ANNUAL REPORT 2018

QUANT

2018

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I SEE IN QUANT A CAPABLE COMPANY WITH A MISSION TO HELP OUR CUSTOMERS ACHIEVE THEIR EFFICIENCY OBJECTIVES

JOHAN ERIKSSON
CEO & PRESIDENT
QUANT AB (PUBL)

CEO's Letter

Quant is going through a transformation. The focus over the last years has been to establish a standalone and independent company. In recent years the offering to our customers has evolved with a substantially increased focus on technology application. In 2018 Quant continued the development of digital tools to further improve the service offering and at the same time enhance operational and financial performance.

Towards the end of 2018 we successfully launched our digital suite of applications to a broader customer base. The feedback we have received from our customers has been very positive and verifies that this is an important development to strengthen our value proposition. We will speed up the implementation with our customers in 2019.

When I assumed responsibility as CEO of Quant in the beginning of 2019, I assessed the company's business strategy and how well we executed towards it. I concluded that Quant's strategy is very good but we need to strengthen execution to reach our long-term objectives.

During 2018 the development of the customer contract portfolio has not been in line with our expectations since lost contracts exceeded won contracts. I take some comfort in the fact that customers had good reasons for changing provider that did not necessarily relate to Quant. In addition, certain contracts were underperforming which had a negative impact on Quant's financial results. Quant was successful in refinancing its prior debt structure into bonds in early 2018. This enabled the acquisition of Sataservice in August 2018. The acquisition strengthened Quant's already strong Nordic presence and brought expertise and reference sites into the group that can be leveraged to drive further growth of the combined group. My view is that despite all actions taken during 2018, Quant still has the opportunity to perform much better.

Quant operates a business model based on partnership with its customers, where Quant's performance is critical 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. Quant has 30 years of experience in all aspects of the industrial maintenance field and our qualified employees deliver high value services on all our sites across many different countries and industries. The industrial maintenance market offers ample room to grow and Quant is well placed to deliver best-in-class service.

I see in Quant a very capable company with a mission to help our customers to achieve their efficiency objectives. Our committment is to control maintenance cost, increase the lifetime of fixed assets and increase productivity in a safe environment.

From the position we are in today I am convinced that Quant can improve further by streamlining processes, increasing transparency and developing our service offering. We will also review our cost base to ensure that we build for the future. This work has been initiated, for the benefit of all our stakeholders.

Introduction to Quant

We realize the full potential of maintenance

At Quant we deliver world-class industrial maintenance services to our customers, safely and professionally. We believe our customers deserve excellence in service delivery, cost efficiency, plant performance and innovative solutions.

With advanced capabilities, digital tools, people empowerment and collaboration, we help our customers to realize the full potential of industrial maintenance.

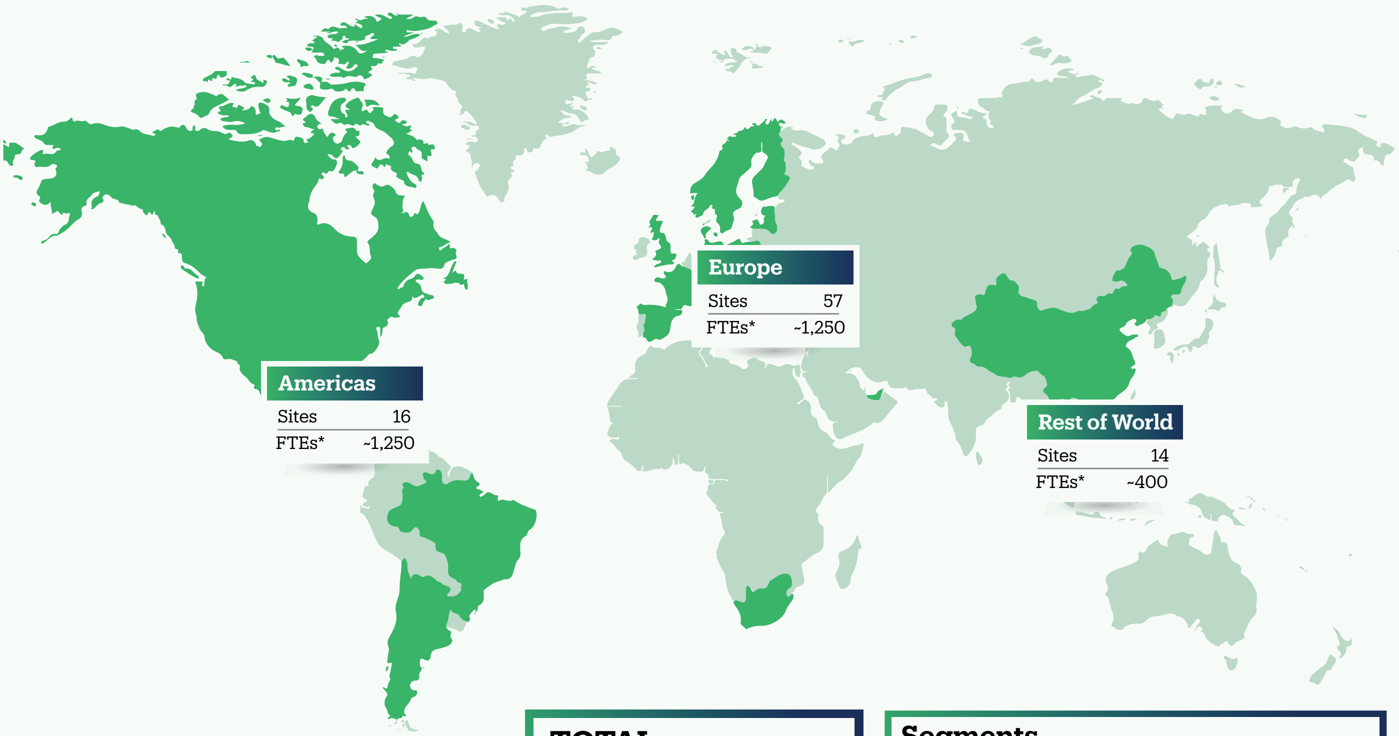
We believe the key to our success is motivated, trained, and empowered people. We believe that every day is an opportunity to improve.

About Quant

Nordic Capital acquired ABB Full Service from the ABB Group at the end of 2014 and created a strong independent industrial maintenance service provider named Quant.

For 30 years, Quant has been a market leader in this industry, maintaining and improving safety, production, and equipment performance, in a variety of sites around the world.

Quant is headquartered in Stockholm, Sweden, and continues to be the leader in the provision of professional industrial maintenance services with a global presence in 30 countries.



TOTAL	
Sites	87
FTEs*	~2,900

Segments	
Europe	North, Central & Southern Europe
Americas	North & South America
Rest of World	Middle East, Asia Pacific and South Africa

*Full time employees

Quant's timeline

1989 – ABB Full Service established as a concept within ABB. Full-service offering with total responsibility for industrial mainte-nance

2015 – Quant AB established as an independent company

2016 – Quant AB is a fully stand-alone company

2017 – Smart Maintenance solutions combining process and industry expertise with best-in-class digital solutions

2018 – Acquistion of Sataservice

Quant today

Sweden – HQ in Stockholm, Sweden

30 – Years of experience

2,892 – Employees

87 – Operational sites

MEUR 205.5 – Portfolio Revenue

Quant – Best in class industrial maintenance provider

Quant is the number one partner in supporting the customer journey towards Smart Maintenance. Smart Maintenance is achieved by a systematic maintenance approach with integrated digital tools to drive technical availability, productivity and safety. The success is a result of strong collaboration between Quant and its customers.

Steps to Smart Maintenance

Basic Maintenance

Concepts and tools
- Reactive maintenance
- Skilled maintenance professionals
- Regulatory maintenance
- Safety according to regulations

Availability Focused Maintenance

Concepts and tools
- Safety system
- 5S
- Preventive maintenance
- Root cause analysis
- Maintenance planning (MMMP)
- Maintenance manage-ment system (CMMS)
- Training and knowledge management

Plant Performance Focused Maintenance

Concepts and tools
- Predictive maintenance
- Reliability-centered maintenance
- OEE analysis
- Visualized & distributed maintenance KPIs, joint reviews & planning

Smart Maintenance

Concepts and tools
- Intelligence & Big Data Analytics
- Multi-site maintenance optimization
- Advanced maintenance tools

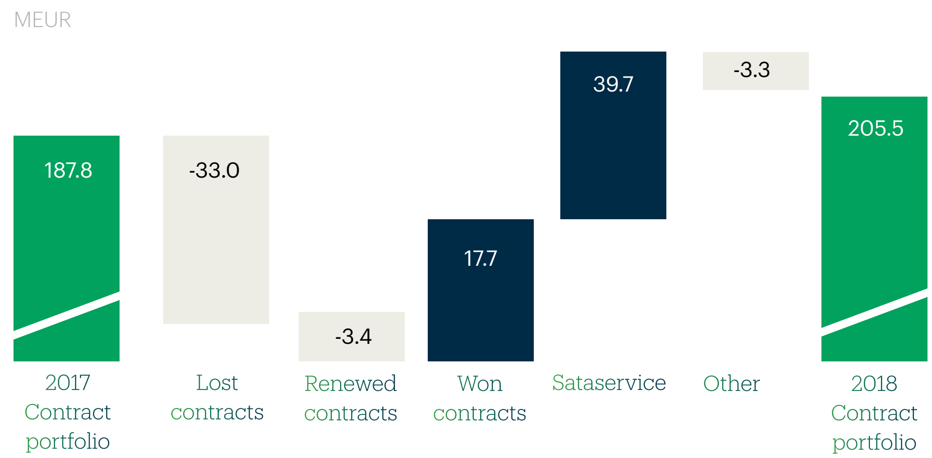
Customer value and gains in operational excellence

Level of partnership

Events during the year

Contract portfolio

In 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 from EUR 187.8 million at the start of the year to EUR 205.5 million at 31 December 2018.



Acquisitions & Financing

Quant acquired Sataservice Oy, a leading industrial maintenance provider in Western and Southern Finland with a strong presence in the growing food and beverage segment. The acquisition of Sataservice has significantly strengthened Quant's foothold in the Nordic region and the combined group now has a strong competitive position in the Finnish market. The combination creates value for both customers and employees as Sataservice's agile and customer-focused cluster business strategy benefits from Quant's scalable business model and digital offering, creating the place to be for maintenance professionals and delivering operational excellence to customers. Sataservice's strong market position in many industries, especially the stable food and beverage segment, brings expertise and reference sites into the group that can be leveraged to drive further growth of the combined company.

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 contributing to net sales would have been EUR 41.6 million and Adjusted EBITDA would have increased by EUR 2.3 million.

In February 2018 the Group's bank credit facilities with Nordea Bank AB (publ) were repaid in their entirety and replaced by two bonds and a working capital facility with Nordea Bank AB (publ) of EUR 20 million. The two bonds totaled EUR 90.5 million at initial issuance. In June 2018 Quant issued further EUR 29.5 million under the senior bond agreement in connection with the Sataservice acquisition. The two bonds were listed on Luxembourg Stock Exchange on 7 February 2019.

Business

Net sales increased to EUR 197.7 million from EUR 186.1 million prior year as the positive effects of the acquisition of Sataservice were partly offset by negative currency effects and loss of a few maintenance contracts. Adjusted EBITDA for 2018 was EUR 10.4 million, down from EUR 12.9 million prior year, as the inclusion of Sataservice for five months did not manage to offset underperformance in certain contracts combined with contract losses.

Quant employed 2,892 people at 31 December 2018, up from 2,742 employees prior year. In September 2018 Linda Höljö was appointed Quant's CFO and in January 2019 Johan Eriksson was appointed Quant's President and CEO.

Strategy to Create Value

For 30 years, Quant has been the leading maintenance partner for companies in a large variety of sectors. Maintenance in its core is all about improving production efficiency by maintaining and improving fixed assets, processes and tools. Good maintenance increases the value and expected lifetime of production equipment. An efficient maintenance strategy and execution improves our customers' productivity due to less downtime.

Quant's business strategy enables the Group's vision to become the global leader in realizing the full potential of maintenance. The business strategy is built on Quant's three core values.

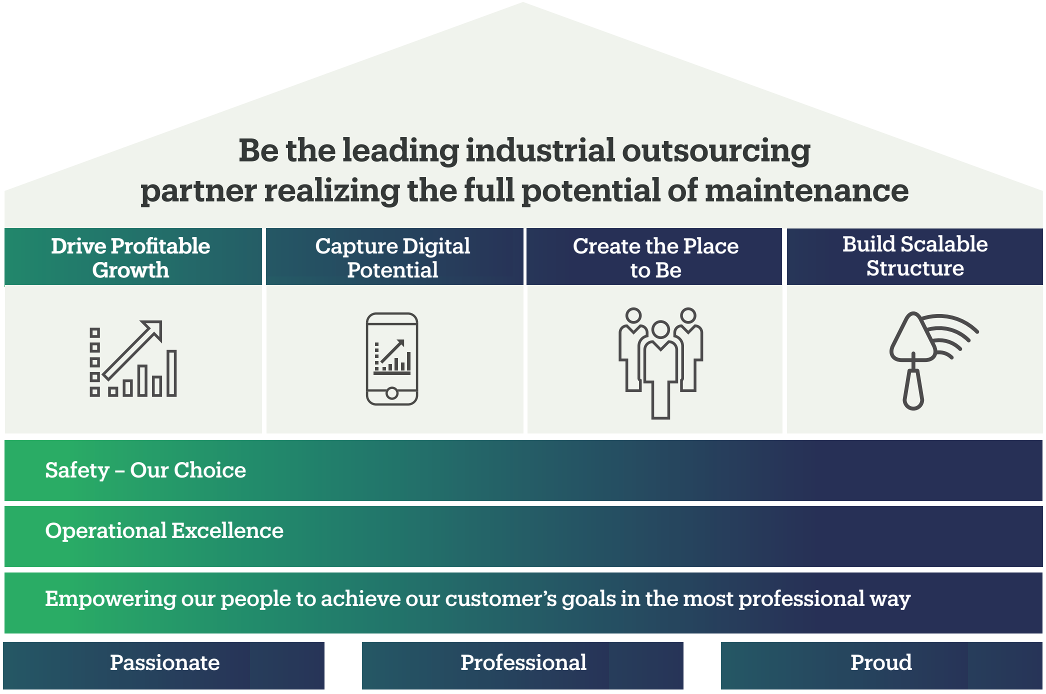
We are Passionate We are excited about the potential of maintenance and work hard to realize it. All employees within Quant are passionate about the maintenance business. When Quant talks about maintenance, we have a broader view than just the factory, machine or tool. We are passionate about maintaining and improving the society and environment in the areas where our customers are present.

We are Professional We know what we need to achieve, and we have the capabilities and attitude to deliver our services safely and efficiently. A professional attitude is crucial for a successful delivery in all service businesses. At Quant, our people are trained in business ethics and to act according to our Code of Conduct. The Code of Conduct ensures that regardless of organizational level or geography, we at Quant share the same values.

We are Proud We value the satisfaction that comes from acting with integrity and achieving our goals. Integrity is one of the most important characteristics for Quant people. For us, integrity means that all our people have the confidence to make the right decisions at the customer site. It also means that all Quant people can speak up when something is wrong or incorrectly handled. This applies to maintenance issues, how we treat our fellow human beings and how we operate our business.

Quant's Group Strategy

The foundation of Quant's business strategy is our values. We also build the strategy on safety, operational excellence and people empowerment. Safety and people empowerment highlight that maintenance is a people business. These components of the strategy are essential when creating an efficient and sustainable business.



Key Focus Areas of our Strategy

Drive Profitable Growth

In the industrial maintenance service business, the key to be successful is to build long-term partnerships and to be a trusted service provider. At Quant, we build that trust based on our knowledge and expertise in maintenance. We also ensure that we always lead by example in key areas. Profitable growth is built on the mutual benefit generated when Quant supports customers on their journey towards Smart Maintenance.

Capture Digital Potential

By leveraging the digital potential Quant can create an even more attractive service offering. We believe that digital innovation drives availability, efficiency and supports decreasing the environmental impact. By increasing the proportion of preventive and predictive maintenance compared to reactive maintenance, we can help our customers increase their production efficiency and drive their plants in a more systematic and sustainable way.

Create the Place to Be

The maintenance service business is a people business. The services provided by Quant rely on the knowledge and competence of the people within the organization. Besides delivering an outstanding maintenance service to our customers, we also want our people to develop, learn and get the opportunity to fulfil their career goals. One initiative in this area is Quant Academy, our internal knowledge platform. Quant Academy enables all people within the organization to have the right training to create sustainable value for our customers.

Build Scalable Structure

Building scalable structure and leveraging the global service network is a success factor for Quant. The goal is that our people feel supported from our broad global knowledge in every situation during their workday. To reach this goal we facilitate global knowledge sharing and leverage standard operating procedures.

General introduction to **Market & Service Offering**

Quant is a global leading industrial maintenance service provider. As a pioneer, developer and implementer of bundled maintenance service, Quant holds a leading market position in the global industrial maintenance market. The business currently manages 87 sites, generating EUR 197.7 million in net sales in 2018.

Quant's primary service offering is to provide full-scale industrial maintenance management services for which Quant assumes full responsibility for the entire management function of a customer's maintenance activities for a dedicated plant. Full responsibility means that Quant is in charge of for instance management, engineering, planning and execution of maintenance at our customers' sites.

Since start of business, Quant has continuously developed its business model to become a premium maintenance collaboration partner for its customers working with them in a true partnership model.
Quant's value proposition ensures better performance for customers at an optimized cost structure by turning the customer's maintenance function into a profit contributor as opposed to a cost center. This in turn generates true operational excellence at the contracted sites.

The business' maintenance solutions allow customers to focus their attention, efforts, and investments on their core businesses such as product development, operations, and sales, rather than on maintenance. Quant's service concept is designed to generate value in four areas: safety, cost optimization, productivity improvement, and energy efficiency.

Quant enters into long-term, performance-based agreements with its customers, in which Quant commits to maintaining the production equipment and improving safety, performance, reliability and energy efficiency of an entire plant on the basis of agreed and pre-determined performance objectives.

Market & Sales

Quant's strategy is to become the undisputed market leader and partner of choice for performance-based, value-adding industrial maintenance services, attracting multiple end-markets globally. Quant will be the global driver for realizing the full potential of maintenance.

We see a trend that sophisticated services such as maintenance and asset management, reliability and energy efficiency improvements will be sourced from maintenance specialists in the same way as facility services have been sourced from external service providers for several years. With its clear focus on value-added maintenance services, Quant is ideally positioned to benefit from the development in the global maintenance market.

Plant maintenance services is the relevant market segment for Quant which forms part of the overall industrial services market. The maintenance market segment is characterized by a high level of fragmentation, with a large number of providers focusing on specific equipment types, industries or regions. The market is expected to undergo consolidation in the future and grow gradually while the customers buying patterns are developing.

Quant's service offering falls into the value-added services market segment. The provision of value-added services can be characterized by a higher degree of complexity. It requires more skillful and experienced personnel, as well as specialized processes, tools and methodologies.

The main players in the market are:
i) System, equipment and component suppliers (OEMs) carrying out maintenance for their own and third-party equipment

ii) Engineering, procurement and construction (EPC) companies providing maintenance for their installed base and equipment installed by third-parties

iii) Local third-party service providers

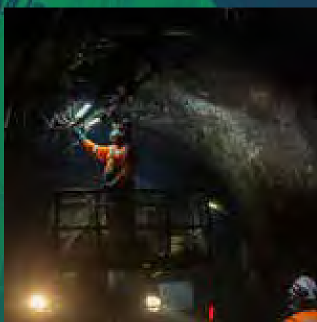
Quant provides its services to all industries, with special focus on discrete manufacturing, pulp & paper, food and beverages, chemicals & petrochemicals, minerals & mining, and metals.

Chemicals &
Petrochemicals

Discrete
Manufacturing

Food &
Beverages

Metals



Mining &
Minerals

Quant serves a diversified global customer base, maintaining long-term relationships with its major customers. Quant operated at **87 sites** at the end of the year, in **30 countries**, serving more than **45 customers**. Our references span over **300 customers** of which several are long-term partners.

Oil &
Gas

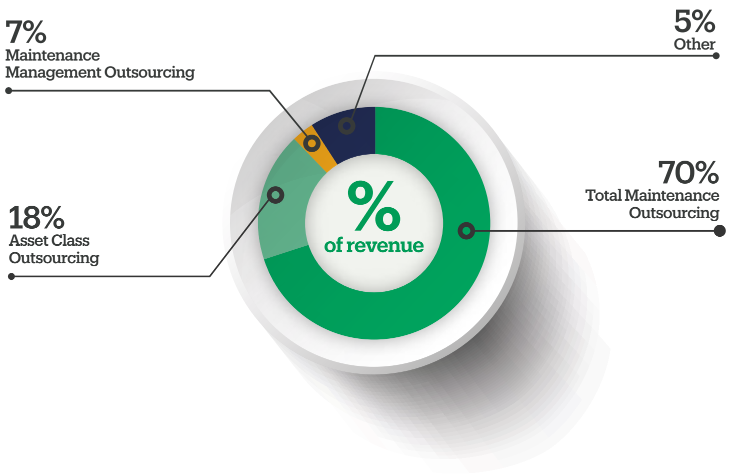
Pulp &
Paper

Service
Stations

Utilities

Smart Maintenance

Service Offering



Quant offers its customers tailored partnerships for maintenance services that emphasize shared risk and return, common objectives, and business benefits tied to operating results. The vast majority of existing engagements fall into one of three categories:

Total Maintenance Outsourcing: The customer's existing maintenance employees (white and blue collar) are transferred to Quant together with a transfer of subcontractor and supplier relationships. The service is offered for existing plants (Brownfield) and for new plants (Greenfield).

Maintenance Management agreement: Quant delivers its full maintenance concept by primarily providing management and supervisory services, generally without transferring employees, subcontractor relationships and supplier relationships. The service includes maintenance management services for fuel stations.

Asset Class Maintenance agreements: Includes chosen parts of Quant maintenance concept for a specific production line, asset or equipment.

In addition to its core service offering, Quant offers various other services including:

- **Field services** – Wide range of industrial maintenance services for different industries
- **Workshop services** – Variety of repair, maintenance and improvement works for production equipment in various industries, including annual shutdown repairs, manufacturing and installation of production lines

Quant's value proposition entails enhanced safety management and culture, empowered employees, increased productivity and optimized maintenance spend, while turning the customer's maintenance function into a profit contributor as opposed to a cost center, generating true operational excellence at contracted sites. Quant's maintenance services allow customers to focus their attention, efforts and investments on their core business rather than on maintenance.

Our services are delivered through our service model "Quant Smart Maintenance" where we combine employee knowledge, leading processes and methodologies, world-class safety stewardship, and a tailored digital platform to deliver our value proposition to our customers. Quant visualizes the offering using the steps to a smart maintenance organization.

The overarching purpose is to shift the approach in maintenance from reactive and corrective towards predictive and preventive, where the overall aim is to improve safety culture, productivity, optimized total maintenance costs (TMC) per unit produced and improved energy efficiency.

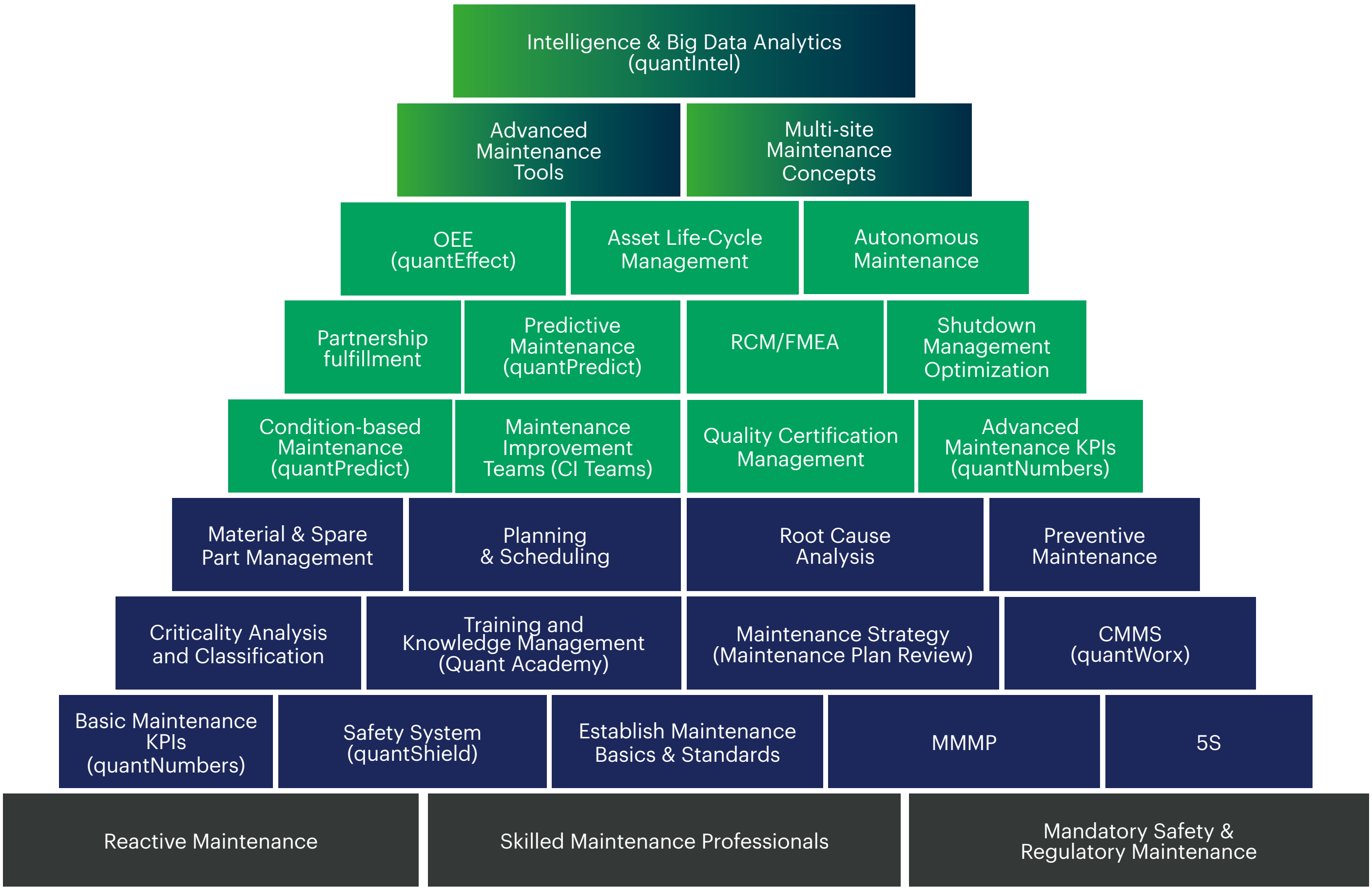
Our services are delivered through our service model **"Quant Smart Maintenance"**

Quant supports our customers on all levels of the maintenance steps. The steps are used to understand the current state of the customer's current smart maintenance maturity level.

The maturity is linked to the expected output from the partnership. It is not feasible to expect that a site on basic maintenance level can deliver Smart maintenance output. This is reflected in customer contracts, delivery and reporting.

The service model is supported by proven processes and tools, which are implemented step wise depending on each site's maturity and the customer's final ambition for the plant maintenance.

An effective maintenance organization builds on **a strong and structured foundation**



Basic maintenance

- Reactive maintenance services delivered by skilled maintenance professionals
- Maintenance services fulfilling regulatory standards

Availability focused maintenance

- A proactive approach and structured processes build the foundation of an efficient and safety focused maintenance function
- Strong knowledge of the production equipment and systematic processes enable improved technical availability

Plant performance focused maintenance

- Improved plant performance is enabled by predictive maintenance and a systematic maintenance approach
- Increased integration between maintenance and operations leads to improved processes and facilitates knowledge sharing OEE and tailored maintenance KPI's is the basis for managing the plant

Smart Maintenance

- A fully implemented smart maintenance solution builds a competitive advantage
- By leveraging advanced technology and integrating data from multiple sites the maintenance solution can optimize the plant perfor-mance and cost efficiency

Celebrating 20 years
of Partnership

Learning from history and planning for the future, but acting today. These are words that can describe a long Estonian collaboration between Kunda Nordic Cement and Quant. In early October, Kunda Nordic Cement and Quant celebrated a successful 20-year collaboration.

"We have a partnership that has worked very well during both good and tough times," says Meelis Einstein, who is the Managing Director of Kunda Nordic Cement in Estonia.

Kunda Nordic Cement is located in Kunda, which is a small town (about 3,100 residents) 100 kilometres east of Estonia's capital, Tallinn.
KNC is part of one of the world's largest manufacturers of building materials, Heidelberg Cement Group, which has 59,000 employees at 3,000 locations in 60 countries.

In Kunda, the production of cement and limestone has been an important activity since the end of the 19th century.

Meelis Einstein has worked for KNC since 1983. He started as the foreman for the mechanical department and over the years held a number of different positions in the company. In the past 10 years, he has held ultimate responsibility in his role as the Managing Director of the entire business.

"Much has changed over the years, but I'm still here, he smiles."

Valuable flexibility

20 years ago, the decision was made to hire a third-party supplier for the internal maintenance of production equipment.

KNC signed a partnership agreement with ABB Kunda Service AB, a contract that Quant has been responsible for since 2014.

"For us, it was a successful choice. The partnership agreement provides us with valuable flexibility. Because the cement industry is cyclical, it means that our need for maintenance resources varies. During the winter months, it's quieter. Then we take the opportunity to do maintenance on the production equipment so that it works optimally during the summer season when it's full speed."

"We have a good, flexible collaboration with Quant. When there is a need for more resources, it's easy to increase capacity and vice versa."

Strong ties

Rain Pärn, who is responsible for Quant's operations at KNC, appreciates the collaboration with KNC.

"We have strong ties with KNC, not least considering that many of our 60 employees were previously employed by KNC. In the economic crisis ten years ago, it was natural for us to help each other out.

500,000 tonnes

In 2017, Kunda Nordic Cement produced more than 500,000 tonnes of cement and gravel. Production requires heavy industrial equipment such as conveyers, crushers, mills, mixers, pumps, kilns etc, as well as many electrical machines. In total, there are about 2,000 different kinds of machines. Quant is responsible for all maintenance activities in production.

KNC and Quant can look back on a 20-year history of a flexible collaboration. This trust has resulted in the agreement being extended for another five years.

Future challenges

But what challenges does the future hold?

"There are always opportunities to develop the maintenance operations," says Rain Pärn. It's also something we're striving for. But there always has to be a dialogue with the customer about what the best solution is for both parties.

"A key issue for us is also our workers and their continuous development" continues Rain. "Especially because the production equipment is becoming increasingly technically sophisticated.

"KNC is of course open to new ideas," emphasises Meelis Einstein, "but we also have to keep an eye on the costs. I think we've succeeded well on this point. Maintenance costs per ton of Cement has been decreased in 2017 despite that production volumes has been increased. I'm looking forward to a collaboration where we both strive to develop maintenance and optimise costs."

The gift made by Quant.


QUANT

Productivity & Digitalization

Quant's maintenance management solutions serve to increase the plant performance of existing production facilities, resulting in higher quality output and increased cost efficiency in the produced output. We strive to improve our customers' Overall Operational Effectiveness (OEE) and technical availability for their production equipment.

This is achieved by systematically focusing on reliability and continuous improvement of the production process which reduces downtime, increases average production rates and improves yield and output quality.

This is supported by Quant's digital productSuite with a broad variety of tools that support maintenance professionals in their daily work. Our digital offering is based on existing technologies within the industrial maintenance sector which we bring to our customers' use.

Optimizing productivity is a cornerstone in our Plant Performance Improvement process, where we combine leading practices with state-of-the-art digital tools such as quantEffect to support continuous improvements.

The resulting efficiency directly improves customers' OEE and technical availability, financial metrics such as unit cost and Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) as well as balance sheet metrics such as Return on Capital Employed (ROCE) and Return on Net Assets (RONA).

During 2018 the roll-out of digital tools accelerated and the total amount of installations increased by 88 tools during the year. Now all sites have at least one digital tool with most sites having multiple tools in place.

Digital product suite

quantEffect™
Online OEE measurement system

quantIntel™
Big data analytics for total plant

quantMobile™
Enabling service technicians to access and deliver information from mobile or tablet

quantNumbers™
Value reporting tool with seamless ERP integration (customer reports)

quantPredict™
Cloud based condition monitoring & predictive maintenance

quantShield™, IA
Mobile safety management system

quantWorx™
Mobile service order, request and reporting EAM/CMMS

quantEffect implemented at NKT

quantEffect is an online OEE measurement tool to measure asset availability, asset speed (performance) and product quality. By measuring these parameters and connecting the system to a cloud, quantEffect can provide real-time information about production losses. This information can be used to improve decision making and continuously improve productivity of machines and production lines.

Using quantEffect brings value to the customer in several ways. The tool secures that accurate data is available to the right people at the right time with an easily understandable visualization. This secures that the decision making can be data-driven and that continuous improvement initiatives are driven in the right direction.

quantEffect brings significant value to Quant's customer by enabling the factory to analyze and improve product changeovers, as well as helping to identify repeating failures and other hidden patterns in production, which is limiting the total output.

quantEffect has supported several of Quant's customers to improve their decision making. At NKT Asnaes in Denmark quantEffect has been implemented on six bottleneck machines. The machine operators now report the losses through a touch screen. The visualized data is available on TV-screens, mobile and desktop devices for all stakeholders. The key benefits are common understanding of main improvement areas, better understanding of how to optimize the productivity and access to real time data. quantEffect and the Quant maintenance team has supported NKT to reduce the number of breakdowns and improve overall reliability as well as productivity.

Cost Optimization

Quant's service offering allows costs to be accurately managed over a multi-year period. We use benchmarks from our 1,200 plants to set realistic targets for cost versus plant performance.

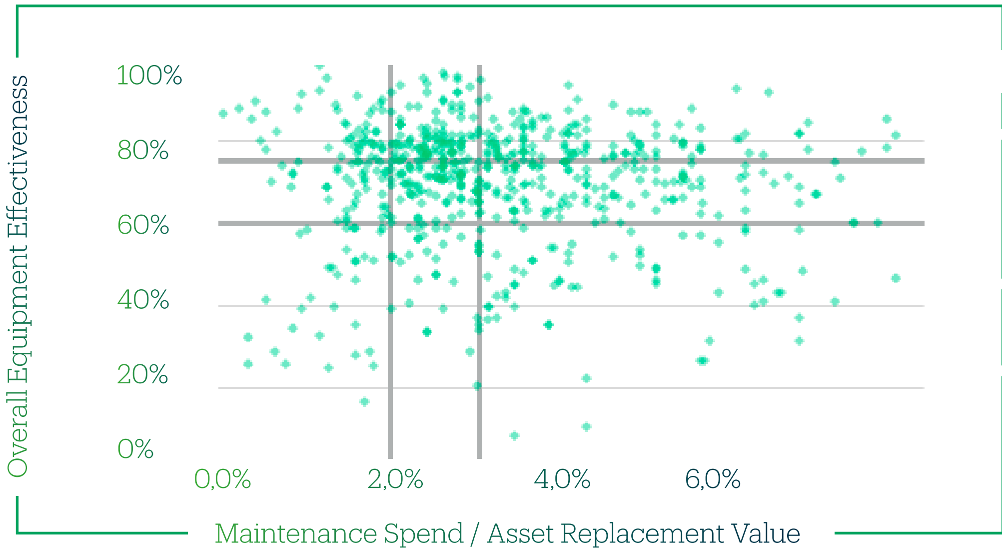
Quant offers its customer full flexibility in pricing models, where fixed price or open book models are predominantly used.

In agreements based on the fixed price principle Quant's solutions convert fluctuating maintenance costs into controllable and predictable costs, allowing the customer to gain better visibility of its Total Maintenance Costs (TMC).

Cost optimization is achieved by means of implementing three major initiatives:

- Implementation of maintenance best practices using reliability-driven preventive, predictive and condition-based maintenance strategies that reduce breakdowns and unplanned work events
- Discipline in planning and scheduling of work, where Quant's processes increase utilization rates of own and subcontracted labor. This also enables Supply Chain Management (SCM) to execute the procurement of required materials and sub-contracted labor in a more efficient way
- Effective SCM principles, processes and best practices that reduce costs of material and sub-contracting while at the same time improving asset reliability and optimizing overall inventory levels

The aforementioned initiatives combined have a significant impact on labor, subcontractor and material costs. Moreover, customers will get an optimized total maintenance cost in relation to output levels, for example maintenance costs per produced unit.



Customer Benefits

- Calibrate performance targets against peers in your industry (database with 1200 plants globally)
- Lift performance to best-in-class level in key areas
- Evaluate the value of maintenance partnership based on a combination of operational assessment and benchmarks

Energy Efficiency

Efficient use of energy has a direct impact on a manufacturer's profitability and sustainability as many plants' energy costs and efficiency can be as important as overall maintenance costs. Quant's experience indicates that well-maintained equipment results in higher gains from improved energy efficiency. Quant's maintenance solutions therefore contain an energy efficiency program that focuses on improving specific energy-related components at the respective site. This includes measuring and identifying energy losses, developing and implementing energy efficiency projects, considering energy efficiency in spare part purchasing decisions and implementing ISO 50001 programs as well as energy management and optimization software.

NKT and Quant
A world class maintenance partnership

NKT develops, manufactures and markets high quality cables, accessories and solutions for electrical infrastructure, the construction field and in the railway industries, with production plants in Northern and Central Europe.

Quant's engagement with NKT started when taking over the maintenance at the High Voltage plant in Karlskrona, at that time owned and operated by ABB. Since then, Quant has developed a world-leading maintenance performance at the plant and the contract has been renewed three times.

When NKT acquired the plant in 2017, they recognized the services provided by Quant and the option to leverage from this in their Excellence journey in their Low / Medium voltage plants. The parties agreed to form a Multi-Site Maintenance Partnership agreement, covering six of NKT plants in Europe.

Today Quant delivers maintenance in Karlskrona and Falun in Sweden, Asnaes in Denmark, Kladno and Velké Meziříčí in Czech Republic and in Warszowice in Poland.

During 2018 Quant's focus has been to start up the new sites in Falun and Asnaes and continuous development of the site in Karlskrona.

Some achievements for new low and medium voltage sites in Scandinavia 2018:

- No Lost Time Incidents (LTI) during 2018
- Enhanced service and safety culture including implementation of quantShield
- Technical Availability in bottleneck machines clearly improved
- quantEffect installed for bottleneck machines, giving full transparency in OEE figures supporting productivity improvements
- quantWorx installed establishing a platform for continuous improvement of maintenance execution and reliability improvement process
- quantNumbers under implementation which will improve value reporting and data-driven decision making

2019 focus is to finalize startup/mobilization of sites in Czech Republic and Poland and continue setting up one way of working for all sites. This will drive the improvement of safety and reliability.

Safety – our choice

At Quant we deliver our services responsibly and safely, while looking after our employees, customers, contractors, local communities and the environment. We work relentlessly to achieve a safety culture that goes beyond compliance to one in which people feel heard, involved and empowered.

Our goal is zero incidents in our operations. Employees and contractors, wherever they work, must meet our standards and safety requirements, including compliance with our Life Saving Rules. We strive to reduce risks and minimize the potential impacts of any incident. We work with our contractors to make sure they meet safety requirements and help them develop skills and experience to improve their safety performance. We investigate all incidents and learn from them.

THE LIFE SAVING RULES are our most important safety requirements. We truly believe that by following these rules, it is possible to save lives, and therefore it is mandatory for all Quant staff to know and follow these rules. We actively promote these rules and encourage everyone to take a moment to check all have been noted before starting maintenance work. The Life Saving Rules apply also to our Contractors, and our staff supports all our stakeholders to follow these rules.

The processes, policies, procedures and programs apply worldwide to promote safe and healthy working conditions, protect the environment, and support Quant's commitment to compliance with applicable laws and regulations.

Everyone who works for us, or with us, has an important role to play in making Quant and its operations a safer place. To support our sites and local operations we have a professional team of advisors in all regions of Quant. The safety achievements of teams and employees are recognized in the annual Safety Awards.

Quant's safety knowledge adds value to our customers

Every day, in all the places that we operate in, we contribute in the development and application of safety tools. We innovate, we work together with customers and stakeholders to prevent all work related incidents and illnesses. In all locations Quant will contribute to:

- Establish a culture of risk prevention
- Educate and train people in OHS, and promote safety leadership
- Analyze and learn from incidents and accidents to prevent future occurrences
- Recognize good performance, and guide from deviations to safe behaviors and methods

Our approach is supported by our safety management system quantShield, which we are implementing at all our sites and operating locations. The system empowers the safety culture and delivers the latest information around safety hazards to employees. quantShield allows continual improvement of health, safety, environment and quality by providing organization-wide data for analysis and identification of improvement areas.

quantShield™, IA
Mobile safety management system

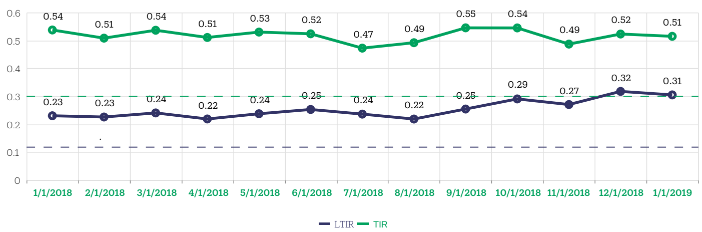
The tool

- Digital Safety Management
- Risk Assessment
- Checklists
- Observation/Incident reporting
- Workflow handling
- Performance Management

Benefits

- Empowers the Safety Culture
- Instant access around safety hazards
- Continuous improvement and knowledge sharing

Quant Global Safety KPI's LTIR&TIR (Rolling 12 Month)



By using the data from quantShield the number of safety incidents can be followed and analyzed. The most important KPI's used on global level are Lost Time Incident Rate (LTIR*) and Total Incident Rate (TIR). The ratio corresponds to number of incidents per total working hours. Over the past twelve months, Quant has had a stable development and a lot of focus is being put on reducing the number of incidents.

**Calculation: LTIR = (Number of lost time incidents x 200,000)/Number of total hours worked.*

At Quant we believe that all incidents can be prevented. SAFETY IS IN OUR DNA.

Our view on
Sustainability

How a company operates in relation to ethical, social, environmental and economic aspects is a very important matter. At Quant sustainability is considered in all that we do: how we design our services, how we engage suppliers, how we assess risks and opportunities and how we interact in the communities where we operate.

In Quant we have defined a process which corresponds to some of the key areas of our sustainability approach: Occupational Health and Safety, Environment, Integrity and Business Ethics, and Quality. Our process is aligned with UN Sustainable Development Goals and the UN Principles.

The Sustainable Development Goals (SDGs) are a collection of seventeen global goals set by the United Nations General Assembly.

They are considered the blueprint to achieve a better and more sustainable future for the world's inhabitants.

The SDGs are meant to address the global challenges that are putting our world at risk. These challenges are related to poverty, hunger, gender equality, good health and well-being, reduced in-equalities, decent work, economic growth and responsible production, and consumption.

Quant's Sustainability Pillars

Pillar	Relation to UN Sustainable Development Goals	Internal targets
Safety	3 Good health and well-being	**Vision:** Zero incidents in our operations **Global targets:** All employees are aware and act according to Quant's Life Saving Rules
Sustainability Services	6 Clean water and sanitation; 7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 17 Partnerships for the goals	**Vision:** Realizing the full potential of maintenance **Global targets:** Site specific targets
Integrity	5 Gender equality; 8 Decent work and economic growth; 16 Peace, justice and strong institutions	**Vision:** All our people have the confidence to make the right decisions at all times **Global targets:** All employees trained in the global Code of Conduct
Sustainability Society	4 Quality education; 10 Reduced inequalities	**Vision:** Quant employees are encouraged to participate in local activities and initiatives that are beneficial for the surrounding communities **Global targets:** Not applicable, the targets are local based on the needs in that specific geography

For more information about Quant's sustainability work see the 2018 Sustainability Report. The report can be found on **quantservice.com**.

Segments

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 starting 31 December 2018.

During 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.

Segments

Quant has chosen to organize its operations geographically, which is reflected in the reporting of financials in three geographical segments, Europe, Americas and Rest of World.

Europe

KEUR	2018	2017
Net sales	117,925	97,377
Operating profit (loss)	1,461	3,549
Adjusted EBITDA	4,890	4,810
Adjusted EBITDA %	4.1%	4.9%

Net sales 2018 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 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. The few underperforming contracts are the highest priority for our COO, who works closely with out people to improve performance and to ensure that the organization learns from the root causes of the problems.

Americas

KEUR	2018	2017
Net sales	57,621	55,393
Operating profit (loss)	5,943	3,667
Adjusted EBITDA	6,516	4,524
Adjusted EBITDA %	11.3%	8,2%

Net sales 2018 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 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 2018 decreased to EUR 22.2 million, from EUR 33.3 million, due to lost contracts in Namibia, China and New Zealand.

Adjusted BITDA 2018 decreased to EUR 0.1 million, from EUR 1.3 due to lost contracts in Namibia, China and New Zealand.

KEUR	2018	2017
Net sales	22,171	33,336
Operating profit (loss)	-822	-1,350
Adjusted EBITDA	120	1,277
Adjusted EBITDA %	0.5%	3.8%

Mergers & Acquisitions

In June 2018 Quant acquired Sataservice Oy, a leading industrial maintenance provider in Western and Southern Finland with a strong presence in the growing and stable food and beverage segment. The Finnish competition authority approved the acquisition which was completed on 1 August 2018.

Sataservice was a strong local Finnish industrial maintenance provider with net sales of above EUR 40 million for the twelve months to June 2018, more than 400 employees and operations at more than 14 customer sites throughout Western and Southern Finland. The entrepreneurial spirit of Sataservice is a good cultural match for Quant and the combined group will have a strong competitive position in the Finnish market.

The combination brings value to both customers and employees as Sataservice's agile and customer focused cluster business strategy benefits from Quant's scalable business model and digital offering, creating the place to be for maintenance professionals and delivering operational excellence to customers. Sataservice's strong market position in many industries, especially the stable food and beverage segment, brings expertise and reference sites into the group that can be leveraged to drive further growth of the combined company. The integration of Sataservice and Quant Finland started in August 2018 and is expected to be completed during 2019.

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 and Adjusted EBITDA would have increased by EUR 2.3 million.


Management Report

General about the business

Quant is a supplier of industrial maintenance services and is the global leader within the area. The business currently operates in 30 countries. The service is linked to the customers' production facilities and the offer includes maintenance processes and expertise, safety and digital tools, which results in improved productivity, cost of maintenance, safety and transparency.

As of 30th of December 2014 Nordic Capital ("Nordic Capital Fund VIII") acquired the business unit ABB Full Service from ABB. In connection with the acquisition, ABB Full Service changed name to Quant. This is the fourth year Quant operates and the fifth financial year for Quant.

On 24 June 2014, Quant AB was formed with its registered office in Stockholm. The company is responsible for headquarter functions for the group and includes group management as well as group-wide functions. 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 acquisition from ABB took place on 30 December 2014 when Quant AB acquired all the shares in ABB FS holding Sweden AB. A company in the United States was also created, which took over the service business in the American market. After the acquisition, ABB FS Holding Sweden AB was renamed Quant Sweden Holding AB.

Development of the company's business, results and position

Net sales for 2018 increased by 6.2% 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. During the year 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 at the end of the year, 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. 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, higher other financial expenses and foreign exchange losses.

Financial Overview

Group MEUR	**2018**	**2017**	**2016**
Net Sales	197.7	186.1	189.1
Gross Profit	25.4	30.3	40.0
EBIT	**-7.2**	**-5.9**	**-15.3**
Depreciation	13.3	12.9	14.4
EBITDA	**6.1**	**7.0**	**-0.9**
Impairment	0.0	2.1	4.8
Restructuring and Provisions	4.3	3.8	4.6
Disposals			2.2
Adjusted EBITDA	**10.4**	**12.9**	**10.5**

Significant events during the fiscal year and after the end of the financial year

During the year 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.

Quant acquired Sataservice Oy, a leading industrial maintenance provider in Western and Southern Finland with a strong presence in the growing food and beverage segment. The acquisition of Sataservice will significantly strengthen Quant's foothold in the Nordic region and the combined group will have a strong competitive position in the Finnish market. The combination creates value to both customers and employees as Sataservice's agile and customer focused cluster business strategy benefits from Quant's scalable business model and digital offering, creating the place to be for maintenance professionals and delivering operational excellence to customers. Sataservice's strong market position in many industries, especially the stable food and beverage segment, brings expertise and reference sites into the group that can be leveraged to drive further growth of the combined company.

Quant established a new subsidiary in Poland as an existing customer extended their partnership with Quant to include additional countries.

In February 2018 the group's bank credit facilities with Nordea Bank AB (publ) were repaid in their entirety and replaced by two bonds and a working capital facility with Nordea Bank AB (publ) of EUR 20 million. The two bonds totaled EUR 90.5 million at initial issuance. In June 2018 Quant issued further EUR 29.5 million under the senior bond agreement in connection with the Sataservice acquisition. The two bonds were listed on Luxembourg Stock Exchange on 7 February 2019.

In September 2018 Linda Höljö was appointed Quant's CFO and in January 2019 Johan Eriksson was appointed Quant's CEO.

Important conditions

The group has operations in 30 countries with 21 different currencies, which means that changes in currency rates can have a significant impact on its result. The group is also exposed to changes in market interest rates. For more information, see note 3.

Expected future development and important risks and uncertainty factors

Global economic and market risks

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 revenues 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 a number of 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.

Operational risks

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, the Group is highly dependent on retaining its customer portfolio as well as its ability to attract new customers on a regular basis in order 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 a number of less significant contracts would have a significant impact on the Group's profitability. Any demobilization from a customer site is required to be managed in an organized manner that allows for exit costs to be minimized and, unless lost contracts are replaced by new contracts, that the group's operations are adjusted to reduced earnings. To manage the risk of loss of contracts 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 a number of 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 large portion of the Group's risk of cost overruns, which significantly impact the profitability of contracts arise at the start-up and/or termination stages of a contract, or in periods of site shut-down during the contract term. To manage this risk Quant has well defined processes and procedures for these key parts of the contracts life, as well as operational, financial and legal risk reviews of contracts before entering into new contract relationships.

The group operates in a relatively specialized business, and the potential departures of key persons and the ability to attract qualified personnel is crucial for the group's success.

Digitalization
In an increasingly digitalized world, one of the Group's main focus areas in order to ensure long-term success and profitability is to stay ahead of technological advances and to offer cutting-edge technology as part of its services. While the Group currently offers advanced technological solutions to customers, the pace of advances in technology is increasing, and any failure by the Group to keep up with such advances may result in not being able to offer the most up to date technology, and/or to fall behind the products and services offered by its competitors.

Disputes and litigations
The group regularly reviews significant outstanding claims and disputes to determine the need for provisions. Among the factors considered in such an assessment are the type of litigation or summons, the amount of any damages, the development of the case, perceptions of legal and other advisers, experience from similar cases, and decisions of Group management regarding the Group's actions concerning these claims or disputes. Estimates do not necessarily reflect the outcome of pending litigation, and differences between outcome and estimate may significantly affect the company's financial position and have an unfavorable impact on operating income and liquidity.

Financial risks
Financial risks mainly consist of currency, interest rate and financing risks. The continued development of the global economy, including interest rate and currency risk, is an uncertainty factor for earnings performance. A more detailed description of Quant's financial risks and how the group manage these risks is found in note 3.

Insurable risks
Usage of insurance is governed by central guidelines. These include professional indemnity and product liability, property, disruption, transport, crime, CEO and board responsibilities and liability insurance for employment-related requirements. Most insurance policies are managed centrally by the group.

Own Shares
There are no Quant shares that are owned by the company.

Use of financial instruments
Financial instruments derive from interest-bearing borrowing from bank and currency hedging of intercompany loans. As of 31 December 2018, currency swaps hedging intercompany loans were outstanding. The derivatives are included in the balance sheet under other liabilities and amount to 1 (1) thousand EUR.

Permit or notification required under the Environmental Code
The Group does not operate a business that requires any permit or notification.

Proposed appropriation of non-restricted equity
Non-restricted equity in the parent company at the disposal of the Annual General Meeting:

Retained earnings	96,139
Loss of the year	-6,614
Total	**89,525**
The board of Directors and the CEO propose this amount be appropriated as follows:	
Amount carried forward	89,525

For further information regarding the company's profit and financial position, information can be found in the following income statement, balance sheet and cash flow statement.

Management Team

Johan Eriksson
CEO

Nationality: Swedish
Location: Sweden
Qualifications/ Education:
COO of Securitas Cash Handling, President & CEO of Poolia AB (publ), President & CEO of Transcom Worldwide AB (publ), various Board Director assignments.

Bachelor of Science in Business Administration and Economics.

Linda Höljö
CFO

Nationality: Swedish
Location: Sweden
Qualifications/Education: Broad experience from senior roles in Finance and Operations, most recently as Head of Business Finance with Ericsson. Prior to that, 14 years in various roles in investment management and private equity.

MSc, Economics and Business Administration, DEA Subatomic Physics, MSc Engineering Physics.

Johan Harsta
COO

Nationality: Swedish, Canadian
Location: Czech Republic
Qualifications/Education:
Broad international experience in process industry and maintenance management from 35 years with Quant, ABB, ASEA.

MSc, Engineering Physics, from Uppsala University in 1984.

Therese Holmqvist
Legal Counsel

Nationality: Swedish
Location: Sweden
Qualifications/Education:
More than 15 years of experience of commercial law. Most recently from a Swedish leading law firm, Mannheimer Swartling.

Jur.kand and LL.M (Master of Laws).

Jacob Duhan
SVP Strategy & Business Development
SVP Southern Europe

Nationality: Swedish
Location: Sweden
Qualifications/Education:
Long experience from international strategy consultancy. Long experience from international strategy consultancy with Roland Berger and Applied Value.

Double MSc in Industrial Engineering and Management, BA in German, Armed Forces Language Academy.

Nicklas Falk
SVP Commercial Development

Nationality: Swedish
Location: Sweden
Qualifications/Education:
15 years of experience from various management positions in major Industrial Service Companies in Scandinavia.

Bachelor Degree in Mechanical Engineering.

Olof Hedin
CDO

Nationality: Swedish
Location: Sweden
Qualifications/Education:
Started at ABB with DCS and MES systems for process industry then moved on to the IT industry working at SAP, KnowIT and Acando. Since 2012 worked as CIO and CDO.

MBA, MSc.

Pekka Venäläinen
SVP North and Central Europe

Nationality: Finnish
Location: Sweden
Qualifications/Education:
Broad experience in industrial customer relations, business development and maintenance management. 27 years in ABB.

Bachelor Degree in Industrial Automation. Business Administration, General Management.

Maximiliano Aqueveque
SVP South America

Nationality: Chilean
Location: Chile
Qualifications/Education:
Metallurgical Engineer, has more than 18 years of experience in mining and minerals industry, including overseas assignments in different industries.

MBA.

Basie Maponya
SVP Sub-Saharan Africa

Nationality: South African
Location: South Africa
Qualifications/Education:
20 years of industrial experience in various roles. Well experienced customer relations, business development, maintenance and engineering management. Most recently from Siemens.

Mechanical Certified Engineer.

Steve Streblow
SVP North America

Nationality: USA
Location: USA
Qualifications/Education:
Over thirty years of sales, operations, and management experience in heavy metals, pulp and paper, chemical and manufacturing industries.

Bachelor of Science Degree in Civil Engineering, Masters of Business Administration.

Thomas Luther
Managing Director
Finland & Baltics

Nationality: Finnish
Location: Finland
Qualifications/Education:
Broad experience in global service business, industrial and sales leadership at Nokia, Metso and Sataservice Group.

MSc Econ & Bus Adm. Entrepreneurship & Management, Financing, BSc Engineering, Production Economics & Management.

Board of Directors

Mikael Norin
USA

Has been a director of the board of the Company since 2015 and is also the chairman of the board. He is currently the chief executive officer of Cavotec SA.

BSc in Business Administration and Economics, Lund University.

Per Hallius
Sweden

Has been a director of the board of the Company since 2015. He currently serves as chairman of Nefab Group AB, vice chairman of Ruukki Construction Oy and director of the board of Munters Group AB and Kemetyl Holding AB.

MBA, Harvard Business School, MSc in Economics and Business Administration, Stockholm School of Economics.

Olof Faxander
Sweden

Has been a director of the Company since 2017.
He currently serves as Boardmember Britax Ltd, vice chairman Acino AG and Boardmember Resman AS.

MSc in Engineering, Swedish Royal Institute of Technology, B A Economics, Stockholm University.

Johan Lundén
Sweden

Has been a director of the board of the Company since 2018. He currently serves as director of the board of Greenfood AB and Acino International AG.

MSc in Economics and Business Administration, Stockholm School of Economics.

Vartan Vartanian
Sweden

Has been a director of the board of the Company since 2015. He currently serves as director of the board of Minalyze AB and Rubix Group.

Mechanical Engineer graduate from University of Toronto; extended studies at Stanford, London Business School.

Casper Lerche
Germany

Has been a director of the Company since 2015.

MSc in Finance and Accounting, Copenhagen Business School

Joachim Zetterlund
Sweden

Has been a director of the board of the Company since 2015. He currently serves as chairman of the board of One Agency AB and Förlagssystem AB, and as a director of the board of Munters Topholding AB, Xpeedio AB and MHI Investments AB.

Jörgen Bergqvist
Sweden

Has been, as employee representative, a director of the board of the Company since 2015.

Financial Reports

Consolidated Income Statement

KEUR	Note	2018	2017
Net sales	5	197,717	186,106
Cost of sales		-172,297	-155,790
Gross profit		**25,420**	**30,316**
Selling expenses		-3,500	-3,272
General and administrative expenses		-29,473	-31,096
Research and development expenses		-298	-345
Profit/loss from participation in associated companies		116	560
Other operating income		580	10
Other operating expenses		-41	-2,092
Operating Loss	6, 7, 8, 9	**-7,196**	**-5,919**
Profit/Loss from financial items			
Interest income and similar profit/loss items	10	425	157
Interest expense and similar profit/loss items	11	-12,852	-5,770
Foreign exchange gains and losses	10, 11	-2,168	643
Total financial items		**-14,596**	**-4,970**
Profit/loss before tax		**-21,792**	**-10,889**
Taxes	12	241	1,494
Loss for the year		**-21,552**	**-9,395**
Attributable to:			
Shareholders of the parent company		-21,552	-9,395
Non-controlling interest		-	-

Statement of Consolidated Comprehensive Income

KEUR	Note	2018	2017
Loss for the year		**-21,552**	**-9,395**
Other comprehensive income			
Items that have been or could be reallocated to profit/loss			
Translation differences pertaining to foreign operations		-666	396
Changes in the fair value of cashflow hedges		-	86
Tax pertaining to changes in the fair value of cashflow hedges		-	-19
		-666	**463**
Items that could not be reallocated to profit/loss			
Revaluation of defined benefit plans		-314	-166
Tax pertaining to items that could not be reallocated to profit/loss		63	32
		-251	**-134**
Total other comprehensive income		**-917**	**329**
Comprehensive income for the period		**-22,469**	**-9,066**
Attributable to:			
Shareholders of the parent company		-22,469	-9,066
Non-controlling interest		-	-

Consolidated Statement of Financial Position

KEUR	Note	Dec, 31 2018	Dec, 31 2017
ASSETS			
Non-current Assets			
Intangible assets			
Goodwill	14, 18	87,788	73,380
Other intangible assets	15, 16, 17, 18	49,645	48,968
Total Intangible assets		**137,433**	**122,348**
Property, plant and equipment	19	3,816	2,948
Financial assets			
Participations in associated companies	21	70	511
Deferred tax asset	23	1,510	2,119
Other non-current receivables	24	5,038	4,680
Total financial assets		**6,618**	**7,310**
Total non-current assets		**147,867**	**132,606**
Current Assets			
Inventories			
Raw materials and consumables		1,183	1,030
Products in progress		2,303	1,993
Total inventories		**3,485**	**3,023**
Current receivables			
Accounts receivable - trade	3	41,002	33,908
Current tax assets		2,252	1,470
Other receivables	25	5,592	4,718
Prepaid expenses and accrued income	26	2,226	4,200
Total current receivables		**51,071**	**44,296**
Cash and bank	27	19,735	12,954
Total current assets		**74,291**	**60,273**
TOTAL ASSETS		**222,158**	**192,879**

Consolidated Statement of Financial Position

KEUR	Note	Dec, 31 2018	Dec, 31 2017
EQUITY AND LIABILITIES			
Equity			
Share capital		53	53
Other added capital		94,500	94,500
Reserves		-655	263
Loss brought forward, incl. net loss for the year		-83,218	-61,666
Total equity pertaining to the shareholders of the parent company		**10,680**	**33,150**
Non-controlling interest		0	0
Total Equity		**10,680**	**33,150**
Non-current liabilities			
Liabilities to credit institutions	3, 30	119,189	67,497
Provisions for pensions and similar obligations	28	3,575	2,677
Provision for taxes	23	12,266	12,640
Other non-current liabilities		265	109
Total non-current liabilities		**135,294**	**82,923**
Current liabilities			
Liabilities to credit institutions	3, 30	14,851	23,868
Accounts payable - trade		22,043	22,215
Current tax liability		1,955	2,303
Other provisions	29	262	1,245
Other current liabilities	22	17,480	9,943
Accrued expenses and deferred income	31	19,594	17,232
Total current liabilities		**76,184**	**76,806**

For information regarding the Group and the Parent company pledged assets and contingent liabilities, see note 32.

Statement of Change In Consolidated Equity

KEUR	Share Capital	Other contributed capital	Reserves	Retained earnings	Total Equity
Opening balance 2017-01-01	5	94,500	-199	-52,138	41,969
New share issue	48	–	–	–	48
Total comprehensive income for the period	–	–	462	-9,528	-8,604
Closing balance 2017-12-31	**53**	**94,500**	**263**	**-61,666**	**33,150**
Total comprehensive income for the period	–	–	-917	-21,552	-23,387
Closing balance 2018-12-31	**53**	**94,500**	**-655**	**-83,218**	**10,680**

Statement of Consolidated Cash Flows

KEUR	Note	2018	2017
Operating activities			
Loss after financial items		**-21,792**	**-10,889**
Adjustments for non-cash items			
Depreciation and amortization		13,261	15,223
Change in provisions		215	-3,757
Other non-cash items		8,422	-1,721
		106	**-1,144**
Income tax paid		**-3,163**	**-1,977**
Cash flow from operating activities before changes in working capital		**-3,057**	**-3,121**
Cash flow from changes in working capital			
Increase (-) / Reduction (+) of inventories		62	322
Increase (-) / Reduction (+) of current receivables		-692	8,991
Increase (+) / Reduction (-) of current liabilities		3,068	-4,672
Cash flow from operating activities		**-619**	**1,520**
Investing activities			
Acquisition of subsidiary	36	-13,830	–
Change in intangible assets	17	-72	-321
Change in tangible assets	19	-1,097	-1,392
Change in financial fixed assets		75	-1,756
Cash flow from investing activities		**-14,924**	**-3,469**
Financing activities			
Share issue		0	48
New loans taken	30	131,000	8,000
Expenses related to new loans		-3,861	-
Repayment of loans	30	-103,980	-9,320
Change in financial leases		-89	-
Cash flow from financing activities		**23,070**	**-1,272**
Cash flow for the year		**7,527**	**-3,221**
Cash and cash equivalents at the beginning of the year	27	12,954	16,986
Exchange rate differences in cash and cash equivalents		-747	-812
Cash and cash equivalents at the end of the year	27	**19,735**	**12,954**

Parent Company Income Statement

KEUR	Note	2018	2017
Net sales	5	15,946	15,595
Cost of sales		-3,163	-704
Gross profit		**12,783**	**14,891**
Selling expenses		-17	-175
General and administrative expenses		-9,442	-11,999
Research and development expenses		-255	
Other operating expenses		-351	–94
Other operating income		121	537
Operating Profit	6, 7, 8, 9	**2,840**	**3,160**
Profit/loss from financial items			
Income from participations in group companies		780	–
Interest income and similar profit/loss items	10	6,123	4,486
Interest expense and similar profit/loss items	11	-14,184	-5,302
Foreign exchange gains and losses	10, 11	-2,173	-386
Profit/loss before tax		**-6,614**	**1,958**
Taxes	12	–	-29
Net profit/loss for the year		**-6,614**	**1,929**

Parent Company Statement of Comprehensive Income

KEUR	Note	2018	2017
Net profit/loss for the year		-6,614	1,929
Total comprehensive income		**-6,614**	**1,929**

Parent Company Statement of Financial Position

KEUR	Note	Dec 31, 2018	Dec 31, 2017
ASSETS			
Non-current assets			
Intangible assets			
Other intangible assets	17	161	2,638
		161	2,638
Property, plant and equipment			
Equipment, fixtures and fittings	19	37	54
		37	54
Financial assets			
Participation in group companies	20	99,331	99,331
Receivables from group companies		6,217	6,217
Other non-current receivables	24	364	213
Total financial assets		**105,911**	**105,761**
Total non-current assets		**106,110**	**108,453**
Current assets			
Current receivables			
Receivables from group companies		126,706	93,195
Other receivables	25	327	119
Prepaid expenses and accrued income	26	945	283
Total current receivables		**127,977**	**93,597**
Cash and bank balances	27	758	695
Total current assets		**128,735**	**94,292**
TOTAL ASSETS		**234,845**	**202,745**

Parent Company Statement of Financial Position

KEUR	Note	Dec 31, 2018	Dec 31, 2017
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		53	53
Non-restricted equity			
Profit or loss brought forward		96,139	94,210
Net profit/loss for the year		-6,614	1,929
Total non-restricted equity		**89,525**	**96,139**
Total Equity		**89,579**	**96,192**
Provisions			
Provisions for pensions and similar obligations	28	449	265
Total provisions		**449**	**265**
Non-current liabilities			
Liabilities to credit institutions	30	119,189	67,497
Total non-current liabilities		**119,189**	**67,497**
Current liabilities			
Liabilities to credit institutions	30	14,851	23,868
Accounts payable - trade		498	1,382
Liabilities to group companies		5,440	10,068
Other liabilities	22	2,068	1,505
Accrued expenses and deferred income	31	2,771	1,968
Total current liabilities		**25,628**	**38,791**
TOTAL EQUITY AND LIABILITIES		**234,845**	**202,745**

Information on the Parent Company's pledged assets and contingent liabilities is provided in Note 32.

Parent Company Statement of Changes in Equity

	Restricted equity	Non-restricted equity	
KEUR	**Share Capital**	**Retained earnings**	**Total Equity**
Opening balance 2017-01-01	**5**	**94,210**	**94,215**
Share issue	48		48
Total comprehensive income		1,929	1,929
Closing balance 2017	**53**	**96,139**	**96,192**
Total comprehensive income	–	-6,614	-6,614
Closing balance 2018	**53**	**89,525**	**89,579**

Parent Company Statement of Cash Flows

KEUR	Note	2018	2017
Operating activities			
Profit/loss after financial items		**-6,614**	**1,958**
Adjustments for non-cash items			
Depreciation		2,500	2,498
Other non-cash items		7,620	-2,988
Income tax paid		-144	-128
Cash flow from operating activities before changes in working capital		**3,363**	**1,340**
Cash flow from working capital changes			
Increase (-) / Reduction (+) of current receivables		6,272	11,144
Increase (+) / Reduction (-) of current liabilities		-4,045	-11,772
Cash flow from operating activities		**5,590**	**712**
Investing activities			
Acquisition of intangible assets	17	-7	-16
Change in financial fixed assets		-150	–
Cash flow from investing activities		**-157**	**-16**
Financing activities			
Rights issue			48
New loans taken, external	30	131,000	8,000
Expenses related to new loans		-3,861	
Repayment of loans, external	30	-89,563	
Change in loans to group companies		-42,722	-9,320
Cash flow from financing activities		**-5,146**	**-1,272**
Cash flow for the year	27	**287**	**-576**
Cash and cash equivalents at the beginning of the year		**695**	**1,271**
Exchange gains/losses in foreign currency		-225	–
Cash and cash equivalents at the end of the year	**27**	**758**	**695**

Notes

Note 1. Accounting principles

The parent company, Quant AB (publ), Swedish corporate ID no.556975-5654 is a limited liability company registered in Sweden, having its registered office at the address: St Göransgatan 66, 112 33 Stockholm. Since Feb 7, 2019 Quant AB (publ) has its bonds registered on the EU regulated market of the Luxembourg Stock Exchange.

Quant AB is a wholly-owned subsidiary of Cidron FS Holding AB, org no 556968-8905 with its registered office in Stockholm. Cidron FS Holding AB is part of a group of companies in which Cidron FS Top Holding AB, org no 556985-2287, based in Stockholm, reports consolidated financial statements for the largest group.

The consolidated financial statements have been prepared in accordance with EU-approved International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). In addition, the Group applies the Swedish Financial Reporting Board's recommendation RFR 1 supplementary accounting regulations for corporate conglomerates, which specifies the supplements to IFRS required pursuant to the stipulations of the Swedish Annual Accounts Act.

The parent company applies the same accounting principles as the group except in the cases listed below under the section "Parent Company Accounting Principles".

The Annual Report was approved for issue by the Board of Directors and the CEO on 29 April 2019. The Balance Sheets and Income Statements will be subject to approval by the Annual General Meeting on April 29, 2019.

Basics for appraisal applied when establishing the financial statements

Assets, provisions and liabilities have been valued at acquisition values unless otherwise stated below.

Functional currency and reporting currency

The functional currency of the parent company is the Euro (EUR), which is also the reporting currency for the parent company and the Group. This means that the financial statements are presented in Euro. Unless otherwise stated, all amounts are rounded to the nearest thousand (EUR thousand). Amounts in parentheses refer to the previous year. Income statement items refer to the period January 1 – December 31, while balance sheet items refer to December 31.

Assessments and estimates in the financial statements

To prepare the financial statements in accordance with IFRS requires management to make assessments and estimates and to make assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, income and expenses. The actual outcome may deviate from these estimates and assessments. The estimates and assumptions are reviewed regularly. Changes to estimates are reported in the period in which the change is made if the change only affected this period, or in the period the change is made and future periods if the change affects both the current period and future periods.

Disclosures of such IFRS standards or interpretations that have entered into force in 2018

IFRS 9 – Financial instruments

IFRS 9 – Financial instruments went into effect on January 1 2018, replacing IAS 39 Financial instruments: Recognition and Measurement. IFRS 9 classifies financial assets in three different categories. Classification is determined at initial recognition based on asset characteristics and the company's business model. The second part concerns hedge accounting. New policies regarding impairment of financial assets using a model based on financial assets has been introduced. One of the purposes of the new impairment model is to require that reserves for credit losses be made at an earlier stage. The new standard has not had any material effect on the Group's financial reports with the exception of broader disclosure requirements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 went into effect on January 1 2018 and is the new standard for revenue recognition replacing IAS 18 Revenues and IAS 11 Construction Contracts. The new standard is based on the principle that revenue be recognised when the customer takes control of the sold item or service, as opposed to the previous principle where revenue was recognised when the risks and benefits of ownership had passed to the customer. The standard has not had a material impact on the financial statements with the exception of the broader disclosure requirements. There were no adjustments made to the opening balances as a result of IFRS 15.

Disclosure of such IFRS standards or interpretations that have not yet entered into force

IFRS 16 Leases

New standard regarding accounting of leasing. For lessees, the classification in IAS 17 of operating and financial leasing is removed and is replaced by a model in which assets and liabilities for all leasing contracts are to be recognized in the balance sheet. Exemptions for accounting in the balance sheet are available for smaller leasing contracts and contracts with a maturity of 12 months or less. In the income statement, depreciation is reported separately from interest expenses attributable to the leasing liability. The Group applies IFRS 16 1 January 2019.

Based on information available, the Group estimates that it will recognize additional lease liabilities of approximately EUR 11 million. Right of use assets net of prepaid leasing charges also amount to approximately EUR 11 million. The precise calculations will be implemented and presented in the January – March 2019 interim report. The information provided in note 8 on operational leasing agreements gives an indication of the type and scope of existing agreements.

The Group will apply the modified retrospective approach which means that the accumulated effect of IFRS 16 will be recognized in the opening balance at January 1, 2019 without restating comparative figures. The Group does not expect the introduction of the new standard to affect its ability to meet the requirements of existing covenants for the Group.

No other changes to accounting standards with future application are considered to have any material effect on the consolidated accounts.

Classification

The classification of fixed assets and non-current liabilities consists substantially of amounts that are expected to be recovered or paid more than 12 months from the balance sheet date. Current assets and current liabilities consist substantially of amounts that are expected to be recovered or paid within 12 months of the balance sheet date.

Consolidation principles and business combinations

Subsidiaries

Subsidiaries are companies that are under a controlling influence from Quant AB. Controlling influence exists if Quant AB has power over the investee company, is exposed to, or has the right to, variable returns from its engagement with the company and can use its influence over the investment to influence the return. When assessing whether a controlling influence exists, potential voting shares are taken into account and if de facto control exists.

Subsidiaries are reported according to the acquisition method. The method implies that the acquisition of a subsidiary is regarded as a transaction whereby the group indirectly acquires the subsidiary's assets and assumes its liabilities. In the acquisition analysis, the fair value of the acquisition date is determined by the identifiable assets and liabilities assumed, as well as any non-controlling interest. Transaction expenditure, with the exception of transaction expenditure relating to the issue of equity instruments or debt instruments, that arises is reported directly in profit or loss for the year. In the case of business combinations where transferred remuneration, possible non-controlling interest and value of previously owned share (in the case of incremental acquisitions) exceed the fair value of acquired assets and assumed liabilities that is recognized separately, the difference is recognized as goodwill. When the difference is negative, so-called acquisition at low price, this is reported directly in profit or loss for the year.

Contingent consideration is reported at fair value at the time of acquisition. Where the contingent consideration is classified as an equity instrument, no revaluation and regulation is made within equity. For other contingent considerations, these are revalued at each reporting date and the change is reported in profit or loss for the year.
In cases where the acquisition does not relate to 100% of the subsidiary, non-controlling interest is acquired. There are two options for reporting non-controlling interests. These two options are to report non-controlling interest in net proportional assets or that non-controlling interests are recognized at fair value, which means that non-controlling interests have share in goodwill. The choice between the different options to report non-controlling interests can be made depending on the acquisition.

Associates

Associates are companies over which the group has a significant, but not a controlling, influence over the operational and financial management, usually through shareholdings between 20% and 50% of the voting rights. From the moment the significant influence is received, participations in associated companies are reported in accordance with the equity method in the consolidated financial statements.
The equity method implies that the value of the shares in associated companies reported in the group corresponds to the group's share in the associated companies' equity as well as group goodwill and any remaining values is reported in group surplus and deficit values.

The group's share of associated companies' profit/loss adjusted for possible depreciation, impairment losses and dissolutions of acquired surplus and deficit values are reported as "participation in the result of associates". These share splits decreased with dividends received from associated companies represent the main change in the carrying amount of participations in associates. The group's share of other comprehensive income in associated companies is reported on a separate line in the group's other comprehensive income.

Any difference in the acquisition between the acquisition value of the holding and the investor's share of the fair value net of the identifiable assets and liabilities of the associate is reported according to the same principles as in the acquisition of subsidiaries.

Transaction expenditure, with the exception of transaction expenditure relating to the issue of equity instruments or debt instruments, which arises is included in the acquisition value. When the group's share of reported losses in the associated company exceeds the carrying amount of the group's shares, the value of the shares is reduced to zero. Offsetting of losses is also effected against non-collateral long-term financial transactions, which are, in their economic sense, part of the investor's net investment in the associated company. Continued losses are not reported unless the group has provided guarantees to cover the losses incurred by the associated company. The equity method is applied up to the time when the significant influence ceases.

Transactions eliminated on consolidation

Intercompany receivables and liabilities, income or expenses and unrealized gains or losses arising from intra-group transactions between business units are eliminated in full when the consolidated financial statements are prepared. Unrealized gains arising from transactions with associates are eliminated to the extent that corresponds to the group's ownership interest in the company. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no impairment.

Foreign currency

Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing on the transaction date. Functional currency is the currency of the primary economic environments in which the companies conduct their business. Monetary assets and liabilities denominated in foreign currency are converted into functional currency at the balance sheet date and exchange rate differences are recognized. Exchange rate differences arising from translation are reported in profit or loss for the year. Non-monetary assets and liabilities that are reported at historical acquisition values are translated with the exchange rate at the transaction. Non-monetary assets and liabilities that are recognized at fair value are translated into the functional currency at the rate prevailing at the time of measurement at fair value.

Financial statements of foreign operations

Assets and liabilities in foreign operations, including goodwill and other group surplus and discount values, are translated from entity functional currency to the group's reporting currency, euro, at the exchange rate prevailing on balance sheet date. Income and expenses in a foreign operation are translated into euro at an average rate that is an approximation of the exchange rates prevailing at the time of the respective transaction. Translation differences arising from currency translation of foreign operations are recognized in other comprehensive income and accumulate in a separate component of equity, the term "translation reserve". When controlling influence or significant influence ceases for a foreign operation, they are realized in the operations related to accumulated translation differences, which are reclassified from the translation reserve in equity to the profit/loss for the year. Where disposal occurs but controlling influence remains, the proportional share of accumulated translation differences from the conversion reserve is transferred to non-controlling interests. In the case of disposal of parts of associates, but significant influence remains, the proportionate share of the translation differences is reclassified to profit for the year.

Revenue

The Group began to apply the new accounting standard IFRS 15 Revenue from Contracts with Customers on January 1 2018. Quant is a supplier of industrial maintenance services whose customers are comprised of industrial facilities such as production factories, pulp and paper mills and mining operations to name a few. Our contracts with customers are commitments to provide services over the period of time specified in the contract. Therefore, our revenues are recognized over the time during which the services are rendered. In some cases, invoices are not sent in the same period as the service delivered which then results in accrued or deferred revenue.

Leasing

Operational leasing agreements

Expenses relating to operational leasing agreements are reported in the income statement on a straight-line basis over the lease term. Benefits received in connection with the signing of an agreement are reported in income statement as a reduction in the leasing charges linearly over the term of the leasing contract. Variable fees are expensed in the periods they arise.

Financial income and expenses

Financial income consists of interest income on invested funds and gain on the change in value of financial assets valued at fair value through profit or loss.

Interest income on financial instruments is reported according to the effective interest method (see below). Dividend income is recognized when the right to receive dividends is determined. The result of the disposal of a financial instrument is recognized when the risks and benefits associated with ownership of the instrument are transferred to the buyer and the group no longer has control over the instrument. Financial expenses consist of interest expenses on loans, the effect of the dissolution of the present value calculation of provisions, loss on changes in value of financial assets valued at fair value through profit or loss, impairment of financial assets and such losses on hedging instruments reported in profit or loss for the year. Borrowing costs are recognized in profit or loss using the effective interest method, except to the extent that they are directly attributable to the purchase, construction or production of assets that take a significant amount of time to complete for their intended use or sales, in which case they are included in the acquisition value of the assets.

The effective interest rate is the interest rate discounting the estimated future cash receipts and disbursements for the expected maturity of the financial assets or liabilities of the net carrying amount of the asset or liability. The calculation includes all fees paid or received by the contracting parties that are part of the effective interest rate, transaction costs and all other surplus or deficit rates.

Taxes

Income taxes consist of current tax and deferred tax. Income taxes are reported in the income statement except where the underlying transaction is recognized in other comprehensive income or in equity, whereby the related tax effect is recognized in other comprehensive income or equity. Current tax is tax that is to be paid or received in the current year, based on the tax rates enacted or substantively enacted at the end of the reporting period, including adjustments of current tax in respect of prior periods.

Deferred tax is calculated using the balance sheet method on the basis of temporary differences between the carrying amounts and the tax values of assets and liabilities. Temporary differences are not taken into consideration that occurred when goodwill was first recognized, nor for the difference arising from the initial recognition of assets and liabilities that are not business combinations that at the time of the transaction do not affect either the accounting taxable profit or loss. Furthermore, temporary differences attributable to shares in subsidiaries and associates that are not expected to be reversed in the foreseeable future are also not considered. The valuation of deferred tax is based on how the underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated by applying the tax rates and tax rules adopted or adopted in practice decided at the reporting date.

Deferred tax assets relating to deductible temporary differences and loss carryforwards are recognized only to the extent that it is probable that they will be utilised. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilised.

Any additional income tax arising from dividends is recognized at the same time as the dividend is recognized as a liability.

Financial instruments

Financial instruments are any form of contract that gives rise to a financial asset in a company and a financial liability or an equity instrument of another company.

Recognition in and deletion from the statement of financial position

A financial asset or financial liability is included in the statement of financial position when the company becomes a party under the contractual terms of the instrument. A claim is raised when the company has performed, and a contractual obligation exists for the counterparty to pay, even if the invoice has not yet been sent. Accounts receivable are included in the statement of financial position when the invoice has been sent. Debt is raised when the counterparty has performed, and contractual obligation exists to pay, even if the invoice has not yet been received. Accounts payable are entered when the invoice is received.

A financial asset is removed from the statement of financial position when the rights in the agreement are realized, expired or the company loses control of them. The same applies to parts of financial assets. A financial liability is removed from the statement of financial position when the contractual obligation is fulfilled or otherwise extinguished. The same applies to parts of financial liabilities.

A financial asset and a financial liability are offset and reported with a net amount in the statement of financial position only when there is a legal right to offset the amounts and that there is an intention to regulate the items with a net amount or to simultaneously realize the asset and settle the debt.

Acquisitions and divestments of financial assets are reported on the trade date. The business day constitutes the date on which the company commits to acquire or divest the asset.

Classification and valuation
The classification of financial instruments are in the following categories: (a) Financial assets valued at fair value through profit or loss, (b) Loan receivables and trade receivables, (c) Financial instruments held to maturity, (d) Financial available-for-sale assets and (e) Other financial liabilities. The classification depends on the purpose for which the instruments were acquired. The management determines the initial accounts and reconsiders this decision at each reporting date. All financial instruments are reported from the business day.

Classification and measurement of financial assets and liabilities
(a) Financial assets valued at fair value through profit or loss.
This category has two sub-groups: financial assets held for trading and those which from the outset are attributable to the category valued at fair value through profit or loss for the year. A financial asset is classified in this category if it has been acquired mainly for the purpose of being sold shortly or if this classification is determined by management. Derivative instruments are also categorized as holdings for trading if they are not identified as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

(b) Loans receivable and Accounts receivable
Loan receivables and trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Characteristically, they arise when the group provides money, goods or services directly to a customer without the intention of trading the resulting receivable. They are included in current assets, except for items with a due date more than 12 months after the balance sheet date, which are classified as fixed assets. Quant's liquid funds, accounts receivable, accrued income and certain other receivables are included in this category.

(c) Financial assets held to maturity
Financial assets held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities for which the group's management has the intention and ability to retain to maturity. Quant has no financial instruments classified in this category.

(d) Available-for-sale financial assets
Financial assets not classified in any other category such as shares and participations in both listed and non-listed companies. Quant has no financial instruments classified in this category.

(e) Other financial liabilities
Financial liabilities that are not held for trading. Quants borrowing, accounts payable and certain accrued expenses are included in this category.

Liquid funds
Liquid funds consist of cash and immediately available balances of banks and corresponding institutions and short- term liquid investments with a maturity from the acquisition date of less than three months, which are subject to only insignificant risk of fluctuation.

Recognition and measurement of financial instruments
Financial assets not recognized at fair value (Loan receivables and trade receivables) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at amortized cost which is determined based on the effective interest rate calculated on the date of acquisition. Assets with short maturities are not discounted.

Accounts receivable are recognized at the amount which is expected to be received, i.e. after the deduction of bad debts, assessed individually. Impairment losses on accounts receivable are recognized in operating expenses.

Other receivables are classified as non-current receivables if the holding period is longer than one year and if they are shorter than other receivables. A provision for credit losses is made when there are strong indications that the group will not be able to obtain the amounts stated in the original terms of the claims.

Other financial liabilities are reported at amortized cost based on the effective interest method. The acquisition value is the fair value at the time of acquisition. For borrowing, this amount received is reduced for any transaction costs. Accounts payable have a short expected term and are valued without discounting to their nominal amount.

Any gains or losses arising in connection with the disposal of financial instruments or the repurchase of loan liabilities are recognized in items within profit or loss for the year.

Offsetting of financial instruments
Financial assets and liabilities are offset against each other and netted in the consolidated financial statements in cases where Quant has agreed with the counterparty that the assets and liabilities are to be settled net.

Financial derivative instruments
Financial derivatives are initially reported at acquisition value in the statement of financial position, and subsequently at the prevailing market value on the following balance sheet dates. The method of accounting for the resulting gain or loss varies depending on the nature of the hedged interest. Quant's financial instruments are presented in more detail in note 21.

When a derivative contract is entered into, it is classified as either (1) fair value hedge of a recognized asset or liability (real value hedging), (2) Hedging of a planned transaction or a definitive commitment (cash flow hedge), (3) hedging of a net investment in a foreign company or (4) as a derivative instrument that does not qualify for hedge accounting.

Changes in the market value of derivatives classified as, and qualify for, fair value hedging and can be determined objectively are reported in items within the year's profit, together with any changes in the market value of the asset or liability that the hedge relates to.

Changes in the fair value of derivatives that are classified as, and qualify for, cash flow hedges and can be determined objectively, are immediately transferred to profit or loss for the year.
Certain derivative transactions do not meet the requirements for hedge accounting in accordance with IFRS although they are financially justified in accordance with the group's risk management policy. Changes in the market value of such non-qualifying hedging transactions are recognized immediately in items within profit or loss. This type of transaction occurs in the group.

Quant does not hedge net investments in foreign subsidiaries.

Accumulated translation differences
Translation differences relating to investments in foreign operations are reported as translation reserves in shareholders' equity. In the case of sales of foreign operations, accumulated translation differences attributable to divested foreign operations are reported as part of the consolidated result of the divestments.

Property, plant and equipment

Property, plant and equipment are reported in the group at cost less accumulated amortization and any impairment losses. The cost includes the purchase price and expenditure directly attributable to the asset to bring it into place and in condition to be used in accordance with the purpose of the acquisition. Accounting principles for depreciation are shown below.

Borrowing costs that are directly attributable to the purchase, construction or production of assets that take a significant amount of time to complete for their intended use or sale are included in the acquisition value.

Additional expenditure
Additional expenditure is added to the acquisition value only if it is probable that the future economic benefits associated with the asset will be realized and the cost can be calculated reliably. All other additional expenditure is recognized as an expense in the period in which it arises.

An additional expense is added to the acquisition value if the expenditure relates to the exchange of identified components or parts thereof. Even where new components have been created, the expenditure is added to the acquisition value. Any values of replaced components, or parts of components, not written off are decommissioned and expensed in connection with the exchange. Repairs are expensed continuously.

Depreciation Principles
Depreciation is linear over the estimated useful life of the asset.

	Useful life
Buildings	15-40 years
IT and office equipment	3-5 years
Machinery and other tecnical facilities	3-15 years

Intangible assets

Goodwill
Goodwill is valued at acquisition value less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested at least annually for impairment. Goodwill incurred in the acquisition of associates is included in the carrying amount of participations in associates.

Other intangible assets
Other intangible assets acquired by the group consist of client contracts, customer relationships and computer systems and are reported at cost less accumulated amortization (see below) and any impairment losses. Costs incurred for internally generated goodwill and internally generated trademarks are reported in profit or loss for the year when the cost arises.

Additional expenditure
Additional expenditure on capitalized intangible assets is recognized as an asset in the statement of financial position only when they increase the future economic benefits for the specific asset to which they relate. All other expenditure expensed when they arise.

Amortization
Amortization is reported in the income statement on a straight-line basis over the estimated useful lives of intangible assets, unless such useful lives are unquantifiable. The useful life periods are reviewed at least annually. Amortization is recognized as a whole as administrative expenses. Goodwill and other intangible assets with an indefinite useful life or which are not yet ready for use are tested annually for impairment as well as at any point in time when there is an indication that the asset in question has decreased in value. Intangible assets with nondescript useful lives are depreciated from the time they are available for use. The estimated useful life periods are:

	Useful life
Customer contract	7 years
Customer relations	11 years
IT Licenses	3 years
Software	3-5 years

Impairment

The group's reported assets are assessed at the end of each reporting period to assess whether there is an indication of an impairment requirement. IAS 36 applies to impairment of assets other than financial assets, that are accounted for under IFRS 9 Financial instruments and is described in the Financial Instruments section above.

Write-down of tangible and intangible assets and participations in associated companies
If there is an indication of impairment, the asset's recoverable amount is calculated (see below). For goodwill, other intangible assets with indefinite useful lives and intangible assets that are not yet ready for use, the recoverable amount is calculated annually. If it is not possible to determine essentially independent cash flows to an individual asset, and its fair value minus the cost of selling costs cannot be used, the assets are grouped when assessing impairment at the lowest level where it is possible to identify essentially independent cash flows – a so-called cash-generating unit.

An impairment loss is recognized when the carrying amount of an asset or a cash-generating unit (group of units) exceeds the recoverable value. An impairment loss is recognized as an expense in profit or loss.

The recoverable amount is the highest of fair value minus selling costs and value in use. In calculating the value, future cash flows are discounted by a discount factor taking into account the risk-free interest rate and the risks associated with the specific asset.

Reversal of impairment losses
An impairment loss on assets included in the scope of IAS 36 is reversed if there is both an indication that the impairment no longer exists and there has been a change in the assumptions that formed the basis for the calculation of the recoverable value. However, impairment of goodwill is never reversed. A reversal is only made to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognized, less depreciation, where applicable, if no impairment was made.

Write-downs of loan receivables and accounts receivables that are recognized at amortized cost are reversed if the earlier reasons for impairment are no longer present and full payment from the customer is expected to be received.

Inventory
Inventories are valued at the lower of cost and net realizable value. The cost of inventories is calculated by applying the first-in, first-out (FIFO) method and includes expenditure incurred in the acquisition of the inventory assets and transporting them to their current location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, after deduction of estimated costs for completion and for the purpose of obtaining a sale.

Payment of capital to the owners
Dividends are recognized as a liability after the Annual General Meeting approves the dividend.

Employee Benefits
Short-term remunerations
Short-term employee benefits are calculated without discounting and are recognized as an expense when the related services are received.

A provision is recognized for the expected cost of profit-sharing and bonus payments when the group has an existing legal or constructive obligation to make such payments as a result of services received from employees and the obligation can be calculated reliably.

Defined contribution pension plans
The plans in which the company's obligation is limited to the fees that the company has undertaken to pay is classifies as a defined-contribution pension plan. In such a case, the amount of the employee's pension depends on the fees paid by the company to the plan or to an insurance company and the return on capital provided by the contributions. Consequently, it is the employee who bears the actuarial risk (that the compensation is lower than expected) and the investment risk (that the assets invested will be insufficient to provide the expected benefits). The company's obligations for contributions to defined contribution plans are recognized as an expense in the profit or loss for the year as they are earned by the employees carrying out services to the company over a period of time.

Defined benefit pension plans
Defined benefit plans are other post-employment benefit plans than defined contribution plans. The group's net obligation for defined benefit plans is calculated separately for each plan by estimating the future remuneration that employees earned through their employment in both current and previous periods; This compensation is discounted to a present value. The discount rate is the interest rate on the balance sheet date of an investment grade corporate bond, including mortgage bonds, with a maturity corresponding to the group's pension obligations. When there is no viable market for such corporate bonds, the market rate is instead used on government bonds with a corresponding maturity. The calculation is performed by a qualified actuary, using the projected Unit Credit Method. Furthermore, the fair value of any plan assets is calculated as of the reporting date.

The group's net obligation comprises the present value of the obligation, minus the fair value of the plan assets adjusted for any asset constraints.

Interest expense/revenue net of the defined benefit obligation/asset is reported in profit or loss for the year during net financial items. Net interest income is based on the interest that arises when discounting the net obligation, i.e. interest on the obligation, plan assets and interest on the effect of any asset constraints. Other components are reported in operating income.

Revaluation effects consist of actuarial gains and losses, difference between the actual return on management assets and the amount included in net interest income and any changes in the effects of asset restrictions (excluding interest Included in net interest income). The revaluation effects are recognized in other comprehensive income.

When the calculation results in an asset for the group, the carrying amount of the asset is limited to the lower of the surplus in the plan and the asset restriction calculated using the discount rate. The asset restriction is the present value of the future economic benefits in the form of reduced future fees or cash refunds. For the calculation of the present value of future refunds or payments, any requirements for minimum funding are taken into account.

Changes or curtailments of a defined benefit plan are recognized at the earliest of the following dates; A) when the change in the plan or reduction occurs or (b) when the entity reports related restructuring costs and termination benefits. The changes/reductions are reported directly in profit or loss for the year.

The special payroll tax is part of the actuarial assumptions and is therefore accounted for as part of the net obligation/asset. The part of the special payroll tax that is calculated on the basis of the safeguarding law of a legal person is recognized for reasons of simplification as accrued expense instead of as part of the net obligation/asset.

Return tax is reported on an ongoing basis in profit or loss for the period in which the tax relates and is thus not included in the liability calculation. In the case of funded plans, the tax is charged on the return on plan assets and is recognized in other comprehensive income. In unfunded or partly unfunded plans, the tax is charged to net profit for the year.

Other long-term remunerations

The group's net obligation for other long-term benefits, other than pensions, amounts to the value of future benefits that employees have earned as compensation for the services they have performed in the current and previous periods. The compensation is discounted to a present value and the fair value of any plan assets is deducted. The discount rate is determined on the same basis as for defined benefit pension plans. The calculation is done with the so-called "projected unit credit method". Any actuarial gains or losses are recognized in the income for the year in the period in which they arise.

Termination benefits

A cost of remuneration in connection with redundancies is recognized at first when the company can no longer withdraw the offer to the employees or when the company recognizes restructuring costs. The benefits that are expected to be settled after 12 months are reported at its present value. Benefits that are not expected to be settled entirely within twelve months are reported according to long-term benefits.

Provisions

A provision differs from other debts in that there is uncertainty about the period of payment or the amount to regulate the provision. A provision is recognized in the statement of financial position when there is an existing legal or constructive obligation as a result of a past even, and it is probable that an outflow of financial resources will be required to regulate the obligation and a reliable estimate of the amount can be made.

Provisions are made with the amount that is the best estimate of what is required to settle the existing obligation at the balance sheet date. Where the effect of when payment is made is material, provisions are calculated by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and, if applicable, the risks associated with the debt.

A provision for restructuring is recognized when the Group has adopted a comprehensive and formal restructuring plan, and the restructuring has either been started or published. No provisions are made for future operating expenses.

Guarantees

A provision for guarantees is recognized when the underlying products or services are sold. The provision is based on historical data on guarantees and an aggregate of possible outcomes in relation to the probabilities that the outcomes are associated with.

Contingent liabilities

A contingent liability is recognized when there is a possible commitment arising from past events and whose existence is confirmed only by one or more uncertain future events outside the group's control or when there is a commitment that is not recognized as a liability or provision because it is not probable that an outflow of resources will be required or cannot be calculated with sufficient reliability.

Earnings per share

Calculation of earnings per share is based on consolidated profit or loss for the period attributable to shareholders of the parent and on the weighted average number of outstanding shares during the period. The Group has no employee share plans or other type of share program that would cause a dilutive effect on ordinary shares. Therefore Earnings per share after dilution is not calculated.

Parent Company Accounting Policies

The parent company has prepared its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. Statements issued by the Swedish Financial Reporting Board for listed companies are also applied. RFR 2 means that the parent company in the annual report of the legal entity shall apply all IFRS and statements adopted by the EU as far as possible within the framework of the Annual Accounts Act, the Security Law and with regard to the relationship between accounting and taxation. The recommendation specifies the exceptions and additions to IFRS which should be made.

Differences between the group's and the parent company's accounting policies

The differences between the group's and the parent company's accounting principles are shown below. The accounting principles for the parent company described below have been applied consistently to all periods presented in the parent company's financial statements.

Classification and presentation forms

The parent company uses the terms balance sheet and cash flow statement for the reports reported in the Group as the statement of financial position and the statement of cash flows. The income statement and balance sheet are for the parent company in accordance with the annual Accounts Act schedule, while the statement of income and other comprehensive income, the statement of changes in equity and the cash flow analysis is based on IAS 1 Presentation of Financial statements and IAS 7 Statement of Cashflows. The differences with the group's reports that are made in the parent company's income statement and balance sheet consist mainly of accounting for financial income and expenses, fixed assets, equity and the existence of provisions as own heading in the balance sheet.

Subsidiaries

Shares in subsidiaries are reported in the parent company according to the cost method. This means that transaction expenses are included in the carrying amount of investments in subsidiaries. In the consolidated financial statements, transaction expenses attributable to subsidiaries are reported directly in the result when these are incurred.

Financial instruments

As a result of the relationship between accounting and taxation, the rules on financial instruments is not applied in the parent company as a legal entity.

In the parent company, financial fixed assets are valued at cost less any impairment losses and financial current assets according to the lowest value principle. The acquisition value of interest-bearing instruments is adjusted for the accrued difference between what was initially paid, after deduction of transaction costs, and the amount paid on the due date (premium or discount).

Anticipated dividends

Anticipated dividends from subsidiaries are reported in cases where the parent company has the right to decide on the size of the dividend and the parent company has decided on the size of the dividend before the parent company publishes its financial statements.

Tangible fixed assets

Tangible fixed assets in the parent company are reported at cost less accumulated amortization and any impairment losses in the same way as for the group but with additions for any write-ups.

Leased assets
In the parent company, all leasing agreements are reported according to operating lease rules.

Borrowing costs
In the parent company, loan expenditure is charged to the result during the period to which they relate. No borrowing costs are capitalized on assets.

Employee Benefits
Defined benefit plans.

Other grounds for calculating defined benefit plans than those set out in IAS 19 are applied in the parent company. The parent company complies with the provisions of the Swedish legal framework and Finansinspektionen's (the Swedish financial supervisory authority) regulations as this is a precondition for tax deduction. The main differences compared to the rules in IAS 19 are how the discount rate is determined, that the calculation of the defined benefit obligation is based on the current salary level without the assumption of future salary increases, and that actuarial gains and losses are recognized in the income statement.

Group contributions
Group contributions are reported as financial appropriation.

Note 2. Estimates and assessments

The estimates and assessments that Quant's management and Board of Directors mention below are those that are deemed most important to obtain an understanding of Quant's financial reporting. The information is limited to areas that are essential, taking into account the degree of impact and underlying security. Estimates and assessments are based on historical experience and assumptions that management and the Board of Directors consider reasonable under the relevant circumstances. Drawn conclusions form the basis of the carrying amounts of assets and liabilities, where these cannot be determined by information from other sources. Actual outcome may differ from these through estimates and assessments.

Customer contracts
Quant's source of revenues consists mostly of fixed price contracts but also current hourly price contracts. Performance is assessed in relation to the terms of the contract. In order to determine the amounts to be recognized and whether the reservations for losses is to be made, the total contract costs are assessed and the proportion of the contract that has been completed.

Pension obligations
Within the group, defined benefit pension plans have significant commitments for future benefits to current and former staff. To carry out the calculation of the pension liability, actuarial assumptions are of great importance for the outcome of the calculation. The assessments mainly concern the discount rate on commitments and expected return on plan assets, but also assumptions about the rate of wage increases, staff turnover and estimated life expectancy. A reduced discount rate increases the reported pension liability. The actual outcome may deviate from the accounts in the case where the assumptions applied have been shown to be incorrect.

Intangible assets
Intangible assets mainly refer to goodwill, customer contracts and customer relations. Goodwill with an indefinite life expectancy is not subject to annual depreciation. Insofar as the underlying activities develop negatively, an impairment loss may arise. An impairment test is carried out annually mainly based on the value of use, with assumptions about sales development, profit margins, current investments, changes in working capital and more.

Note 3. Financial risk management framwork

Through its operations, Quant is exposed to a number of different financial risks: market risk (primarily currency risk and interest rate risk), financing risk, credit risk and liquidity risk. Financial risks arise when refinancing and credit risks as well as changes in interest rates and exchange rates affect the group's earnings, cash flow and value. Quant has a central treasury function whose overall objective is to act as the group's internal bank, to provide a cost-effective and secure financing of the group, manage interest rate and currency risks and ensure effective liquidity management for the group. Treasury identifies, evaluates and secures financial risks in close co-operation with the group's operating units.

Quant has a finance policy approved by the Board whose purpose is to limit the financial risks that Quant is exposed to and determine how financial risks are to be controlled and managed. The financial policy is revised annually. Risk management and financing activities are reported continuously to management and the Board of Directors. The Board reviews and decides on strategies for managing financial risks as summarized below.

Market risk
Currency risk
Quant's operations are conducted in countries all over the world. The group is thereby exposed to currency risks, both through transactions in foreign currencies and through the translation of income statements and balance sheets into euro. Quant's assets are contracts for the outsourcing of industrial maintenance, which generate revenues and costs mainly in CLP, EUR, SEK and USD but there is also exposure in other currencies. Changes in exchange rates in the aforementioned non-euro currencies thus entail changes in Quant's operating profit.

Sensitivity analysis exchange rate risk
Assuming that the currencies, significant for Quant's earnings and cash flow, are weakened by 10% against the group's functional currency, the group's EBITDA is affected by 8% (9%). The corresponding effect on external borrowing in non-functional currency amounts to 0% (5%).

Transaction exposure
The group is exposed to different types of currency risks. Transaction exposure is derived from the group's sales and purchases in foreign currencies. These currency risks consist partly of the risk of fluctuations in the value of accounts receivable or accounts payable, and the currency risk in expected and contracted cash flows.

Quant's operations are largely local in the countries where the group is active. This means that the transaction exposure risk is limited for the group. Quant's finance policy stipulates no minimum for currency hedging of transaction exposure, at the end of the year Quant had no transaction exposure derivatives outstanding. The group's treasury function evaluates the ongoing transaction exposure risk and proposes hedging strategies.

Translation exposures

Currency risks are also found in the translation of foreign subsidiaries' assets and liabilities to the parent company's functional currency. Quant's exposure to translation risk arises because a large proportion of the subsidiaries have a functional currency that deviates from the accounting currency of the group. In accordance with the financial policy, Quant had not hedged the translation exposure at the end of the financial year.

Financial currency exposure

The group is also exposed to currency risks with respect to payment flows for loans and investments in foreign currency. In accordance with the finance policy, the goal is to limit currency effects on financial investments and loans. Group companies lend and deposits liquidity internally in the local currency of the respective borrowers to the extent possible, depending on the local currency regulations and or the convertibility of the currencies. The net exposure of financial assets and liabilities is centralized to the parent company and currency is hedged according to the group's finance policy. At the end of the period, Quant had financial hedge derivatives outstanding at a nominal value of EUR 0.9 (1.0) million.

Interest rate risk

Interest rate risk is the risk that market rates fluctuate in such a way that Quant's net interest expense develops negatively. The effect on the group's result of a change in interest rates depends on the fixation periods of the loans and investments and the current share of fixed and variable interest rates. Since the group does not hold any significant interest-bearing assets, in addition to bank balances, the group's income from operating activities is essentially independent of changes in market interest rates. Quant is exposed to interest rate risk through interest-bearing borrowing, which is one of the group's sources of finance in addition to equity and cash flow from operating activities. Interest-bearing borrowing consists mainly of centrally agreed bond, which runs on fixed interest rates. In order to limit interest rate risk, Quant has the policy option of concluding interest rate derivatives in order to reduce the effects of future interest fluctuations by changing parts of the variable interest rate at a fixed rate. On December 31, 2018 there were no such interest rate derivative outstanding.

The average fixation period for the group's borrowings (excluding shareholder loans) at the end of 2018 was 3.9 (0.2) years. On the basis of interest rate exposure as of December 31, 2018, a change in market interest rates of one percentage point would affect the group's net financial items by EUR +/- 0.0 (0.9) million. The simulation assumes a parallel shift of all interest rate curves and does not take into account any currency and maturity differences.

Credit risk

The credit risk on financial assets, such as liquid assets and trading in financial instruments, is limited to credit risk for the banks where the group has bank accounts, and with which the group trades in financial instruments. The group's liquidity is concentrated, according to the finance policy, to the parent company and banks with a high rating. The liquidity that remains in the group companies within Quant is usually spread evenly across companies and thus evenly spread on different banks in different geographical areas.

Liquidity risk and financing risk

Liquidity risk is defined as the risk that Quant cannot fulfil its obligations to pay debts on time or at a reasonable cost. The group's capital management aims to create a balance between equity and loan financing so that financing of operations is secured at a reasonable cost of capital. The aim is to finance growth and normal investments with own generated cash flow as far as possible. risks are managed centrally for the entire group of the central treasury function. The group's goal is to always have sufficient funds in available liquidity and unused loan facilities, a so- called liquidity Reserve, to cover 45 days of the group's disbursement needs. Liquidity is monitored continuously to meet expected disbursement needs.

Refinancing is defined as the risk that financing or refinancing is difficult or costly to obtain. Quant has access to funding through the money market and the Board of Directors continuously monitors and evaluates the group's financing and refinancing possibilities over time.

Financial covenants

The group's bonds and its bank facility contain financial commitments, so called covenants, where the group has committed to maintain financial ratios. The bond agreements contain covenants where the group's borrowing against the result does not exceed certain ratios. These covenants are measured only under certain circumstances. The working capital facility contains covenants where drawn working capital facility loans against the group's results may not exceed certain ratios and which are measured quarterly in connection with the quarterly report. The bond and facility agreements are also restrictive in relation to, inter alia, borrowings, the establishment of security or guarantees, acquisitions and sales of companies.

Maturity structure financial liabilities – undiscounted cash flows

The table below shows the undiscounted cash flows relating to the group's interest-bearing financial liabilities based on the remaining maturities of the annual accounts. Variable interest flows with future rate setting days are based on interest rates at year-end. Cash flows in foreign currencies are converted to euro at the balance rates.

2018-12-31

	Nominal amount, local currency	Total	<1 years	1-5 years	> 5 years
Senior Secured Bonds (euro)	92,000	92,000	–	92,000	–
Junior Secured Bonds (euro)	31,050	31,050	–	31,050	–
Super Senior RCF (euro)	11,000	11,000	11,000	–	–
Bank loan (intragroup) (sek)	20,411	1,990	1,990	–	–
Bank loan (intragroup) (eur)	1,860	1,860	1,860	–	–
Capitalized borrowing costs		-3,861	-	-3,861	–
Total		**134,039**	**14,851**	**119,189**	**–**
Bank interest rates		54,861	11,824	43,037	–
Total		**188,900**	**26,675**	**162,226**	**–**

2017-12-31

	Nominal amount, local currency	Total	<1 years	1-5 years	> 5 years
Bank loans (euro)	34,119	34,119	2,954	31,165	–
RCF (euro)	14,000	14,000	14,000	–	–
Bank loan (usd)	27,878	23,245	2,013	21,232	–
Bank loan (sek)	107,978	10,969	950	10,019	–
Bank loan (chf)	9,124	7,797	675	7,122	–
Bank loan (intragroup)	18,900	1,920	1,920	–	–
Bank loan (intragroup)	1,789	1,789	1,789	–	–
Capitalized borrowing costs		-2,475	-433	-2,042	–
Total		**91,365**	**23,868**	**67,497**	**–**
Bank interest rates		15,110	3,751	11,358	–
Total		**106,475**	**27,620**	**78,855**	**–**

Reserve for doubtful debts

Reserve for anticipated loan losses amounts to EUR 1,716 (1,819) thousand. Recorded bad debt losses amounted to EUR 0 (332) thousand.

Because Quant in some countries is dependent on a few major customers, credit risk is counteracted by controlling customer creditworthiness, which also includes an independent credit rating and financial assessments based on previous experience and on the customer's business reputation. In connection with the acquisition of Quant, all customers in the group were subject to credit risk assessment. Before writing new customer contracts, credit review is performed. In addition, there are action plans and procedures for managing overdue accounts receivable and payment checks are carried out regularly.

The table below is an aging analysis of Accounts receivable before reserve for anticipated loan losses.

Accounts receivable aging analysis

	Group	Parent Group
KEUR	**2018**	**2017**
Accounts receivable		
Not due	32,389	24,708
Overdue 0 - 30 days	7,242	7,754
Overdue 31 > 60 days	882	289
Overdue 61 > 90 days	125	296
Overdue 91 >	2,080	2,680
Overdue 360 >	0	0
Total accounts receivable	**42,719**	**35,727**

Capital management

The group's goal is to generate returns to its owners while maintaining a good financial position, which helps to maintain the confidence of investors, creditors, customers and suppliers. In addition to equity, the group is financed through the bank facilities, which contains financial commitments, so called covenants, which limits the group's ability to act freely. For more information, see note 30 interest-bearing liabilities.

Note 4. Segment reporting

	Europe		Americas		Rest of World		Other and elimin		Group	
Income and expenses	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Net sales external	117,925	97,377	57,621	55,393	22,171	33,336	-	-	197,717	186,106
Net sales intrasegment	693	669	-	-	-	-	-693	-669	-	-
Total net sales	**118,618**	**98,046**	**57,621**	**55,393**	**22,171**	**33,336**	**-693**	**-669**	**197,717**	**186,106**
Cost of sales	-102,584	-77,811	-47,643	-45,940	-19,244	-28,771	-2,827	-3,268	-172,297	-155,790
Gross profit	**16,034**	**20,235**	**9,979**	**9,453**	**2,927**	**4,565**	**-3,520**	**-3,938**	**25,420**	**30,315**
Operating expenses	-14,573	-16,686	-4,036	-5,786	-3,750	-5,915	-10,258	-7,847	-32,616	-36,235
Operating profit (loss)	**1,461**	**3,549**	**5,943**	**3,667**	**-822**	**-1,350**	**-13,778**	**-11,785**	**-7,196**	**-5,919**
Depreciation	459	254	508	489	226	277	16	16	1,210	1,036
Amortization	267	265	65	42	65	66	11,655	11,744	12,052	12,117
Write-down of intangible	-	-	-	-	-	-	-	2,088	-	2,088
EBITDA	**2,187**	**4,068**	**6,516**	**4,197**	**-531**	**-1,008**	**-2,107**	**2,064**	**6,065**	**9,322**
Non-recurring items**	2,703	742	-	327	651	2,284	969	265	4,324	3,618
Adjusted EBITDA	**4,890**	**4,810**	**6,516**	**4,524**	**120**	**1,277**	**-1,138**	**2,329**	**10,389**	**12,940**
Adjusted EBITDA margin	**4.1%**	**4.9%**	**11.3%**	**8.2%**	**0.5%**	**3.8%**	**-**	**-**	**5.3%**	**7.0%**
Financial items*									-14,596	-4,970
Profit/loss before taxes									**-21,792**	**-10,889**
Taxes*									241	1,493
Loss for the year									**-21,552**	**-9,395**
Non-recurring items**										
Related to acquisitions	729	-	-	-	-	-	858	-	1,587	-
Related to restructuring	1,974	586	-	261	604	524	111	265	2,689	1,636
Other	-	156	-	66	47	1 760	-	-	47	1,983
Total	**2,703**	**742**	**-**	**327**	**651**	**2,284**	**969**	**265**	**4,324**	**3,618**

*Group management does not follow up Financial items and Taxes per segment.
**To give an accurate view of the group's underlying profit generation capability, management follows up on Adjusted EBITDA, where non-recurring items have been adjusted for. These items related to advisory costs in connection with acquisitions, restructuring costs and other non-recurring items such as for example advisory costs in connection with divestitures and provisions connected to larger legal disputes.

Quant's operations are organized geographically and management follows up the business in three operating geographic regions: Europe, Americas and Rest of world. The reporting segment Other refers primarily to costs for headquarter functions that have not been operationally allocated to the geographic segments. There are no intra-segment revenues charged between the operating segments, as the resources needed to perform services for each segment are procured within the respective segment. Since Quant's business is all related to the supply of maintenance services to its customers, there is no further split of revenues into different types of services supplied.

Note 5. Revenue

From 1 January 2018 the Group complies with the new revenue recognition standard IFRS 15 Revenue from Contracts with Customers. The new standard has not produced any material effect on the financial statements except for the additional disclosure requirements. In our contracts with our customers we commit to performing maintenance and managerial services over an agreed upon period of time and revenue is recognized over the period of time during which these services are rendered.

Within certain contracts Quant performs services in the form of inventory management of spare parts and repair components. This type of inventory passes through Quant's ownership with no profit generated on this type of transaction. Consequently, Quant does not recognize this inventory turnover as a separate revenue category and only recognizes the revenue generated from the managerial services rendered to the customer.

Contract Assets and Contract Liabilities

Quant typically invoices customers in the same period as the service is performed. The revenue is thus recognized in the same period as the invoicing occurs, resulting in limited Contract assets. In some cases, however, invoicing happens in a subsequent period to when the service is performed, resulting in a contract asset. This is recorded as Accrued income in the balance sheet (see note 26).

In some instances, Quant invoices the customer in advance of performing the service, resulting in Contract liabilities. This is recorded as Deferred income in the balance sheet (see note 31).

In addition, some contracts are invoiced at a monthly fixed price but have substantial variation during the year in fulfilment of the related performance obligations. This results in either contract assets or contract liabilities during the year but has an immaterial impact on the year-end result.

Order backlog (Unfulfilled performance obligations)

Quant's customer contracts mainly consist of multi-year contracts, where the customer may or may not have the possibility to terminate prematurely. To give an accurate view of the order backlog, it is management's view that a better representation than the aggregate value of all contract revenue is the Contract portfolio.

Quant's definition of contract portfolio is the annualized value of current customer contracts, adjusted for

- Signed new contracts, included at date of contract signing, irrespective of start date
- Terminated contracts, excluded at date of formal notification, irrespective of end date
- Changes formally agreed with the customers of existing contracts, included at date of agreement. This includes changes due to renewals of contracts or other reasons

At 31 December 2018, Quant's contract portfolio was EUR 205.5 (187.8) million.

Note 6. Employees and personnel costs

Average number of full-time employees (FTEs)	2018	of which men, %	2017	2017 of which men, %
Parent				
Sweden	13	73%	17	66%
Total in the parent company	**13**	**73%**	**17**	**66%**
Group				
Sweden	250	92%	238	89%
Belgium	1	100%	1	100%
Denmark	28	100%	3	100%
Estonia	91	88%	78	91%
Finland	625	96%	225	94%
France	2	100%	4	100%
Germany	16	94%	15	93%
Czech Republic	44	100%	0	
Poland	0		0	
Hungary	10	70%	11	55%
Latvia	27	89%	25	88%
Netherlands	1	100%	1	100%
Norway	7	100%	9	100%
Switzerland	28	86%	29	86%
Great Britain	4	100%	5	100%
Spain	49	88%	44	86%
Italy	17	82%	52	77%
United Arab Emirates	130	100%	71	100%
Canada	0		1	100%
Mexico	11	55%	12	58%
USA	93	95%	71	96%
Argentina	24	100%	55	100%
Brazil	456	95%	536	95%
Chile	704	96%	810	99%
Namibia	0	0%	122	95%
South Africa	73	93%	80	91%
Australia	2	100%	2	100%
China	174	90%	200	91%
Malaysia	2	50%	2	56%
New Zealand	0		40	100%
Total in the Group	**2,882**	**94%**	**2,742**	**94%**

Note 6. Employees and personnel costs

Gender distribution in on the Board of Directors and in Group management

	2018 of which women, %	2017 of which women, %
Board of Directors	0%	0%
Other senior executives	40%	20%

Salaries, other remunerations and social expenses

KEUR	2018		2017	
	Salaries and remuneration	Social security contributions	Salaries and remuneration	Social security contributions
Parent company	1,634	1,151	2,636	1,807
of which pension costs, 1)	-	*699*	-	*727*
Subsidiaries	82,095	23,637	87,326	20,576
of which pension costs	-	*5,729*	-	*4,744*
Group in Total	**83,729**	**24,788**	**89,962**	**22,383**
of which pension costs		*6,428*		*5,471*

1) Of the Parent company's pension costs, EUR 369 (258) thousand is for senior management, in total 5 (5) persons.

Salary and remunerations allocated between
Board members, CEO and other senior executives

KEUR	2018		2017	
	Board and CEO	Other senior executives	Board and CEO	Other senior executives
Parent company	919	760	924	723
of which bonus, etc, 1)	*111*	-	*242*	*53*
Group in Total	**919**	**760**	**924**	**723**
of which bonus, etc	*111*	-	*242*	*53*

In 2018, the CEO was entitled to a maximum of 6 monthly salaries as a bonus. Other senior executives were entitled to between 25% and 50% of annual salary (defined as monthly salary times 12). Total remuneration to the CEO including bonus for the financial year 2018 amounted to EUR 0.7 (0.8) million. Salaries and remuneration for senior executives, excluding the Board of Directors and the CEO, amounted to EUR 0.8 (0.7) million. During the year, senior executives consisted of CEO, CFO, COO, Legal Counsel and Head of Business Development.

Years 2015 through 2018, management has been able to purchase common shares and preferred shares in Cidron Full Service Top Holding AB. As the acquisition of these shares has been made at market value, no cost is recorded.

Severance

For 2018, The CEO had an agreement of 6 months' notice period and 18 months' severance pay.

Other senior executives have a 6 months' notice period and 6 months' severance pay in addition.

Note 7. Auditors' fees

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
KPMG				
Audit engagement	454	354	94	52
Audit activities not including audit engagement	*38*	*96*	-	*78*
Tax consultancy services	1	-	-	-
Other services	154	-	134	-
Total KPMG fees	**647**	**450**	**228**	**130**
Other auditors				
Audit engagement	10	-	-	-
Audit activities not including audit engagement	16	-	-	-
Tax consultancy services	2	-	-	-
Other services	6	-	-	-
Total Other auditors	**34**	**-**	**-**	**-**
Total Auditors' fees	**681**	**450**	**228**	**130**

Note 8. Operating leases

Leases where the company is a leaseholder

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Future minimum lease fees for non-cancellable operating leases				
Within a year	3,703	3,338	103	216
Between one and five years	4,188	3,965	182	106
Later than five years	1	373	-	-
Total	7,892	7,676	285	323
Lease expenses for the year	4,814	5,216	199	255

The Group's lease contracts are comprised of office space, vehicles and equipment.

Note 9. Expenses by Nature

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Materials and consumables	18,612	20,482	-	-
Personnel expenses	118,750	112,893	3,869	4,480
Other external expenses	54,944	42,073	6,737	5,480
Impairment of customer contract	-	2,088	-	-
Depreciation, amortizatio and impairment	13,261	12,916	2,500	2,498
Total expenses	**205,568**	**190,453**	**13,106**	**12,458**

Note 10. Interest income and similar profit/loss items

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Interest income, external	425	157	221	4,486
Group contributions received	-	-	780	-
Interest income, group companies	-	-	5,902	-
Foreign exchange gains	-	643	-	-
Other	-	-	-	-
Total	**425**	**800**	**6,903**	**4,486**

Note 11. Financial expenses

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Interest expense, external	-9,283	-5,506	-9,251	-5,004
Interest expense, group companies	-	-264	-77	-299
Foreign exchange losses	-2,168	-	-2,173	-385
Other	-3,570	-	-4,855	-
Total financial costs	**-15,021**	**-5,770**	**-16,357**	**5,688**

Note 12. Taxes

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Current tax	-2,000	234	-	-29
Current tax attributable to previous year	-115	-	-	-
Deferred tax	2,356	1,260	-	-
Total taxes	**241**	**1,494**	**-**	**-29**

Reconciliation of effective tax

Group

KEUR	2018%	2018	2017%	2017
Profit before tax		**-21,792**		**-10,889**
Tax according to applicable tax rates for the parent	22%	4,794	22%	2,396
Effect of other tax rates on foreign subsidiaries	1%	253	-4%	-390
Non-deductible costs	-7%	-1,482	-8%	-827
Non-taxable income	4%	979	0%	23
Non-income related taxes	0%	-7	-	-
Increase in tax loss carryforwards without corresponding capitalization of deferred tax	-20%	-4,426	0%	-10
Utilization of tax loss carryf orwards not previously recognized	0%	8	-	-
Tax attributable to previous years	1%	122	3%	302
Reported effective tax	**1%**	**241**	**13.7%**	**1,494**

Parent company

KEUR	2018%	2018	2017%	2017
Profit before tax		**-6,614**		**1,958**
Tax according to applicable tax rates for the parent	22%	1,455	22%	-431
Non-deductible costs	-4%	-287	13%	-254
Increase in tax loss carryforwards without corresponding capitalization of deferred tax	-18%	-1,168	-	-
Utilization of tax loss carryforwards not previously recognized	-	-	-34%	656
Reported effective tax	**0%**	**-**	**15**	**-29**

Note 13. Earnings per share

	Group	
KEUR	**2018**	**2017**
Net loss for the year attributable to Parent company shareholders	-21,552	-9,395
Weighted average number of shares during the year	500,000	500,000
Earnings per share, EUR	**-43.10**	**-18.79**

The Group has no employee incentive program that would have a dilutive effect of the Parent company's ordinary shares outstanding. Therefore, Earnings per share after dilution is not calculated.

The total number of shares in the Parent company is 500,000 (500,000) and the entire amount is comprised of common shares. Share capital in the Parent company is EUR 52,733 (52,733).

Note 14. Goodwill

	Group	
KEUR	**2018**	**2017**
Opening acquisition cost	73,380	75,710
Acquisitions	16,688	-
Translation differences	-2,280	-2,330
Closing acquisition cost	87,788	73,380
Net carrying amount at year-end	**87,788**	**73,380**

Note 15. Customer contracts

	Group	
KEUR	**2018**	**2017**
Opening acquisition cost	50,649	53,306
Acquisitions	9,192	-
Translation differences	-1,655	-2,656
Closing acquisition cost	58,187	50,649
Opening accumulated amortization	-20,801	-15,231
Amortization for the year	-6,271	-6,442
Translation differences	715	872
Closing accumulated amortization	-26,357	-20,801
Opening accumulated impairment losses	-6,669	-4,847
Impairment losses	-	-2,088
Translation differences	229	226
Closing accumulated amortization	-6,440	-6,669
Net carrying amount at year-end	**25,390**	**23,179**

For information regarding impairment testing see **note 18.**

Note 16. Customer relations

	Group	
KEUR	**2018**	**2017**
Opening acquisition cost	30,390	31,983
Acquisitions	4,593	-
Translation differences	-993	-1,594
Closing acquisition cost	33,990	30,390
Opening accumulated amortization	-8,291	-5,815
Amortization for the year	-2,901	-2,821
Translation differences	288	345
Closing accumulated amortization	-10,904	-8,291
Net carrying amount at year-end	**23,085**	**22,099**

Note 17. Other intangible assets

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Opening acquisition cost	9,280	9,015	7,669	7,653
Acquisitions	345	-	-	-
Investments	72	321	7	16
Reclassifications	10	-	-	-
Translation differences	-34	-56	-	-
Closing acquisition cost	9,672	9,280	7,676	7,669
Opening accumulated amortization	-5,589	-2,733	-5,031	-2,550
Amortization for the year	-2,886	-2,868	-2,484	-2,481
Reclassifications	-38	-	-	-
Translation differences	11	12	-	-
Closing accumulated amortization	-8,503	-5,589	-7,515	-5,031
Net carrying amount at year-end	**1,169**	**3,690**	**161**	**2,638**

Note 18. Impairment

Goodwill and other intangible assets included when the group was formed and the acquisitions were made in 2014 have been allocated to six cash-generating units (CGU) based on the following regions in accordance with Quant's organizational structure:

- Asia Pacific
- South America
- Southern Europe
- Middle East
- North America
- North and Central Europe
- Sub-Saharan Africa

Quant carried out its annual impairment test as of December 31, 2018. Quant tested if the carrying amount of the cash-generating units exceeded their recoverable amount. The recoverable amount represents the highest of the net realizable value of an asset and its value in use, i.e. the discounted present value of future cash flows.

The recoverable amount of these cash-generating units is based on the calculation of value through the use of cash flow forecasts based on budgets approved by management that spans a period of three years. The pre-tax discount rate applied to cash flow forecasts was 10.3% (10.1%). The annual growth rate for extrapolating cash flows beyond the three-year period was 2% (2%). The annual growth is a conservative assessment and is set equal to expected inflation. The result of the impairment test has meant that management did not identify any impairment of Goodwill, with respect to any CGU.

An impairment test has also been done of the value of Customer contracts. The value of contracts still managed by Quant has been compared to the original value of the customer contracts that make up this asset, by comparing generated profits. Based on this methodology, it is the conclusion of management that there is no further need of impairment of the current carrying value of this asset.

An impairment test has also been done of the value of Customer relations. The value of contracts still managed by Quant for the customers that make up this asset, has been compared to the original value of the customer contracts for the same customers, by comparing generated profits. Based on this methodology, it is the conclusion of management that there is no further need of write downs above the current carrying value of this asset.

Customer contract impairment losses per country

	Group	Parent Group
KEUR	**2018**	**2017**
Namibia	-	1,156
Canada	-	932
Total impairment losses	**-**	**2,088**

Due to the expiry and termination of customer contracts in Namibia and Canada in 2017, customer contracts in those markets recognized impairment losses in the 2017 income statement.

Reported values of how goodwill and other intangible assets have been allocated to the CGU

2018

KEUR	**Customer contracts**	**Customer relations**	**Goodwill**	**Total**
Asia Pacific	1,305	2,751	4,957	9,013
South America	2,961	2,638	4,318	9,917
Southern Europe	2,163	1,927	7,359	11,449
Middle East	584	521	-	1,105
North America	1,751	2,144	5,292	9,187
North and Central Europe	15,268	11,175	56,948	83,391
Sub-Saharan Africa	1,357	1,930	8,915	12,202
Total	**25,390**	**23,085**	**87,788**	**136,263**

2017

KEUR	**Customer contracts**	**Customer relations**	**Goodwill**	**Total**
Asia Pacific	1,748	3,196	4,991	9,935
South America	4,625	3,532	4,802	12,959
Southern Europe	2,884	2,202	7,359	12,445
Middle East	746	570	-	1,312
North America	2,058	2,284	5,167	9,509
North and Central Europe	9,063	7,864	41,150	58,077
Sub-Saharan Africa	2,054	2,451	9,911	14,416
Total	**23,178**	**22,099**	**73,380**	**118,653**

Significant assumptions used in the calculations of value for use

The calculations of carrying values for all CGU are most susceptible to deviations from the following assumptions:

- Forecasts, including operating margin and sales growth
- Discount rate
- Growth rates used to extrapolate cash flows beyond the forecast period

Discount rates

The discount rate represents the financial market's assessment of the risks specific to the company, taking into account both the time value of money and individual risks. The calculation of the discount rate is based on specific circumstances attributable to the company and originates in it weighted average cost of capital (WACC). The calculation of the WACC takes into account that the operations are both leveraged and financed with equity. The cost of equity is based on the expectation of a certain return on capital invested in the financial market. Specific risks are included in the calculation by applying an individual beta value. Beta value is updated annually based on publicly available market data.

Growth that is used to extrapolate cash flows beyond forecast periods

Long-term growth rates are a conservative assessment as they are set to anticipated long-term inflation.

Sensitivity to changes and assumptions

With regard to the calculation of the carrying values, the management considers that no reasonable changes to any of the most important assumptions would result in a materially higher value of the carrying amount of the recoverable amount.

Note 19. Property, plant and equipment

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Opening acquisition cost	7,019	6,003	80	80
Investments	1,097	1,392	-	-
Acquisitions	1,120	-	-	-
Disposals	-401	-26	-	-
Reclassifications	1	-	-	-
Translation differences	-280	-350	-	-
Closing acquisition cost	8,556	7,019	80	80
Opening accumulated depreciation	-4,071	-3,315	-26	-9
Disposals	336	16	-	-17
Reclassifications	-1	-	-	-
Depreciation for the year	-1,205	-1,041	-16	-
Translation differences	201	270	-	-26
Closing accumulated depreciation	-4,739	-4,071	-42	-26
Net carrying amount at year-end	**3,816**	**2,948**	**37**	**54**

Note 20. Participation in Group companies

KEUR	2018	2017
Acquisition cost	99,331	99,331
Closing acquisition cost	99,331	99,331
Net carrying amount at year-end	**99,331**	**99,331**

Parent company and Group holdings of participations in Group companies

Subsidiary/ID no		2018%	2018	2017%	2017
		% share	Carrying amount	% share	Carrying amount
Direct ownership					
Quant US Corp., (5631810)		100%	2,087	100%	2,087
Quant Sweden Holding AB, (556981-3115, Västerås)	50,000	100%	97,244	100%	97,244
Indirect ownership					
Quant Service GmbH, (CHE-344.849.137)		100%		100%	
Quant Service Sweden AB, (556981-7652)		100%		100%	
Quant Brasil Manutenção Industrial LTDA., (35.228.780-747)		100%		100%	
Quant Italy S.R.L., (08789970962)		100%		100%	
Quant Denmark ApS (38362291)		100%		100%	
Quant Finland Oy, (2588556-2)		100%		100%	
Quant Chile SpA, (76502)		100%		100%	
Quant Argentina SA., (110570)		100%		100%	
Quant Industrial Technology Services (Shanghai) Co., Ltd., (310141400017193)		100%		100%	
Quant Service New Zealand Ltd, (5505570)		100%		100%	
Quant New Zealand Ltd., (1264345)		100%		100%	
Quant Australia Pty Ltd, (602 237 230)		100%		100%	
Quant Contracting Services Pty Ltd, (608 304 374)		100%		100%	
Quant Maintenance Mexico S.A. DE C.V., (24061*7)		100%		100%	
Quant Estonia OÜ, (12736628)		100%		100%	
Quant Spain, S.L., (B-87116869)		100%		100%	
Quant Latvia SIA, (40103835794)		100%		100%	
Quant Germany GmbH, (HRB 133266)		100%		100%	
Quant Malaysia SDN. BHD, (115116-W)		100%		100%	
Quant Service Hungary Kft, (Cg.01-09-197470)		100%		100%	
Quant Netherlands B.V., (61625914)		100%		100%	
Quant Belgium NV, (0563.783.301)		100%		100%	
Quant France SAS, (807622923)		100%		100%	
Quant Norway AS, (914317061)		100%		100%	
Quant Service (UK) Ltd., (9254444)		100%		100%	
Quant Services Canada Ltd, (904538-4)		100%		100%	
Quant Service Czech Republic s.r.o., (035 15 737)		100%		100%	
Quant Service Poland sp.z.o.o., (KRS 0000741595)		100%		-	
Quant Denmark A/S (38362291)		100%		-	
Quant South Africa, (1998/020657/07)		74%		74%	
Quant Maintenance Service Namibia (Pty) Ltd, (2014/0522)		100%		100%	
Quant Gulf Equipment and General Maintenance LLC, (1203868)		49%		49%	
			99,331		99,331

The ownership share of the capital corresponds to the share of the votes for the total number of shares.

Note 21. Participation in associated companies

KEUR	2018	2017
Acquisition cost at beginning of year	511	654
Share in associated companies' earnings	116	560
Payment	-557	-665
Translation differences	-	-38
Net carrying amount at year-end	70	511

Specification of the parent company and the group's holdings of participations in associated companies

	2018		2017	
	% share	Equity share	% share	Equity share
Indirect ownership				
"Iskueteu", a limited Partnership New Foundland & Labrador, Canada	49%	70	49%	511

The ownership share of the capital is reported, which also corresponds to the percentage of votes for the total number of shares.

Note 22. Financial assets and liabilities by valuation category in the group

Quant reports the derivatives according to level 2. For all items, with the exception of borrowing, the book value is an approximation of the fair value, which is why these items are not divided into levels according to the valuation hierarchy. The fair value of borrowing for disclosure purposes is based on future cash flows of principal and interest, discounted at the current market rate on the balance sheet date. Given that the bonds issued by Quant were listed at book value on February 7 2019, the book value is deemed to be a good approximation of market value. Fair value measurement includes a valuation hierarchy for inputs to the valuations. This valuation hierarchy is divided into three levels consistent with the levels introduced in IFRS 13 instruments: Disclosures. The three levels are:

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities available to the enterprise at the measurement date.

Level 2: Inputs other than the quoted prices included in Level 1, which are directly or indirectly observable for the asset or liability. It may also relate to inputs other than quoted prices that are observable for the asset or liability, such as interest rate, yield curves, volatility and multiples.

Level 3: unobservable inputs for the asset or liability. At this level, consideration should be given to assumptions that market participants would use when pricing the asset or liability, including risk assumptions.

Financial assets and liabilities by valuation category

KEUR	**Carrying amount**		
2018	**Loan and accounts receivable**	**Derivatives**	**Total**
Assets			
Non-current receivables	5,038	-	5,038
Accounts receivable	41,002	-	41,002
Other receivables	5,592	-	5,592
Accrued income	1,276	-	1,276
Liquid funds	19,735	-	19,735
Total assets	**72,642**	**-**	**72,642**

Liabilities	**Financial liabilities**	**Derivatives**	**Total**
Interest-bearing liabilities	134,039	-	134,039
Other non-current liabilities	265	-	265
Accounts payables	22,043	-	22,043
Other liabilities	5,083	1	5,084
Accrued expenses	7,487		7,487

KEUR	**Carrying amount**		
2017	**Loan and accounts receivable**	**Derivatives**	**Total**
Assets			
Non-current receivables	4,680	-	4,680
Accounts receivable	33,908	-	33,908
Other receivables	6,690	-	6,690
Accrued income	1,293	-	1,293
Liquid funds	12,954	-	12,954
Total assets	**59,525**	**-**	**59,525**

Liabilities	**Financial liabilities**	**Derivatives**	**Total**
Interest-bearing liabilities	91,365	-	91,365
Other non-current liabilities	108	-	108
Accounts payables	22,215	-	22,215
Other liabilities	9,942	1	9,943
Accrued expenses	4,850	-	4,850
Total liabilities	**128,480**	**1**	**128,481**

Note 23. Deferred tax

Change in deferred tax in temporary differences and loss carryforwards

KEUR

Group	Bal at 1 Jan, 2018	Profit/loss for the year	OCI	Via Acquis/ disposal	Translations differences	Bal at 31 Dec, 2018
Intangible assets	-11,662	2,294	-	-2,721	360	-11,729
Pension contributions	568	25	63	-	-	656
Other	573	38	-	-	-294	317
Total	**-10,521**	**2,357**	**63**	**-2,721**	**-66**	**-10,756**

Group	Bal at 1 Jan, 2017	Profit/loss for the year	OCI	Via Acquis/ disposal	Translation differences	Bal at 31 Jan, 2017
Intangible assets	-15,475	3,033	-	-	780	-11,662
Other liabilities	19	-	-19	-	-	0
Pension contributions	585	-	32	-	-49	568
Other	1,302	-1,773	-	-	1,044	573
Total	**-13,569**	**1,260**	**13**	**-**	**1,775**	**-10,521**

Note 24. Other non-current receivables

	Group	
KEUR	**2018**	**2017**
Non-current receivable Norilsk Nickel, Quant Finland	4,393	4,393
Deposits	645	287
Total non-current receivables	**5,038**	**4,680**

The receivable refers to agreed warehousing on behalf of clients. In addition to the above amount, the receivable on Norilsk Nickel is also included in other current receivables in the amount of EUR 2,778 (2,263) thousand.

Note 25. Other receivables

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Current receivable Norilsk Nickel	2,778	2,263		
Other current receivables	2,814	2,455	327	119
Total other receivables	**5,592**	**4,718**	**327**	**119**

Note 26. Prepaid expenses and accrued income

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Completed income not invoiced	-	1,972	-	-
Prepaid expenses	950	935	153	283
Accrued income	1,276	1,293	792	-
Total prepaid expenses and accrued income	**2,226**	**4,200**	**945**	**283**

Note 27. Cash and cash equivalents

The following subcomponents are included in cash:

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Bank deposits	19,735	12,954	758	695
Total Cash and cash equivalents	**19,735**	**12,954**	**758**	**695**

Note 28. Pensions

KEUR	**2018**	**2017**
Provisions for Benefit Pensions Plans	2,932	2,413
Provisions for other pensions	643	265
Total provisions for pensions and similar obligations	**3,575**	**2,677**

Group defined benefit plans

Changes in the present value of the obligation for defined benefit plans

KEUR	**2018**	**2017**
Obligation for defined benefit plans as of 1 January	**2,413**	**2,755**
Paid compensation	-223	-225
Cost recognized in profit for the year	294	230
Cost recognized in other comprehensive income	314	-166
Additional pensions during the year	51	-
Reclassification	-	-
Exchange rate differences	83	-181
Obligation for defined benefit plans as of 31 December	**2,932**	**2,413**

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Overview of defined benefit plans

The group has three defined benefit plans that provide employee benefits to employees when they retire. All plans provide compensation based on average salary during the last ten years of employment calculated with respect to inflation.

2018-12-31	**Pension obligation**	**Plan assets**	**Net**
Switzerland	8,047	5,378	2,669
Others	264	-	264
Total	**8,311**	**5,378**	**2,933**

2017-12-31	**Pension obligation**	**Plan assets**	**Net**
Switzerland	7,115	4,914	2,201
Others	212	-	212
Total	**7,327**	**4,914**	**2,413**

The defined benefit plans are exposed to actuarial risks such as life expectancy, currency, interest rate and investment risks.

The plan assets consist of	**2018**	**2017**
Equity instruments		
Currency (CHF)	6%	5%
Bonds	45%	45%
Equity	21%	21%
Real estate (Switzerland)	20%	20%
Alternative investments	9%	9%
	100%	100%

Actuarial assumptions

The following significant actuarial assumptions have been applied in calculating the obligations:
(weighted average values)

	2018	**2017**
Discount rate	0.8%	0.7%
Expected wage increase	1.0%	1.0%
Expected increase in pensions	0.0%	0.0%

Sensitivity analysis

The table below presents possible changes in actuarial assumptions at the balance sheet date, other assumptions unchanged, and how these would affect the defined benefit obligation.

	2018	**2017**
Discount rate (- 0,25% change)	4%	4%
Discount rate (+ 0,25% change)	-4%	-4%
Expected increase in pensions (+ 0,25% change)	3%	0%
Expected increase in pensions (- 0,25% change)	-3%	1%

Cost recognized in profit for the year

	2018	2017
Costs concerning service for current period	-331	-257
Gain in regulation	53	44
Net interest income / interest expense	-15	-17
Net cost for the year's profit	-294	-230

The cost is reported in the following lines in the income statement for the year

	2018	2017
Cost of goods sold	-294	-230
	-294	-230

Cost recognized in other comprehensive income

Revaluations	2018	2017
Actuarial gains (-) and losses (+)	577	377
Difference between actual return and return according to the discount rate on plan assets	-264	-211
Effects of change in asset limitation, excluding amounts reported in net interest income	-	-
Net reported in other comprehensive income	314	166

Note 29. Provisions

KEUR	Group 2018	Group 2017
Provisions for restructuring	-	330
Other provisions	262	915
Total provisions	**262**	**1,245**

Note 30. Interest-bearings liabilities

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Liabilities due within one year from the balance sheet date:	14,851	24,301	14,851	24,301
Liabilities due within one to five years from the balance sheet date:	123,050	69,539	123,050	69,539
Liabilities due later than five years from the balance sheet date:	-	-	-	-
Capitalized borrowing costs:	-3,861	-2,475	-3,861	-2,475
Total interest-bearing liabilities	**134,039**	**91,365**	**134,039**	**91,365**

On 15 February 2018, the group's bank facilities with Nordea Bank AB (publ) were repaid in their entirety and replaced by two bonds totaling EUR 90.5 million and a working capital facility of EUR 20 million with Nordea Bank (publ). On 29 June 2018 Quant issued further bond of EUR 29.5 million under the senior secured bond agreement. Other changes in interest-bearing liabilities are attributable to currency effects and capitalized interest.

Credit facilities

Senior bonds
Bonds of EUR 62.5 million was issued in the Swedish capital market on 15 February 2018 and has a maturity of five years with maturity date in February 15, 2023. The bonds have a fixed interest rate of 6%, which is paid quarterly. The bonds are issued by Quant AB and are secured with shares in subsidiaries, which are also jointly and severally liable for all obligations under the bond agreement. The super senior working capital facility has a substantive legal priority over the senior bonds, which in turn have a substantive legal priority over the junior bonds. The senior bonds were listed on Luxembourg Stock Exchange on 7 February 2019.

On 29 June 2018 Quant issued further bonds of EUR 29.5 million under the senior secured bond agreement.

Junior bonds
Bonds of EUR 28.0 million was issued in the Swedish capital market on 15 February 2018 and has a maturity of five years and three months with maturity date in 15 May 2023. The bonds have a fixed interest rate of 14%, which is capitalized quarterly. The bonds are issued by Quant AB and are secured with shares in subsidiaries, which are also jointly and severally liable for all obligations under the Bond Agreement. The super senior working capital facility has a substantive legal priority over the senior bonds, which in turn have a substantive legal priority over the junior bonds. The junior bonds were listed on Luxembourg Stock Exchange on 7 February 2019.

Super senior working capital facility
The group has a working capital facility with Nordea Bank AB (publ) of EUR 20 million, which is possible to use for working capital requirements and as collateral for guarantees issued within the framework of Quant's operations. The working capital facility is possible to utilize in many different currencies and drawn loans run at variable interest rates for the loan period plus a margin of 3.25%. Loans under the working capital facility are due according to initial loan period requested by Quant. Refunded amounts are re-available for borrowing until the working capital facility's final maturity date of July 15, 2022. The working capital facility is entered into by Quant AB and secured with shares in subsidiaries, which are also jointly and severally liable for all obligations under the facility agreement. The super senior working capital facility has a substantive legal priority over the senior bond loan, which in turn has a substantive legal priority over the junior bond loan.

Note 31. Accrued expenses and deferred income

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Accrued interest expenses	2,420	891	1,397	115
Accrued restructuring costs	2,241	2,280	111	-
Accrued personnel expenses	10,908	10,888	638	1,212
Deferred income	1,199	1,494	-	-
Other accrued expenses	2,826	1,679	625	641
Total accrued expenses and deferred income	**19,594**	**17,232**	**2,771**	**1,968**

Note 32. Pledged assets, contingent liabilities and contingent assets

Cidron FS Top Holding AB has entered into a security package with lending bank Nordea and with the bondholders of Quant regarding the company's borrowing. The security is set for the revolving credit facility and for the junior and senior bonds as stated in note 3.
For these borrowings, the shares in Quant AB and Quant Sweden Holding AB, via the respective parent company, have been pledged.
The amount indicated as pledged assets in the parent company consists of the parent company's carrying value of the shareholdings.

The amount stated as pledged assets in the group intends to illustrate how the group's shareholders' equity is affected in the event that the pledged shares are to be mobilized.

	Group		Parent company	
KEUR	**2018**	**2017**	**2018**	**2017**
Pledged assets				
Bank guarantees	6,514	6,514	6,514	6,514
Shares in subsidiaries	24,587	39,043	99,331	99,331
Total pledged assets	**31,101**	**45,557**	**105,845**	**105,845**
Contingent liabilities	**-**	**-**	**-**	**-**

Note 33. Transactions with related parties

Related company transactions

All transactions with the Board and the Group's senior executives have been reported in Note 6 Employee and personnel costs. Other than the information in this note, there have been no transactions between any members of the Board or the Group's senior executives.

Nordic Capital invoiced costs related to Quant, totaling EUR 0 (7) thousand during the year.

A group contribution in the amount of EUR 65 (0) thousand from Cidron Full Service Top Holding to Quant AB was accrued at 31 Dec 2018. The amount will be paid during 2019.

Sales within the group

Of the parent company's total sales, 100% (100%) relate to sales to other companies within the Quant group.

Note 34. Interest received and paid and dividends received

KEUR	Group 2018	Group 2017	Parent company 2018	Parent company 2017
Dividends received	-	-	-	1,009
Interest received	426	157	221	838
Interest paid	-7,765	-3,707	-8,010	-3,707
Total	**-7,338**	**-3,550**	**-7,789**	**-1,860**

Note 35. Appropriation of profits

KEUR	
Non-restricted equity in the Parent company at the disposal of the Annual General Meeting:	
Retained earnings	93,139
Loss for the year	-6,614
Total	**89,525**

The board of directors and the CEO propose that the amount be appropriated as follows:

Amount carried forward	**89,525**

Note 36. Business combinations

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 acquired assets and liablities (net)

KEUR	
Intangible assets	345
Other fixed assets	1,120
Total fixed assets	1,465
Net working capital	-646
Total net assets	819
Net debt	-12,506
Fair value of acquired assets and liablities (net)	**-11,687**
Goodwill	16,688
Customer contracts	9,192
Customer relations	4,593
Provisions for deferred taxes	-2,721
Total purchase consideration	**16,065**
Less: cash in acquired companies	-2,257
Cash flow from acquisition	**13,808**
Plus: debt paid off	14,763
Cash flow from acquisition	**28,571**

In addition to the above, an acquisition has also been made in Poland, which has contributed to the cash flow with EUR 22 thousand.

Note 37. 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.

On 6 March 2019 Quant reached an agreement with Oji Fibre Solutions (NZ) Limited to settle a dispute arising from a contract expiry in 2017. Under the terms of the agreement Quant New Zealand Limited will receive NZD 1.2 million (EUR 0.7 million) of contract termination redundancy cost and Oji Fibre Solutions (NZ) Limited revokes its NZD 8.4 million (EUR 5.1 million) claim on Quant New Zealand Limited.

No other significant events have occurred after the reporting period.

Quant AB
556975-5654

Stockholm, April 29, 2019

Mikael Norlin
Chairman of the board

Per Hallius
Director of the board

Olof Faxander
Director of the board

Johan Lundén
Director of the board

Vartan Vartanlan
Director of the board

Casper Lerche
Director of the board

Joachim Zetterlund
Director of the board

Jörgen Bergqvist
Director of the board

Johan Eriksson
CEO

Our audit report has been submitted, April 29, 2019

KPMG

Thomas Forslund
Authorized Public Accountant

KPMG

Erik Gunnarsson
Authorized Public Accountant

Auditor's Report

(Translation from the Swedish original)

To the general meeting of the shareholders of Quant AB (publ), corp. id 556975-5654

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Quant AB (publ) for the year 2018. The annual accounts and consolidated accounts of the company are included on pages 28-29 and 33-76 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2018 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and balance sheet for the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-27 and 30-32. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Quant AB (publ) for the year 2018 and the proposed appropriations of the company's profit or loss.
We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:
- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, April 29, 2019

KPMG

Thomas Forslund
Authorized Public Accountant

KPMG

Erik Gunnarsson
Authorized Public Accountant


QUANT

This annual report is a translation from the original Swedish text. The Swedish text is the binding version and shall prevail in the event of any discrepancies.

For further questions:
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