

Opus Group AB (publ)

Interim Report (January – September 2016)

New product technology acquired and a new service launched in the U.S. market

January – September 2016

- Net sales amounted to SEK 1,266.9 million (1,238.7), a revenue growth of 2.3 percent before adjustments for acquired and divested businesses. Adjusted for the acquisition of Drew Tech and the divestment of Opus Equipment the revenue growth amounted to 7.4 percent.
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK 264.2 million (216.3), corresponding to an EBITDA margin of 20.8 percent (17.4), and an EBITDA growth of 22.2 percent.
- Net financial income/expense includes net foreign exchange gain of SEK 19.8 million (29.7).
- Profit for the period amounted to SEK 63.9 million (63.5).
- Earnings per share after dilution amounted to SEK 0.22 (0.22).
- Cash flow from operating activities amounted to SEK 165.0 million (156.6).

July – September 2016

- Net sales amounted to SEK 419.4 million (385.8), a revenue growth of 8.7 percent.
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK 86.7 million (71.2), corresponding to an EBITDA margin of 20.6 percent (18.4) and an EBITDA growth of 21.8 percent.
- Net financial income/expense includes net foreign exchange gain of SEK 9.9 million (13.4).
- Profit for the period amounted to SEK 11.3 million (23.3).
- Earnings per share after dilution amounted to SEK 0.04 (0.08).
- Cash flow from operating activities amounted to SEK 61.2 million (60.6).

Notable events during the third quarter

- Opus Inspection acquired a majority of the FASTLIGN® technology.

RESULT OVERVIEW

SEK millions	July - September		January - September		January - December
	2016	2015	2016	2015	2015
Net sales	419.4	385.8	1,266.9	1,238.7	1,650.2
Total operating income	420.5	387.1	1,267.9	1,241.1	1,651.7
Earnings before interest, taxes, depreciation and amortization (EBITDA)	86.7	71.2	264.2	216.3	274.6
EBITDA margin	20.6%	18.4%	20.8%	17.4%	16.6%
Profit/loss for the period	11.3	23.3	63.9	63.5	66.4
Earnings per share after dilution	0.04	0.08	0.22	0.22	0.23
Cash flow from operating activities	61.2	60.6	165.0	156.6	201.2



New product technology acquired and a new service launched in the U.S. market

In the third quarter of 2016, we have seen continued growth with good profitability and strong operating cash flow. The quarter shows good underlying organic growth of 8.4 percent (FX adjusted) driven by strong performance both in our international and Swedish business segments. EBITDA increased by 21.8 percent compared with Q3 2015 to an EBITDA margin of 20.6 percent despite direct one-off costs of approximately SEK 10 million related to the expansion in Latin America. The quarter's net income has been negatively affected by tax expenses of SEK 7.4 million, attributable to 2015 as well as deferred tax expenses, due to higher than anticipated state taxes in the U.S.

The international vehicle inspection segment continues to grow and develop well. The organic growth amounted to 8.4 percent compared with Q3 2015 primarily impacted by the California Equipment as a Service (EaaS) program and good performance across our various programs. The EBITDA margin amounted to 24.0 percent.

In September we acquired a controlling interest in the innovative FASTLIGN® technology. We believe that the FASTLIGN® product has a large potential and is valuable to our current and future customers (the automotive dealerships, repair shops, and tire shops) who will be able to expand their customer offerings. The product is also beneficial to the car owner who will be able to get a quick analysis and discover potential wheel alignment issues early and hence avoid unnecessary tire wear and increased fuel consumption. FASTLIGN® will fit very well into our EaaS business model and, initially, we will be offering it to many of our more than 25,000 existing customers in the automotive industry with a goal to ultimately offer it worldwide.

With the acquisition of Drew Tech in 2015 we strengthened our technology portfolio and competencies. In September 2016, Drew Tech announced its Remote Assisted Programming (RAP) service in the U.S. The RAP service allows any repair shop to update software in the vehicle's computer system during service or reprogram computers when replacing parts. Through Drew Tech's toolkit their remote technicians can connect to the vehicle manufacturers' databases and reprogramming of the vehicle is conducted remotely. We see good potential for this service as it provides access to a whole new group of technicians who need the capability to reprogram vehicles but who do not have the required tools, continuous training or confidence that all required information is available to them.

We are now operational in the first inspection station in the Maule region in Chile and in two stations in Lahore, Pakistan. Both programs are in their initial operational phase and are developing well and the initial inspection volume is growing. Our international markets are important for our future growth where we see interesting opportunities.

Our operations in Sweden are developing well with solid organic growth of 9.4 percent in the quarter and a strong EBITDA margin, which amounted to 22.0 percent. The revenue increase is primarily attributable to improved efficiency in the organization, increased per inspection revenues and new station openings that now generate progressively increasing revenues. In the first quarter of 2017 we will continue to expand into new geographic areas in Sweden with our first station in the Gothenburg region.

We have had a strong first nine months of 2016 with significantly increased margin growth and strong operating cash flow. The organic growth during the first nine months has been 7.5 percent adjusted for FX, acquisitions and divestments. The company has a strong cash position and we see several interesting business opportunities going forward, which we are pursuing in order to deliver continued growth with high margins.

Möndal in November 2016
Magnus Greko
CEO and President

Notable Events during the year

For more information see press releases at www.opus.se

During the first quarter

- No press releases of notable events were published during the first quarter.

During the second quarter

- The Traffic Committee proposed that the government should not incorporate the EU directive under the Transport Agency's proposal.
- All political parties supported the writing of the traffic committee that Sweden should not adjust the inspection interval according to the minimum requirement in the EU directive.
- Opus Group issued a 5-year SEK 500 million senior unsecured bond.

During the third quarter

- Opus Inspection began vehicle inspection program in Lahore, Pakistan.
- Opus Inspection began vehicle inspection in Chile.
- Drew Tech started Remote Assisted Programming (RAP) Vehicle Services Business.
- Opus Inspection acquired a majority of the FASTLIGN® technology.

Financial information

Sales and result

January – September 2016

Net sales for the period amounted to SEK 1,266.9 million (1,238.7). Reported net sales is 2.3 percent higher for the Group compared to the same period previous year. Net sales has been positively affected by the acquisition of Drew Tech and negatively by the divestment of Opus Equipment, which were conducted on March 23, 2015 and July 1, 2015 respectively. Adjusted for these two businesses, net sales for the Group increased by 7.4 percent (7.5 percent FX adjusted).

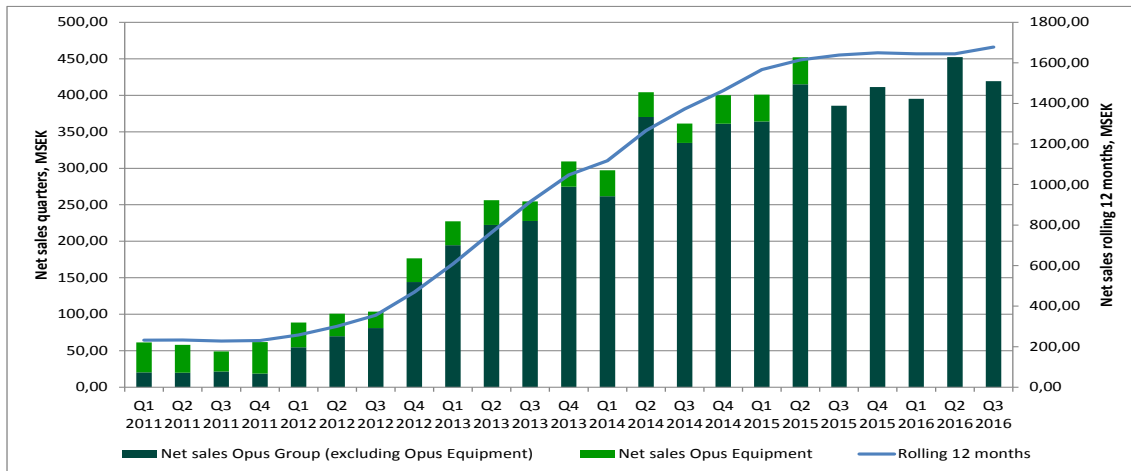
Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to SEK 264.2 million (216.3), corresponding to an EBITDA margin of 20.8 percent (17.4). The strengthened EBITDA margin is in part explained by the divestment of Opus Equipment, which contributed a lower EBITDA margin than the Group's current operations, by the acquisition of Drew Tech and by the revenues from the EaaS program in California. The Group's net financial items amounted to SEK -22.8 million (-12.3), whereof net interest SEK -36.8 million (-34.4), foreign exchange differences of SEK 19.8 million (29.7) and other financial items of SEK -5.8 million (-7.6). Depreciation and amortization amounted to SEK -132.4 million (-118.0) and comprise depreciation of tangible assets of SEK -77.7 million (-68.3) and amortization of intangible assets of SEK -54.7 million (-49.7). The increased depreciation and amortization is mainly due to the acquisition of Drew Tech and the EaaS program in California. Profit for the period amounted to SEK 63.9 million (63.5).

July – September 2016

Net sales for the period amounted to SEK 419.4 million (385.8). Net sales has increased by 8.7 percent compared to the same period previous year (8.4 percent FX adjusted).

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to SEK 86.7 million (71.2), corresponding to an EBITDA margin of 20.6 percent (18.4). The strengthened EBITDA margin is predominantly due to the strong performance in Vehicle Inspection Sweden. EBITDA has been negatively affected by direct one-off costs of approximately SEK 10 million related to the expansion in Latin America. The Group's net financial items amounted to SEK -6.7 million (0.9), whereof net interest SEK -14.2 million (-11.1), foreign exchange differences of SEK 9.9 million (13.4) and other financial items of SEK -2.5 million (-1.4). Depreciation and amortization amounted to SEK -45.4 million (-39.3) and comprise depreciation of tangible assets of SEK -26.9 million (-23.1) and amortization of intangible assets of SEK -18.5 million (-16.2). The increased depreciation and amortization is mainly due to the acquisition of Drew Tech and the EaaS program in California. The reported tax expense in the quarter includes tax expenses related to adjustments of the 2015 U.S. income tax of SEK 3.4 million, due to higher state taxes than calculated, as well as deferred tax expense of SEK 4.0 million as a result of higher estimated average tax rate in the U.S., calculated at the end of September. The reported tax expense also includes tax expenses of SEK 2.3 million related to unrecognized taxable income

in the form of foreign exchange gains that are recognized in equity. Profit for the period amounted to SEK 11.3 million (23.3).



Financial position and Liquidity

Cash and cash equivalents

Cash and cash equivalents at the end of the period amounted to SEK 511.9 million (295.5) whereof SEK 25.9 million is restricted cash, which is not available for the Group. Restricted cash consists of a contractually required reserve trust fund for one of the states in USA. Consequently, available cash and cash equivalents at the end of the period amounted to SEK 486.1 million (328.6) including an unutilized overdraft facility of SEK 0.0 million (33.1).

Equity

Equity attributable to equity holders of the parent company at the end of the period amounted to SEK 955.5 million (890.7), equivalent to SEK 3.31 (3.08) per share outstanding at the end of the period before dilution.

Solvency

The equity ratio at the end of the period amounted to 32.4 percent (34.6).

Cash flow

Cash flow from operating activities

Cash flow from operations for the period January - September 2016 amounted to SEK 165.0 million (156.6) including a change of working capital of SEK -16.1 million (20.7).

Investments

Investing activities for the period January - September 2016 generated a cash flow of SEK -113.7 million compared with SEK -268.1 million for the corresponding period previous year, which included the acquisition of Drew Tech of SEK -214.4 million and the divestment of Opus Equipment of SEK 39.9 million. Investments in tangible fixed assets, primarily consisted of plant, machinery and equipment related to the company's business model with EaaS contracts, new vehicle inspection stations in Sweden and Chile and investments in equipment for the operations in Pakistan, amounted to SEK 79.4 million (71.0). Investments in intangible fixed assets amounted to SEK 15.4 million (16.6) and mainly consist of intellectual property related to FastLign. The Group's free cash flow, defined as cash flow from operating activities less investments in fixed assets, amounted to SEK 70.2 million (69.0).

Financing

The Group's interest bearing liabilities at the end of the period amounted to SEK 1,191.6 million (985.0). Cash flow from financing activities during the period January - September 2016 amounted to SEK 199.3 million (16.8). The change is due to the new bond issued for approximately SEK 492 million (after transaction costs), repayment of the acquisition loan relating to the acquisition of Envirotest of SEK 190.8 million, repayment of utilized bank overdraft of SEK 71.4 million, dividends paid to the shareholders of SEK 28.9 million and amortization of remaining bank loans of SEK 1.9 million. During the remainder of

2016, the Group plans to pay down debt of about SEK 0.6 million. The Group's net debt at the end of the period amounted to SEK 679.6 million (689.4).

Opus Group's bond agreements include customary terms and conditions and undertakings. The bond agreements contain two financial covenants, which consist of interest coverage ratio and net debt.

Dividend policy

Opus Group's Board has adopted the following dividend policy: Opus Group's dividend policy is to distribute 10-20% of profit at the EBITDA level, provided that the company meets the financial target for net indebtedness. For 2015, the Board proposed that a dividend of SEK 0.10 (SEK 0.09) per share shall be paid. This decision was taken at the 2016 annual general meeting

Financial targets

Opus Group's financial targets, over a business cycle, are:

- Compounded annual growth (CAGR) of at least 10% during a five year period
- EBITDA margin of at least 15% on an annualized basis
- Interest-bearing net debt relative to EBITDA shall not exceed 3.0 times

Performance in relation to Opus Group's financial targets

	2016 R12 (October 2015 - September 2016)	2015 (full year)
SEK thousands		
Revenue growth:* Annual growth (CAGR, 5 y) in revenues of at least 10%	49.0%	48.7%
EBITDA margin:** EBITDA margin of at least 15%	19.3%	17.8%
Net debt: Interest net debt relative to EBITDA*** should not exceed 3.0 times	2.1x	2.4x

* The revenue growth has been calculated based on the compounded average annual growth rate (CAGR) during the previous five years.

** EBITDA margin has been adjusted for acquisition related costs.

*** EBITDA has been calculated based on 12 months rolling result adjusted for acquisition related costs and includes proforma accounts for Drew Technologies Inc..

Customers

Opus Group's customers on the international market are primarily government agencies (counties, states etc.) and the automotive industry, including repair shops. The customers of Vehicle Inspection Sweden are primarily individuals, businesses and governments who are the owners of Swedish registered vehicles.

Taxes

The tax expense for the period is calculated using the current tax rate for the parent company and each subsidiary. Temporary differences have been taken into account.

Employees

The number of FTEs (full-time equivalents) in the Group was 1,705 (1,555) at the end of the reporting period.

Parent company

The Parent company's net sales during the first quarter amounted to SEK 3.4 million (3.9) and net profit before taxes to SEK 17.1 million (25.6). Profit and loss includes net foreign exchange gain of SEK 20.2 million (14.8).

In accordance with RFR 2, foreign currency revaluation of extended net investment in foreign opera-

tions shall be recognized in the income statement as of January 1, 2016. The application should be made retroactively and had a positive effect on profit before tax in Q3 2015 of SEK 0.4 million and a positive effect on the result before tax for the full year 2015 of SEK 1.3 million. Earlier, the currency revaluation was recognized in other comprehensive income and accumulated in a translation reserve in equity.


Related Parties

A provision for earnout for the acquisition of Systech 2008 has been accounted for to Lothar Geilen in his role as the former owner. More information on the terms of the agreement for the earnout is described in note 1.

Divisions and segments

After the sale of the Equipment division as of 2015-07-01, Opus Group consists of only one division (the Vehicle Inspection division) with two segments; Vehicle Inspection International and Vehicle Inspection Sweden.

Vehicle Inspection International (Vehicle Inspection operations outside of Sweden)



	July - September		January - September		January - December
SEK thousands	2016	2015	2016	2015	2015
Segment's net sales	285,938	263,705	817,479	757,580	1,016,756
Total operating income	286,797	263,781	818,373	758,300	1,017,543
EBITDA	68,846	64,508	197,808	162,444	209,495
EBITDA margin	24.0%	24.5%	24.2%	21.4%	20.6%
Close-down costs	-	-	-	3,293	3,293
Acquisition related costs	-	-	-	1,718	1,718
Start-up costs	2,122	2,807	5,264	9,568	12,577
Adjusted EBITDA	70,968	67,315	203,072	177,023	227,083
Adjusted EBITDA margin	24.7%	25.5%	24.8%	23.3%	22.3%

Net sales in Q3 2016 amounted to SEK 285.9 million (263.7). Revenue growth in SEK amounted to 8.4% and the organic revenue growth in local currency was 7.9%. The increase in net sales is mainly due to the continued development of our EaaS programs and good performance across our various vehicle inspection programs.

The EaaS programs are continuing to develop well and in California both the DAD-OBD and the BAR 97 programs generate increased revenues. The number of signed EaaS contracts in Georgia has almost reached 500 units. Our estimation for the total market for BAR 97 emission equipment in Georgia is approximately 900 units. Start-up costs related to the new EaaS contracts amounted to SEK 2.1 million in the quarter.

EBITDA amounted to SEK 68.8 million (64.5). EBITDA growth in SEK amounted to 6.7%. The unadjusted EBITDA margin amounted to 24.0% (24.5), and demonstrates continued good margin underpinned by EaaS contracts and good performance across all programs. The number of employees at the end of the reporting period amounted to 1,145 (990).

In September, Opus Inspection acquired a controlling interest in FASTLIGN®, a patented laser-based technology that allows for a quick alignment test of the vehicle while it is passing by. The intellectual property rights for FASTLIGN®, including the technology patent for the technology, were acquired by the newly formed subsidiary FastLign LLC. of which Opus Inspection is the majority owner and Bana-Logic Inc., who has developed FASTLIGN®, is a partner. Currently, work is ongoing to prepare for a roll-out of the FASTLIGN® product in the U.S. market. This is an interesting technology with large potential and great benefits to the customers. Initially, the product will be offered to our more than 25,000 automotive customers in the U.S. market, with a goal to ultimately offer it worldwide.

In September 2016, Drew Tech announced its Remote Assisted Programming (RAP) service. The RAP service, initially offered in the U.S., consists of a self-contained hardware kit and a remote assistance service conducted by Drew Tech's expert technicians. The service allows any repair shop to update software in the vehicle's computer system during service or reprogram computers when replacing

parts. There is a great need from workshops to be able to conduct reprogramming and upgrades of vehicles.

In the Maule region in Chile, south of Santiago, we have started vehicle inspection operations at the first of three new vehicle inspection stations. The second station will be operational in November 2016, with the third station coming on line in early 2017. Construction has been initiated in inspection stations in the two other concessions we won, in the regions O'Higgins and Metropolitana (Santiago). We expect that all nine inspection stations will be operational in 2017.

We are seeing an increase in inspection volume in our Lahore vehicle inspection program, with currently over 300 inspections performed per day. We expect the inspection volume increase to continue well into 2017.

The table below shows net sales, total income, EBITDA and adjusted EBITDA in local currency (USD).

Local currency (USD thousands)	July - September		January - September		January - December
	2016	2015	2016	2015	2015
Segment's net sales	33,559	31,101	97,336	90,043	120,540
Total operating income	33,660	31,110	97,443	90,117	120,620
EBITDA	8,080	7,608	23,553	19,308	24,836
EBITDA margin	24.0%	24.5%	24.2%	21.4%	20.6%
Close-down costs	-	-	-	395	395
Acquisition related costs	-	-	-	206	206
Start-up costs	249	331	625	1,142	1,491
Adjusted EBITDA	8,329	7,939	24,178	21,051	26,928
Adjusted EBITDA margin	24.7%	25.5%	24.8%	23.4%	22.3%

Vehicle Inspection Sweden

SEK thousands	July - September		January - September		January - December
	2016	2015	2016	2015	2015
Segment's net sales	137,386	125,543	462,602	430,060	586,524
Total operating income	137,480	126,685	462,782	431,224	586,661
EBITDA	30,281	14,092	82,418	64,123	80,257
EBITDA margin	22.0%	11.1%	17.8%	14.9%	13.7%

Net sales in Q3 2016 amounted to SEK 137.4 million (125.5). The growth (all organic) was 9.4%. The revenue increase is primarily attributable to improved efficiency in the organization, increased per inspection revenues and new station openings that now generate progressively increasing revenues. In total, Opus Bilprovning has opened five new stations during the last twelve months. Opus Bilprovning currently has 81 stations. In the first quarter of 2017 we will continue to expand into new geographic areas in Sweden with our first station in the Gothenburg region.

Opus Bilprovning has defended its market share well during a time when the total station network in Sweden has increased. Opus Bilprovning's market share was 27.4 percent in September 2016, which is 0.4 percentage points higher than the same period last year.

The result for the quarter was very strong and EBITDA as well as the EBITDA margin doubled. EBITDA amounted to SEK 30.3 million (14.1) with an EBITDA margin of 22.0% (11.1). The strong EBITDA growth and margin enhancement is due to increased revenues and improved efficiency in the organization. The number of employees at end of the period amounted to 554 persons (559).

Accounting and Valuation Policies

This report has been prepared in accordance with IAS 34, Interim Financial Reporting. The group accounting has been prepared in accordance with International Financial Reporting Standards, IFRS, as approved by EU, and the Swedish Annual Accounts Act. The interim report for the Parent company has been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2. An accounting change in RFR 2 is that currency revaluation of net investment in foreign operations

is to be recognized in the income statement and not in other comprehensive income as before. The change in accounting policy is applied retroactively. Other than this the same accounting and valuation policies were applied as in the annual report for 2015.


No new or revised IFRS or interpretations have been applied or have had any essential effect on the financial position, result or information for the group or parent company.

Estimates and Assumptions

To prepare the financial reports in accordance with IFRS, company management is required to make different assessments, valuations and assumptions that affect the reported assets, liabilities, revenues, costs, contingent liabilities and contingent assets. These assessments, valuations and assumptions are based on historical experience and other factors that could be considered reasonable in the prevailing conditions. Valuation of goodwill, provision for earnout and acquired intangible assets are areas covered by assessments that may have significant impact on the financial statements. As of January 1 2016 a portion of intercompany loans in USD has been reclassified to net investment in foreign operations and by that, exchange rate differences are recognized in other comprehensive income through a translation reserve in equity, instead of net financial items in the income statement, for the Group.

Translation of Foreign Operations

Assets and liabilities in foreign entities, including goodwill and other corporate fair value adjustments, are translated to Swedish crowns (SEK) at the rate prevailing on the balance sheet date, meanwhile all items in the income statement are translated using an average rate for the period. On translation of foreign operations, the following exchange rates have been used:



Country	Currency	Average rate					Closing rate		
		Jul - Sep 2016	Jul - Sep 2015	Jan - Sep 2016	Jan - Sep 2015	Jan - Dec 2015	30 Sep 2016	30 Sep 2015	31 Dec 2015
USA, Peru, Chile and Cyprus	USD	8.52	8.48	8.40	8.41	8.44	8.62	8.39	8.35
Pakistan	PKR	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Essential Risks and Uncertainty Factors

Opus Group AB (publ) and the Opus Group companies are through their activities at risk of both financial and operational nature, which the companies themselves may affect to a greater or lesser extent. Within the companies, continuous processes are ongoing to identify possible risks and to assess and take steps to minimize those risks.

The companies' operations, profitability and financial conditions are directly related to regulations with-in environmental and safety testing of vehicles. In the Vehicle Inspection International segment, the Group runs vehicle inspection programs through long-term contracts with government agencies. There is a risk of early contract termination, which would affect the Group's financial position negatively. Furthermore, the Group primarily has a currency risk through its translation exposure of the operations in the United States. Opus Group's main currency exposure of net assets is in US dollars. Because the Parent company is primarily financed in Swedish crowns and lends US dollars to its subsidiaries, there is a currency risk that the Company has decided not to exchange hedge. Net exposure in US dollars, on loans that are revaluated over the income statement, as of September 30, 2016, totaled USD 67 million. A detailed description of the parent company and subsidiaries' risks and risk management are given in Opus Group's Annual Report 2015.

Outlook

In 2016, Opus Group will continue to grow and explore new opportunities. The new vehicle inspection programs and Equipment as a Service (EaaS) have a short term negative impact on EBITDA and the cash flows due to capex. However, return on capital invested in these projects is good and the programs are expected to contribute to a strengthened Group margin.

Opus Group sees several further interesting opportunities in 2016 including tenders for vehicle inspection programs, expansion in Latin America and growth of EaaS. Opus Group is convinced that the

investments already made in the previous two years, combined with new business opportunities, will together contribute in exceeding the company's minimum growth target of 10 percent per year (CAGR, during a 5 year period) at further improved margins.

In the long term, Opus Group aims to expand the vehicle inspection business in several markets internationally. This can be achieved in established vehicle inspection markets as well as in emerging and developing countries where vehicle inspection is planned to be introduced in the future.

Opus Group does not provide any forecasts.

Next financial report

- February 17, 2017 - Year-end report 2016.
- May 15, 2017 - Annual general meeting 2017 at Radisson Blu Scandinavia Hotel in Gothenburg.

Möln dal, Sweden, November 18, 2016
Magnus Greko
President and CEO

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For any questions regarding the interim report, please contact Magnus Greko, President and CEO, +46 31 748 34 91.

This information is information that Opus Group AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:30 CET on November 18, 2016.

Opus Group AB (publ) in Brief

Opus Group is a leading innovative technology focused growth company in the vehicle inspection market. The company has a strong focus on customer service and innovative technology within IT, emission testing and vehicle communication. The Group had SEK 1,650 million in revenues in 2015 with strong operating cash flow and good operating profitability. With over 1,600 employees, Opus Group is headquartered in Möln dal in the Gothenburg region of Sweden and has 25 regional offices, 20 in the United States and the others in Stockholm, Peru, Chile, Mexico and Pakistan. Opus Group has production facilities in the U.S. in Hartford, CT, Ann Arbor, MI and Tucson, AZ. The Opus Group share is listed on Nasdaq Stockholm.

GROUP

INCOME STATEMENT IN SUMMARY

SEK thousands	2016-07-01 2016-09-30	2015-07-01 2015-09-30	2016-01-01 2016-09-30	2015-01-01 2015-09-30	2015-01-01 2015-12-31
Operating income					
Net sales	419,445	385,803	1,266,874	1,238,747	1,650,155
Other operating income	1,010	1,253	1,074	2,401	1,591
Total operating income	420,455	387,056	1,267,948	1,241,148	1,651,746
Operating expenses	-333,715	-315,817	-1,003,700	-1,024,853	-1,377,105
Earnings before interest, taxes, depreciation and amortization (EBITDA)	86,740	71,239	264,248	216,295	274,641
Depreciation	-26,939	-23,114	-77,744	-68,285	-92,467
EBITA	59,801	48,125	186,504	148,010	182,174
Amortization	-18,492	-16,182	-54,682	-49,745	-73,201
Earnings before interest and taxes (EBIT)	41,309	31,943	131,822	98,265	108,973
Net financial income/expense	-6,732	924	-22,766	-12,305	-28,517
Profit after financial items	34,577	32,867	109,056	85,960	80,456
Current tax/Deferred tax	-23,270	-9,527	-45,124	-22,485	-14,023
Profit/loss for the period	11,307	23,340	63,932	63,475	66,433
Attributable to:					
Parent company shareholders	11,442	23,340	64,093	63,475	66,451
Non-controlling interests	-135	0	-161	0	-18
Earnings per share					
Average number of shares before dilution	288,712	287,272	288,712	277,603	280,403
Average number of shares after dilution	300,091	293,151	288,712	283,482	286,282
Earnings per share before dilution (SEK)	0.04	0.08	0.22	0.23	0.24
Earnings per share after dilution (SEK)	0.04	0.08	0.22	0.22	0.23

STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK thousands	2016-07-01 2016-09-30	2015-07-01 2015-09-30	2016-01-01 2016-09-30	2015-01-01 2015-09-30	2015-01-01 2015-12-31
Profit/loss for the period	11,307	23,340	63,932	63,475	66,433
Items that might be reclassified to profit/loss for the period					
Translation differences on foreign operations	14,444	8,006	28,434	23,139	19,750
Cash flow hedge	599	77	1,213	267	796
Tax effect of cash flow hedge	-132	-17	-267	-59	-175
Total other comprehensive income for the period	14,911	8,066	29,380	23,347	20,371
Comprehensive income for the period	26,218	31,406	93,312	86,822	86,804
Attributable to:					
Parent company shareholders	26,356	31,406	93,477	86,822	86,821
Non-controlling interests	-138	0	-165	0	-17

GROUP

STATEMENT OF FINANCIAL POSITION IN SUMMARY

SEK thousands	2016-09-30	2015-09-30	2015-12-31
ASSETS			
Non-current assets			
Intangible assets	1,255,600	1,182,497	1,250,183
Tangible assets	761,319	733,619	739,118
Financial assets	21,812	2,720	13,524
Deferred tax receivable	26,882	29,387	29,378
Total non-current assets	2,065,613	1,948,223	2,032,203
Inventory	74,428	89,042	81,016
Other current assets	339,713	240,201	261,975
Cash and cash equivalents	511,932	295,547	256,214
Total current assets	926,073	624,790	599,205
TOTAL ASSETS	2,991,686	2,573,013	2,631,408
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Parent	955,463	890,674	890,667
Equity attributable to non-controlling interests	12,727	0	-10
Total equity	968,190	890,674	890,657
Non-current interest bearing liabilities	1,188,970	767,288	695,839
Non-current non-interest bearing liabilities and provisions	334,449	264,168	349,750
Current interest bearing liabilities	2,586	217,705	264,435
Current non-interest bearing liabilities and provisions	497,491	433,178	430,727
TOTAL EQUITY AND LIABILITIES	2,991,686	2,573,013	2,631,408

STATEMENT OF CHANGES IN EQUITY IN SUMMARY

SEK thousands	Equity attributable to equity holders of the parent company						Non-controlling interests	Total Equity
	Number of shares outstanding	Share capital	Other capital contributions	Reserves	Retained earnings	Total		
Equity 2015-01-01	253,163,419	5,063	419,800	58,941	154,824	638,628	-	638,628
Total comprehensive income	-	-	-	23,347	63,475	86,822	-	86,822
Redemption stock options	1,948,528	39	4,020	-	-	4,059	-	4,059
Directed rights issue	5,470,744	109	41,341	-	-	41,450	-	41,450
Rights issue	28,129,268	563	144,961	-	-	145,524	-	145,524
Dividend	-	-	-	-	-25,809	-25,809	-	-25,809
Equity 2015-09-30	288,711,959	5,774	610,122	82,288	192,490	192,490	-	890,674
Total comprehensive income	-	-	-	-2,976	2,976	0	-17	-17
Transactions with shareholders with non-controlling interests	-	-	-	-	-7	-7	7	0
Equity 2015-12-31	288,711,959	5,774	610,122	79,312	195,459	890,667	-10	890,657
Total comprehensive income	-	-	-	29,384	64,093	93,477	-165	93,312
Stock options	-	-	190	-	-	190	-	190
Dividend	-	-	-	-	-28,871	-28,871	-	-28,871
Transactions with shareholders with non-controlling interests	-	-	-	-	-	0	12,902	12,902
Equity 2016-09-30	288,711,959	5,774	610,312	108,696	230,681	955,463	12,727	968,190

STATEMENT OF CASH FLOWS IN SUMMARY

SEK thousands	2016-07-01 2016-09-30	2015-07-01 2015-09-30	2016-01-01 2016-09-30	2015-01-01 2015-09-30	2015-01-01 2015-12-31
Earnings before interest and tax (EBIT)	41,310	31,947	131,822	98,265	108,973
Adjustment for non cash flow items					
- Depreciation/Amortization	45,431	39,295	132,426	118,030	165,668
- Other	-847	4,653	-3,027	4,645	-1,755
Interest net	-14,176	-11,051	-36,825	-34,375	-44,972
Income tax paid	-8,831	-21,690	-43,351	-50,705	-49,301
Change in working capital	-1,682	17,409	-16,066	20,724	22,568
Cash flow from operating activities	61,205	60,563	164,979	156,584	201,181
Investing activities					
Acquisition/divestment of subsidiary net after acquired/ divested cash	-	39,862	-	-174,551	-174,551
Acquisition of tangible assets	-19,088	-27,699	-79,390	-70,996	-101,762
Acquisition of intangible assets	-14,609	-782	-15,436	-16,591	-34,325
Other	-2,733	2,373	-18,907	-5,983	-15,815
Cash flow from investment activities	-36,430	13,754	-113,733	-268,121	-326,453
Financing activities					
Dividend	-	-	-28,871	-25,809	-25,809
New issue	-	-	-	145,524	145,524
New debt	165	-483	492,101	663	900
Net change in bank overdraft facilities	-	15,496	-71,408	64,056	71,408
Amortization of liabilities to credit institutions	-640	-32,788	-192,673	-171,654	-204,306
Other	190	-131	190	4,059	4,059
Cash flow from financing activities	-285	-13,847	199,339	16,839	-8,224
Liquid assets at the beginning of the period	484,571	232,851	256,214	382,299	382,299
Translation difference	2,871	2,226	5,133	7,946	7,411
Cash flow for the year	24,490	60,470	250,585	-94,698	-133,496
Liquid assets at the end of the period	511,932	295,547	511,932	295,547	256,214

KEY RATIOS

	2016-01-01 2016-09-30	2015-01-01 2015-09-30	2015-01-01 2015-12-31
Return on capital employed, percent	6.6	5.5	6.2
Return on total assets, percent	4.7	4.1	4.5
Return on equity, percent *	6.9	8.3	8.7
EBITDA margin, percent	20.8	17.4	16.6
Operating profit margin (EBIT), percent	10.4	7.9	6.6
Profit after financial items, percent	8.6	6.9	4.9
Sales growth, percent	2.3	16.5	12.8
Net debt, SEK thousands	679,624	689,446	704,060
Net debt / equity ratio, times	0.7	0.8	0.8
Interest coverage ratio, times	3.0	2.3	2.0
Equity ratio, percent	32.4	34.6	33.8
Acid test ratio, percent	170.3	82.3	71.6
Number of employees at period end	1,705	1,555	1,605
Data Per Share			
Number of shares at period end, before dilution, thousands	288,712	288,712	288,712
Number of shares at period end, after dilution, thousands	300,091	294,591	294,591
Average number of shares, before dilution, thousands	288,712	277,603	280,403
Average number of shares, after dilution, thousands	288,712	283,482	286,282
Equity per share, before dilution, SEK *	3.31	3.08	3.08
Equity per share, after dilution, SEK *	3.18	3.02	3.02
Earnings per share before dilution, SEK *	0.22	0.23	0.24
Earnings per share after dilution, SEK *	0.22	0.22	0.23
Dividend per share, before dilution, SEK	-	-	0.10
Dividend per share, after dilution, SEK	-	-	0.10
Cash flow from operating activities per share, before dilution, SEK	0.57	0.56	0.72
Cash flow from operating activities per share, after dilution, SEK	0.57	0.55	0.70

* excluding minority interests

Outstanding stock options do not result in a dilution effect in 2016 since the average market price of ordinary shares during the period was below the discounted exercise price for the stock options.

For definitions of key ratios, see Opus Group's annual report 2015.

Average number of shares has been restated taking into account bonus element in rights issues. This has affected the key ratio calculations for the periods accounted for above.

QUARTERLY DEVELOPMENT FOR THE GROUP

Segment information	2016				2015		
SEK thousands	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total operating income							
Equipment	-	-	-	-	-	36,798	36,860
Vehicle Inspection Sweden	137,480	184,066	141,235	155,437	126,685	165,832	138,707
Vehicle Inspection International	286,797	273,466	258,111	259,242	263,781	258,955	235,564
Group eliminations	-3,822	-5,359	-4,027	-4,081	-3,410	-9,122	-9,502
Group	420,455	452,173	395,319	410,598	387,056	452,463	401,629
Vehicle Inspection International in local currency USD thousands	33,660	33,303	30,521	30,502	31,110	30,750	28,257
EBITDA							
Equipment	-	-	-	-	-	545	2,403
Vehicle inspection Sweden	30,281	44,789	7,348	16,133	14,092	36,837	13,194
Vehicle Inspection International	68,846	74,367	54,595	47,051	64,508	60,749	37,187
Group-wide expenses	-12,387	-3,058	-532	-4,838	-7,361	-3,936	-1,923
Group	86,740	116,098	61,411	58,346	71,239	94,195	50,861
Vehicle Inspection International in local currency USD thousands	8,080	9,056	6,456	5,536	7,608	7,214	4,461
EBITDA margin							
Equipment	-	-	-	-	-	1.5%	6.5%
Vehicle Inspection Sweden	22.0%	24.3%	5.2%	10.4%	11.1%	22.2%	9.5%
Vehicle Inspection International	24.0%	27.2%	21.2%	18.1%	24.5%	23.5%	15.8%
Group	20.6%	25.7%	15.5%	14.2%	18.4%	20.8%	12.7%

Income statement	2016				2015		
SEK thousands	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	419,445	452,301	395,128	411,408	385,803	452,126	400,818
Total operating income	420,455	452,173	395,319	410,598	387,056	452,463	401,629
Operating expenses	-333,715	-336,075	-333,908	-352,252	-315,817	-358,268	-350,768
Earnings before interest, taxes, depreciation and amortization (EBITDA)	86,740	116,098	61,411	58,346	71,239	94,195	50,861
EBITDA margin	20.6%	25.7%	15.5%	14.2%	18.4%	20.8%	12.7%
Depreciation and amortization	-45,431	-43,222	-43,774	-47,637	-39,296	-39,336	-39,399
Operating profit/loss (EBIT)	41,309	72,876	17,637	10,709	31,943	54,859	11,462
Results from financial investments	-6,732	4,340	-20,374	-16,212	924	-53,730	40,502
Profit/loss after financial items	34,577	77,216	-2,737	-5,503	32,867	1,129	51,964
Current tax/Deferred tax	-23,270	-26,702	4,848	8,462	-9,527	-2,588	-10,370
Net profit/loss	11,307	50,514	2,111	2,959	23,340	-1,459	41,594

Cash Flow Analysis	2016				2015		
SEK thousands	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities	61,205	94,808	8,966	44,597	60,563	65,437	30,584
Cash flow from investing activities	-36,430	-51,505	-25,798	-58,332	13,754	-30,153	-251,722
Cash flow from financing activities	-285	239,896	-40,272	-25,063	-13,847	-102,634	133,320
Net cash flow for the period	24,490	283,199	-57,104	-38,798	60,470	-67,350	-87,818
Cash and cash equivalents at the beginning of the period	484,571	194,830	256,214	295,547	232,851	305,942	382,299
Foreign currency translation differences	2,871	6,542	-4,280	-535	2,226	-5,741	11,461
Cash and cash equivalents at the end of the period	511,932	484,571	194,830	256,214	295,547	232,851	305,942

THE SHARE

The share capital in Opus Group AB totals SEK 5,774,239.18 distributed over 288,711,959 shares, each with a quota value of SEK 0.02 per share. All shares have one (1) vote each and hold equal rights to the company's assets and profits. Opus Group's market capitalization totaled SEK 2,050 million as of September 30, 2016.



Based on data from Euroclear, the number of shareholders were 11,875 as of September 30, 2016. The shareholder structure of Opus Group is shown in the table below which shows the 10 largest shareholders as of September 30, 2016.

Shareholder	No. of shares	Share of capital and votes, %
Magnus Greko and Jörgen Hentschel, personally and through AB Kommandoran	42,573,600	14,7%
Lothar Geilen	19 609 104	6,8%
Andra AP-fonden	18 621 167	6,4%
MORGAN STANLEY AND CO LLC, W9	17 289 380	6,0%
Försäkringsaktiebolaget Avanza	14 989 712	5,2%
BNY MELLON SA/NV (FORMER BNY), W8IMY	10 534 903	3,6%
EUROCLEAR BANK S.A./N.V, W8-IMY	7 247 773	2,5%
CBNY-NATIONAL FINANCIAL SERVICES LL	4 738 515	1,6%
Nordnet Pensionsförsäkring	4 175 576	1,4%
Grandeur Peak Global	3 980 568	1,4%
Subtotal	143 760 298	49,8%
Other shareholders	144 951 661	50,2%
Total	288,711,959	100,0%

NOTES

Note 1. Earnout Systech acquisition

In connection with the acquisition of Systech in 2008, a contract was signed concerning earnout for new contracts of larger vehicle inspection programs. As the Wisconsin, North Carolina, New York State, and Virginia programs qualify for earnout payments to the sellers of Systech, Opus has accounted for a total provision of SEK 84.3 million (long-term SEK 72.8 million and short-term SEK 11.5 million) for the contractual periods (five year, two year, seven year and seven year respectively). This earnout affects the Group's goodwill with the same amount. More information on the terms of the agreement for the earnout and the accounting of it is described in Opus Group's annual report of 2015.

Note 2. The Vehicle inspection concession in Pakistan

The vehicle inspection concession in the Punjab province in Pakistan is accounted for in accordance with IFRIC 12 "Service Concession Arrangements".

Reported net sales in the first three quarters for the operations in Pakistan, in respect to the construction or upgrade services in accordance with IFRIC 12, amounted to SEK 6.2 million with an EBITDA margin of 4.8% and a net profit of SEK -0.2 million.

More information on the vehicle inspection concession in Pakistan is described in Opus Group's annual report of 2015.

Note 3. Financial instruments valued at fair value

Financial liabilities valued at fair value

SEK thousands	2016-09-30	2015-09-30	2015-12-31
Provisions, additional considerations	116,127	126,946	124,027
Derivatives	3,137	4,879	4,350
Carrying amount	119,264	131,825	128,377

Valuation of provision for additional considerations (earnout) at fair value is attributable to level 3 of the fair value hierarchy. The derivative instrument covers an interest rate swap and the fair value adjustment is attributable to level 2 of the fair value hierarchy. No changes have been made regarding the valuation techniques or assumptions compared to the Annual Report 2015.

Reconciliation between IFRS and key ratios

In this report, Opus Group presents certain financial measures that are not defined under IFRS, so called Alternative Performance Measures. The Group believes that these measures provide useful supplemental information to investors and the company's management as they allow for the evaluation of the Company's results and financial position. As not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. Investors should consider these financial measures as a complement rather than a substitute for financial reporting under IFRS.

Organic growth		
SEK thousands	July - September	January - September
Net sales 2016	419,445	1,266,874
- Effects from Acquisitions/divestments	-	-16,016
Comparable net sales	419,445	1,250,858
Net sales 2015	385,803	1,238,747
- Effects from Acquisitions/divestments	-	-73,626
- Net FX impact	1,292	-1,813
Comparable net sales	387,095	1,163,308
Sales growth (%)	8.7%	2.3%
Organic growth (%)	8.7%	7.4%
FX adjusted organic growth (%)	8.4%	7.5%

Return on capital employed and total assets			
SEK thousands	2016-01-01 2016-09-30	2015-01-01 2015-09-30	2015-01-01 2015-12-31
Earnings before interest and taxes (EBIT)	131,822	98,264	108,973
Financial income excluding exchange gains	1,233	974	1,460
Sum	133,055	99,238	110,433
Average capital employed	2,005,339	1,789,108	1,776,740
Return on capital employed (%)	6.6%	5.5%	6.2%
Average total assets	2,811,547	2,450,117	2,479,314
Return on total assets (%)	4.7%	4.1%	4.5%

Interest coverage ratio			
SEK thousands	2016-01-01 2016-09-30	2015-01-01 2015-09-30	2015-01-01 2015-12-31
Profit/loss after financial items	109,056	85,960	80,456
- Exchange gains	19,826	29,694	26,103
- Financial costs excluding exchange losses	-43,825	-42,972	-56,079
Interest coverage ratio (times)	3.0	2.3	2.0

Acid test ratio			
SEK thousands	2016-01-01 2016-09-30	2015-01-01 2015-09-30	2015-01-01 2015-12-31
Other current assets	339,713	240,201	261,975
Cash and cash equivalents	511,932	295,547	256,214
Current liabilities and provisions	500,077	650,883	695,162
Proposed dividend	-	-	28,871
Acid test ratio (%)	170.3%	82.3%	71.6%

PARENT COMPANY

INCOME STATEMENT IN SUMMARY

SEK thousands	2016-07-01 2016-09-30	2015-07-01 2015-09-30	2016-01-01 2016-09-30	2015-01-01 2015-09-30	2015-01-01 2015-12-31
Operating income					
Net sales	3,367	3,857	10,030	11,866	13,554
Other operating income	7	22	22	482	679
Total operating income	3,374	3,879	10,052	12,348	14,233
Operating expenses	-15,829	-4,710	-26,021	-25,253	-34,780
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-12,455	-831	-15,969	-12,905	-20,547
Depreciation and amortization	-98	-68	-281	-192	-266
Operating loss (EBIT)	-12,553	-899	-16,250	-13,097	-20,813
Results from financial items	29,691	26,537	71,050	55,296	60,912
Net loss/profit after financial items	17,139	25,638	54,800	42,199	40,099
Appropriations	-	-	-	-	-218
Net loss/profit before taxes	17,139	25,638	54,800	42,199	39,881
Tax for the period	-6,045	-5,474	-14,321	-9,280	-9,490
Net loss/profit	11,094	20,164	40,479	32,919	30,391

STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK thousands	2016-07-01 2016-09-30	2015-07-01 2015-09-30	2016-01-01 2016-09-30	2015-01-01 2015-09-30	2015-01-01 2015-12-31
Net loss/profit	11,094	20,164	40,479	32,919	30,391
Items that might be reclassified to profit/loss for the year					
Cash flow hedges	599	77	1,214	267	796
Tax effect on cash flow hedges	-132	-17	-267	-59	-175
Other comprehensive income	467	60	947	208	621
Total comprehensive income	11,561	20,224	41,426	33,127	31,012

BALANCE SHEET IN SUMMARY

SEK thousands	2016-09-30	2015-09-30	2015-12-31
ASSETS			
Non-current assets			
Intangible assets	937	668	887
Tangible assets	206	232	211
Financial assets	1,847,240	1,773,342	1,807,819
Total non-current assets	1,848,383	1,774,242	1,808,917
Current assets			
Other current receivables	48,673	3,347	11,673
Cash and cash equivalents	335,064	131,612	121,784
Total current assets	383,737	134,959	133,457
TOTAL ASSETS	2,232,120	1,909,201	1,942,374
EQUITY AND LIABILITIES			
Shareholder equity	721,345	710,907	708,791
Untaxed reserves	49,396	35,817	49,396
Non-current interest bearing liabilities	1,186,989	763,127	692,089
Non-current provisions	72,788	78,107	79,308
Current interest bearing liabilities	-	215,189	261,929
Current non-interest bearing liabilities and provisions	201,602	106,054	150,861
TOTAL EQUITY AND LIABILITIES	2,232,120	1,909,201	1,942,374

Auditors review report

Opus Group AB (publ)
Corp. id. 556390-6063

Introduction

We have reviewed the summary interim financial information (interim report) of Opus Group AB (publ) as of 30 September 2016 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Göteborg November 18, 2016

KPMG AB

Jan Malm
Authorized Public Accountant

The Board of Directors and the President have ensured that the quarterly report provides an accurate overview of the Parent Company's and the Group's operations, financial position and results, and that it describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Möln dal, November 18, 2016

Katarina Bonde
Chairman

Lothar Geilen
Board member

Anders Lönnqvist
Board member

Friedrich Hecker
Board member

Anne-Lie Lind
Board member

Heléne Mellquist
Board member

Magnus Greko
CEO and Group President

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