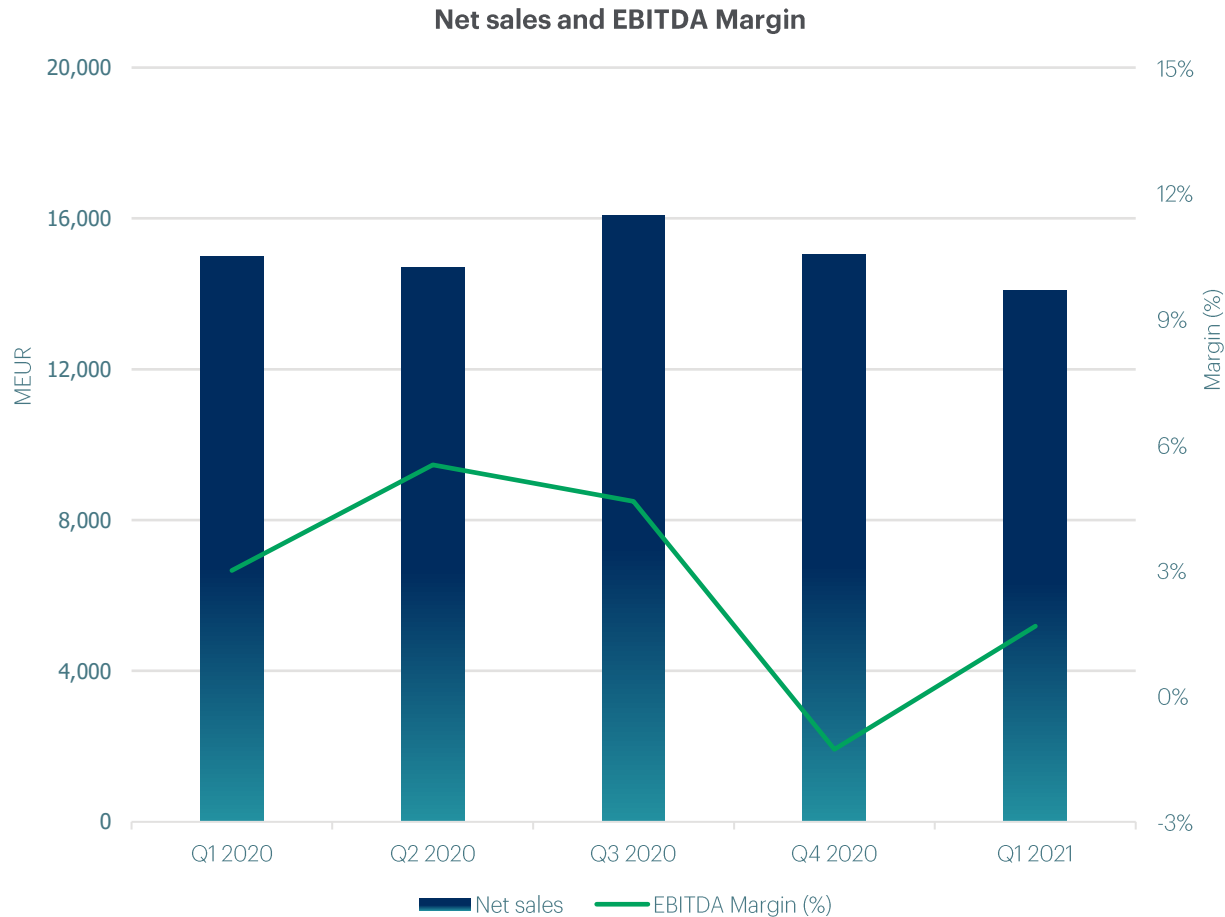
Americas



- Net sales in the quarter decreased to EUR 10.0 (11.4) million due to two lost contracts in Chile and one in Mexico
- Adjusted EBITDA in the quarter was EUR 1.6 (1.1) million due to profitable shutdowns and good performance on existing sites in Chile, and a new contract in Peru with Exalmar
- During the first year of the contract Quant will review the current maintenance operations at Exalmar and prepare for full responsibility for maintenance execution starting 2022

Segment financials

Finland & Baltics



- Net sales in the first quarter decreased to EUR 14.1 (15.0) million due to exited contracts in Finland, and decreased scope in two contracts, compensated by increased upsell in certain contracts and revenue from the new contract with BASF
- Adjusted EBITDA in the quarter was EUR 0.2 (0.5) million due to reduced scope in certain contracts and lower profitability as the cost level was higher at certain sites, offset by lower SG&A costs

A hand holding a glowing globe with a network overlay. The globe is illuminated with a blue and white light, and a network of lines and nodes is visible on its surface. The hand is positioned at the bottom, with fingers slightly curled around the globe. The background is dark, making the glowing globe stand out.

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THANK YOU!

Interim Report Q2 2021 will be released on 20 August 2021

FOR MORE INFORMATION GO TO [QUANTSERVICE.COM](https://www.quantservice.com)