

Preliminary financial results for the 2nd quarter of the 2020 are better than these in the previous quarters

'000 EUR

	2Q 2019	1Q 2020	2Q 2020	change 2Q20 vs 1Q20	change 2Q20 vs 2Q19
Total revenues	268,3	242,3	229,7	-12,7	-38,6
Operating costs excluding D&A	-397,7	-294,4	-248,0	-46,4	-149,6
EBITDA (based on result on sales)	-129,4	-52,1	-18,4	+33,8	+111,0
Depreciation and amortization (D&A)	-159,3	-146,8	-143,1	+3,7	+16,1
EBIT (operating result)	-271,8	-216,1	-146,4	+69,7	+125,4
Net result	-282,5	-224,5	-159,6	+65,0	+122,9

The second quarter of 2020, when the COVID19 pandemic reached its peak, was a difficult period for many companies. It was also a period of many challenges for QuarticOn. However, even in this difficult time, the Company managed to improve its financial results once again. New sales contracts, which covered the gap left by lost customers together with further optimization of costs, led the Company to **EBITDA improvement by €34 thousand** compared to Q1 2020 (in June 2020, EBITDA was positive).

Preliminary sales results show a slight sales decrease by €12.7 thousand* on a quarter to quarter basis. This is the result of a higher than usual customer churn rate at the peak of the pandemic. On the other hand, the Company signed new, significant contracts (it informed about the most important ones in current reports), also on international markets. At the same time, the company implemented cost savings operations (including salary reductions and negotiated cost reductions), which allowed for a reduction in operating costs (excluding depreciation and amortization) by €46.4 thousand quarter on quarter (reduction by 16%). As a result, the net result in the second quarter of 2020 was about €65 thousand better than in the previous quarter. On a year-to-year basis (i.e. Q2 2020 vs Q2 2019), the positive changes are even more significant: EBITDA is better by €111 thousand, and the net result by almost €123 thousand.

** All currency values expressed in PLN were converted into EUR using the Polish Central Bank exchange rates for the end of a given quarter. Due to exchange rate differences, the changes or dynamics of changes quarter to quarter differ from those calculated for the Polish currency.*

The Management Board of the Company emphasizes that the above data are preliminary results and may slightly differ from the final values, which will be presented in the financial report for the Q2 2020 which will be published on 14 August, 2020.

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