INTERIM REPORT
January – December 2018

QUANT™

CONTENTS

INTERIM OVERVIEW

October – December

- Net sales for the period increased with 19.4% to EUR 57.1 (47.8) million due to the acquisition of Sataservice from August 2018, partly offset by unfavorable currency effects and loss of a few contracts. Net sales declined organically with 1.9% compared to prior year
- During the quarter three contracts were won, eight contracts were lost, and four contracts were renewed, which on balance affected the contract portfolio negatively. Portfolio run rate annualized net sales at the end of the quarter was EUR 205.5 (187.8) million
- Operating loss improved to EUR -3.8 million from EUR -4.2 million prior year
- Adjusted EBITDA decreased to EUR 1.9 million from EUR 3.9 million prior year. In constant currency adjusted EBITDA would have decreased to EUR 1.7 million
- Cash flow from operating activities amounted to EUR 3.9 (6.6) million. Change in net working capital was positive by EUR 6.1 (10.4) million
- Net loss increased to EUR -5.5 million from EUR -5.4 million prior year due to higher interest expenses partly offset by decreased operating loss

January – December

- Net sales for 2018 increased by 6.3% to EUR 197.7 (186.1) million due to the acquisition of Sataservice from August 2018, partly offset by negative currency effects and the loss of contracts. Net sales grew organically by 1.1%
- During 2018 nine contracts were won, twelve contracts were lost, seven contracts were renewed, one contract was divested and Sataservice's contract portfolio was added, which on balance affected the contract portfolio positively with EUR 17.7 million, taking it to EUR 205.5 (187.8) million
- Operating loss was EUR -7.2 million, compared to EUR -5.9 million prior year
- Adjusted EBITDA for 2018 was EUR 10.4 million, down from EUR 12.9 million prior year. In constant currency adjusted EBITDA would have decreased to EUR 10.6 million
- Cash flow from operating activities 2018 amounted to EUR -0.6 (1.5) million. Change in net working capital was positive by EUR 2.4 (4.6) million
- Net loss increased to EUR -21.6 million from EUR -9.4 million prior year due to higher interest expenses, other financial expenses relating to financing and acquisitions and foreign exchange losses

Group	Oct – Dec 2018	Oct – Dec 2017	Jan – Dec 2018	Jan – Dec 2017
KEUR				
Net Sales	57,115	47,847	197,717	186,106
Operating profit (loss)	-3,804	-4,165	-7,196	-5,919
Adjusted EBITDA	1,948	3,906	10,389	12,940
Adjusted EBITDA%	3.4%	8.2%	5.3%	7.0%
Cash flow from operating activities	3,922	6,611	-619	1,520
Net debt			114,305	78,411
Net debt / Adjusted EBITDA, times			11.0	6.1
Net debt / Acquisition adjusted EBITDA, times			9.0	6.1

A detailed presentation of the alternative performance measures Adjusted EBITDA, Net Debt and Net Debt / Adjusted EBITDA, together with other measures, is found on page 15.

CEO Comments

JOHAN ERIKSSON
CEO & PRESIDENT
QUANT AB (PUBL)

A month has passed since I assumed the responsibility as CEO for Quant. For the last two decades I have led large global service organizations and I already see many similarities with companies that I have led in the past. I am impressed with the dedicated staff at Quant and I am looking forward to further improve performance together.

I have used my first weeks at Quant to understand and get to know the company, its business model and its people. As in all service organizations it is the people that make the difference, so also in Quant. Quant operates a business model based on partnership with its customers, where Quant's performance is a key to the success of our customers. Quant personnel is on the sites every day, improving safety, quality and our customers' bottom line. This is about realizing the full potential of maintenance for the customers.

Quant has 30 years of experience in the industrial maintenance field and our employees are proud to deliver our services throughout many different countries and industries. The industrial maintenance market still offers ample room to grow and Quant is well placed to deliver best in class service.

The financial result of the fourth quarter of 2018 shows an increase in net sales as the acquisition of Sataservice offsets the decline in the contract portfolio. Adjusted EBITDA declined compared to last year mainly due to a number of underperforming contracts and contract losses earlier in the year. During the quarter Quant won three contracts, renewed four contracts, and lost eight contracts. The effect of these changes together with contracted scope changes is a decrease of EUR 11.2 million in contract portfolio annualized net sales, taking contract portfolio net sales run rate down to EUR 205.5 million.

Quant has succeeded in becoming a stand-alone company and to develop existing relationships with customers. The contract portfolio has developed below expectations as too few new contracts has been closed, but for 2019 the company has a strong focus in converting sales pipeline into new contracts.

I am still getting to know Quant, but my initial vision is to reinvigorate Quant by streamlining processes, increasing transparency and improving our service offering. Quant needs to reconsider its cost base and several activities have already been initiated with the aim of addressing the cost structure.

Johan Eriksson
President and CEO

FOURTH QUARTER OF 2018

Net sales and profit

Net sales for the quarter, excluding net sales from Sataservice, declined to EUR 46.1 million from EUR 47.8 million prior year due to negative currency effects and loss of some contracts. Net sales during the quarter including Sataservice increased to EUR 57.1 million from EUR 47.8 million prior year. The full year net sales increased to EUR 197.7 million from EUR 186.1 million due to the consolidation of Sataservice from August 2018, partly offset by negative currency effects and the loss of a few contracts. Organic growth, excluding the Sataservice acquisition and in local currency, was 1.1%.

Gross profit for the quarter and the full year 2018 was impacted negatively by an internal reclassification of site-based IT user charges to direct costs, previously in General and administration expenses. The impact of the reclassification was fully done in the fourth quarter and had an impact on direct and indirect costs respectively by 3.3% of net sales for the quarter and 1.1% for the full year. Gross profit for the quarter decreased to EUR 4.7 million from EUR 6.7 million prior year due to the reclassification of IT costs. Gross profit was also negatively affected by a few lost contracts, unsatisfactory performance in some contracts and negative currency effects partly offset by the inclusion of Sataservice. Moreover, previous year's fourth quarter included termination costs for a lost contract in New Zealand. For the full year gross profit was EUR 25.4 million, down from EUR 30.3 million last year due to negative exchange rate effects and the reclassification of IT costs as well as some underperforming contracts partly offset by the inclusion of Sataservice.

Operating loss for the quarter was EUR -3.8 million, an improvement from EUR -4.2 million prior year due to a write down of intangible assets in 2017. Excluding that effect, operating loss increased due to lower gross profit. For the full year operating loss increased to EUR -7.2 million from EUR -5.9 million, primarily as an effect of the lower gross profit.

Quarterly adjusted EBITDA decreased to EUR 1.9 million from EUR 3.9 million prior year. In addition to the factors impacting the gross profit, SG&A costs were also higher compared to last year (adjusting for the effect of moving IT costs to gross profit). In constant currency quarterly Adjusted EBITDA was EUR 1.7 (3.9) million. The consolidation of Sataservice from August 2018 contributed positively, offset by low performance in certain contracts. Adjusted EBITDA for the full year was EUR 10.4 million, down from EUR 12.9 million prior year due to the same reasons. In constant currency full year Adjusted EBITDA was EUR 10.6 (12.9) million.

Net financial items for the quarter amounted to EUR -2.1 million (-0.2) million and were negatively affected by higher interest expenses compared to prior year as well as negative effects from foreign exchange rates. Net financial items for the full year amounted to EUR -14.6 (-5.0) million and were negatively affected by higher interest expense compared to last year, foreign exchange effects and cost related to the previous financing which was fully amortized when the old debt was repaid and replaced by new financing.

Net loss in the quarter increased to EUR -5.5 million from EUR -5.4 million prior year due to higher interest expenses, partly offset by decreased operating loss. For the full year net loss increased to EUR -21.6 million from EUR -9.4 million, due to higher interest expenses, other financial expenses and foreign exchange losses.

Cash flow

Cash flow from operating activities for the quarter totaled EUR 3.9 (6.6) million. Change in net working capital was EUR 6.1 (10.4) million for the quarter, effected positively by large cash inflows from customers late during the quarter.

Cash flow from operating activities for 2018 amounted to EUR -0.6 (1.5) million. Operating cash flow was affected by items affecting comparability related to financing and acquisitions as well as higher tax payments. Change in net working capital was EUR 2.4 (4.6) million for the year.

Cash flow for the quarter was EUR 8.3 (2.2) million and EUR 7.5 (-3.2) million for the full year of 2018. At the end of the quarter EUR 11.0 million was drawn on the revolving working capital facility.

Mergers and Acquisitions

In June, Quant announced that the company had entered into an agreement with Vaaka Partners Buyout Fund II Ky to acquire Sataservice, a leading industrial maintenance provider in Western and Southern Finland. Sataservice is a strong local Finnish industrial maintenance provider with net sales of above EUR 40 million the last twelve months, more than 400 employees and operations on more than 14 customer sites throughout Western and Southern Finland. The transaction was approved by the Finnish Competition Authority on 18 July 2018. The acquisition was completed and ownership of Sataservice finally transferred to Quant on 1 August 2018. Sataservice is consolidated from August 2018.

From the date of acquisition, Sataservice has contributed EUR 17.7 million of net sales in 2018. If the acquisition had taken place at the beginning of the year, the contribution to net sales would have been EUR 41.6 million. If the acquisition had taken place twelve months ago, LTM Adjusted EBITDA for the group would have increased by EUR 2.3 million to EUR 12.7 million.

Contract portfolio

Quant currently has 87 operational sites worldwide. A standard contract has a duration of three to five years, usually with extension possibilities after the initial period. In the maintenance contracting business wins and losses of contracts in our contract portfolio is a natural part of the business. 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 21.4 million are scheduled for renewal during the next twelve months.

During the fourth quarter three new customer contracts were won with annualized net sales of EUR 6.0 million, four were renewed with a decrease in scope of EUR 0.5 million in annualized net sales, and eight contracts were lost with annualized net sales of EUR 15.7 million.

The combined effect of these changes, including contracted scope changes and exchange rate effects of EUR 1.1 million, amount to a decrease in the contract portfolio annualized net sales of EUR 11.2 million to end of quarter annualized run rate of EUR 205.5 (187.8) million.

During full year 2018 nine new customer contracts were won with annualized net sales of EUR 17.7 million, twelve customer contracts were lost with annualized net sales of EUR 33.0 million and seven customer contracts were renewed with decreased scope of EUR 3.4 million in annualized net sales. In addition, contracted scope changes in existing contracts and changes in foreign exchange rates amounted to a further net sales loss of EUR 2.8 million, a contract with annualized net sales of EUR 0.6 million was divested and Sataservice's contract portfolio with annualized net sales of EUR 39.7 million has been added to the contract portfolio. The combined effect of these changes amount to an increase of the contract portfolio annualized net sales of EUR 17.7 million, taking it from EUR 187.8 million at the end of 2017 to EUR 205.5 million at the end of 2018.

Financial position

Interest-bearing liabilities after deduction of financing costs amounted to EUR 134.0 (91.4) million. Net debt amounted to EUR 114.3 (78.4) million.

On 15 February 2018 the group's bank credit facilities were repaid in their entirety and replaced by Quant issuing a senior secured bond of EUR 62.5 million maturing in February 2023, a junior secured bond of EUR 28 million maturing in May 2023 and entering into a working capital facility with Nordea Bank AB (publ) of EUR 20 million. On 29 June 2018 Quant issued further bonds of EUR 29.5 million under the senior secured bond agreement originally entered into in February 2018. The issuance of further senior bonds was made in connection with Quant's acquisition of Sataservice. The two bonds, totaling EUR 120.0 million, were successfully issued in the Swedish capital market. The bonds are listed on the Luxembourg Stock Exchange.

Items affecting comparability

Items affecting comparability includes events and transactions with significant effects, which are relevant for understanding financial performance when comparing income for the current period with previous periods, including:

- Restructuring initiatives
- Significant impairment
- Other major non-recurring costs or income.

No significant impairment has been done during the period. Other items affecting comparability are recorded as non-recurring items, which amounted to EUR 1.9 (4.6) million for the fourth quarter and EUR 4.3 (5.7) million for the full year. For the fourth quarter these costs are primarily costs related to the Sataservice acquisition, as well as restructuring in several countries due to lost business in the retail fuel services space. For the full year, costs also include financing costs related to the issuing of bonds, as well as additional restructuring costs in several countries. The fourth quarter of 2017 also included write downs of intangible assets as a consequence of lost contracts.

Parent company and ownership

Quant AB offers headquarter functions for the group and includes group management as well as group-wide functions. Cash and cash equivalents at the end of the period amounted to EUR 0.8 (0.7) million. Quant AB is owned by Cidron FS Holding AB. The group's parent company is Cidron FS Top Holding AB, which owns 100% of the shares in Cidron FS Holding AB. The ultimate beneficial owner of Cidron FS Top Holding AB is Nordic Capital Fund VIII.

SEGMENTS

Quant's customer contracts consist of providing outsourcing services, and as such net sales is recognized over time as the services are performed. Quant has chosen to organize its operations in a geographical setup, which is reflected in the reporting of financials in three geographical segments, Europe, Americas and Rest of World. The reporting segment Other refers primarily to costs for headquarters functions that have not been operationally allocated to the geographical segments. In 2018, the handling of some of these costs changed, to more accurately reflect the operational performance of the geographical segments, which is the main reason for the large change in Other compared to 2017.

Europe

	Oct – Dec 2018	Oct – Dec 2017	Jan – Dec 2018	Jan – Dec 2017
KEUR				
Net sales	36,667	26,122	117,925	97,377
Operating profit (loss)	-965	-381	1,461	3,549
Adjusted EBITDA	1,009	290	4,890	4,810
Adjusted EBITDA %	2.8%	1.1%	4.1%	4.9%

Net sales in the quarter increased to EUR 36.7 million, from EUR 26.1 million due to the consolidation of Sataservice from August. Excluding Sataservice net sales was flat. For the full year 2018 the net sales were EUR 117.9 million, up from EUR 97.4 million due to the consolidation of Sataservice. Excluding Sataservice the organic growth in existing contracts was 5.3%.

Adjusted EBITDA for the quarter was EUR 1.0 million, up from EUR 0.3 million due to the consolidation of Sataservice from August, as well as lower costs allocated from headquarter functions. Adjusted EBITDA for the full year 2018 increased to EUR 4.9 million, from EUR 4.8 million primarily due to the acquisition of Sataservice and the reduced headquarter allocations. Excluding these effects, adjusted EBITDA decreased, compared to prior year, both in the quarter and for the full year due to a few lost and some underperforming contracts.

Americas

	Oct – Dec 2018	Oct – Dec 2017	Jan – Dec 2018	Jan – Dec 2017
KEUR				
Net sales	15,470	16.532	57,621	55,393
Operating profit (loss)	2,755	1,744	5,943	3,667
Adjusted EBITDA	2,727	1,880	6,516	4,524
Adjusted EBITDA %	17.6%	11.4%	11.3%	8.2%

Net sales in the quarter decreased to EUR 15.5 million, from EUR 16.5 million due to negative currency effects. In local currency, net sales was flat as a few lost contracts was compensated with high sales in existing contracts. For the full year net sales increased to EUR 57.6 million, from EUR 55.4 million, on the back of high sales in existing contracts offset by negative currency effects and a few lost contracts.

Adjusted EBITDA in the quarter was EUR 2.7 million, up from EUR 1.9 million, as margins increased in existing contracts, while Q4 2017 included some termination costs for lost contracts. Lower costs allocated from headquarter functions also impacted positively in the quarter. Adjusted EBITDA for the full year 2018 increased to EUR 6.5 million, up from EUR 4.5 million, due to increased profitability in existing contracts, termination costs for lost contracts in Q4 2017 and lower costs allocated from headquarter functions.

Rest of world

Net sales in the quarter decreased to EUR 5.0 million, from EUR 5.2 million due to a lost contract in China, partly offset by a new contract in Middle East. For the full year 2018 net sales decreased to EUR 22.2 million, from EUR 33.3 million, due to lost contracts in Namibia, China and New Zealand.

Adjusted EBITDA decreased to EUR -0.1 million, from EUR 0.8 million prior year due to lost contracts in Namibia and China, partly offset by lower costs allocated for headquarter functions. For the full year 2018 adjusted EBITDA decreased to EUR 0.1 million, from EUR 1.3 due to lost contracts in Namibia, China and New Zealand.

	Oct – Dec 2018	Oct – Dec 2017	Jan – Dec 2018	Jan – Dec 2017
KEUR				
Net sales	4,978	5,193	22,171	33,336
Operating profit (loss)	-89	-1,086	-822	-1,350
Adjusted EBITDA	-101	808	120	1,277
Adjusted EBITDA %	-2.0%	15.6%	0.5%	3.8%

SEGMENTS OVERVIEW

Net sales	Oct – Dec 2018	Oct – Dec 2017	Jan – Dec 2018	Jan –Dec 2017
KEUR				
Europe	36,667	26,122	117,925	97,377
Americas	15,470	16,532	57,621	55,393
Rest of World	4,978	5,193	22,171	33,336
Other	-	-	-	-
Group	**57,115**	**47,847**	**197,717**	**186,106**

Operating profit (loss)	Oct – Dec 2018	Oct – Dec 2017	Jan – Dec 2018	Jan –Dec 2017
KEUR				
Europe	-965	-381	1,461	3,549
Americas	2,755	1,744	5,943	3,667
Rest of World	-89	-1,086	-822	-1,350
Other	-5,505	-4,442	-13,778	-11,785
Group	**-3,804**	**-4,165**	**-7,196**	**-5,919**

Adjusted EBITDA	Oct – Dec 2018	Oct – Dec 2017	Jan – Dec 2018	Jan –Dec 2017
KEUR				
Europe	1,009	290	4,890	4,810
Americas	2,727	1,880	6,516	4,524
Rest of World	-101	808	120	1,277
Other	-1,687	929	-1,138	2,329
Group	**1,948**	**3,906**	**10,389**	**12,940**
Adjusted EBITDA %	**3.4%**	**8.2%**	**5.3%**	**7.0%**

CONSOLIDATED ACCOUNTS

Condensed Income Statement

Group	Oct – Dec 2018	Oct – Dec 2017	Jan – Dec 2018	Jan – Dec 2017
KEUR				
Net sales	57,115	47,847	197,717	186,106
Cost of sales	-52,405	-41,146	-172,297	-155,790
Gross profit	**4,709**	**6,701**	**25,420**	**30,315**
Research and development costs	-73	-169	-298	-345
Selling expenses	-674	-794	-3,500	-3,272
General and administration expenses	-7,735	-7,884	-29,473	-31,096
Other operating items	-30	-2,019	654	-1,521
Operating profit (loss)	**-3,804**	**-4,165**	**-7,196**	**-5,919**
Net financial items	-2,145	-213	-14,596	-4,970
Profit (loss) before tax	**-5,949**	**-4,378**	**-21,792**	**-10,889**
Tax	484	-1,030	241	1,493
Net profit (loss)	**-5,466**	**-5,408**	**-21,552**	**-9,395**

Condensed Statement of Comprehensive Income

Group	Jan – Dec 2018	Jan – Dec 2017
KEUR		
Net profit (loss)	**-21,552**	**-9,395**
Other comprehensive income		
Translations differences pertaining to foregin operations	-666	396
Changes in the fair value of cashflow hedges	-	86
Tax pertaining to changes in the fair value of cashflow hedges	-	-19
Items that will be reclassified to profit or loss	**-666**	**463**
Revaluation of defined benefit plans	-314	-166
Tax pertaining to items that will not be reallocated to profit/loss	63	32
Items that will not be reclassified to profit or loss	**-251**	**-134**
Other comprehensive income	**-917**	**329**
Total comprehensive income	**-22,469**	**-9,066**

Condensed Statement of Changes in Equity

Statement of Changes in Equity	31 Dec, 2018	31 Dec, 2017
KEUR		
Opening Shareholder's equity	**33,150**	**42,168**
Net profit for the period	-21,552	-9,395
Other comprehensive income	-917	329
Total comprehensive income	-22,469	-9,066
Shares issued	-	48
Closing Shareholder's equity	**10,680**	**33,150**

Condensed Statement of Financial Position

Group	31 Dec, 2018	31 Dec, 2017
KEUR		
Intangible fixed assets	137,433	122,348
Tangible fixed assets	3,816	2,948
Financial fixed assets	6,618	7,309
Total non-current assets	**147,867**	**132,606**
Inventories	3,485	3,023
Current receivables	51,071	44,296
Cash and bank	19,735	12,954
Total current assets	**74,291**	**60,273**
Total assets	**222,158**	**192,879**
Equity	**10,680**	**33,150**
Long term borrowings	119,189	67,497
Provisions for pensions and similar obligations	3,575	2,677
Provisions for taxes	12,266	12,640
Other non-current liabilities	265	109
Total non-current liabilities	**135,294**	**82,923**
Accounts payable, trade	22,043	18,767
Short terms borrowings	14,851	23,868
Other provisions	262	1,245
Other current liabilities	39,029	32,927
Total current liabilities	**76,184**	**76,806**
Total Liabilities	**211,478**	**159,729**
Total Liabilities and Equity	**222,158**	**192,879**

Condensed Cashflow Statement

Group	Oct – Dec 2018	Oct – Dec 2017	Jan – Dec 2018	Jan – Dec 2017
KEUR				
Profit/loss after financial items	**-5,949**	**-4,378**	**-21,792**	**-10,889**
Adjustments for non-cash items				
Reversal or depreciation and amortization	3,831	5,531	13,261	15,223
Change in provisions	-36	-412	215	-3,757
Other	464	-3,512	8,422	-1,721
Total items not affecting cash	**4,258**	**1,607**	**21,899**	**9,745**
Taxes paid	-500	-973	-3,163	-1,977
Working Capital				
Change in inventories	1,146	348	62	322
Change in receivables	-3,195	12,268	-692	8,991
Change in liabilities	8,162	-2,261	3,068	-4,672
Cashflow from changes in working capital	**6,113**	**10,355**	**2,437**	**4,641**
Cash flow from operating activities	**3,922**	**6,611**	**-619**	**1,520**
Investing activities				
Aquistions	-8	-	-13,830	-
Change in intangible assets	-28	-345	-72	-321
Change in tangible assets	-517	-1,049	-1,097	-1,392
Change in financial fixed assets	-223	-1,756	75	-1,756
Cashflow from investing activities	**-776**	**-3,150**	**-14,924**	**-3,469**
Financing activities				
Shares issues	-	48	-	48
New loans taken	6,000	-	131,000	8,000
Expenses related to new loans	-789	-	-3,861	-
New external repayment	-	-1,320	-103,980	-9,320
Change in financial leases	-89	-	-89	-
Other	-	-	-	-
Cashflow from financing activities	**5,122**	**-1,272**	**23,070**	**-1,272**
Cashflow for the period	**8,268**	**2,189**	**7,527**	**-3,221**
Cash and cash equivalents				
Cash and cash equivalents at beginning of period	**11,379**	**11,103**	**12,954**	**16,986**
Cash flow for the period	**8,268**	**2,189**	**7,527**	**-3,221**
Exchange rate effects	**87**	**-338**	**-747**	**-811**
Cash and cash equivalents at the end of the period	**19,735**	**12,954**	**19,735**	**12,954**

PARENT COMPANY

Condensed Income Statement

Parent Company	Oct – Dec 2018	Oct – Dec 2017	Jan – Dec 2018	Jan – Dec 2017
KEUR				
Net sales	12,524	10,588	15,946	15,595
Cost of sales	-2,227	-616	-3,393	-704
Gross profit	**10,297**	**9,972**	**12,553**	**14,891**
Research and development costs	-67	108	-255	-
Selling expenses	-17	-175	-17	-175
General and administration expenses	-2,179	-3,277	-9,442	-11,999
Other operating items	-	443	-	443
Operating profit (loss)	**8,034**	**7,071**	**2,840**	**3,160**
Net financial items	-1,488	367	-9,454	-1,202
Profit (loss) before tax	**6,546**	**7,438**	**-6,614**	**1,958**
Tax	-	-29	-	-29
Net profit (loss)	**6,546**	**7,409**	**-6,614**	**1,929**

Statement of Total Comprehensive Income

Parent Company	Oct –Dec 2018	Oct –Dec 2017	Jan – Dec 2018	Jan – Dec 2017
KEUR				
Net profit (loss)	6,546	7,409	-6,614	1,929
Other comprehensive income	-	-	-	-
Total comprehensive income	**6,546**	**7,409**	**-6,614**	**1,929**

Condensed Balance Sheet

Parent Company	31 Dec, 2018	31 Dec, 2017
KEUR		
Intangible fixed assets	161	2,638
Tangible fixed assets	37	54
Financial fixed assets	105,911	105,761
Total non-current assets	**106,110**	**108,453**
Inventories	-	-
Current receivables	127,740	93,597
Cash and bank	758	695
Total current assets	**128,497**	**94,292**
Total assets	**234,607**	**202,745**
Equity	**89,579**	**96,192**
Long term borrowings	119,189	67,497
Provisions for pensions and similar obligations	449	265
Deferred tax liability	-	-
Other non-current liabilities	-	-
Total non-current liabilities	**119,638**	**67,762**
Accounts payable, trade	498	1,382
Short terms borrowings	14,851	23,868
Other provisions	-	-
Other current liabilities	10,042	13,541
Total current liabilities	**25,390**	**38,791**
Total Liabilities	**145,028**	**106,553**
Total Liabilities and Equity	**234,607**	**202,745**

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 the IFRS.

Alternative Performance Measure	Definition	Reason for use
EBITDA	Earnings before interest, tax, depreciation and amortization	Shows the operational profitability that the business primarily can affect
Adjusted EBITDA	EBITDA excluding items affecting comparability.	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
Acquisition adjusted EBITDA	Adjusted EBITDA if the Sataservice acquisition had taken place twelve months ago	Enables comparability for the ratio between Net debt and Acquisition Adjusted EBITDA, an important measure for bond holders
Net debt	Interest-bearing 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/adjusted EBITDA	Net debt in relation to adjusted EBITDA	Shows the ability to service debt, an important measure for bond holders
Net debt/Acquisition adjusted EBITDA	Net debt in relation to acquisition adjusted EBITDA	Shows the ability to service debt, an important measure for bond holders
Organic growth	Organic growth refers to growth in net sales excluding (i) growth related to acquisitions and divestments and (ii) growth related to fluctuations in currency exchange rates	Shows the actual growth of the business
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

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

	Oct – Dec 2018	Oct – Dec 2017	Jan – Dec 2018	Jan – Dec 2017
KEUR				
Items affecting comparability				
Impairment loss other non-current assets	-	2,088	-	2,088
Costs related to restructuring, acquisitions and other	1,921	2,523	4,324	3,618
Items affecting comparability	**1,921**	**4,611**	**4,324**	**5,706**
Adjusted EBITDA				
Operating profit (loss)	-3,804	-4,165	-7,196	-5,919
Plus: Depreciation and Amortization	3,831	3,461	13,261	13,153
Plus: Reversal of Write-down intangible assets	-	2,088	-	2,088
EBITDA	**27**	**1,384**	**6,065**	**9,321**
Plus: Items affecting comparability	1,921	2,523	4,324	3,618
Adjusted EBITDA	**1,948**	**3,906**	**10,389**	**12,940**
Net Sales	57,115	47,847	197,717	186,106
Adjusted EBITDA Margin	**3.4%**	**8.2%**	**5.3%**	**7.0%**

Group	31 Dec, 2018	31 Dec, 2017
KEUR		
Net Debt		
Cash and bank	19,735	12,954
Financial assets	**19,735**	**12,954**
Long term borrowings	119,189	67,552
Short term borrowings	14,851	23,813
Financial liabilities	**134,039**	**91,365**
Net Debt	**114,305**	**78,411**
Adjusted EBITDA	10,389	12,940
Sataservice Acquisition Adjustment	2,285	-
Acquisition Adjusted EBITDA	12,674	12,940
Net Debt/Adjusted EBITDA, times	**11.0**	**6.1**
Net Debt/Acquisition Adjusted EBITDA, times	**9.0**	**6.1**

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Group	Oct – Dec 2018	Jan– Dec 2018
KEUR		
Changes in Net sales		
Net sales	57,115	197,717
Net sales in comparative period of previous year	47,847	186,106
Net sales, change	**9,268**	**11,611**
Minus: Structural changes	-10,973	-17,670
Plus: Changes in exchange rates	796	8,143
Organic growth	**-909**	**2,084**
Structural changes, %	22.9%	9.5%
Organic growth, %	-1.9%	1.1%
Net sales	57,115	197,717
Plus: Changes in exchange rates	796	8,143
Net sales in constant currency	**57,911**	**205,860**
Adjusted EBITDA	1,948	10,389
Plus: Changes in exchange rates	-213	180
Adjusted EBITDA in constant currency	**1,735**	**10,569**

NOTES

Accounting principles

This interim report has been prepared under International Financial Reporting Standards (IFRS), in accordance with IAS 34 Interim Financial Reporting. The accounting policies and methods of calculation used in the preparation of the latest annual report have been applied, with the exception of new and amended standards and interpretations effective on 1 January 2018. The IASB has issued amendments to standards effective on 1 January 2018. The Group applies IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers with effect from 1 January 2018. The transition to these standards has not affected the Group's earnings and financial position.

The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which is in compliance with RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The IASB has issued amendments to standards effective on or after 1 January 2018. These standards have not had any material impact on the Parent Company's financial statements.

IFRS 16 Leases goes into effect on January 1, 2019. For lessees, the standard eliminates the classification of leases as either operating or finance, as required by IAS 17, and instead introduces a single lease accounting model. Applying that model, the lessee is required to recognize

- (a) assets and liabilities for all leases with a term of more than 12 month, unless the underlying asset is of low value; and
- (b) depreciation of leased assets separate from interest on lease liability in the income statement

Quant has applied the modified retrospective method for the transition to IFRS 16 on January 1, 2019, meaning that Quant will not recalculate the financial statements for 2018. The lease liability is the sum of the present value of all future payments until lease end date. The practical expedient to set the Right of Use Asset (before adjustments for any prepayments) equal to the lease liability has been applied for the transition. The rate for discounting the lease payments is Quant's marginal borrowing rate for each country of operation. The practical expedient for definition of a lease has been applied, meaning that all components within a lease has been considered as a lease component. The short-term lease exception and the asset of low value exception has also been applied.

The estimated opening balance of the lease liability and the Right of Use Assets is EUR 11 million for current lease contracts which is comprised mostly of office space, vehicles and equipment.

Transactions with related parties

There have been no transactions between Quant and related parties that have significantly affected the Company's position and results during the period.

Employees

The number of permanent employees at December 31, 2018 was 2,892 (2,742).

Risks and uncertainties

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 net sales 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 several different global markets and a diversified set of product markets, it is ultimately dependent on the macro-economic factors including the global economic situation which is outside the Group's control.

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 employees, 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 outmost 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, Quant is highly dependent on retaining its customer portfolio as well as its ability to attract new customers on a regular basis 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 choosing to in-source the services provided. The loss of larger contracts or a loss of several less significant contracts would have a significant impact on the Group's profitability and cash flow. 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 several pricing models in its contracts, including fixed price contracts and cost-plus pricing models. While the Group has compiled an extensive qualitative and quantitative database of industry benchmarks over recent decades, resulting in a robust pricing process, if the total effective maintenance costs are above the agreed fixed price level, if cost increases occur despite price indexation in customer contracts, or if price pressures hinders Quant from applying a profit margin which it considers satisfactory in order to win a contract, it could have a negative impact on the Group's operations and financial position.

A more detailed description of Quant's risks and how they are managed can be found in the Annual Report of 2017.

Acquisitions

In June, Quant announced that the company had entered into an agreement with Vaaka Partners Buyout Fund II Ky to acquire Sataservice, a leading industrial maintenance provider in Western and Southern Finland. Sataservice is a strong local Finnish industrial maintenance provider with net sales of above EUR 40 million the last twelve months, more than 400 employees and operations on more than 14 customer sites throughout Western and Southern Finland. The transaction was approved by the Finnish Competition Authority on 18 July 2018. The acquisition was completed and ownership of Sataservice finally transferred to Quant on 1 August 2018. Sataservice is consolidated from August 2018.The total purchase consideration exceeds the fair value of acquired net assets, due to a significant value attributed to intangible assets in Sataservice. In addition to the value of existing customer contracts, and existing customer relationships, Quant has also allocated considerable value to goodwill. This relates primarily to the know how in Sataservice and the value of the employees that are transferred to Quant as part of the acquisition. The table shows the allocation of the purchase price of the acquisition, and also includes the effects of implementing IFRS fully for the Sataservice companies.

Fair value of financial instruments

Financial instruments measured at fair value in the balance sheet relate to currency swaps. These are measured using valuation techniques that only use observable market inputs at level two according to the framework for fair value measurement.
For borrowing, there is no material difference between the carrying amount and fair value, as the Group's borrowings are at variable interest rates. Nor does the Group have any other off-balance sheet financial assets or liabilities.

Events after the reporting period

On 11 January 2019 Quant announced the appointment of Mr. Johan Eriksson as its new CEO. Mr. Eriksson most recently served as CEO of Transcom Worldwide and joined Quant on 14 January 2019. Mr. Olof Sand, CEO, left Quant on 31 January 2019 to pursue other business interests, but maintains links to the company as an external advisor.

On 7 February 2019, the Senior and Junior bonds issued by Quant were successfully listed on the Luxembourg Stock Exchange.
No other significant events have occurred after the reporting period.

Fair value of acquired assets and assumed liabilities

KEUR	
Intangible assets	345
Other fixed assets	1120
Total fixed assets	**1,465**
Net working capital	(646)
Total net assets	819
Net debt	(12,506)
Fair value of acquired assets and liabilities (net)	**(11,687)**
Goodwill	16,688
Customer contracts	9,192
Customer relationships	4,593
Deferred tax liabilities	(2,721)
Total purchase consideration	**16,065**
Minus cash in acquired companies	(2,257)
Cash flow from acquistion (equity)	**13,808**
Plus debt paid off	14,763
Cash flow from acquisition	**28,571**

Quant is a global leader in industrial maintenance.
For over 30 years, we have been realizing the full potential of maintenance for our customers.

From embedding superior safety practices and building a true maintenance culture, to optimizing maintenance cost and improving plant performance, our people make the difference.

We are passionate about maintenance and proud of ensuring we achieve our customers' goals in the most professional way.