



Opus Prodox AB interim report

Gothenburg  
August 25, 2008

## **Strong Sales Growth (+ 107 %) and Margin Improvement during the Second Quarter of 2008**

- Sales amounted to SEK 34.6 million (16.7)
- Roughly 2/3 of the sales increase is attributed to the acquisition of SysTech International and 1/3 to Opus existing business
- Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to SEK 5.6 million (0.3)
- Profit after tax amounted to SEK 540 thousand (51)
- Profit per share after dilution amounted to SEK 0.004 (0.001)
- The acquisition of SysTech International in the United States, including the financing, was completed successfully

### **Reporting Period April 1 – June 30, 2008**

- Sales amounted to SEK 34,632 thousand (16,656). The increase can be attributed partly to the acquisition of SysTech International in the United States, which was consolidated in the Opus Group starting April 30, 2008. The growth for Opus during the quarter (i.e. excluding the SysTech acquisition) amounted to approx. 36 %.
- The acquisition of SysTech International LLC and the associated real estate company, TriLen LLC, was mainly financed through two new directed share issues amounting to a total of 41,125,000 new shares and a rights issue of 87,755,475 new shares. In total, the new share issues provided the company SEK 207,556,570 before issuing costs.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to SEK 5,621 thousand (271). The company uses EBITDA as a key performance measurement of the Groups profitability as acquired IP rights are written off maximal.
- EBITDA margin increased to 16.2 % (1.6).
- Pro forma the SysTech acquisition, i.e. if Opus would have owned and consolidated SysTech throughout the whole second quarter, the earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to approx. SEK 7.5 million (EBITDA margin of approx. 18 %).
- Profit after tax amounted to SEK 540 thousand (51).
- Profit per share after dilution amounted to SEK 0.004 (0.001). The total number of shares outstanding at the end of the period was 193,062,046 (61,181,571) after dilution and the average number of shares outstanding during the period amounted to 123,743,936 (58,605,439) after dilution.

### **Other Events During the Second Quarter of 2008**

- On April 9, 2008, Opus announced that an agreement had been signed to acquire SysTech International in the United States. By acquiring SysTech International Opus becomes a



leading supplier of complete solution for automotive emission and safety inspection programs. The acquisition is expected to enhance Opus' possibilities for further international expansion and establishes the company on the North American market. SysTech International is one of the fastest growing companies in the American vehicle inspection market and reported a turnover of approx. SEK 113 million and an EBITDA margin (Earnings before interest, taxes, depreciation and amortization) of approx. 23 % in 2007. SysTech has a contract backlog of approx. USD 79 million (approx. SEK 474 million).

- At the extraordinary general meeting on April 25, 2008, the meeting decided to approve the Board's decision as per April 7, 2008, of a directed share issue to the sellers of SysTech, totalling 20,000,000 shares for a subscription price of SEK 3.00 per share (a total of SEK 60.00 million) and a directed share issue to institutional investors for a total of 21,125,000 shares for a subscription price of SEK 2.00 per share (a total of SEK 42.25 million). The weighted average subscription price for both issues was SEK 2.49 per share. The meeting agreed to authorize the Board, until the next Annual General Meeting, to decide on a rights issue.
- On April 29, 2008, the acquisition of American SysTech International was carried out according to plan. The purchase price of SEK 226 million was financed through two successful new directed share issues, debt financing from Nordea and a vendor's note to the sellers.
- During April, 2008, Opus expanded its presence in the Chinese and Asian market (APAC) by appointing a sales and marketing director in Asia to identify the markets need for environmental test equipment for vehicles and to build up sales in the region with a focus on China.
- In May, 2008, the company carried out a new share issue with preferential right for the existing shareholders, as decided by the Board, with the right to subscribe for five (5) new shares for six (6) existing shares in Opus at a subscription price of SEK 1.20 per share. The rights issue was oversubscribed with 16 %. In total 87,755,475 shares were issued and the company was provided SEK 105,306,570 before issuing costs.
- The vendor's note for the SysTech acquisition of SEK 46 million and the bridge financing from Nordea of SEK 30 million was paid off as planned on June 13, 2008.
- In May, 2008, Opus received its first order for the company's new version of the log TripLogPRO, an electronic driver's log that also includes GPS and map programs. A new version of the TripLogPRO was launched during the CEBIT exhibition earlier this year and BMW became the first customer of this product. The system is specially tailored for the DACH region, namely Germany, Austria and Switzerland. The order is worth SEK 1.5 million. BMW also expressed a desire to brand the product as "BMW" to increase the impact on the market.
- In June, 2008, Opus won a public procurement in Poland through its distributor WSOP regarding test equipment for exhaust-emission tests and analysis, to be delivered to vocational schools for mechanics. The order is worth SEK 2.0 million and will be delivered in full during the third quarter of this year.

#### **Reporting Period January 1 – June 30, 2008**

- Sales amounted to SEK 56,265 thousand (26,140). The increase is attributable to continued good organic growth, combined with the acquisition of SysTech International.



- Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to SEK 7,447 thousand (593)
- Profit after tax amounted to SEK 1,963 thousand (276)
- Profit per share after dilution amounted to SEK 0,021 (0,005). The total number of shares outstanding at the end of the period was 193,062,046 (61,181,571) after dilution and the average number of shares outstanding during the period amounted to 93,962,753 (56,735,945) after dilution.

#### **Other Events During the Period from January 1 – June 30, 2008**

- In connection with the AUTO exhibition in Gothenburg 2008, Opus Prodox was informed that A-Katsastus, the Finnish equivalent to Svensk Bilprovning AB, had approved Opus equipment for vehicle emission testing. The approval marks a breakthrough in the Finnish market for Opus and the company's Finnish distributor Suomen Työkalu Oy.
- Opus Prodox AB signed an agreement with New Zealand's largest vehicle inspection company regarding the supply of equipment for vehicle emission testing of vehicles. The agreement was signed by Opus New Zealand distributor Sulco. Opus won two of three completed procurements concerning the delivery of equipment to testing stations in New Zealand. The equipment was supplied by Opus in March and will be used for environmental testing of imported cars.

#### **Events After the End of the Period**

- Opus strengthened its management team with a new CFO. The appointment of a new CFO was done partly to meet the tougher requirements that follow from a listing on OMX Small Cap, but also to strengthen the organisation ahead of the expected growth that the Group faces during the coming years. Tomas Jonson, with several years of experience in the financial markets, joins Opus on September 1<sup>st</sup> and comes from Nordea Corporate Finance. Prior to that Tomas worked for The Royal Bank of Scotland (RBS).
- The process of listing Opus on OMX Small Cap was initiated.

#### **Outlook 2008**

- Opus financial goal for the next three-year period is an average annual sales growth of 30-40 %. The company has also adopted an overall growth target that the company shall have a turnover of at least SEK 500 million by the year 2012 at the latest. It is furthermore the company's goal for the next three-year period to achieve an average EBITDA margin above 20 %.
- The profitability of the Group has and continues to improve continuously, partly a result of more products being produced in the company's factory in China but also due to the acquisition of SysTech which has higher profitability than the other parts of the Group.
- SysTech was consolidated in the Group starting April 30, 2008.
- Through the acquisition of SysTech, Opus activities will be able to be developed in a very positive way. The Group's focus remains on vehicle emission and safety testing but with a new structure



and with higher profitability. In 2008, the Groups activities will be divided into three business units:

- 1) **Automotive Test Equipment** - Sales of the Group's emission inspection and diagnostic test equipment for garages and vehicle inspection programs through the global distribution network and the Group's worldwide sales network. Here, the Group has now established contacts and sales in over 50 countries. This network will be further developed in the future to include additional markets.
- 2) **Vehicle Inspection Systems** – The systems side where the Group develops, markets and delivers complete IT systems for vehicle registration and vehicle inspection, but also products for emission and safety inspection and testing including operation and maintenance. Within this business area the Group also operates as a vehicle inspection program contractor. Customers are municipalities, states or entire countries where long-term contracts are established with governments and ministries. Long-term contracts provide opportunity for better planning and streamlining of the activities which has a positive impact on profitability.

Opus expects to be able to provide facilities and systems, based on a "pay-per-test" (i.e. also taking responsibility for operations) in various parts of the world during the next few years. Opus expects strong growth in this area.

The global network of distributors on the products side will be used for the systems side as tentacles to find new customers and gain new contracts and business. In addition, the distributors work as local contacts and established service organizations for measurement equipment. The Group's new technology in wireless vehicle inspection (i.e. Remote OBD) is included as a system component and product area in the systems side business.

- 3) **Fleet Management & Telematics** - Products that help owners of large fleets to keep track of when, where and how vehicles are used. The products are partly a spin-off of the company's knowledge of the modern cars electronics and technology, and currently include electronic logs, "driver behaviour" equipment, and alco-locks. Customers are car manufacturers and include the aftermarket through distributors and resellers.

## Comments to the Second Quarter of 2008

### Sales

Sales amounted to SEK 34,632 thousand (16,656). The sales growth amounts to approx. 107 %. The increase can be attributed partly to the acquisition of SysTech International in the United States, which is included from April 30 to June 30 in the consolidated accounts. The growth of Opus activities, excluding the SysTech acquisition, amounted to approx. 36 % during the quarter.

### Results

During the second quarter, large efforts and focus have been taken up in both the parent company of Opus as SysTech International to complete the transaction. The positive economic impact of the acquisition is already visible in the second quarter. It is management's assessment that the positive effects of longer-term synergies between the companies will provide additional results in the future.

The results from financial investments include one-off interest costs of SEK 523 thousand related



to the vendor's notes and bridge financing in connection with the acquisition of SysTech. These have been fully amortized with the funds from the rights issue that was completed in June.

### **Investments**

No specific investments in addition to the acquisition of SysTech and current ongoing development projects were completed during the period.

### **Financial Position and Liquidity**

The company's financial position and liquidity is good. The equity ratio amounts to approximately 67 %. The cash flow from operating activities amounted to SEK 4.8 million for the first six months and cash and cash equivalents at the end of the period amounted to SEK 23 million.

### **Accounting Policies**

This interim report was prepared in accordance with IFRS. For information about the accounting policies applied we refer to the 2007 annual report. The accounting policies are unchanged from those applied in 2007.

### **Financial Information 2008**

Interim report quarter 3, 2008, on November 10, 2008

This report has not been the subject to auditors' review  
Gothenburg, August 25, 2008

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### **Opus Prodox AB in Brief:**

The business idea of Opus Group is to develop, produce and sell products within Automotive Test Equipment, Vehicle Inspection Systems and Fleet Management for the global market. The products include emission analyzers, diagnostic equipment, brake testers, wheel alignment, automatic test lines, vehicle databases, Fleet Management systems, electronic driver log systems, and alco-locks. The Group sells its products in more than 50 countries all over the world and currently employs around 150 persons. The turnover for 2007 was SEK 193 million pro forma (including acquisitions). Opus share is listed on First North (Stockholm Stock Exchange) under the ticker OPUS.



<b>GROUP CONSOLIDATED INCOME STATEMENT SEK thousand</b>	<b>2008-04-01 2008-06-30</b>	<b>2008-01-01 2008-06-30</b>	<b>2007-04-01 2007-06-30</b>	<b>2007-01-01 2007-06-30</b>	<b>2007-01-01 2007-12-31</b>
<b>Operating income, etc.</b>					
Net sales	34,617	56,190	16,656	26,140	66,448
Other operating income	15	75	0	0	77
	<b>34,632</b>	<b>56,265</b>	<b>16,656</b>	<b>26,140</b>	<b>66,525</b>
<b>Operating expenses</b>					
Raw materials, supplies and commodities	-11,677	-23,565	-9,642	-15,609	-36,622
Other external costs	-6,649	-9,308	-2,126	-2,926	-8,050
Personnel costs	-10,685	-15,945	-4,617	-7,012	-15,827
	<b>-29,011</b>	<b>-48,818</b>	<b>-16,385</b>	<b>-25,547</b>	<b>-60,499</b>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>5,621</b>	<b>7,447</b>	<b>271</b>	<b>593</b>	<b>6,026</b>
Depreciation and amortization of intangible and tangible assets	-3,244	-3,472	-74	-135	-470
<b>Operating profit (EBIT)</b>	<b>2,377</b>	<b>3,975</b>	<b>197</b>	<b>458</b>	<b>5,556</b>
<b>Results from financial investments</b>					
Other interest income and similar items	9	68	43	72	194
Interest expense and similar charges	-1,810	-2,044	-189	-254	-686
	<b>-1,801</b>	<b>-1,976</b>	<b>-146</b>	<b>-182</b>	<b>-492</b>
<b>Profit after financial items</b>	<b>576</b>	<b>1,999</b>	<b>51</b>	<b>276</b>	<b>5,064</b>
Current Tax / Deferred tax	-36	-36	0	0	-1,393
<b>Net income</b>	<b>540</b>	<b>1,963</b>	<b>51</b>	<b>276</b>	<b>3,671</b>



**OPUS Prodox AB**  
Org.no. 556390-6063

**GROUP CONSOLIDATED  
BALANCE SHEET  
SEK thousand**

**2008-06-30      2007-06-30      2006-06-30      2007-12-31**

**ASSETS**

**Fixed assets**

**Intangible assets**

Intellectual property rights	71,362	0	0	0
Goodwill	156,072	7,583	0	11,671
Capitalized expenses for research, etc.	7,113	5,436	2,762	6,958
	<u>234,547</u>	<u>13,019</u>	<u>2,762</u>	<u>18,629</u>

**Tangible assets**

Property	28,908	0	0	0
Inventory, machinery and other technical fixed assets	13,598	2,061	340	2,327
	<u>42,506</u>	<u>2,061</u>	<u>340</u>	<u>2,327</u>

**Financial assets**

Other long-term securities holdings	143	0	0	143
Other long-term receivables	488	0	0	0
	<u>631</u>	<u>0</u>	<u>0</u>	<u>143</u>

**Total fixed assets**

277,684      15,080      3,102      21,099

**Current assets**

**Inventories, etc.**

Raw materials, supplies and commodities	32,713	20,168	6,409	22,466
	<u>32,713</u>	<u>20,168</u>	<u>6,409</u>	<u>22,466</u>

**Other current assets**

Accounts receivable	25,126	13,533	6,521	17,047
Other current assets	5,003	2,741	1,375	2,339
Prepaid expenses and accrued income	2,118	1,082	754	791
	<u>32,247</u>	<u>17,356</u>	<u>8,650</u>	<u>20,177</u>

**Cash and cash equivalents**

22,984      3,600      8,188      4,011

**Total current assets**

87,944      41,124      23,247      46,654

**TOTAL ASSETS**

**365,628      56,204      26,349      67,753**



<b>EQUITY AND LIABILITIES</b>	<b>2008-06-30</b>	<b>2007-06-30</b>	<b>2006-06-30</b>	<b>2007-12-31</b>
<b>Shareholders' equity</b>				
Share capital	3,861	1,224	1,097	1,284
Reserves / Reservefund	850	850	850	850
Other contributed capital	204,979	0	0	19,118
Exchange rate differences	20	0	0	27
Reserves	537			
Retained profits	31,081	30,970	11,811	16,885
Net income for the period	1,963	280	364	3,671
<b>Total shareholders' equity</b>	<b>243,291</b>	<b>33,324</b>	<b>14,122</b>	<b>41,835</b>
<b>Provisions</b>				
Deferred tax	237	0	0	237
	237	0	0	237
<b>Long-term liabilities</b>				
Credit facilities	6,396	4,595	800	5,500
Liabilities to financial institutions	73,864	5,263	3,469	4,106
<b>Total long-term liabilities</b>	<b>80,260</b>	<b>9,858</b>	<b>4,269</b>	<b>9,606</b>
<b>Short-term liabilities</b>				
Liabilities to financial institutions	2,424	500	2,760	1,388
Accounts payable	22,645	9,359	3,097	8,329
Tax liabilities	364	0	0	1,518
Other short-term liabilities	7,493	596	613	2,823
Accrued expenses and deferred income	8,914	2,567	1,488	2,017
<b>Total short-term liabilities</b>	<b>41,840</b>	<b>13,022</b>	<b>7,958</b>	<b>16,075</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>365,628</b>	<b>56,204</b>	<b>26,349</b>	<b>67,753</b>
<b>Items in the line</b>				
Pledged assets and contingent liabilities	39,887	5,900	10,069	10,979





<b>CASH FLOW STATEMENT</b>	<b>2008-01-01</b>	<b>2007-01-01</b>	<b>2007-12-31</b>
<b>SEK thousand</b>	<b>2008-06-30</b>	<b>2007-06-30</b>	<b>2007-12-31</b>
Operating profit (EBIT)	3,975	458	5,556
Adjustments for items not included in cash flow	4,513	872	1,945
Proceeds of interest	68		194
Interest paid	-2,044	-182	-686
Income tax paid	-36	-	-1,156
<b>Cash flow from operating activities before changes in working capital</b>	<b>6,476</b>	<b>1,148</b>	<b>5,853</b>
Inventory	-3,918	-11,578	-13,876
Accounts payable	348	-7,357	-10,871
Other current assets	-3,304	-1,570	-877
Short-term liabilities	5,204	5,999	7,538
<b>Change in net working capital</b>	<b>-1,670</b>	<b>-14,506</b>	<b>-18,086</b>
<b>Cash flow from operating activities</b>	<b>4,806</b>	<b>-13,358</b>	<b>-12,233</b>
<b>INVESTMENT ACTIVITIES</b>			
Acquisition of subsidiaries, note 1	-229,252	-7,583	-11,671
Capitalized development costs	-1,196		-2,944
Acquisition of tangible fixed assets	-1,064	-1,825	-1,920
Acquisition of financial fixed assets	-488	-143	-143
Disposal of financial fixed assets			21
<b>Cash flow from investment activities</b>	<b>-232,000</b>	<b>-9,551</b>	<b>-16,657</b>
<b>FINANCING ACTIVITIES</b>			
New share issues	198,969	13,305	19,216
New debt	43,877	7,522	7,271
Repayment of debt	-	-853	
Repayment of conditional shareholders' contributions	-		-999
Change in short term financial liabilities	1,036	-	851
<b>Cash flow from financing activities</b>	<b>243,882</b>	<b>19,974</b>	<b>26,339</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>			
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6,535</b>	<b>6,535</b>	<b>6,535</b>
Exchange rate differences	-239	-	27
Cash flow from operating activities before changes in working capital	4,806	-13,358	-12,233
Cash flow from investing activities	-232,000	-9,551	-16,657
Cash flow from financing activities	243,882	19,974	26,339
<b>Cash and cash equivalents at the end of the period</b>	<b>22,984</b>	<b>3,600</b>	<b>4,011</b>



*Additional information*

*Note 1. Acquisition of subsidiaries*

During the year, the American companies SysTech LLC and Trilen LLC were acquired.

The value of the acquired assets and liabilities were according to the purchase price allocation analysis the following:

Intellectual property rights	74,132
Goodwill	144,865
Property	29,205
Tangible assets	11,386
Accounts receivable	8,427
Inventories	6,329
Other current assets	687
Cash and cash equivalents	7,029
Long-term liabilities	-26,777
Short-term liabilities	-19,002
<b>Paid purchase price*</b>	<b>236,281</b>
Cash and cash equivalents in the acquired companies	-7,029
<b>Effect on the Group's cash</b>	<b>229,252</b>

\* Includes transaction costs of approx. SEK 10 million.

**CHANGE IN EQUITY FOR THE GROUP**

SEK thousand

<b>GROUP</b>	Number of shares outstanding	Share capital	Other contributed capital	Reserves	Exchange rate differences	Unrestricted equity	Total equity
<b>Equity 2007-01-01</b>	54,845,679	1,097	0	850		17,952	19,899
New share issues	9,335,892	187	19,118			0	19 305
Issue costs						-89	-89
Repaid shareholders contributions						-999	-999
Exchange rate differences					27	21	48
Net income						3,671	3,671
<b>Equity 2007-12-31</b>	<b>64,181,571</b>	<b>1,284</b>	<b>19,118</b>	<b>850</b>	<b>27</b>	<b>20,556</b>	<b>41,835</b>

	Number of shares outstanding	Share capital	Other contributed capital	Reserves	Exchange rate differences	Unrestricted equity	Total equity
<b>Equity 2008-01-01</b>	64,181,571	1,284		850		39,701	41,835
New share issues	128,880,475	2,577	204,980			0	207 557
Issue costs						-8,588	-8,588
Repaid shareholders contributions						0	0
Fair value						763	763
Exchange rate differences					20	-259	-239
Net income						1,963	1,963
<b>Equity 2008-06-30</b>	<b>193,062,046</b>	<b>3,861</b>	<b>204,980</b>	<b>850</b>	<b>20</b>	<b>33,580</b>	<b>243,291</b>



## KEY RATIOS

		2008-01-01 2008-06-30	2007-01-01 2007-06-30	2007-01-01 2007-12-31	2006-01-01 2006-12-31
Sales growth	%	115.2	60.1	80.2	73.6
Growth in total assets	%	550.5	113.3	125.9	72.6
EBITDA margin	%	13.2	2.2	9.1	6.8
Operating profit margin (EBIT)	%	7.1	1.8	8.4	6.6
Net profit margin	%	3.6	1.1	7.6	5.7
Return on capital employed	%	2.2	1.7	15.6	6.8
Return on total capital	%	1.9	1.2	11.8	8.4
Return on equity	%	1.0	0.8	12.1	10.2
Equity ratio	%	67	59	62	67
Debt ratio (financial liabilities)	times	0.3	0.3	0.3	0.5
Quick ratio	%	132	161	150	195
Current ratio	%	210	316	290	307
Interest cover ratio	times	2.0	2.1	8.4	5.6
Average number of employees*	no.	119	40	50	22
Sales per employee	thousand SEK	473	654	1,330	1,650
Value added per employee	thousand SEK	197	187	428	436
EBITDA per employee	thousand SEK	47	15	121	115
Profit per employee	thousand SEK	17	7	101	94
Number of shares at period end**	no.	193,062,046	61,181,571	64,181,571	54,845,679
Average number of shares**	no.	93,962,753	56,735,945	59,872,918	48,737,714
Profit per share**	SEK	0.021	0.005	0.061	0.041

\* Number of full time equivalents.

\*\* Number of shares and profit per share amount to the same figures before and after dilution as the outstanding share options (Share option program 2007:1 and 2007:2) are considered not to have any dilutive impact, this as the strike price for the options exceed the average price for the shares during the period (IAS 33).