

Opus Group AB (publ)

Interim Report (January - March 2017)

January - March 2017

- Net sales amounted to SEK 428.7 million (395.1), a revenue growth of 8.5 percent. Adjusted for acquisitions and FX, the revenue growth amounted to 4.3 percent.
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK 71.9 million (61.4), corresponding to an EBITDA margin of 16.8 percent (15.5) and an EBITDA growth of 17.1 percent.
- Net financial income/expense includes net foreign exchange losses of SEK -0.9 million (-8.0).
- Profit for the period amounted to SEK 8.3 million (2.1).
- Earnings per share after dilution amounted to SEK 0.03 (0.01).
- Cash flow from operating activities amounted to SEK 51.1 million (9.0).

Notable events during the first quarter

- Opus launched a new 5-year strategic plan called 400/100/25.
- Opus appointed Lothar Geilen as new CEO as per April 1, 2017.
- Opus acquired three concessions and started vehicle inspection in Córdoba, Argentina.
- Opus started vehicle inspection in Parral, Chile under the concession in the Maule region.

RESULT OVERVIEW

SEK millions	January - March		January - December
	2017	2016	2016
Net sales	428.7	395.1	1,697.2
Total operating income	429.0	395.3	1,698.6
Earnings before interest, taxes, depreciation and amortization (EBITDA)	71.9	61.4	332.0
EBITDA margin	16.8%	15.5%	19.5%
Profit/loss for the period	8.3	2.1	85.4
Earnings per share after dilution	0.03	0.01	0.29
Cash flow from operating activities	51.1	9.0	204.2



EBITDA growth, expansion in Argentina and new five-year growth plan

It is with great pride and a strong belief in Opus' future that I took over from Magnus Greko as CEO on April 1, 2017. I have been in the vehicle inspection industry my entire professional career. In 2000, I co-founded what today is Opus' vehicle inspection operations. I look forward to continue developing Opus into a leading company in vehicle inspection and vehicle services.

We had a good start to 2017 with good underlying organic growth in the quarter of 8.1 percent (4.3 percent, FX adjusted) driven in part by Equipment as a Service (EaaS) programs of emission test equipment in the U.S. and by international expansion. The Group had strong earnings growth in the quarter coming both from the international and Swedish business. EBITDA increased by 17.1 percent compared to Q1 2016, with a margin of 16.8 percent, a good result in a seasonally weak quarter.

In February we presented a new five-year growth plan, called 400/100/25. The plan entails revenue growth from USD 200 million to USD 400 million, EBITDA growth from USD 40 million to USD 100 million and EBITDA margin growth from 20 percent to 25 percent. Most of the growth is expected to come from expanding Opus' vehicle inspection operations in several low and middle income countries where vehicle population growth is significant. We further expect growth to come from emission equipment EaaS, RAP and FASTLIGN®. The growth will mainly be organic with some add-on acquisitions. Estimated capex in support of this growth is SEK 1.5 – 2 billion. The growth is planned to be exclusively financed by our existing cash, operational cash flow and through debt financing.

The international vehicle inspection segment continues to grow and develop well. The good EBITDA margin, which is stable above 20 percent on an annual basis, is underpinned by good growth from emission equipment EaaS revenues and good performance across all programs easily compensating start-up costs related to the RAP pilot program. In March, we started vehicle inspection operations in Córdoba, Argentina. This expansion is a first step in line with our new growth plan and gives us a stronger position in Latin America, which is one of our focus markets. In the U.S., we are continuing pilot programs for RAP and FASTLIGN®. In April, we signed a new contract with Metro Nashville to continue providing the vehicle emission inspection program for another five years and the contract may be extended at Metro Nashville's option up to an additional five years. Our international programs continue to develop according to plan. A second station was opened in Chile in the quarter; and in Pakistan we have started the implementation of phase 2, after seeing a good development in inspection volume in our first two stations.

In the segment Vehicle Inspection Sweden revenues grew by 3.4 percent in the quarter. Historically, the first quarter is seasonally the weakest quarter of the year. The revenue growth is primarily attributable to increased average revenue per inspection and new station openings that generate progressively increasing revenues. The EBITDA margin increased to 10.1 percent (5.2) compared to Q1 2016. The EBITDA growth and margin improvement is due to increased revenues and improved efficiency in the organization.

We already have a strong platform with leading positions in the U.S. and Sweden and established positions in Latin America and Asia. Our new Group Management Team is almost complete by hiring two highly experienced executives in Alfredo Granai as the new President of Vehicle Inspection Latin America and Sandra McCulloch as the new President of Vehicle Inspection U.S. and Rest of World. The promotion of Per Rosén to President of Vehicle Inspection Europe completes seven of the eight GMT positions. We are in

the process of hiring a Director of Communications and Investor Relations to complete the new GMT.

For calendar years 2017 and 2018, we will focus on new vehicle inspection program wins and start-ups; we will focus on the success of our pilot programs in RAP and FASTLIGN®, and we will focus on the emission equipment EaaS run rate to ensure that we will meet our 5-year plan.

Our strengthened organization and our strong operational, technological and financial platform will be crucial for achieving our five-year growth plan. I am looking forward to leading this company during this important time and to realizing our objectives.

Möln dal in May 2017
Lothar Geilen
CEO

Notable events during the year

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

During the first quarter

- Opus launched a new 5-year strategic plan called 400/100/25.
- Opus appointed Lothar Geilen as new CEO as per April 1, 2017.
- Opus acquired three concessions and started vehicle inspection in Córdoba, Argentina.
- Opus started vehicle inspection in Parral, Chile under the concession in the Maule region.

Events after the end of the period

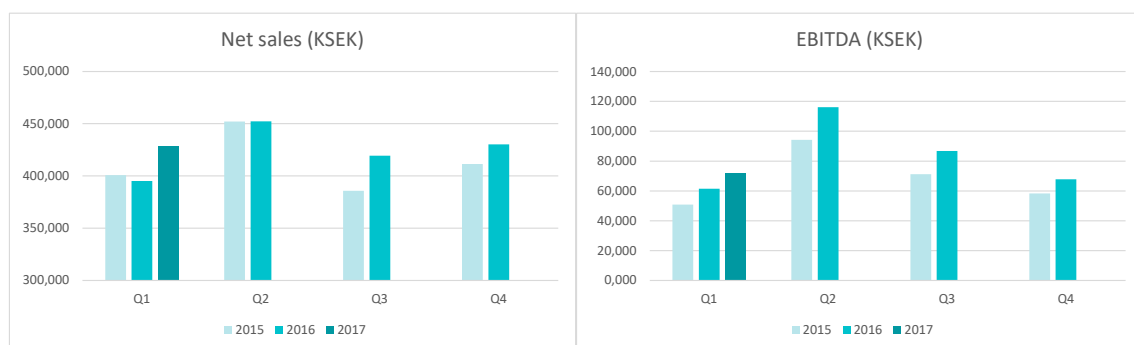
- Nashville, TN signed new contract with Opus Inspection.
- Opus welcomes Sandra McCulloch as President of Vehicle Inspection U.S. and Rest of World and new CEO of Opus Inspection.
- Opus Inspection acquired European RSLab.

Financial information

Sales and result

January – March 2017

- Net sales for the period amounted to SEK 428.7 million (395.1). Reported net sales is 8.5 percent higher for the Group compared to the same period previous year and has been positively affected by the acquisition of the three vehicle inspection concessions in Córdoba, Argentina, which was finalized on March 2, 2017. Adjusted for the revenue from the acquired business and adjusted for FX, the Group's net sales increased by 4.3 percent.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to SEK 71.9 million (61.4), corresponding to an EBITDA margin of 16.8 percent (15.5). EBITDA has been negatively affected by start-up costs of SEK 4.7 million in conjunction with new EaaS contracts and Drew Tech's RAP service.
- Depreciation and amortization amounted to SEK -50.3 million (-43.8) and comprise depreciation of tangible assets of SEK -30.1 million (-25.5) and amortization of intangible assets of SEK -20.2 million (-18.3). The increase in depreciation and amortization is mainly due to delivered equipment within EaaS programs.
- The Group's net financial items amounted to SEK -15.7 million (-20.4), whereof net interest SEK -13.2 million (-10.8), foreign exchange differences of SEK -0.9 million (-8.0) and other financial items of SEK -1.6 million (-1.6).
- The reported income tax is positive for the period as a result of a positive tax effect of SEK 5.2 million relating to tax deductible, unrecognized costs in the form of exchange-rate losses reported directly over equity.
- Profit for the period amounted to SEK 8.3 million (2.1).



Financial position and Liquidity

Cash and cash equivalents

Cash and cash equivalents at the end of the period amounted to SEK 468.9 million (194.8) whereof SEK 32.2 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 436.7 million (201.1) including an unutilized overdraft facility of SEK 0.0 million (25.8).

Equity

Equity attributable to equity holders of the parent company at the end of the period amounted to SEK 1,008.6 million (870.7), equivalent to SEK 3.47 (3.02) per share outstanding at the end of the period before dilution.

Solvency

The equity ratio at the end of the period amounted to 34.3 percent (34.5).

Cash flow

Cash flow from operating activities

Cash flow from operating activities in the quarter amounted to SEK 51.1 million (9.0), including a change of working capital of SEK 3.0 million (-11.5).

Investments

Cash flow from investing activities in the first quarter of 2017 amounted to SEK -86.8 million compared with SEK -25.8 million for the corresponding period previous year. Cash flow related to acquisitions amounted to SEK -33.8 million. Investments in tangible fixed assets amounted to SEK -40.5 million (-16.1) and primarily consisted of machinery and equipment related to the company's business model with EaaS contracts and investments in new vehicle inspection stations in Sweden, Argentina and Chile. Investments in intangible fixed assets amounted to SEK -0.3 million (-0.1). The Group's free cash flow amounted to SEK 10.3 million (-7.3).

Financing

The Group's interest bearing liabilities at the end of the period amounted to SEK 1,192.1 million (916.5). Cash flow from financing activities in the quarter amounted to SEK 0.2 million (-40.3). The change is primarily due to the redemption of stock option program 2013:1, which resulted in cash received of SEK 0.8 million net after deduction of expenses related to repurchase of stock options, and amortization of bank loans of SEK -0.7 million. The Group's net debt at the end of the period amounted to SEK 723.2 million (721.7).

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/ EBITDA.

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.

Employees

The number of FTEs (full-time equivalents) in the Group was 1,776 (1,677) at the end of the reporting period.

Taxes

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

Parent company

The parent company's net sales during the first quarter amounted to SEK 4.2 million (3.4) and net profit before taxes to SEK -14.3 million (-13.9). Profit and loss includes net foreign exchange losses of SEK -26.1 million (-23.4).

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 2016, the Board will propose that a dividend of SEK 0.12 (SEK 0.10) per share shall be paid.

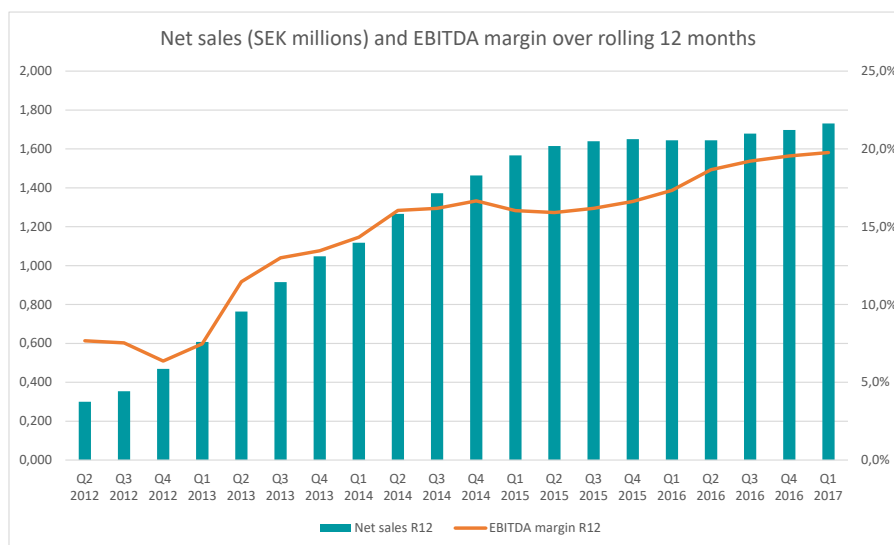
Financial targets

The Board of Opus Group has adopted new financial targets for 2017:

Opus Group's financial targets are:

- Revenue of USD 400 million to be achieved in the fiscal year 2021.
- EBITDA margin of 25 percent to be achieved in the fiscal year 2021.
- Net debt/EBITDA not to exceed 3.0 based on the last 12-months. Comment: Net debt/EBITDA may temporarily exceed 3.0 should investment opportunities arise where EBITDA contribution will only materialize in a later period.

- Net debt/EBITDA over the last 12-months (April 1, 2016 - March 31, 2017) amounted to 2.1 times.



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

Opus Group currently consists of the Vehicle Inspection division consisting of the two segments: Vehicle Inspection International and Vehicle Inspection Sweden. The board of Opus Group has decided that the Group's operations going forward shall be conducted under a new segment structure. The new operating structure will consist of the three segments "Vehicle Inspection Europe", "Vehicle Inspection Latin America" and "Vehicle Inspection U.S. and Rest of World". Opus anticipates that quarterly reporting under the new operating structure will be implemented during the second half of 2017.

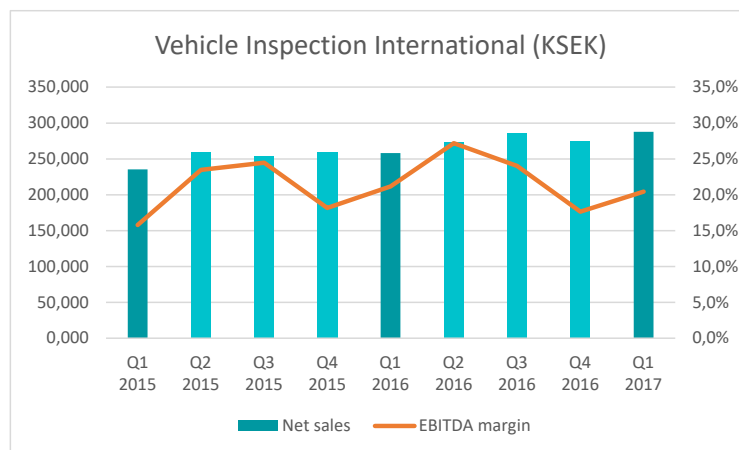
Vehicle Inspection International

SEK thousands	January - March		January - December
	2017	2016	2016
Segment's net sales	287,647	257,994	1,091,972
Total operating income	287,839	258,111	1,092,897
EBITDA	58,817	54,595	246,204
EBITDA margin	20.4%	21.2%	22.5%
Depreciation of tangible assets	-26,170	-21,971	-92,948
EBITA	32,647	32,624	153,256
EBITA margin	11.3%	12.6%	14.0%
Start-up costs*	4,676	2,332	16,626

* Start-up costs consist of sales commissions in connection with new EaaS contracts and the pilot program for Drew Tech's RAP service.

Net sales in Q1 2017 amounted to SEK 287.6 million (258.0). Revenue growth in SEK amounted to 11.5 percent, while organic revenue growth in local currency was 5.0 percent.

EBITDA amounted to SEK 58.8 million (54.6). EBITDA growth in SEK amounted to 7.7 percent. The EBITDA margin amounted to 20.4 percent (21.2), and demonstrates a continued good margin underpinned by EaaS contracts and good performance across all programs despite start-up costs of SEK 4.7 million (USD 0.5 million) related to the RAP pilot program and new EaaS contracts.



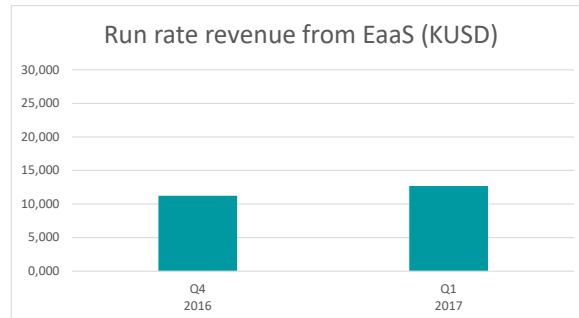
According to the new growth plan, segment Vehicle Inspection International will grow by USD 152 million to USD 280 million in five years. To reach the growth target, Opus plans to increase its vehicle inspection operations in several low and middle income countries where the vehicle fleet is old and vehicle population growth is significant. In Q1, Opus has taken a first step in line with the growth plan by starting vehicle inspection operations in Córdoba, Argentina. Córdoba is Argentina's second largest city and has a fleet of over 500,000 vehicles. The new operation in Córdoba continues Opus' business growth in Latin America.

In the U.S., the RAP pilot program is continuing across the U.S., and the FASTLIGN® pilot program in California and Texas. For RAP, Opus has now delivered over 1,000 units, and delivery of RAP units is expected to continue at a strong pace. The pilot program will be completed by the end of May, at which

time we will have sufficient information to determine our final marketing and sales plan for this exciting product platform.

The FASTLIGN® pilot program is expected to continue during 2017. Opus has finalized design improvements, which have improved the laser and software functionality. The development of the pilot program has been successful so far and we are optimistic that the results of the pilot program will enable us to make FASTLIGN® a successful, innovative product platform for many years to come.

Over the last two years, Opus has focused on developing its business model with EaaS and as part of the Group's growth plan, revenues from EaaS will increase to USD 30 million annually, by 2021. During the first quarter, Opus had a continued good development in its EaaS business and the run rate, at the end of March 2017, amounted to USD 12.7 million on an annualized basis.



In April, Opus Inspection signed a new contract with Metro Nashville to continue providing the vehicle emission inspection program. The new five-year contract will begin on July 1, 2017 and may be extended at Metro Nashville's option up to an additional five years. Opus Inspection has provided a turnkey vehicle emission inspection program for the Metropolitan Government of Nashville and Davidson County (Metro Nashville) since 2007.

In Q1, Opus opened a new vehicle inspection station in Parral, Chile. The station is the second, of eight contracted stations in three regions, currently operational. The opening of the station is another step forward to fulfill Opus Inspection's ambitious growth plans for Chile where the goal is to have all eight inspection stations operational by the end of 2017.

In the Punjab vehicle inspection program Opus has started the implementation of phase 2, after seeing a good development in inspection volume in its first two stations. Phase 2 includes the construction of an additional 37 inspection stations during 2017, of which 24 will be mobile and the remaining 13 will consist of permanently staffed, full service facilities. We expect this phase to be mostly completed by year-end.

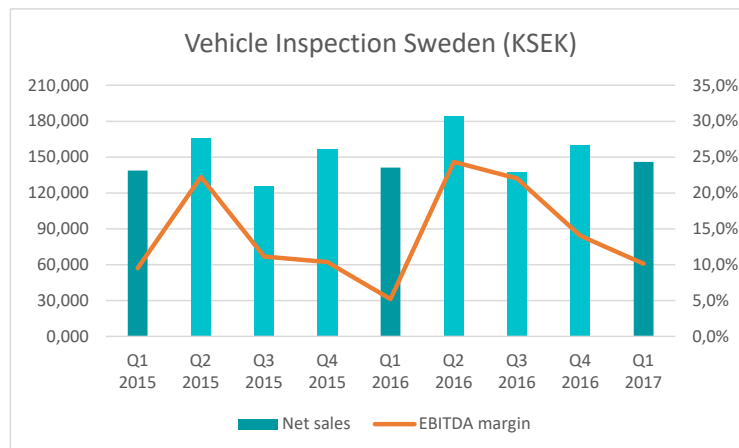
In April, Opus Inspection acquired 60% of Remote Sensing Laboratory S.L. (RSLab), the Madrid based, ISO 17025 accredited laboratory for the remote measurement of real-driving emissions. The company will be renamed Opus RS Europe S.L. and will lead Opus' commercial Remote Sensing activities in Europe. RSLab has represented Opus' Remote Sensing technology in European markets since 2007, and has conducted numerous on-road emissions studies using Remote Sensing. The acquisition will strengthen Opus' Remote Sensing business opportunities in Europe. For the time being, Opus RS Europe will be managed by Vehicle Inspection International as the remote sensing domain expertise is currently concentrated under the Vehicle Inspection International management.

The number of employees at the end of the reporting period amounted to 1,207 (1,085).

Vehicle Inspection Sweden			
	January - March		January - December
SEK thousands	2017	2016	2016
Segment's net sales	145,951	141,209	622,966
Total operating income	146,086	141,235	623,195
EBITDA	14,812	7,348	104,902
EBITDA margin	10.1%	5.2%	16.8%
Depreciation of tangible assets	-3,981	-3,527	-14,531
EBITA	10,831	3,821	90,371
EBITA margin	7.4%	2.7%	14.5%

Net sales in Q1 2017 amounted to SEK 146.0 million (141.2). The growth (all organic) was 3.4 percent. The revenue growth is primarily attributable to increased average revenue per inspection and new station openings that generate progressively increasing revenues. In total, Opus Bilprovning has opened three new stations during the previous twelve months and in early April Opus opened its first station in the Gothenburg region.

Q1 EBITDA amounted to SEK 14.8 million (7.3) with an EBITDA margin of 10.1 percent (5.2). The first quarter is seasonally the weakest quarter of the year in the market. The EBITDA growth and margin improvement is due to increased revenues and improved efficiency in the organization.



The competition has increased in the quarter with significant discounts offered by some companies, which have affected the market share of Opus Bilprovning negatively in the quarter. Opus Bilprovning has chosen not to compete by offering discounts and instead focuses on delivering customer satisfaction combined with good profitability.

The number of employees at end of the period amounted to 563 persons (587).

Accounting and Valuation Policies

This report has been prepared in accordance with IAS 31, Interim Financial Reporting. The group accounting has been prepared in accordance with International Financial Reporting Standards, IFRS, as approved by the 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. The same accounting and valuation policies have been applied as in the annual report for 2016. 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 2017 an additional portion of intercompany loans in USD has been reclassified to net investment in foreign operations and by that, the exchange rate differences are recognized in other comprehensive income through a translation reserve in equity, instead of net financial items in the income statement.

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 for currencies that are material for the Group:



Currency	Average rate			Closing rate		
	Jan - Mar 2017	Jan - Mar 2016	Jan - Dec 2016	31 March 2017	31 March 2016	31 December 2016
USD	8.92	8.46	8.56	8.93	8.15	9.10
ARS	0.57	-	0.58	0.58	-	0.57
PKR	0.09	0.08	0.08	0.09	0.08	0.09

Essential Risks and Uncertainty Factors

Through its activities, Opus is exposed to risks of varying significance and nature that could negatively impact the company's operations and financial position. Opus attaches great importance to identifying and evaluating the risks to which the operations are exposed, and to ensuring that effective measures are in place to limit the impact of risks. Opus applies a risk management model in which potential risks are identified and evaluated using a five-point scale based on likelihood and impact. Identified risks are assigned to one of three categories – Environment risks, Operational risks and Financial risks.

Because Opus Group AB is financed in Swedish kronor and lends US dollars to its subsidiaries, there is a currency risk that the company has decided not to exchange hedge. As per March 31, 2017 the Group's net exposure of loans in USD amounted to approximately USD 160 million, of which net exposure of loans that are revaluated in the income statement, i.e. excluding net investment in foreign operations, amounted to USD 16 million. A detailed description of the parent company and subsidiaries' risks and risk management is given in Opus Group's Annual Report 2016.

Outlook

The increased mobility and vehicle fleet in low and middle income countries creates a need for vehicle inspection programs to fight vehicle pollution and improve traffic safety. In response, Opus has developed a growth strategy for the next five years to take part in this growing market.

In 2017, Opus foresees a continued strong market position in its existing markets, generating cash flows for the planned expansion. In addition to the growth opportunities within new geographical markets Opus also sees further expansion of its successful business model Equipment as a Service (EaaS) for emission test equipment in a handful of states in the U.S. Furthermore, there is good potential in Opus' new Remote Assisted Programming service (RAP Service), which will be offered to workshops and dealerships in the U.S. market. New vehicle inspection programs, EaaS and RAP have a short-term negative impact on EBITDA as well as the cash flows due to capex. However, these new projects are adding to Opus' underlying long-term cash flow generation and EBITDA margin.

In 2017, Opus will continue expanding in Latin America as well as explore opportunities in other regions. Opus is convinced that past and upcoming investments, combined with the investments planned for 2017, will together contribute to taking the company into a new growth period. The expected growth will to a large extent be organic but may also include acquisitions.

Opus Group does not provide any forecasts.

Next Financial Reports

- August 18, 2017 - Interim report Q2 2017
- November 10, 2017 - Interim report Q3 2017

Annual General Meeting

- May 15, 2017 - Annual general meeting 2017 at Radisson Blu Scandinavia Hotel in Gothenburg

This report has not been subject to auditors' review.

Mölndal, Sweden, May 12, 2017
Lothar Geilen
CEO

Contact Information

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For any questions regarding the interim report, please contact the company through the contact details above.

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 May 12, 2017.

Opus Group AB (publ) in brief

Opus is a technology driven growth company in the vehicle inspection and vehicle services markets. The company has a strong focus on customer service and innovative technology within emission and safety testing and vehicle services. The Group had approximately SEK 1.7 billion in revenues in 2016 with strong operating cash flow and good operating profitability. Opus' plan is to double its revenues to reach USD 400 million in revenues and USD 100 million in EBITDA by 2021. The main growth is estimated to come from the expansion of the vehicle communication and services business and the international expansion of the vehicle inspection business with a primary focus on the Latin American and Asian markets. With close to 1,800 employees, Opus is headquartered in the Gothenburg region of Sweden. Opus has 26 regional offices of which 20 are located in the United States and the others in Stockholm, Peru, Chile, Argentina, Mexico and Pakistan. Opus has production facilities in the U.S. in Hartford, Ann Arbor and Tucson. The Opus share is listed on Nasdaq Stockholm.

GROUP

INCOME STATEMENT IN SUMMARY

SEK thousands	2017-01-01 2017-03-31	2016-01-01 2016-03-31	2016-01-01 2016-12-31
Operating income			
Net sales	428,667	395,128	1,697,150
Other operating income	312	191	1,475
Total operating income	428,979	395,319	1,698,625
Operating expenses	-357,108	-333,908	-1,366,607
Earnings before interest, taxes, depreciation and amortization (EBITDA)	71,871	61,411	332,018
Depreciation	-30,100	-25,459	-107,270
EBITA	41,771	35,952	224,748
Amortization	-20,157	-18,315	-75,595
Earnings before interest and taxes (EBIT)	21,614	17,637	149,153
Net financial income/expense	-15,742	-20,374	-3,930
Profit after financial items	5,872	-2,737	145,223
Income taxes	2,381	4,848	-59,846
Profit/loss for the period	8,253	2,111	85,377
Attributable to:			
Parent company shareholders	9,188	2,132	87,051
Non-controlling interests	-935	-21	-1,674
Earnings per share			
Average number of outstanding shares, before dilution	288,980	288,712	288,712
Average number of outstanding shares, after dilution	294,480	288,712	300,091
Earnings per share before dilution (SEK)	0.03	0.01	0.30
Earnings per share after dilution (SEK)	0.03	0.01	0.29

STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK thousands	2017-01-01 2017-03-31	2016-01-01 2016-03-31	2016-01-01 2016-12-31
Profit/loss for the period	8,253	2,111	85,377
Items that might be reclassified to profit/loss for the year			
Translation differences	-31,342	-22,194	79,475
Cash flow hedge	637	167	1,862
Tax effect of cash flow hedge	-140	-37	-410
Total other comprehensive income for the period	-30,845	-22,064	80,927
Comprehensive income for the period	-22,592	-19,953	166,304
Attributable to:			
Parent company shareholders	-21,433	-19,933	167,235
Non-controlling interests	-1,159	-20	-931

GROUP

STATEMENT OF FINANCIAL POSITION IN SUMMARY

SEK thousands	2017-03-31	2016-03-31	2016-12-31
ASSETS			
Intangible assets	1,317,756	1,209,718	1,320,616
Tangible assets	813,348	714,368	814,945
Financial assets	20,761	15,765	22,790
Deferred tax receivable	26,863	23,966	31,521
Total non-current assets	2,178,728	1,963,817	2,189,872
Inventory	111,896	87,403	85,258
Other current assets	213,350	280,038	224,145
Cash and cash equivalents	468,878	194,830	507,300
Total current assets	794,124	562,271	816,703
TOTAL ASSETS	2,972,852	2,526,088	3,006,575
EQUITY AND LIABILITIES			
Equity attributable to parent company's shareholders	1,008,637	870,734	1,029,221
Equity attributable to non-controlling interests	11,365	-30	12,524
Total equity	1,020,002	870,704	1,041,745
Non-current interest bearing liabilities	989,059	697,656	987,990
Non-current non-interest bearing liabilities and provisions	354,053	324,990	380,368
Current interest bearing liabilities	203,064	218,878	204,078
Current non-interest bearing liabilities and provisions	406,674	413,860	392,394
TOTAL EQUITY AND LIABILITIES	2,972,852	2,526,088	3,006,575

STATEMENT OF CHANGES IN EQUITY IN SUMMARY

SEK thousands	Equity attributable to parent company's shareholders						Non-controlling interests	Total Equity
	Number of outstanding shares	Share capital	Other capital contributions	Reserves	Retained earnings	Total		
Equity 2016-01-01	288,711,959	5,774	610,122	79,312	195,459	890,667	-10	890,657
Total comprehensive income	-	-	-	80,184	87,051	167,235	-931	166,304
Stock options	-	-	190	-	-	190	-	190
Dividend	-	-	-	-	-28,871	-28,871	-	-28,871
Transactions with shareholders with non-controlling interests	-	-	-	-	-	-	13,465	13,465
Equity 2016-12-31	288,711,959	5,774	610,312	159,496	253,639	1,029,221	12,524	1,041,745
Total comprehensive income	-	-	-	-30,621	9,188	-21,433	-1,159	-22,592
Redemption stock options	1,606,287	32	817	-	-	849	-	849
Equity 2017-03-31	290,318,246	5,806	611,129	128,875	262,827	1,008,637	11,365	1,020,002

STATEMENT OF CASH FLOWS IN SUMMARY

SEK thousands	2017-01-01 2017-03-31	2016-01-01 2016-03-31	2016-01-01 2016-12-31
Earnings before interest and tax (EBIT)	21,614	17,637	149,153
<i>Adjustment for non cash flow items</i>			
- Depreciation/amortization	50,257	43,774	182,866
- Other	-3,197	-113	-4,933
Interest net	-13,496	-10,764	-50,602
Income tax paid	-7,129	-30,097	-42,829
Change in working capital	3,039	-11,471	-29,451
Cash flow from operating activities	51,088	8,966	204,204
<i>Investing activities</i>			
Acquisition/divestment of subsidiary/business net after acquired/divested cash	-33,769	-	-12,601
Investments in tangible assets	-40,512	-16,096	-127,244
Investments in intangible assets	-286	-121	-17,155
Other	-12,203	-9,581	-16,868
Cash flow from investment activities	-86,770	-25,798	-173,868
<i>Financing activities</i>			
Dividend	-	-	-28,871
New debt	56	933	496,395
Net change in bank overdraft facilities	-	-2,164	-71,408
Amortization of liabilities to credit institutions	-670	-39,041	-193,352
Other	848	-	753
Cash flow from financing activities	234	-40,272	203,517
Liquid assets at the beginning of the period	507,300	256,214	256,214
Translation difference	-2,974	-4,280	17,233
Cash flow for the period	-35,448	-57,104	233,853
Liquid assets at the end of the period	468,878	194,830	507,300

KEY RATIOS

	2017-01-01 2017-03-31	2016-01-01 2016-03-31	2016-01-01 2016-12-31
Return on capital employed, percent	1.0	1.0	7.4
Return on total assets, percent	0.7	0.7	5.4
Return on equity, percent *	0.9	0.2	9.1
EBITDA margin, percent	16.8	15.5	19.5
EBITA margin, percent	9.7	9.1	13.2
Operating profit (EBIT) margin, percent	5.0	4.5	8.8
Profit margin, percent	1.4	-0.7	8.5
Sales growth, percent	8.5	-1.4	2.8
Net debt, Sek thousands	723,245	721,704	684,768
Net debt / equity ratio, times	0.7	0.8	0.7
Interest coverage ratio, times	1.4	1.4	2.5
Equity ratio, percent	34.3	34.5	34.6
Acid test ratio, percent	105.8	71.8	115.9
Number of employees at the end of the period	1,776	1,677	1,691
Data per share			
Number of shares at period end before dilution, thousands	290,318	288,712	288,712
Number of shares at period end after dilution, thousands	295,818	288,712	300,091
Average number of outstanding shares, before dilution, thousands	288,980	288,712	288,712
Average number of outstanding shares, after dilution, thousands	294,480	288,712	300,091
Equity per share, before dilution, SEK *	3.47	3.02	3.56
Equity per share, after dilution, SEK *	3.41	3.02	3.43
Earnings per share, before dilution, SEK *	0.03	0.01	0.30
Earnings per share, after dilution, SEK *	0.03	0.01	0.29
Dividend per share, before dilution, SEK	-	-	0.12
Dividend per share, after dilution, SEK	-	-	0.12
Cash flow from operating activities per share, before dilution, SEK	0.18	0.03	0.71
Cash flow from operating activities per share, after dilution, SEK	0.17	0.03	0.68

* excluding minority interests

Outstanding stock options result in a dilution effect in 2017 since the average market price of ordinary shares during the period exceeded the discounted exercise price for the stock options.

For definitions of key ratios, see Opus Group's annual report 2016.

QUARTERLY DEVELOPMENT FOR THE GROUP

Segment information	2017		2016		
SEK thousands	Q1	Q4	Q3	Q2	Q1
Total operating income					
Vehicle Inspection Sweden	146,086	160,413	137,480	184,066	141,235
Vehicle Inspection International	287,839	274,524	286,797	273,466	258,111
Group eliminations	-4,946	-4,260	-3,822	-5,359	-4,027
Group	428,979	430,677	420,455	452,173	395,319
Vehicle Inspection International in USD thousands	32,258	30,361	33,660	33,303	30,521
EBITDA					
Vehicle Inspection Sweden	14,812	22,484	30,281	44,789	7,348
Vehicle Inspection International	58,817	48,397	68,846	74,367	54,595
Group-wide expenses	-1,758	-3,111	-12,387	-3,058	-532
Group	71,871	67,770	86,740	116,098	61,411
Vehicle Inspection International in USD thousands	6,592	5,352	8,080	9,056	6,456
EBITDA margin					
Vehicle Inspection Sweden	10.1%	14.0%	22.0%	24.3%	5.2%
Vehicle Inspection International	20.4%	17.6%	24.0%	27.2%	21.2%
Group	16.8%	15.7%	20.6%	25.7%	15.5%

Income statement	2017		2016		
SEK thousands	Q1	Q4	Q3	Q2	Q1
Net sales	428,667	430,276	419,445	452,301	395,128
Total operating income	428,979	430,677	420,455	452,173	395,319
Operating expenses	-357,108	-362,907	-333,715	-336,075	-333,908
EBITDA	71,871	67,770	86,740	116,098	61,411
EBITDA margin	16.8%	15.7%	20.6%	25.7%	15.5%
Depreciation and amortization	-50,257	-50,439	-45,431	-43,222	-43,774
Operating profit/loss (EBIT)	21,614	17,331	41,309	72,876	17,637
Net financial income/expense	-15,742	18,836	-6,732	4,340	-20,374
Profit/loss after financial items	5,872	36,167	34,577	77,216	-2,737
Income taxes	2,381	-14,722	-23,270	-26,702	4,848
Net profit/loss for the period	8,253	21,445	11,307	50,514	2,111

Cash flow analysis	2017		2016		
SEK thousands	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities	51,088	39,225	61,205	94,808	8,966
Cash flow from investing activities	-86,770	-60,135	-36,430	-51,505	-25,798
Cash flow from financing activities	234	4,178	-285	239,896	-40,272
Net cash flow for the period	-35,448	-16,732	24,490	283,199	-57,104
Liquid assets at the beginning of the period	507,300	511,932	484,571	194,830	256,214
Translation difference	-2,974	12,100	2,871	6,542	-4,280
Liquid assets at the end of the period	468,878	507,300	511,932	484,571	194,830

THE SHARE

The share capital in Opus Group AB totals SEK 5,806,365 distributed over 290,318,246 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 2,105 million as of March 31, 2017.



Based on data from Euroclear, the number of shareholders were 13,865 as of March 31, 2017. The shareholders structure of Opus Group is shown in the table below which shows the 10 largest shareholders as of March 31, 2017.

Shareholder	Number of shares	Share of capital and votes, %
Magnus Greko and Jörgen Hentschel, personally and through AB Kommandoran	42,573,600	14.7%
Lothar Geilen	19,621,732	6.8%
MORGAN STANLEY AND CO LLC, W9	18,987,390	6.5%
Försäkringsaktiebolaget Avanza	18,954,678	6.5%
Andra AP-fonden	18,621,167	6.4%
BNY MELLON SA/NV (FORMER BNY), WBIMY	10,534,903	3.6%
Nordnet Pensionsförsäkring	4,346,432	1.5%
CBNY-DFA-INT SML CAP V	4,102,721	1.4%
Grandeur Peak International	3,810,268	1.3%
Aberdeen Investment Funds	2,792,600	1.0%
Subtotal	160,972,841	55.4%
Other shareholders	129,345,405	44.6%
Total	290,318,246	100%

NOTES

Note 1. Earnout Systech acquisition

In connection with the acquisition of Systech in 2008, a contract was signed concerning earnout for certain new contracts of larger vehicle inspection programs. Opus has accounted for a total provision of SEK 97.5 million (long-term SEK 83.8 million and short-term SEK 13.7 million). Changes in the valuation of this earnout affect the Group's goodwill asset 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 2016.

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".

No net sales in respect to the construction or upgrade services in accordance with IFRIC 12 have been reported in the quarter for the operations in Pakistan. Net profit/loss, from construction or upgrade services, amounted to SEK 0.2 million.

More information on the vehicle inspection concession in Pakistan is described in Opus Group's annual report 2016.

Note 3. Financial instruments valued at fair value

Financial liabilities valued at fair value			
SEK thousands	2017-03-31	2016-03-31	2016-12-31
Provisions, additional considerations	130,546	113,239	145,063
Derivatives	1,851	4,183	2,488
Carrying amount	132,397	117,422	147,551

Valuation of provision for additional consideration (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 2016.

Note 4. Acquisitions

Acquisition of three vehicle inspection concessions in Córdoba, Argentina.

On March 2, 2017 Opus' Argentine subsidiary Opus Inspection SA completed the acquisition of three vehicle inspection concessions in Córdoba, Argentina. At this time, the purchase price is not disclosed but represents less than three percent of Opus Group AB's market capitalization and is thus, in the context, insignificant. The three vehicle inspection concessions were acquired under an asset purchase agreement with the Portuguese vehicle inspection company Inspecentro. The government of Córdoba has assigned the three vehicle inspection concessions to Opus' Argentinean subsidiary Opus Inspection SA. The concessions include operation of 18 test lines in three state-owned vehicle inspection stations. Opus began operating the three vehicle inspection stations on March 1, 2017. The remaining contract length of the vehicle inspection business in Córdoba is seven years excluding extensions. The exact contract value is uncertain at this time and will be reported at a later date.

Acquisition of Remote Sensing Laboratory S.L. (RSLab).

In April 2017, Opus Inspection acquired 60% of RSLab, the Madrid based, ISO 17025 accredited laboratory for the remote measurement of real-driving emissions. The company will be renamed Opus RS Europe S.L. and will lead Opus' commercial Remote Sensing activities in Europe. RSLab has represented Opus' Remote Sensing technology in European markets since 2007, and has conducted numerous on-road emissions studies using Remote Sensing. Josefina de la Fuente, founder of RSLab, will continue to serve as General Manager of the company. Both the purchase price and RSLab's revenues are insignificant in relation to Opus Group's revenues and total assets. The acquisition is done for strategic reasons, positioning Opus as the leader for current and potential future European Remote Sensing business opportunities.

Note 5. Pledged assets and contingent liabilities

Pledged assets and contingent liabilities SEK thousands	Group			Parent company		
	2017-03-31	2016-03-31	2016-12-31	2017-03-31	2016-03-31	2016-12-31
<i>Assets pledged for liabilities to credit institutions</i>						
Property mortgages	30,870	28,439	31,516	-	-	-
Pledged shares in subsidiaries	558,183	601,786	558,183	558,168	558,168	558,168
Total	589,053	630,225	589,699	558,168	558,168	558,168
<i>Contingent liabilities</i>						
Guarantees on behalf of Group companies	2,010	4,888	2,729	2,010	4,888	2,729
Warranty obligations	5,182	2,521	2,848	5,182	2,521	2,848
Additional consideration	78,781	95,195	81,004	78,781	95,195	81,004
Other contingent liabilities	-	-	62,729	-	-	14,895
Total	85,973	102,604	149,310	85,973	102,604	101,476

Reconciliation between IFRS and key ratios

In this report, Opus 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	January - March
Net sales 2017	428,667
- Effects from acquisitions/divestments	-1,727
Comparable net sales	426,940
Net sales 2016	395,128
- Effects from acquisitions/divestments	-
- Net FX impact	14,223
Comparable net sales	409,351
Sales growth (%)	8.5%
Organic growth (%)	8.1%
FX adjusted organic growth (%)	4.3%

Return on capital employed and total assets

SEK thousands	2017-01-01 2017-03-31	2016-01-01 2016-03-31	2016-01-01 2016-12-31
Earnings before interest and taxes (EBIT)	21,614	17,637	149,153
Financial income excluding exchange gains	587	506	2,146
Total	22,201	18,143	151,299
Average capital employed	2,222,969	1,819,085	2,042,372
Return on capital employed (%)	1.0%	1.0%	7.4%
Average total assets	2,989,714	2,578,748	2,818,992
Return on total assets (%)	0.7%	0.7%	5.4%

Interest coverage ratio

SEK thousands	2017-01-01 2017-03-31	2016-01-01 2016-03-31	2016-01-01 2016-12-31
Earnings before interest and taxes (EBIT)	21,614	17,637	149,153
Financial income excluding exchange gains	587	506	2,146
Total	22,201	18,143	151,299
Financial costs excluding exchange losses	15,381	12,877	59,512
Interest coverage ratio (times)	1.4	1.4	2.5

Acid test ratio

SEK thousands	2017-01-01 2017-03-31	2016-01-01 2016-03-31	2016-01-01 2016-12-31
Current receivables	213,350	280,038	224,145
Cash and cash equivalents	468,878	194,830	507,300
Total	682,228	474,868	731,445
Current liabilities and provisions	609,738	632,738	596,472
Proposed dividend	34,838	28,871	34,838
Total	644,576	661,609	631,310
Acid test ratio	105.8%	71.8%	115.9%

PARENT COMPANY

INCOME STATEMENT IN SUMMARY

SEK thousands	2017-01-01 2017-03-31	2016-01-01 2016-03-31	2016-01-01 2016-12-31
Operating income			
Net sales	4,247	3,358	13,260
Other operating income	15	-	88
Total operating income	4,262	3,358	13,348
Operating expenses	-6,019	-3,927	-32,730
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-1,757	-569	-19,382
Depreciation and amortization	-108	-88	-383
Earnings before interest and taxes (EBIT)	-1,865	-657	-19,765
Net financial income/expense	-12,394	-13,223	152,792
Profit/loss after financial items (EBT)	-14,259	-13,880	133,027
Appropriations	-	-	4,616
Profit/loss before tax	-14,259	-13,880	137,643
Tax for the period	3,136	3,064	-32,540
Profit/loss for the period	-11,123	-10,816	105,103

STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK thousands	2017-01-01 2017-03-31	2016-01-01 2016-03-31	2016-01-01 2016-12-31
Profit/loss for the period	-11,123	-10,816	105,103
Items that might be reclassified to profit/loss for the period			
Cash flow hedge	637	167	1,862
Tax effect on cash flow hedge	-140	-37	-410
Other comprehensive income for the period	497	130	1,452
Total comprehensive income for the period	-10,626	-10,686	106,555

BALANCE SHEET IN SUMMARY

SEK thousands	2017-03-31	2016-03-31	2016-12-31
ASSETS			
Intangible assets	998	911	954
Tangible assets	157	255	181
Financial assets	1,997,554	1,775,443	1,938,591
Total non-current assets	1,998,709	1,776,609	1,939,726
Current receivables	139,278	41,746	98,150
Cash and cash equivalents	274,901	33,156	325,264
Total current assets	414,179	74,902	423,414
TOTAL ASSETS	2,412,888	1,851,511	2,363,140
EQUITY AND LIABILITIES			
Equity	776,699	698,105	786,475
Untaxed reserves	98,379	49,396	98,379
Non-current interest bearing liabilities	987,801	67,496	986,567
Non-current provisions	83,798	693,099	98,765
Current interest bearing liabilities	201,054	216,434	201,349
Current non-interest bearing liabilities and provisions	265,157	126,981	191,605
TOTAL EQUITY AND LIABILITIES	2,412,888	1,851,511	2,363,140

The Board of Directors and the CEO 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 May 12, 2017

Katarina Bonde
Chairman

Anne-Lie Lind
Board member

Heléne Mellquist
Board member

Friedrich Hecker
Board member

Anders Lönnqvist
Board member

Lothar Geilen
Board member and CEO

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