



INTERIM REPORT Q3
July – September 2020

QUANTTM

Smart services for a sustainable world

INTERIM OVERVIEW

All numbers, unless expressly stated, refer to Continuing operations*

July – September

- Net sales for the period decreased by 11.3% to EUR 42.5 (47.9) million. Organically, net sales decreased by 8.4%
- During the quarter the contract portfolio decreased despite that six contracts were renewed and four contracts were won, as seven contracts were lost, exited or divested. Portfolio run rate annualized net sales at the end of the quarter was EUR 165.4 million, compared to EUR 169.2 million during the second quarter of 2020
- Operating profit amounted to EUR 0.5 million, compared to a profit of EUR 0.5 million prior year
- Adjusted EBITDA decreased to EUR 3.0 million from EUR 3.8 million prior year, excluding the effect of implementation of IFRS 16 Leases. In constant currencies, Adjusted EBITDA for the quarter was EUR 3.1 million. Adjusted EBITDA with IFRS 16 implementation was EUR 3.8 (4.9) million
- Cash flow from operating activities amounted to EUR 1.7 (7.6) million, of which change in working capital amounted to EUR -0.9 (6.2) million
- Net loss amounted to EUR -2.9 million compared to a loss of EUR -1.7 million prior year
- The Adjusted EBITDA for Discontinued operations was EUR -0.2 (-0.5) million and the net loss was EUR -0.0 (-1.5) million, which is not included in the reported numbers above
- Group net loss for the quarter, including discontinued operations, was EUR -2.9 (-3.2) million

January – September

- Net sales for the period decreased by 13.1% to EUR 127.2 (146.3) million. Organically, net sales decreased by 10.4%
- Operating loss amounted to EUR -2.2 million, down from a loss of EUR -1.7 million prior year

- Adjusted EBITDA decreased to EUR 6.0 million from EUR 10.0 million prior year, excluding the effect of implementation of IFRS 16 Leases. In constant currency Adjusted EBITDA would have been EUR 6.5 million. Currency fluctuations had a significant impact on revaluations of internal receivables and payables, especially in the first quarter, impacting Adjusted EBITDA by EUR -2.2 million (-0.1). Adjusted EBITDA with IFRS 16 implementation was EUR 8.8 (13.3) million
- Cash flow from operating activities amounted to EUR 8.8 (10.4) million, of which change in working capital amounted to EUR 4.2 (8.9) million
- Net loss amounted to EUR -15.8 million compared to EUR -6.7 million prior year
- The Adjusted EBITDA for Discontinued operations was EUR -1.0 (-1.6) million and the net loss was EUR -1.2 (-17.0) million, which is not included in the reported numbers above. Group net loss for the year, including discontinued operations, was EUR -17.0 (-23.7) million

Events during the quarter

- On 15 September 2020, Quant announced a signing of a three-year maintenance contract with Alcoa on their Alcoa Mosjøen site in Norway. This is estimated to have an annual contract revenue of EUR 10 million, up from the range of EUR 7.5-9.3 million announced in September
- On 10 November 2020, after the close of the period, it was announced that NKT, a customer in Region Europe, will insource its maintenance after Quant successfully transformed its maintenance operations over the past three years. The decision goes into effect on June 30, 2021 and Quant's contact portfolio will decrease by EUR 9.2 million in the fourth quarter of 2020

KEUR	Q3		Jan-Sep		LTM	Jan-Dec
	2020	2019	2020	2019	Sep 2020	2019
Net sales	42,510	47,927	127,230	146,331	177,502	196,604
Operating profit (loss)	473	487	-2,198	-1,673	-1,400	-875
Adjusted EBITDA	2,983	3,777	6,024	9,996	10,051	14,023
<i>Adjusted EBITDA, %</i>	<i>7.0%</i>	<i>7.9%</i>	<i>4.7%</i>	<i>6.8%</i>	<i>5.7%</i>	<i>7.1%</i>
Adjusted EBITDA IFRS 16	3,849	4,856	8,760	13,304	13,800	18,344
<i>Adjusted EBITDA IFRS 16, %</i>	<i>9.1%</i>	<i>10.1%</i>	<i>6.9%</i>	<i>9.1%</i>	<i>7.8%</i>	<i>9.3%</i>
Cash flow from operating activities	1,679	7,620	8,826	10,429	6,801	8,404
Net debt	-	-	121,286	115,525	121,286	121,121
Net debt / Adjusted EBITDA, times	-	-	-	-	12.1	8.6
Net debt / Adjusted EBITDA IFRS 16, times	-	-	-	-	9.2	7.0
Discontinued operations						
Operating profit (loss)	-21	-1,537	-992	-16,909	-1,597	-17,515
Adjusted EBITDA	-178	-506	-989	-1,647	-1,405	-2,063
Adjusted EBITDA IFRS 16	-171	-460	-929	-1,468	-1,311	-1,851

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

*As part of the transformation program announced in May 2019, Quant has taken the decision to sell or discontinue operations in a number of countries. Operations in these countries are reported as Discontinued operations, and are reported separately in the income statement, balance sheet and cash flow. Historical comparison periods for the income statement and the cash flow statement have been adjusted accordingly.

CEO COMMENTS

TOMAS RÖNN
CEO
QUANT AB (PUBL)



The third quarter showed an increase in business activity in regions Europe, Finland & Baltics and Rest of World which was already noticeable in June. In these regions the negative financial impact from the Covid-19 pandemic was less significant in the third quarter compared to the previous quarter. The Americas, however, did not experience an easing of pandemic restrictions until after the third quarter causing a more challenging business climate in that region during the quarter.

For the Group, revenue and operating profit improved in the third quarter compared to the previous quarter. However, customers continue to postpone shutdowns and additional projects, albeit to a lesser degree than in the second quarter. This continues to have an impact on volume and profitability, especially in the Americas.

Europe is now experiencing a second wave. While we have yet to see any major effects of the second wave, we prepare for its possible impact by continuing to work closely with our customers in order to be proactive and minimize its effects. We are proud of all our employees who are doing excellent work delivering world class maintenance in a safe and sustainable way throughout these challenging times.

During the third quarter of 2020, we won four new contracts of which Alcoa in Norway, (announced mid-September), is the largest one. The three-year contract is estimated to have an annual contract revenue of EUR 10 million, up from the range of EUR 7.5-9.3 million announced in September. The mobilization of the site has begun in preparation for the December 1, 2020 starting date. We are looking forward to the start of our partnership with Alcoa.

In the third quarter, we exited one unprofitable contract, divested a motor service workshop in Finland, and lost five customer contracts. Scope changes in existing contracts and exchange rate effects made our contract portfolio decline by EUR 3.8 million in the quarter. The change in existing contracts is mainly a consequence of the pandemic, particularly from the more challenging business climate in Chile.

In November 2020 Quant announced that our customer NKT in Europe region decided to insource its maintenance in five sites after a successful maintenance operations transformation by Quant. After three years of partnership, Quant and NKT have achieved main agreed objectives. The objectives were to leverage on Quant's proven maintenance concept to enhance safety culture and performance, increase technical availability for bottleneck machines and improve total maintenance cost per ton produced per site. We continue to be in charge of maintenance at one site in Sweden and remain responsible for the sites to be insourced until July 2021.

In early 2020, I initiated a review of our business strategy focused on our ability to drive new sales. I have now launched a strategy update under the vision Smart services for a sustainable world. The first change has been to recruit more salespeople. Other strategic objectives are to enhance our safety and sustainability focus, improve operational performance and continue to implement and develop our digital tools. All these objectives and consequent actions are aimed at providing our customers with world-class services and strengthening our project portfolio.

Early in 2020 Quant lost a site in China, which will be fully demobilized at the end of 2020. This led to a review of Quant's opportunities in the Chinese market and the subsequent decision that Quant execute a medium-term orderly exit from China through divestment or a solvent liquidation. This decision will enable us to focus more on our core countries.

The pandemic still causes prolonged sales cycles in some cases, but in other cases our customers are ready to act quickly to improve production and safety. We continue to see a robust pipeline and interest in our offering. Although we still see challenges related to the pandemic, we at Quant know that our offering is strong and relevant, and the new sales leads are proof of this.

Finally, I would like to thank the entire organization for their hard work and our customers for the trust they place in us.

Tomas Rönn
CEO

THIRD QUARTER OF 2020*

Net sales and profit

Net sales during the quarter decreased to EUR 42.5 million from EUR 47.9 million prior year due to lost sites, and lower sales in the Americas. Organically, i.e. adjusted for acquisitions, non-recurring adjustments and currency, net sales decreased by 8.4% compared to the same quarter last year. The effect from changes in currency rates was -4.8%, while the effect of non-recurring adjustments, related to the harmonized revenue recognition done in Q4 2019, was 1.9%.

For the first nine months net sales decreased to EUR 127.2 (146.3) million due to lost sites, and lower sales in the Americas. Organically, net sales decreased by -10.4%.

Gross profit for the quarter decreased to EUR 6.0 million from EUR 7.8 million prior year mainly due to Covid-19 effects in the Americas.

For the first nine months gross profit was EUR 15.5 million, down from EUR 22.3 million last year due to lower profitability and Covid-19 effects in the Americas and currency fluctuations. The large fluctuations in developing market currencies during the first quarter of 2020 had a significant impact on revaluations of internal receivables and payables. These effects impacted gross profit by EUR -2.2 million (-0.1). There is no cash flow effect from the revaluations, as they are unrealized gains and losses and are an effect of the setup and internal transactions of the Quant group.

Operating profit for the quarter was EUR 0.5 million, compared to a profit of EUR 0.5 million prior year due to lower gross profit compensated by lower SG&A costs. The decrease in SG&A costs was a result of the transformation program launched last year.

Operating loss for the first nine months was EUR -2.2 million, compared to a loss of EUR -1.7 million prior year due to lower gross profit somewhat offset by lower SG&A costs. The lower SG&A costs this year relate to the transformation program launched last year. The SG&A costs in 2019 were also unusually high due to one-off costs in connection with the change of CEO at the beginning of 2019.

Quarterly adjusted EBITDA decreased to EUR 3.0 million from EUR 3.8 million prior year due to lower gross profit partly compensated with lower SG&A costs. In constant currency the adjusted EBITDA was EUR 3.1 million. Quarterly adjusted EBITDA with IFRS 16 was EUR 3.8 (4.9) million. Adjusted EBITDA, excluding the impact from IFRS 16, for the first nine months was EUR 6.0 million, down from EUR 10.0 million prior year due to the same reasons. In constant currency the adjusted EBITDA was EUR 6.5 million.

Net financial items for the quarter were EUR -3.6 million, in line with previous year, and primarily comprised of interest expense on borrowings.

For the first nine months net financial items amounted to EUR -14.8 (-7.3) million and were negatively affected by foreign exchange rate fluctuations in the first quarter.

Net loss in the quarter amounted to EUR -2.9 million compared to EUR -1.7 million prior year due to lower gross profit. Net loss for the first nine months amounted to EUR -15.8 million compared to a loss of EUR -6.7 million prior year due to the same reasons, as well as foreign exchange losses in the first quarter.

The Adjusted EBITDA for discontinued operations was EUR -0.2 (-0.5) million in the quarter and for the first nine months the Adjusted EBITDA was EUR -1.0 (-1.6) million. For discontinued operations, the net loss in the quarter was EUR -0.0 (-1.5) million and for the first nine months the net loss was EUR -1.2 (-17.0) million. The significant net loss for discontinued operations in the second quarter last year was due to a write down of intangible assets.

Adjusted EBITDA and margin



Cash flow

Cash flow from operating activities for the quarter amounted to EUR 1.7 (7.6) million. Change in net working capital was EUR -0.9 (6.2) million for the quarter, with liabilities decreasing more than the increase of receivables collection. Cash flow from change in loans was zero, compared to EUR -9.0 million previous year.

Cash flow from operating activities for the first nine months amounted to EUR 8.8 (10.4) million. Change in working capital was EUR 4.2 (8.9) million and was positively impacted by the collection of trade receivables.

For the total Group, including both continuing and discontinued operations, total cash flow for the quarter was EUR 0.5 (0.7) million. At 30 September 2020 the amount drawn on the revolving working capital facility amounted to EUR 16.0 (3.0) million.

For the total Group, cash flow for the first nine months was EUR 14.4 (-6.3). The first nine months of 2020 was positively impacted by the increase in working capital facility of EUR 9 million, as well as cash flow from operating activities of EUR 9 million, while during the same period in 2019 discontinued operations were affected negatively by large payments to suppliers at the beginning of the year, as well as year-end timing effects of customer payments.

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 outsourced maintenance, changes to the contract portfolio is a natural part of doing business, as contracts are won and lost. 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 42.0 million are scheduled for renewal during the next twelve months.

During the third quarter four new contracts were won with annualized net sales of EUR 11.1 million, seven contracts were lost, exited or divested with annualized net sales of EUR 10.3 million and six contracts were renewed with decreased scope of -0.8 million. The combined effect of these changes, including scope changes in existing contracts and exchange rate effects of EUR -3.8 million, amount to a decrease in the contract portfolio annualized net sales of EUR 3.8 million to end of quarter annualized run rate of EUR 165.4 million, compared to 169.2 at the end of the second quarter.

During the first nine months of 2020 seven new customer contracts with annualized net sales of EUR 13.4 million were won, eleven contracts were renewed with decreased scope of EUR 2.9 million and sixteen contracts were lost, exited or divested with annualized net sales of EUR 24.1 million. The combined effect of these changes, including contracted scope changes and

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exchange rate effects of EUR -7.9 million, amount to a decrease in the contract portfolio annualized net sales of EUR 21.6 million to end of period annualized run rate of EUR 165.4 (178.4) million.

Financial position

Interest-bearing liabilities after deduction of financing costs, and excluding lease liabilities, amounted to EUR 148.2 (128.9) million. During the third quarter interest-bearing liabilities increased by EUR 1.5 million due to interest capitalized on outstanding debt. There were no issuances, repurchases or repayments of debt and equity securities that occurred during the quarter.

Net debt excluding the impact of IFRS 16 implementation amounted to EUR 121.3 (115.5) million, whereas Net debt with IFRS 16 effects included (Net Debt IFRS 16) amounted to EUR 126.3 (123.6) million (see separate table for calculation of Net debt and other Alternative Performance Measures).

In the first quarter a EUR 9 million draw on the revolving working capital facility was made. Given the uncertainties brought by the coronavirus pandemic to general business and the financial markets during the first quarter, the decision was taken to secure significant liquidity as a precaution. With EUR 26.8 million (EUR 13.4 million) in cash and bank at the end of the third quarter the Group has a good liquidity position. During October 2020, Quant repaid EUR 5 million of the drawn amount of the revolving working capital facility.

Items affecting comparability

Items affecting comparability includes events and transactions with significant effects, which are affecting the possibility to accurately compare income for the current period with previous periods, including:

- Restructuring initiatives
- Costs related to M&A

- Significant impairment
- Other major non-recurring income or costs

Items affecting comparability are recorded as non-recurring items, which amounted to EUR +0.1 (-1.6) million for the Group in the quarter, of which EUR +0.2 (-1.1) million was related to discontinued operations. Of the EUR 0.1 million non-recurring items, EUR +0.1 million, was related to restructuring costs for the Group's transformation program, of which EUR +0.2 million are related to discontinued operations.

Year to date EUR -0.7 (-4.5) million has been recorded as non-recurring items, of which EUR 0.0 (-1.4) million was related to discontinued operations. Of the EUR -0.7 million non-recurring items, EUR -0.6 million, was related to restructuring costs for the Group's transformation program, of which EUR 0.0 million was related to discontinued operations.

Parent company and ownership

Quant AB offers headquarter functions for the group and includes group management as well as group-wide functions. Cash and cash equivalents at the end of the period amounted to EUR 9.3 (0.3) million. Quant AB is owned by Cidron FS Holding AB. The group's parent company is Cidron FS Top Holding AB, which owns 100% of the shares in Cidron FS Holding AB. The ultimate beneficial owner of Cidron FS Top Holding AB is Nordic Capital Fund VIII.

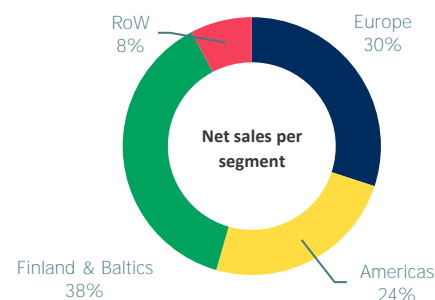
Significant events after the close of the period

On November 10, 2020 it was announced that NKT, a customer in Region Europe, will insource its maintenance after Quant successfully transformed its maintenance operations over the past three years. The decision goes into effect on June 30, 2021 and Quant's contact portfolio will decrease by EUR 9,2 million in the fourth quarter of 2020.

SEGMENTS

Quant’s customer contracts consist of providing maintenance outsourcing services, and as such net sales is recognized over time as the services are performed.

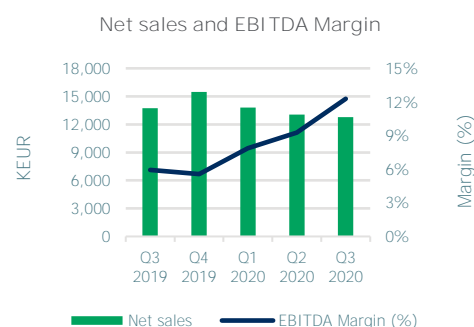
Quant is organized in a geographic setup, which is reflected in the reporting of financials in four geographic segments. The reporting segment Other refers primarily to costs for headquarters functions that have not been operationally allocated to the geographic segments and eliminations. Assets held for sale and discontinued are reported separately as Discontinued operations.



Europe

Net sales in the quarter decreased to EUR 12.8 million, from EUR 13.7 million prior year, mainly due to one lost contract. This contract was large in terms of revenue but with low profitability. For the first nine months net sales decreased to EUR 39.6 million, from EUR 42.2 million prior year, due to the same reason.

Adjusted EBITDA for the quarter was EUR 1.6 million, up from EUR 0.8 million prior year mainly due to lower overhead costs as an effect of the transformation program but the performance in existing contracts also improved slightly. For the first nine months Adjusted EBITDA was EUR 3.9 million, up from EUR 2.0 million, due to the same reasons and new sites.

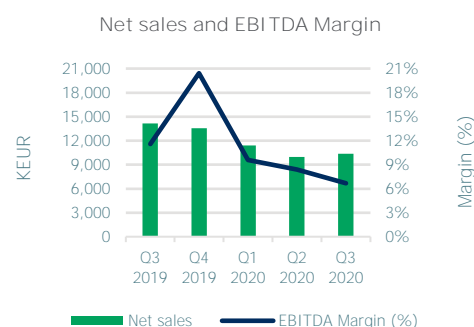


KEUR	Q3		Jan-Sep		Jan-Dec
	2020	2019	2020	2019	2019
Net sales	12,768	13,744	39,610	42,237	57,717
Operating profit (loss)	1,538	642	3,644	1,373	2,127
Adjusted EBITDA	1,570	817	3,866	2,031	2,893
Adjusted EBITDA %	12.3%	5.9%	9.8%	4.8%	5.0%

Americas

Net sales in the quarter decreased to EUR 10.4 million, from EUR 14.2 million prior year due to a lost contract in Brazil and lower revenue for certain contracts in Chile. For the first nine months net sales decreased to EUR 31.8 million, from EUR 41.7 million, due to the same reasons.

Adjusted EBITDA in the quarter was EUR 0.7 million, down from EUR 1.6 million prior year due to decreased profitability in Chile connected to the lower revenue and Covid-19 effects. This was partly compensated with better profitability in Brazil as well as lower overhead costs due to the transformation program. For the first nine months Adjusted EBITDA was EUR 2.6 million, down from EUR 5.0 million, due to the same reasons.

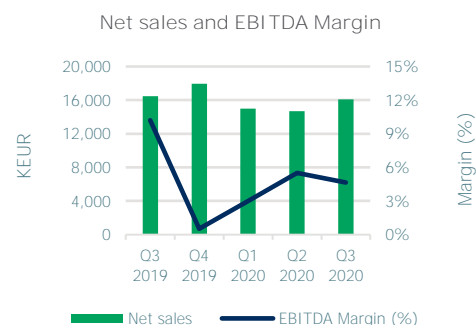


KEUR	Q3		Jan-Sep		Jan-Dec
	2020	2019	2020	2019	2019
Net sales	10,378	14,176	31,753	41,727	55,280
Operating profit (loss)	576	1,472	2,224	4,295	6,932
Adjusted EBITDA	692	1,643	2,623	5,040	7,812
Adjusted EBITDA %	6.7%	11.6%	8.3%	12.1%	14.1%

Finland & Baltics

Net sales in the quarter decreased to EUR 16.1 million, from EUR 16.5 million due to lost contracts and low revenue in the field service business in Finland, partly compensated with revenues from a new contract. For the first nine months net sales decreased to EUR 45.8 million, from EUR 51.5 million, due to the same reasons.

Adjusted EBITDA in the quarter was EUR 0.7 million, down from EUR 1.7 million due to lost contracts and lower profitability in existing ones. For the first nine months Adjusted EBITDA was EUR 2.0 million, down from EUR 2.3 million, due to the same reasons.

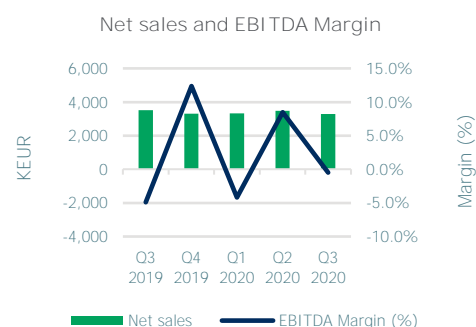


KEUR	Q3		Jan-Sep		Jan-Dec
	2020	2019	2020	2019	2019
Net sales	16,081	16,490	45,778	51,491	69,427
Operating profit (loss)	666	1,517	1,548	1,596	987
Adjusted EBITDA	748	1,684	2,009	2,323	2,415
Adjusted EBITDA %	4.6%	10.2%	4.4%	4.5%	3.5%

Rest of the world

Net sales in the quarter decreased to EUR 3.3, from EUR 3.5 million. For the first nine months net sales decreased to EUR 10.1 million, from EUR 10.9 million, due to terminated contracts and revised scope in existing contracts.

Adjusted EBITDA was EUR -0.0 million, up from EUR -0.2 million last year due to increased performance in UAE. For the first nine months Adjusted EBITDA was EUR 0.1 million, down from EUR 0.5 million. The low result this year was due to cost provisions in the first quarter in connection with a lost site in China, partly compensated with lower overhead costs due to the transformation program, whereas last year was positively impacted by a reimbursement of costs from an earlier contract termination.



KEUR	Q3		Jan-Sep		Jan-Dec
	2020	2019	2020	2019	2019
Net sales	3,283	3,518	10,089	10,876	14,179
Operating profit (loss)	-42	-363	52	103	481
Adjusted EBITDA	-16	-173	139	537	946
Adjusted EBITDA %	-0.5%	-4.9%	1.4%	4.9%	6.7%

SEGMENT OVERVIEW

On January 1st, a new organizational structure was launched for Quant, with Finland and Baltics merged and split out as a separate region, and Scandinavia merging with the rest of the European countries forming a new region Europe. The segment reporting has been updated to reflect the new organizational structure, and the restated 2019 quarterly numbers are found in Quant's Interim report Q2 located on Quant's homepage.

Net sales

KEUR	Q3		Jan-Sep		LTM	Jan-Dec
	2020	2019	2020	2019	Sep 2020	2019
Europe	12,768	13,744	39,610	42,237	55,089	57,717
Americas	10,378	14,176	31,753	41,727	45,307	55,280
Finland & Baltics	16,081	16,490	45,778	51,491	63,714	69,427
Rest of world	3,283	3,518	10,089	10,876	13,392	14,179
Other	-	-	-	-	-	-
Group (continuing operations)	42,510	47,927	127,230	146,331	177,502	196,604

Operating profit (loss)

KEUR	Q3		Jan-Sep		LTM	Jan-Dec
	2020	2019	2020	2019	Sep 2020	2019
Europe	1,538	642	3,644	1,373	4,397	2,127
Americas	576	1,472	2,224	4,295	4,862	6,932
Finland & Baltics	666	1,517	1,548	1,596	939	987
Rest of world	-42	-363	52	103	431	481
Other	-2,266	-2,781	-9,666	-9,039	-12,030	-11,403
Group (continuing operations)	472	487	-2,198	-1,673	-1,401	-875

Adjusted EBITDA

KEUR	Q3		Jan-Sep		LTM	Jan-Dec
	2020	2019	2020	2019	Sep 2020	2019
Europe	1,570	817	3,866	2,031	4,728	2,893
Americas	692	1,643	2,623	5,040	5,394	7,812
Finland & Baltics	748	1,684	2,009	2,323	2,101	2,415
Rest of world	-16	-173	139	537	548	946
Other	-12	-194	-2,612	64	-2,720	-43
Group (continuing operations)	2,983	3,777	6,024	9,996	10,051	14,023
Group, %	7.0%	7.9%	4.7%	6.8%	5.7%	7.1%
Adjusted EBITDA IFRS 16 (continuing operations)	3,849	4,856	8,760	13,304	13,800	18,344
Adjusted EBITDA IFRS 16 (continuing operations) %	9.1%	10.1%	6.9%	9.1%	7.8%	9.3%

SIGNATURE PAGE

The condensed set of financial statements in this interim report were prepared in accordance with IFRS, as approved by the EU and with generally accepted accounting practices, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the company.

Stockholm, November 30, 2020

Casper Lerche

Director, Chairman of Finance and Audit Committee

Henrik Sandréus

Director, Member of Finance and Audit Committee

Tomas Rönn

CEO

The report has not been subject to review by the Company's auditors.

Contact Information



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Quant AB, organization number: 556975-5654

Financial Calendar



Interim report Q4 October – December 2020: February 26, 2021

Annual report 2020: April 30, 2021

Interim report Q1 January – March 2021: May 21, 2021

Interim report Q2 April – June 2021: August 20, 2021

Interim report Q3 July – September 2021: November 19, 2021

Interim report Q4 October – December 2021: February 28, 2022

CONSOLIDATED ACCOUNTS

Condensed Consolidated Income Statement

KEUR	Q3		Jan-Sep		Jan-Dec
	2020	2019	2020	2019	2019
<i>Continuing operations</i>					
Net sales	42,510	47,927	127,230	146,331	196,604
Cost of sales	-36,538	-40,130	-111,743	-123,988	-166,903
Gross profit	5,972	7,798	15,486	22,343	29,701
Research and development costs	-57	-84	-206	-316	-397
Selling expenses	-512	-444	-1,768	-1,945	-2,902
General and administration expenses	-4,969	-6,782	-15,754	-21,942	-27,424
Other operating items	39	-1	44	189	147
Operating profit (loss)	473	487	-2,198	-1,673	-875
Net financial items	-3,646	-3,026	-14,793	-7,317	-9,033
Profit (loss) before tax	-3,173	-2,538	-16,991	-8,990	-9,908
Tax	313	855	1,171	2,290	2,786
Net profit (loss)	-2,859	-1,683	-15,821	-6,700	-7,123
<i>Discontinued operations</i>					
Net sales	55	1,176	601	7,337	8,049
Operating profit (loss)	-21	-1,537	-992	-16,909	-17,515
Profit (loss) before tax	-26	-1,416	-1,008	-17,068	-17,015
Net profit (loss)	-26	-1,504	-1,171	-17,000	-17,350
<i>Group total</i>					
Net sales	42,565	49,104	127,830	153,668	204,653
Operating profit (loss)	452	-1,050	-3,190	-18,582	-18,390
Profit (loss) before tax	-3,199	-3,954	-17,999	-26,058	-26,923
Net profit (loss)	-2,885	-3,187	-16,992	-23,701	-24,473
Net profit (loss) attrib to parent company shareholders	-2,885	-3,187	-16,992	-23,701	-24,473
Earnings per share basic*, EUR					
Continuing operations	-5.72	-3.37	-31.67	-13.40	-14.25
Earnings per share basic*, EUR					
Discontinued operations	-0.05	-3.01	-2.34	-34.00	-34.70
*As no potential shares exist, there is no dilution effect.					
Number of shares at end of period	500,000	500,000	500,000	500,000	500,000
Number of shares average	500,000	500,000	500,000	500,000	500,000

Condensed Consolidated Statement of Comprehensive income

KEUR	Q3		Jan-Sep		Jan-Dec
	2020	2019	2020	2019	2019
Net profit (loss)	-2,885	-3,187	-16,992	-23,701	-24,473
<i>Other comprehensive income</i>					
Translations differences pertaining to foreign operations	2	-185	3,976	-790	-3,609
Items that will be reclassified to profit or loss	2	-185	3,976	-790	-3,609
Revaluation of defined benefit plans	2	0	-23	2	-89
Tax pertaining to items that will not be reallocated to profit/loss	-1	-	3	-	18
Items that will not be reclassified to profit or loss	1	0	-20	2	-71
Other comprehensive income	2	-185	3,957	-788	-3,680
Total comprehensive income	-2,883	-3,372	-13,035	-24,489	-28,153

Condensed Consolidated Statement of Changes in Equity

KEUR	30 Sep 2020	30 Sep 2019	31 Dec 2019
Opening Shareholder's equity	-17,474	10,680	10,680
Net income/loss for the period	-16,992	-23,701	-24,473
Other comprehensive income	3,957	-788	-3,681
Total comprehensive income	-13,035	-24,489	-28,153
Closing Shareholder's equity	-30,509	-13,809	-17,474

Condensed Consolidated Statement of Financial Position

KEUR	30 Sep 2020	30 Sep 2019	31 Dec 2019
Non-current assets			
Intangible fixed assets	103,467	115,556	112,643
Tangible fixed assets	1,636	2,615	2,266
Right of use assets	4,834	7,960	6,925
Financial fixed assets	2,170	1,913	2,087
Total non-current assets	112,107	128,044	123,921
Current assets			
Inventories	1,614	1,825	1,657
Current receivables	31,563	41,170	42,242
Cash and bank	26,881	13,411	13,190
Assets held for sale	243	4,331	1,960
Total current assets	60,302	60,737	59,050
Total assets	172,408	188,781	182,971
Equity	-30,509	-13,809	-17,474
Non-current liabilities			
Long term borrowings	128,014	122,043	123,267
Provisions for pensions and similar obligations	3,904	3,380	3,597
Provisions for taxes	5,892	8,558	7,755
Leasing liabilities	2,526	4,320	3,764
Other non interest bearing liabilities, external	-	-	-
Total non-current liabilities	140,336	138,300	138,383
Current liabilities			
Accounts payable, trade	9,766	11,724	13,593
Short term borrowings	20,153	6,894	11,045
Leasing liabilities	2,530	3,781	3,360
Other provisions	836	812	775
Other current liabilities	28,697	37,025	30,891
Liabilities related to assets held for sale	600	4,054	2,396
Total current liabilities	62,582	64,290	62,061
Total Liabilities	202,918	202,590	200,444
Total Liabilities and Equity	172,408	188,781	182,971

Condensed Consolidated Cashflow Statement

KEUR	Q3		Jan-Sep		Jan-Dec
	2020	2019	2020	2019	2019
<i>Continuing operations</i>					
Profit (loss) after financial items	-3,173	-2,538	-16,991	-8,990	-9,908
<i>Adjustments for non-cash items</i>					
Reversal of depreciation & amortization	2,602	2,962	7,954	9,059	11,918
Reversal of depreciation Right of Use Assets	742	947	2,353	2,900	3,782
Change in provisions	86	524	439	524	722
Other	2,663	392	11,707	-563	-97
Total items not affecting cash	6,093	4,825	22,453	11,920	16,325
Taxes paid	-305	-832	-827	-1,388	-1,714
<i>Working Capital</i>					
Change in inventories	413	176	34	1,394	1,570
Change in receivables	773	5,684	7,902	3,992	1,861
Change in liabilities	-2,123	304	-3,745	3,502	270
Cash flow from working capital	-937	6,164	4,190	8,888	3,701
CASH FLOW FROM OPERATING ACTIVITIES	1,679	7,620	8,826	10,429	8,404
<i>Investing activities</i>					
Change in subsidiaries	-	-	-	0	-0
Change in intangible assets	-	-7	-	-9	-60
Change in tangible assets	-83	-84	-322	-466	-555
Change in financial fixed assets	-72	4,366	-150	4,299	4,312
CASH FLOW FROM INVESTING ACTIVITIES	-155	4,275	-472	3,823	3,697
<i>Financing activities</i>					
Change in loans	-0	-9,000	9,000	-8,000	-4,000
Change in financial leases	-780	-1,112	-1,792	-2,940	-3,830
CASH FLOW FROM FINANCING ACTIVITIES	-780	-10,112	7,208	-10,940	-7,830
TOTAL CASH FLOW FROM CONTINUING OPERATIONS	744	1,782	15,561	3,312	4,271
<i>Discontinued operations</i>					
Cash flow from operating activities	-257	-997	-1,170	-9,288	-10,299
Cash flow from investing activities	10	64	10	130	131
Cash flow from financing activities	-2	-161	-51	-418	-545
TOTAL CASH FLOW FROM DISCONTINUED OPERATIONS	-249	-1,094	-1,211	-9,576	-10,714
<i>Group</i>					
Cash flow from operating activities	1,422	6,622	7,656	1,141	-1,895
Cash flow from investing activities	-145	4,339	-462	3,954	3,828
Cash flow from financing activities	-782	-10,273	7,156	-11,358	-8,375
CASH FLOW FOR THE PERIOD	495	688	14,350	-6,264	-6,443
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	26,628	12,804	13,190	19,735	19,735
Cash flow for the period	495	688	14,350	-6,264	-6,443
Exchange rate effects	-242	-81	-659	-60	-101
CASH & CASH EQUIVALENTS AT END OF PERIOD	26,881	13,411	26,881	13,411	13,190

PARENT COMPANY

Condensed Parent Company Income Statement

KEUR	Q3		Jan-Sep		Jan-Dec
	2020	2019	2020	2019	2019
Net sales	2,954	3,235	8,323	11,111	14,522
Cost of sales	-621	-788	-1,868	-2,457	-3,334
Gross profit	2,333	2,447	6,455	8,655	11,188
Research and development costs	-58	-60	-157	-227	-284
Selling expenses	-132	-84	-412	-400	-581
General and administration expenses	-916	-1,250	-3,340	-5,797	-8,126
Other operating items	-73	-133	-647	-113	-41
Operating profit (loss)	1,154	920	1,899	2,119	2,157
Interest income	821	1,781	3,050	5,313	1,732
Interest expenses	-3,013	-2,780	-9,359	-7,597	-10,392
Other financial items	-111	-284	-308	-485	-14,894
Foreign exchange gains/losses	-653	-682	-4,220	-1,354	-11
Net financial items	-2,956	-1,965	-10,837	-4,123	-23,565
Profit (loss) before tax	-1,802	-1,045	-8,938	-2,004	-21,409
Tax	-1	-347	-90	-347	-359
Net profit (loss)	-1,803	-1,392	-9,027	-2,351	-21,768
Net profit (loss)	-1,803	-1,392	-9,027	-2,351	-21,768

Condensed Parent Company Statement of Comprehensive Income

KEUR	Q3		Jan-Sep		Jan-Dec
	2020	2019	2020	2019	2019
Net profit (loss)	-1,803	-1,392	-9,027	-2,351	-21,768
Total comprehensive income	-1,803	-1,392	-9,027	-2,351	-21,768

Condensed Parent Company Statement of Financial Position

KEUR	30 Sep 2020	30 Sep 2019	31 Dec 2019
Intangible fixed assets	0	7	5
Tangible fixed assets	714	877	836
Financial fixed assets	101,897	99,776	101,757
Total non-current assets	102,610	100,660	102,599
Inventories	-	-	-
Current receivables	112,558	128,300	112,827
Cash and bank	9,340	259	769
Total current assets	121,898	128,559	113,595
Total assets	224,508	229,219	216,194
Equity	58,784	87,231	67,811
Long term borrowings	128,014	122,043	123,267
Provisions for pensions and similar obligations	752	551	585
Deferred tax liability	-	-	-
Other non interest bearing liabilities, external	523	649	618
Total non-current liabilities	129,289	123,242	124,469
Accounts payable, trade	267	597	506
Short term borrowings	20,153	6,894	11,045
Other provisions	-	-	-
Other current liabilities	16,015	11,256	12,362
Total current liabilities	36,435	18,746	23,914
Total Liabilities	165,725	141,988	148,383
Total Liabilities and Equity	224,508	229,219	216,194

ALTERNATIVE PERFORMANCE MEASURES

Quant uses certain alternative performance measures (APMs) not defined in the rules for financial reporting adopted by Quant. APMs, i.e. performance measures not based on financial statements standards, provide meaningful supplemental information by excluding items that may not be indicative of the operating result or cash flows of Quant. Alternative performance measures enhance comparability from period to period and are frequently used by analysts, investors and other parties. These APMs, as defined, cannot be fully compared with other companies' APMs and should not be considered as a substitute for measures of performance in accordance with IFRS.

Alternative Performance Measure	Definition	Reason for use
EBITDA	Earnings before interest, tax, depreciation and amortization, and before write-down of intangible and tangible assets.	Shows the operational profitability that the business primarily can affect
Adjusted EBITDA	EBITDA excluding items affecting comparability (non-recurring items) and the effect of IFRS 16 Leases	Related to the underlying performance and cash generation ability of the business
Adjusted EBITDA Margin	Adjusted EBITDA as a percentage of Net Sales	Enables comparability of underlying profitability for different size segments
Adjusted EBITDA IFRS 16	EBITDA excluding items affecting comparability (non-recurring items), but including the effect of IFRS 16 Leases, with expenses related to leases in Depreciation and Interest cost	Related to the underlying performance and cash generation ability of the business, aligned with updated IFRS standards
Net debt	Interest-bearing liabilities, excluding lease liabilities, less cash and cash equivalents	Indicates how much debt the group has net of cash and is an important measure for bond holders
Net debt IFRS 16	Interest-bearing liabilities, including lease liabilities, less cash and cash equivalents	Indicates how much debt the group has net of cash, with lease liabilities recorded as debt in accordance with IFRS 16, aligned with adjusted EBITDA IFRS 16
Net debt/adjusted EBITDA / Net Debt / Adjusted EBITDA IFRS 16	Net debt in relation to adjusted EBITDA / Net debt IFRS 16 in relation to adjusted EBITDA IFRS 16	Shows the ability to service debt, an important measure for bond holders, both without and with application of IFRS 16
Growth excluding structural and other non-recurring adjustments	Growth excluding structural changes and other non-recurring adjustments shows the change in net sales, excluding changes related to acquisitions, divestments, and other non-recurring adjustments, such as accounting related changes	Shows the actual growth, including currency effects, of the business
Organic growth	Organic growth refers to growth in net sales excluding (i) growth related to acquisitions and divestments and other non-recurring adjustments and (ii) growth related to fluctuations in currency exchange rates	Shows the actual growth of the business, excluding currency effects
Local currency/constant currencies	Excludes the impact of changes in exchange rates when translating net sales and profits of entities with reporting currencies other than Euro, to the group currency Euro	Shows growth excluding currency effects
Contract Portfolio	The annualized net sales of current customer contracts, adjusted for (i) signed new contracts, included at date of contract signing, irrespective of start date; (ii) terminated contracts, excluded at date of formal notification, irrespective of end date; (iii) 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	Shows current recurring annual net sales adjusted for short- and medium-term changes
Items affecting comparability/non-recurring items	Items affecting comparability are of a one-off, non-recurring, non-operational, extraordinary, unusual or exceptional nature (including restructuring expenditures).	Shows the value of items which affect the comparability of Quant's result and profitability between periods

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

KEUR	Q3		Jan-Sep		LTM	Jan-Dec
	2020	2019	2020	2019	Sep 2020	2019
<i>Continuing operations</i>						
Operating profit (loss)	473	487	-2,198	-1,673	-1,400	-875
Depreciation & amortization	3,344	3,909	10,307	11,958	13,986	15,638
Non recurring items	32	460	651	3,019	1,151	3,519
Reversal of Write-down intangible assets	-	-	-	-	-	-
Reversal of Write-down tangible assets	-	-	-	-	63	63
Adjusted EBITDA IFRS 16	3,849	4,856	8,760	13,304	13,800	18,344
Effect from IFRS 16	-866	-1,080	-2,736	-3,309	-3,749	-4,321
Adjusted EBITDA	2,983	3,777	6,024	9,996	10,051	14,023
Net sales	42,510	47,927	127,230	146,331	177,502	196,604
Adjusted EBITDA margin	7.0%	7.9%	4.7%	6.8%	5.7%	7.1%
<i>Discontinued operations</i>						
Operating profit (loss)	-21	-1,537	-992	-16,909	-1,597	-17,515
Depreciation & amortization	6	57	59	208	103	252
Non recurring items	-156	1,092	4	1,436	223	1,655
Reversal of Write-down intangible assets	-	-71	-	13,668	-26	13,642
Reversal of Write-down tangible assets	-	-	0	130	-15	115
Adjusted EBITDA IFRS 16	-171	-460	-929	-1,468	-1,311	-1,851
Effect from IFRS 16	-7	-46	-60	-178	-94	-212
Adjusted EBITDA	-178	-506	-989	-1,647	-1,405	-2,063
Net sales	55	1,176	601	7,337	1,313	8,049
Adjusted EBITDA margin	-321.4%	-43.0%	-165%	-22.4%	-107.1%	-25.6%
<i>Group total</i>						
Operating profit (loss)	452	-1,050	-3,190	-18,582	-2,997	-18,390
Depreciation & amortization	3,350	3,965	10,366	12,166	14,089	15,889
Non recurring items	-125	1,552	655	4,454	1,374	5,174
Reversal of Write-down intangible assets	-	-71	-	13,668	-26	13,642
Reversal of Write-down tangible assets	-	-	0	130	48	177
Adjusted EBITDA IFRS 16	3,678	4,397	7,831	11,836	12,488	16,493
Effect from IFRS 16	-873	-1,126	-2,796	-3,487	-3,843	-4,533
Adjusted EBITDA	2,805	3,271	5,035	8,349	8,646	11,960
Net sales	42,565	49,104	127,830	153,668	178,815	204,653
Adjusted EBITDA margin	6.6%	6.7%	3.9%	5.4%	4.8%	5.8%

KEUR	Q3		Jan-Sep		LTM	Jan-Dec
	2020	2019	2020	2019	Sep 2020	2019
<i>Continuing operations</i>						
Operating profit (loss)	473	487	-2,198	-1,673	-1,400	-875
Depreciation & amortization	3,344	3,909	10,307	11,958	13,986	15,638
Non recurring items	32	460	651	3,019	1,151	3,519
Reversal of Write-down intangible assets	-	-	-	-	-	-
Reversal of Write-down tangible assets	-	-	-	-	63	63
Adjusted EBITDA IFRS 16	3,849	4,856	8,760	13,304	13,800	18,344
Effect from IFRS 16	-866	-1,080	-2,736	-3,309	-3,749	-4,321
Adjusted EBITDA	2,983	3,777	6,024	9,996	10,051	14,023
Net sales	42,510	47,927	127,230	146,331	177,502	196,604
Adjusted EBITDA margin	7.0%	7.9%	4.7%	6.8%	5.7%	7.1%
<i>Discontinued operations</i>						
Operating profit (loss)	-21	-1,537	-992	-16,909	-1,597	-17,515
Depreciation & amortization	6	57	59	208	103	252
Non recurring items	-156	1,092	4	1,436	223	1,655
Reversal of Write-down intangible assets	-	-71	-	13,668	-26	13,642
Reversal of Write-down tangible assets	-	-	0	130	-15	115
Adjusted EBITDA IFRS 16	-171	-460	-929	-1,468	-1,311	-1,851
Effect from IFRS 16	-7	-46	-60	-178	-94	-212
Adjusted EBITDA	-178	-506	-989	-1,647	-1,405	-2,063
Net sales	55	1,176	601	7,337	1,313	8,049
Adjusted EBITDA margin	#####	-43.0%	-165%	-22.4%	-107.1%	-25.6%
<i>Group total</i>						
Operating profit (loss)	452	-1,050	-3,190	-18,582	-2,997	-18,390
Depreciation & amortization	3,350	3,965	10,366	12,166	14,089	15,889
Non recurring items	-125	1,552	655	4,454	1,374	5,174
Reversal of Write-down intangible assets	-	-71	-	13,668	-26	13,642
Reversal of Write-down tangible assets	-	-	0	130	48	177
Adjusted EBITDA IFRS 16	3,678	4,397	7,831	11,836	12,488	16,493
Effect from IFRS 16	-873	-1,126	-2,796	-3,487	-3,843	-4,533
Adjusted EBITDA	2,805	3,271	5,035	8,349	8,646	11,960
Net sales	42,565	49,104	127,830	153,668	178,815	204,653
Adjusted EBITDA margin	6.6%	6.7%	3.9%	5.4%	4.8%	5.8%

KEUR	30 Sep		LTM	Jan-Dec
	2020	2019	Sep 2020	2019
Net Debt				
Cash and bank	26,881	13,411	26,881	13,190
Financial assets	26,881	13,411	26,881	13,190
Long term borrowings	128,014	122,043	128,014	123,267
Short term borrowings	20,153	6,894	20,153	11,045
Adjusted financial liabilities	148,167	128,937	148,167	134,311
Net Debt	121,286	115,525	121,286	121,121
Lease liabilities	5,056	8,101	5,056	7,125
Net Debt IFRS 16	126,342	123,627	126,342	128,246
Net Debt	-	-	121,286	121,121
Adjusted EBITDA Continued operations	-	-	10,051	14,023
Net Debt / Adjusted EBITDA, times	-	-	12.1	8.6
Net Debt IFRS 16	-	-	126,342	128,246
Adjusted EBITDA IFRS 16 Continued operations	-	-	13,800	18,344
Net Debt IFRS 16/ Adjusted EBITDA IFRS 16, times			9.2	7.0

KEUR	Q3 2020	Jan-Sep 2020
Changes in net sales		
Net sales	42,510	127,230
Net sales in comparative period of previous year	47,927	146,331
Net sales, change	-5,417	-19,101
Minus: Structural changes and other non-recurring adjustments	-905	-2,588
Plus: Changes in exchange rates	2,317	6,517
Organic Growth	-4,005	-15,172
Structural changes and other Non-recurring adjustments, %	1.9%	1.8%
Organic Growth, %	-8.4%	-10.4%
Net sales	42,510	127,230
Plus: Changes in exchange rates	2,317	6,517
Net sales in constant currency	44,827	133,747
Adjusted EBITDA	2,983	6,024
Plus: Changes in exchange rates	120	491
Adjusted EBITDA in constant currency	3,103	6,515

NOTES

Accounting principles

This interim report has been prepared under International Financial Reporting Standards (IFRS), in accordance with IAS 34 Interim Financial Reporting. The accounting policies and methods of calculation used in the preparation of the latest annual report have been applied, with the exception of new and amended standards and interpretations effective on 1 January 2020.

The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which is in compliance with RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board.

New or revised IFRS standard that came into force in 2020 did not have any material impact on the Group's financial reporting.

Transactions with related parties

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

Employees

The number of FTEs for the quarter was 2,286 compared to 2,352 during the second quarter of 2020. The number of employees at 30 September 2020 was 2,274 compared to 2,309 at 30 June 2020.

Risks and uncertainties

The significant risks and uncertainties to which the Quant Group is exposed include global economic and market risks, operational risks, technology risks, and disputes and litigation risks. 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.

A full description of the risks to which the Group is exposed can be found in Quant's Annual report 2019. No significant changes in risks have arisen since then apart from the developing Covid-19 situation.

Covid-19 risks

The global Covid-19 pandemic continues, resulting in continued global economic uncertainty. The risk impact on the Quant Group becomes clearer as we progress through the pandemic. Quant is leveraged because we have customers in a wide range of industries and geographies. Some of these industries and geographies are negatively impacted by Covid-19, and we have experienced a slowdown in these areas, while other areas have not experienced significant negative impact. Achieving new sales also proves challenging when travel is limited, but we have won new contracts during the pandemic and are still focused on building a robust pipeline that will lead to higher sales in the near future. Quant's liquidity remains stable enabling a EUR 5 million repayment of the drawn amount of the revolving working capital facility in October.

Fair value of financial instruments

The Group has no financial instruments that are measured at fair value in the balance sheet. For borrowing, there is no material difference between the carrying amount and fair value, as the Group's borrowings are at variable interest rates. Nor does the Group have any other off-balance sheet financial assets or liabilities.

Significant events after the reporting period

On November 10, 2020 it was announced that a customer in Region Europe, NKT, will insource its maintenance after Quant successfully transformed its maintenance operations over the past three years. The decision goes into effect on June 30, 2021 and Quant's contract portfolio will decrease by EUR 9.2 million.

Quant is a global leader in industrial maintenance.

For over 30 years, we have been realizing the full potential of maintenance for our customers.

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

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