Quant Interim Report Q4 2019

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Safety First

Safety with in Quant

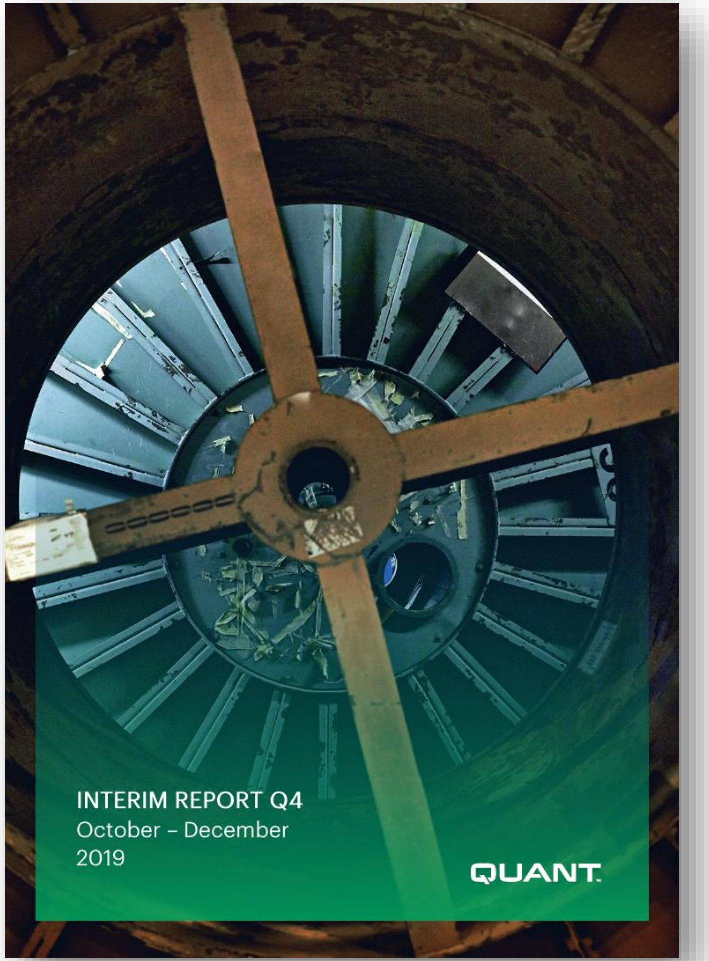
- **Safety is our choice.** We are passionate about keeping our people, suppliers and customers safe at all times
- Everybody working for Quant, as an employee or contractor, is required to take care of themselves and their colleagues. We are committed to providing the instructions and training required 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

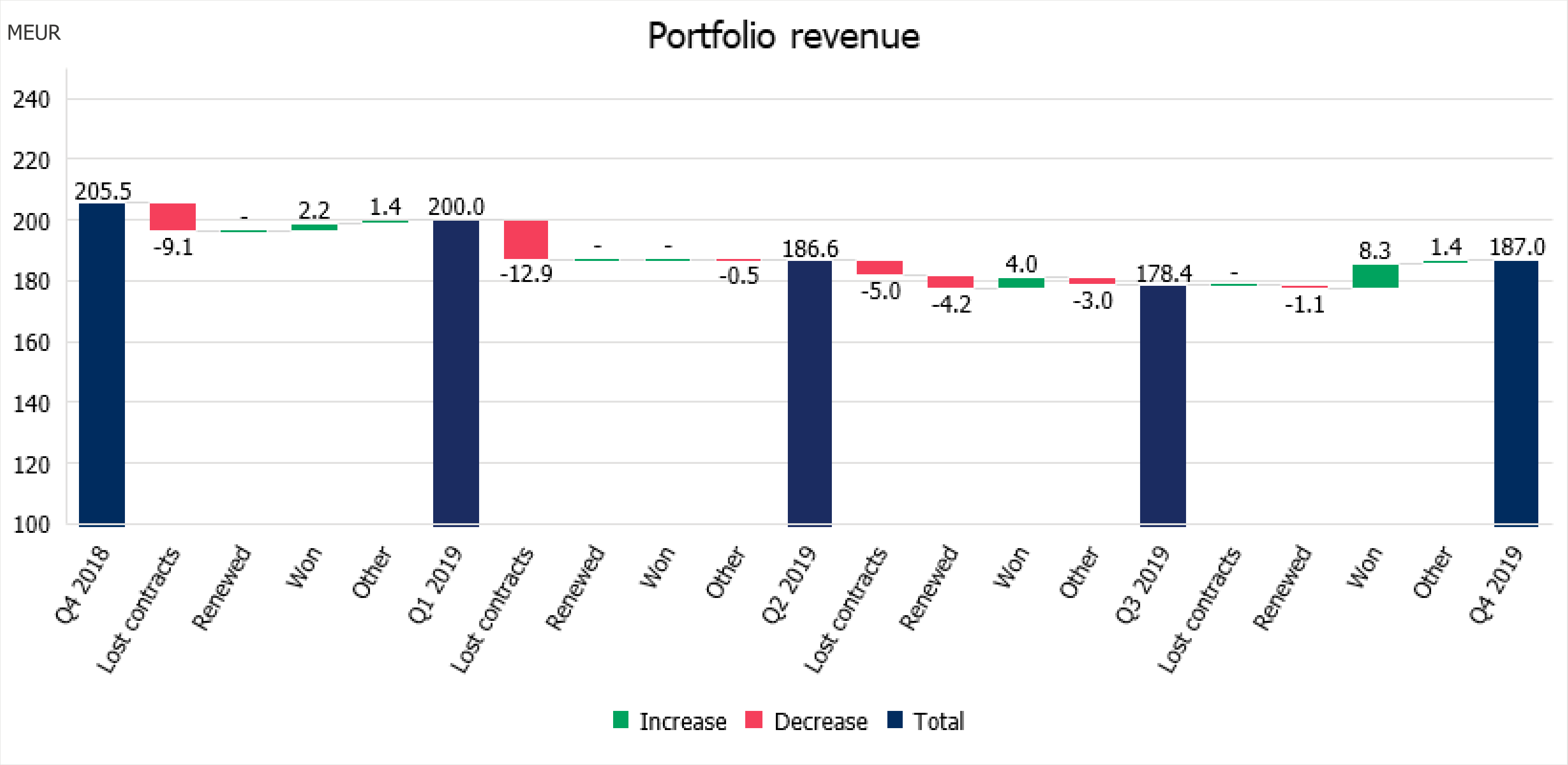
- Emergency exits
- Evacuations and assembly
- Fire extinguishers
- First aid kit / defibrillator
- Personal protective equipment
- Safety coordinator
- Planned exercises
- Emergency number 112

Fourth quarter development

- EBITDA continues to improve
  - Transformation program starting to show in the results
  - Certain one-off items affecting, in particular in Americas
- Contract portfolio increased during the quarter
  - One large contract win and no contract losses
  - Majority of contracts in Discontinued operations now terminated, with only two operational contracts left
- New CEO, Tomas Rönn, joined on February 1st
  - Long experience from multinational industrial sales and operations
  - Short term focus on getting to know the company, customers and employees
  - Updating strategy to secure topline growth, with focus on leveraging existing customer references in Quant's core industry segments

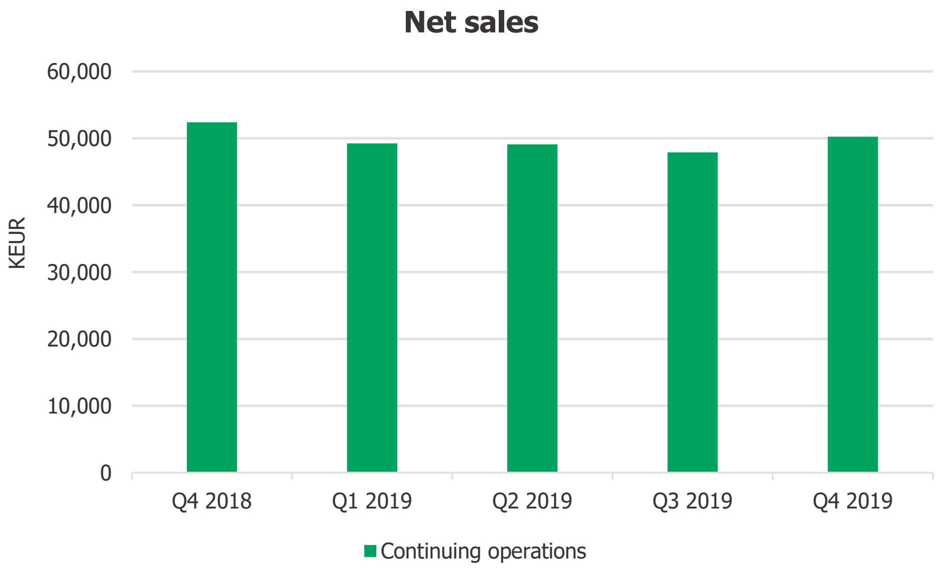


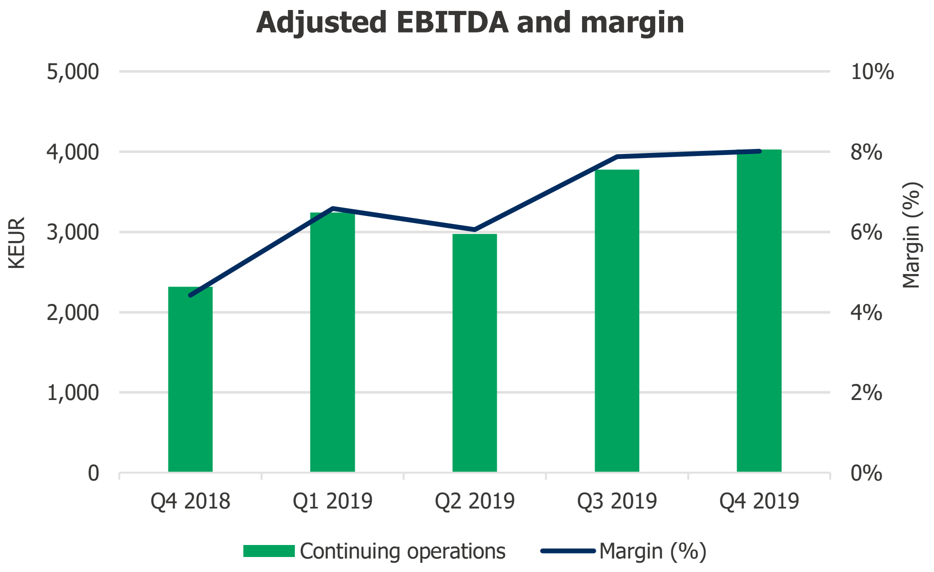
Contract portfolio overview



- Currently 75 operational sites
- Contracts with annualized net sales of EUR 45.2 million scheduled for renewal during the next twelve months
- Fourth quarter development:
  - One new customer contract won with annualized net sales of EUR 8.3 million
  - No contract was lost
  - Four contracts were renewed with reduced scope of EUR 1.1 million
  - Scope changes and exchange rate effects of positive EUR 1.4 million
- The combined effect of these changes amount to an increase in the contract portfolio annualized net sales of EUR 8.6 million
- Of the total lost revenue of EUR 26.9 million during the full year 2019, EUR 15.0 million was from low performing contracts or in discontinued operations with limited effect on profitability

Net sales and EBITDA continuing operations





- Net sales for the period decreased by 4.1% to EUR 50.3 (52.4) million compared to Q4 2018. Organically, net sales decreased by 8.6%
- Net sales for the full year 2019 increased by 10.6% to EUR 196.6 (177.8) million due primarily to the full year impact of the acquisition of Sataservice in August 2018. Organically, net sales decreased by 2.8%

- Quarterly adjusted EBITDA increased to EUR 4.0 million from EUR 2.3 million prior year due to higher gross profit and lower SG&A costs.
  - Gross profit increased due to better performance in all regions
  - SG&A decreased mainly due to the transformation program. SG&A costs were further reduced due to the write down of liabilities in the amount of EUR 0.6 million that were deemed to be no longer payable by Quant
- Adjusted EBITDA for the full year 2019 was EUR 14.0 million, up from EUR 11.4 million prior year due to the same reasons

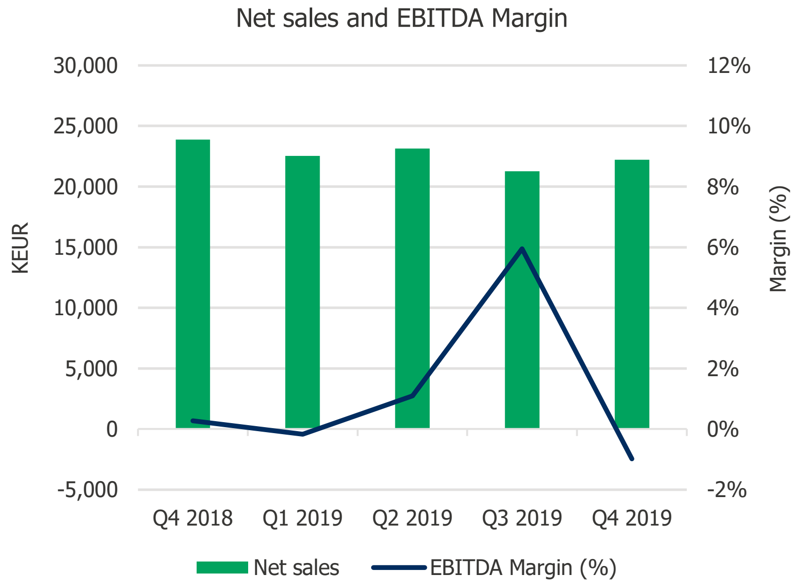
Cash flow

KEUR	Q4 2019	Q4 2018	Jan-Dec 2019	Jan-Dec 2018
Continuing operations				
Cash flow from operating activities	-2,025	-1,765	8,404	-5,695
Net debt	-	-	121,121	114,305
Net debt / Adjusted EBITDA, times	-	-	8.6	10.0
Net debt / Adjusted EBITDA IFRS 16, times	-	-	7.0	-
Discontinued operations				
Cash flow from operating activities	-1,011	5,688	-10,299	5,076
Group				
Cash flow from operating activities	-3,036	3,923	-1,895	-619
Cash flow from investing activities	-126	-776	3,828	-14,924
Cash flow from financing activities	2,983	5,121	-8,375	23,070
CASH FLOW FOR THE PERIOD	**-179**	**8,268**	**-6,443**	**7,527**

- Cash flow from operating activities for the quarter amounted to EUR -2.0 (-1.8) million
- Change in net working capital was EUR -5.2 (-0.7) million for the quarter, affected negatively by large VAT payments and a write-down of balance sheet liabilities without any cash effect
- Net debt / Adjusted EBITDA of 8.6
- For the total Group, including both continuing and discontinued operations, cash flow for the quarter was EUR -0.2 (8.3)
- At 31 December 2019 the amount drawn on the revolving working capital facility amounted to EUR 7.0 (11.0) million

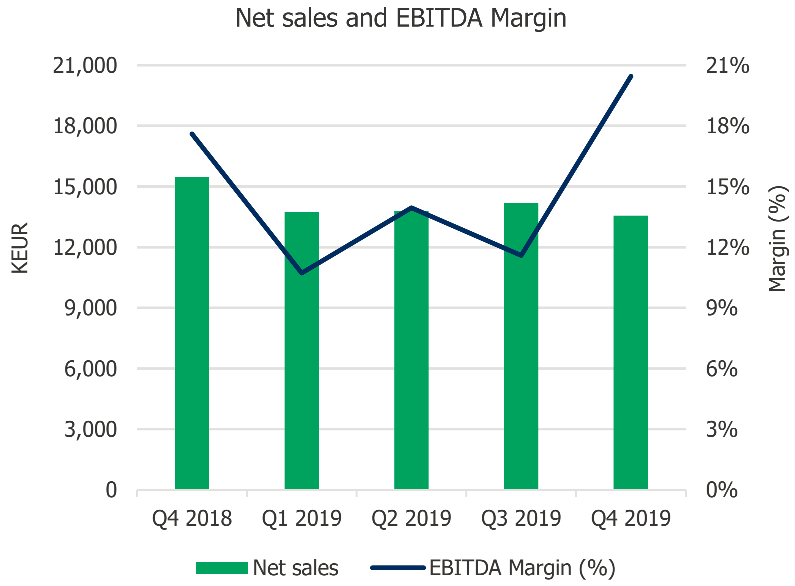
Segment financials

Europe



- Net sales in the quarter decreased to EUR 22.2 million, from EUR 23.9 million, due primarily to one lost contract. The fourth quarter revenues were also positively impacted by the harmonization of revenue recognition by EUR 2.1 million
- Adjusted EBITDA for the quarter was EUR -0.2 million, down from EUR 0.1 million prior year due to a bad debt provision and higher costs allocated from headquarter functions. Compared to the third quarter, seasonality effects and profitability fluctuations in fixed price contracts impacted negatively

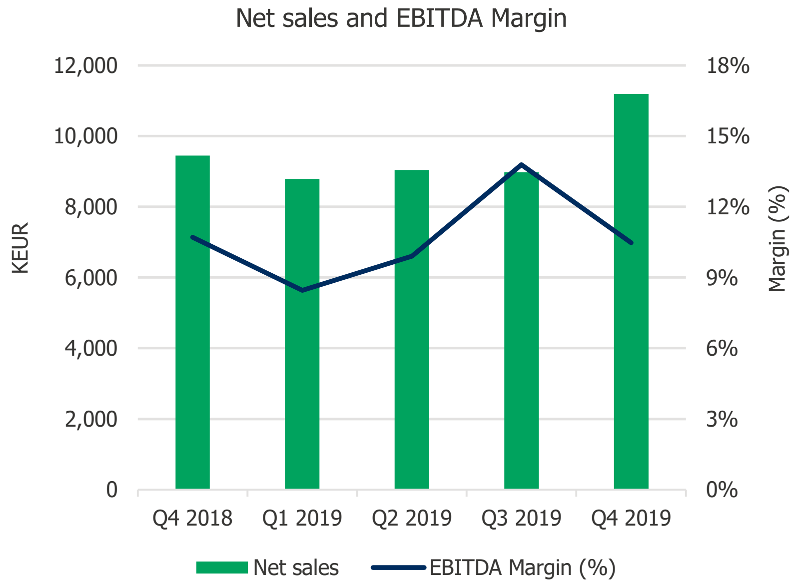
Americas



- Net sales in the quarter decreased to EUR 13.6 million, from EUR 15.5 million primarily due to a few lost contracts in the US and Brazil
- Adjusted EBITDA in the quarter was EUR 2.8 (2.7) million and was positively impacted by higher margins in existing contracts, savings due to the transformation program and a write-down of certain balance sheet liabilities. These effects were partly offset by the loss of a few contracts and higher costs allocated from headquarter functions

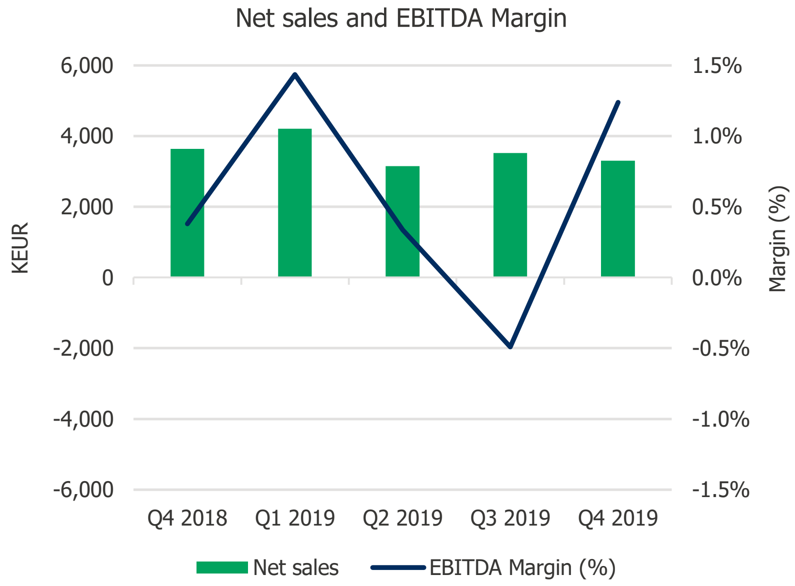
Segment financials

Scandinavia



- Net sales in the quarter increased to EUR 11.2 million, from EUR 9.5 million due to new contracts and the harmonization of revenue recognition which impacted by EUR 1.3 million in the quarter
- Adjusted EBITDA in the quarter was EUR 1.2 million, up from EUR 1.0 million due to higher margins in existing contracts and revenue from new sites

Rest of World



- Net sales in the quarter decreased to EUR 3.3, from EUR 3.6 million due to a terminated contract in UAE
- Adjusted EBITDA was EUR 0.4 million, up from EUR 0.1 million due to better performance in existing contracts and a government subsidy income in China

Thank You