Opus Group AB (publ)

Interim report Q3, 2018

January 1 - September 30, 2018

Report period July – September 2018

- Net sales in the quarter amounted to SEK 634 million (458), a growth of 38.6%. In constant currencies and adjusted for acquisitions, the organic growth was 8.4%.
- EBITDA amounted to SEK 129 million (84), corresponding to an EBITDA margin of 20.3% (18.2).
- EBITA amounted to SEK 91 million (55), corresponding to an EBITA margin of 14.3% (11.9).
- Profit/loss for the quarter amounted to SEK -24 million (13) and includes net foreign exchange differences of SEK -25 million (-15) and an adjustment of deferred tax assets of SEK -15 million.
- Cash flow from operating activities amounted to SEK 55 million (68) and Free cash flow amounted to SEK -4 million (-4).

Report period January – September 2018

- Net sales in the period amounted to SEK 1,841 million (1,361), a growth of 35.2%. In constant currencies and adjusted for acquisitions, the organic growth was 9.6%.
- EBITDA amounted to SEK 372 million (246), corresponding to an EBITDA margin of 20.2% (18.0).
- EBITA amounted to SEK 268 million (156), corresponding to an EBITA margin of 14.6% (11.5).
- Profit/loss for the period amounted to SEK -40 million (49) and includes net foreign exchange differences of SEK -78 million (-24) and an adjustment of deferred tax assets of SEK -15 million.
- Cash flow from operating activities amounted to SEK 206 million (151) and Free cash flow amounted to SEK 27 million (-16).

Financial overview	**3 months [1]**		**9 months [2]**		**12 months**	
SEK millions	**2018**	**2017**	**2018**	**2017**	**LTM [3]**	**2017**
Net sales	634	458	1,841	1,361	2,337	1,858
EBITDA	129	84	372	246	434	308
EBITDA margin	20.3%	18.2%	20.2%	18.0%	18.6%	16.6%
EBITA	91	55	268	156	300	188
EBITA margin	14.3%	11.9%	14.6%	11.5%	12.8%	10.1%
Profit/loss for the period	-24	13	-40	49	-16	74
Cash flow from operating activities	55	68	206	151	241	186
Free cash flow [4]	-4	-4	27	-16	1	-42
Net debt [5]	1,635	939	1,635	939	1,635	966
Net debt / EBITDA [6]	3.41x	2.84x	3.41x	2.84x	3.41x	3.03x
Equity [5]	971	889	971	889	971	947
Equity/Total assets ratio [5]	25.4%	28.5%	25.4%	28.5%	25.4%	28.4%

[1] *Quarter 3: July 1 - September 30.*
[2] *January 1 - September 30.*
[3] *Last 12-months: October 1, 2017 - September 30, 2018.*
[4] *Cash flow from operating activities minus investments in tangible and intangible fixed assets.*
[5] *As per end of period.*
[6] *Net debt as per end of period divided by Last 12-months EBITDA adjusted for proforma accounts for acquired businesses.*

For definitions of key ratios, see Opus Group´s annual report 2017.

CEO letter

EBITDA growth by more than 50% in Q3

Opus Q3 results show strong growth across the company. Sales grew by close to 40%, whereof organic growth was 8%. EBITDA grew by more than 50% and EBITA by more than 60% compared with previous year.

Despite strong operating earnings, the net income was negative for the quarter affected by unrealized net foreign exchange differences of SEK -25 million primarily attributable to the fall of the Argentine Peso vs. USD, and adjustment of deferred tax assets of SEK -15 million.

Our U.S. & Asian vehicle inspection segment saw a significant revenue growth of 54% in Q3. The roll-out of EaaS continues in the U.S. and contributes to both organic sales and EBITDA growth. In Punjab, we completed the construction of 26 stations, seven of which are now in operation. We expect to open the next 19, constructed, stations over the next few months, after local political elections are final. Construction of additional stations is currently on hold until local government enforcement ensures agreed inspection volume compliance. In Sindh province, the first two stations are being constructed. As step one, we will operate the first two stations in Karachi and ensure agreed volume compliance before engaging in the construction and roll-out of the remaining inspection stations.

In the European vehicle inspection segment, revenue was in line with the previous year despite difficult market conditions in Sweden, where a revised inspection interval came into effect in May 2018, which reduced the frequency of mandatory inspections. During the quarter, we also implemented a cost reduction plan, which had a negative impact on earnings in the quarter; this should however lead to better profitability in the coming quarters.

The Latin American vehicle inspection segment continues to improve. Despite significant currency headwinds in Argentina, we had our first quarter with positive EBITDA in the segment. While the drop in the Argentine Peso has a short-term negative effect on the consolidated P&L in SEK, the business in local currency is strong and delivering profit margins according to plan. Our contracts in Argentina include test fee adjustments in line with inflation, resulting in significant revenue increases in local currency when they come into force. In Chile, we are now operating seven inspection stations, all of which are delivering the station-based revenues we expected.

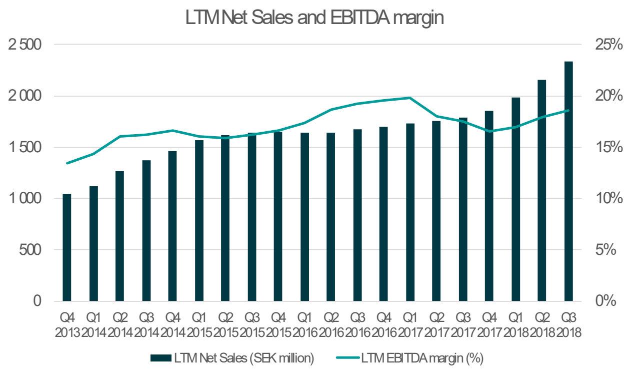
Our Intelligent Vehicle Support division delivered good organic revenue growth of 15% as a result of the turnaround efforts in Autologic. The division was also focused on the release of a new range of products labeled “Drive”. The Drive platform, replacing the current Bluebox and Assist Plus products at Autologic, offers significantly more capabilities and covers a broader range of vehicles than any of the previous Autologic products. One of the new Drive software products, Drive Crash, developed at Drew Technologies, launches our entry into the collision scanning sector, an attractive growth market in the U.S. Costs associated with the release of Drive negatively affected the division’s EBITDA in Q3.

Our operating cash flow over the last 12 months was strong, generating SEK 241 million, and has been used for capex investments to build future revenue streams, which resulted in close to zero Free cash flow (excluding acquisitions) in the same period. Our planned growth activities have negatively affected our net debt/EBITDA position and Opus will continue to focus on profitable growth while working to reduce our company’s net debt position.

Gothenburg in November 2018
Lothar Geilen
CEO

Highlights third quarter 2018

- Net sales: SEK: **634** million
- Net sales growth: **39%** (8% organic)
- EBITDA: SEK **129** million (54% increase)
- EBITDA margin: **20%**



Financial result

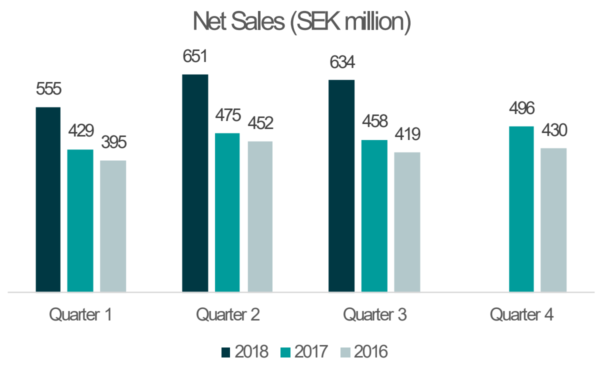
The Group´s sales and result

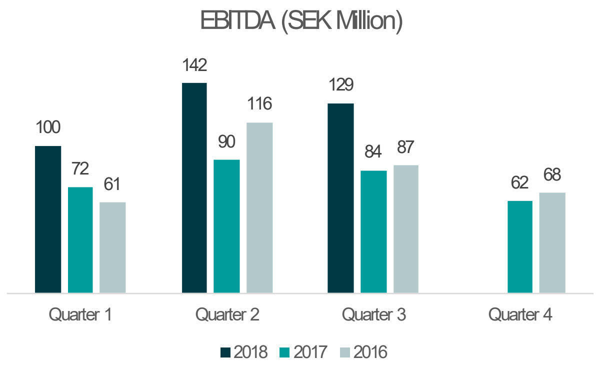
July – September 2018

- Net sales for the quarter amounted to SEK 634 million (458). Reported net sales is 38.6% higher for the Group compared to previous year. Revenue has been positively affected by the acquisition of Gordon-Darby, finalized in January 2018 and by the acquisition of VTV, finalized in May 2018. The organic growth (i.e. in constant currencies and adjusted for acquisitions) was 8.4%.
- EBITDA amounted to SEK 129 million (84), corresponding to an EBITDA margin of 20.3% (18.2). The improved margin is mainly driven by acquisitions and increased volumes in the EaaS business.
- Depreciation and amortization amounted to SEK -81 million (-49), of which depreciation of tangible assets represented SEK -38 million (-29) and amortization of intangible assets SEK -43 million (-20). The increase in amortization of intangible assets is primarily due to the acquisitions of Gordon-Darby and VTV.
- The Group´s net financial items amounted to SEK -45 million (-31), whereof net interest stood for SEK -17 million (-14), unrealized foreign exchange differences SEK -25 million (-15) and other financial items SEK -3 million (-2). During the quarter, the Argentine peso (ARS) has weakened significantly against the USD. Due to the fact that the group´s Argentinian subsidiaries have loans in USD from the parent company, the companies have reported significant unrealized exchange rate losses on the intra-group loans.
- The reported income tax includes a tax effect of SEK 3 million relating to non-expensed exchange-rate losses reported directly over equity. During the period an adjustment of deferred tax assets has affected the reported income taxes with SEK -15 million.
- Profit/loss for the period amounted to SEK -24 million (13).

January – September 2018

- Net sales for the period amounted to SEK 1,841 million (1,361). Reported net sales is 35.2% higher for the Group compared to previous year. Revenue has been positively affected by the acquisition of the three vehicle inspection concessions in Córdoba, Argentina, finalized in March 2017, by the acquisition of Autologic, finalized in June 2017, by the acquisition of Gordon-Darby, finalized in January 2018 and by the acquisition of VTV, finalized in May 2018. The organic growth (i.e. in constant currencies and adjusted for acquisitions) was 9.6%.
- EBITDA amounted to SEK 372 million (246), corresponding to an EBITDA margin of 20.2% (18.0). The improved margin is mainly driven by acquisitions and increased volumes in the EaaS business.
- Depreciation and amortization amounted to SEK -214 million (-149), of which depreciation of tangible assets represented SEK -104 million (-89) and amortization of intangible assets SEK -110 million (-60). The increase in amortization of intangible assets is primarily due to the acquisitions of Gordon-Darby and VTV.
- The Group´s net financial items amounted to SEK -149 million (-69), whereof net interest stood for SEK -53 million (-41), unrealized foreign exchange differences SEK -78 million (-24) and other financial items SEK -18 million (-5). During the year, the Argentine peso (ARS) has weakened significantly against the USD. Due to the fact that the group´s Argentinian subsidiaries have loans in USD from the parent company, the companies have reported significant unrealized exchange rate losses on the intra-group loans. Other financial items include the premium of SEK -6 million that the Group paid in connection with early repayment of the bond loan in May 2018.
- The reported income tax includes a tax effect of SEK -19 million relating to exchange rate gains not recognized as income but reported directly against equity. During the period an adjustment of deferred tax assets has affected the reported income taxes with SEK -15 million.
- Profit/loss for the period amounted to SEK -40 million (49).





Financial position

Cash and cash equivalents

Cash and cash equivalents at the end of the period amounted to SEK 328 million (compared with SEK 643 million at the beginning of the year), whereof SEK 43 million is only available to the Group for special purposes attributable to a contractual investment fund for one of the states in the United States. Consequently, available cash and cash equivalents at the end of the period amounted to SEK 285 million.

Interest bearing debt and net debt

The Group´s interest bearing debt at the end of the period amounted to SEK 1,963 million compared with SEK 1,608 million at December 31, 2017. The change is primarily due to the new bank loan of USD 35 million (SEK 274 million) raised in connection with the acquisition of Gordon-Darby and the appreciation of the USD in relation to the SEK.

During the second quarter of 2018, Opus issued a senior unsecured bond loan of SEK 500 million with a tenor of four years on the Nordic market. In connection with this, Opus redeemed all outstanding bonds on the SEK 500 million bond loan due to expire in November 2018.

The Group´s net debt amounted to SEK 1,635 million (966 per December 31, 2017) at the end of the period, corresponding to 3.41 times the Group´s EBITDA on a last 12-months basis, adjusted for proforma accounts from acquired businesses.

Opus Group´s bond and loan agreements include customary terms and conditions and undertakings. The bond and loan agreements contain three financial covenants, which consist of interest coverage ratio, Net debt/EBITDA ratio and minimum cash requirements.

Equity

Equity attributable to equity holders of the parent company at the end of the period amounted to SEK 984 million (940 per December 31, 2017), equivalent to SEK 3.39 per share outstanding at the end of the period before dilution. In 2018, exchange rate gains not recognized as income but reported directly over equity have positively impacted equity attributable to equity holders of the parent company by SEK 67 million of which SEK 86 million consists of exchange rate gains from intra-group loans reported directly over equity and SEK -19 million consists of translation differences on foreign operations.

Equity/Total assets ratio at the end of the period amounted to 25.4% compared with 28.4% and the beginning of the year.

Cash flow

Cash flow from operating activities in the first nine months amounted to SEK 206 million (151), including a change in working capital of SEK -29 million (-21).

Cash flow from investing activities amounted to SEK -772 million in the first nine months (-356). Cash flow related to acquisitions amounted to SEK -544 million (-159). Investments in tangible fixed assets amounted to SEK -172 million (-153) 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 Argentina and Chile. Investments in intangible fixed assets amounted to SEK -7 million (-14). The Groups´s Free cash flow amounted to SEK 27 million (-16). Other investing activities include earnout paid of SEK -21 million (-22).

Cash flow from financing activities amounted to SEK 254 million (184) in the first nine months and primarily comprised the new bank loan of USD 35 million raised in connection with the acquisition of Gordon-Darby, SEK -5 million net in connection with the refinancing of the bond loan and dividends paid to the parent company shareholders of SEK -15 million.

Other information

Significant events during the period and after the end of the period

For more detailed information on events during the period and after the end of the period see the Group´s website: www.opus.global.

New division and new operational organization

At the beginning of 2018, Opus formed the new division Intelligent Vehicle Support to focus its offerings within service, repair and support of modern vehicles and to address the technological challenges faced by repair shops following the increasing complexity of vehicles. In conjunction with the formation of the new division, the Group's other division, Vehicle Inspection, was divided into the three geographical segments U.S. & Asia, Europe and Latin America.

Acquisition of Gordon-Darby Inc.

In January 2018, Opus acquired 100% of the shares in Gordon-Darby Inc. The purchase price was USD 55 million (SEK 434 million) on a cash and debt-free basis. Gordon-Darby is a leading U.S.-based government services company specializing in vehicle inspection. The company is headquartered in Louisville, Kentucky, and operates in Arizona, New Hampshire and Texas. Gordon-Darby has been consolidated into Opus accounts as of January 1, 2018.

Settlement reached in legal dispute in the U.S.

At the end of February 2018, Opus and Pradeep Tripathi entered into a settlement agreement in the lawsuit against Opus Group AB (publ) and Opus Inspection, Inc. that was filed by Tripathi and one of his companies, Nexus Environmental LLC, in June 2017. Under the terms of the settlement, the parties exchanged releases with respect to all claims and agreed upon a payout schedule expressly intended to substitute for the earnout payments which would otherwise become due to Tripathi under the Systech acquisition agreement. More detailed information on the settlement agreement is provided in Opus´ Annual report 2017.

Refinancing of bond loan
At the end of May 2018, Opus issued a new corporate bond of SEK 500 million with the purpose of refinancing the company's outstanding SEK 500 million bond with final maturity on November 20, 2018 ("November 2018 bonds"). The new bond loan has a tenor of four years and was issued in the Nordic market. In conjunction with this, Opus prematurely redeemed all outstanding November 2018 bonds at an amount corresponding to 101% of the nominal amount.

Acquisition of VTV
On May 29, 2018 Opus acquired 100% of the shares in the two Argentinian vehicle inspection companies VTV Norte SA and VTV Metropolitana SA (together "VTV"). The acquired companies hold vehicle inspection concessions in the province and city of Buenos Aires, Argentina. The total purchase price amounted to EUR 11 million (SEK 110 million) on a cash and debt-free basis. The acquisition of VTV will strengthen Opus´ position in both Argentina and in the Latin American vehicle inspection market. The VTV companies have been consolidated in Opus accounts as of May 29, 2018.

Employees
The average number of employees during the first nine months of 2018 amounted to 2,418 (1,911). At the end of the period the number of employees amounted to 2,518 (1,943).

Transactions with related parties
A provision for earnout for the acquisition of Systech 2008 has been accounted for in relation to Lothar Geilen (the Group´s CEO) in his role as the former owner. More information on the terms of the agreement for the earnout is provided in note 19 for the Group in the Opus Annual report 2017.

Brian Herron, president of Intelligent Vehicle Support, is entitled to additional consideration paid in accordance with the acquisition agreement for Drew Technologies. For more information see note 19 for the Group in the Opus Annual report 2017.

Risks and uncertainty factors
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. A detailed description of the parent company and subsidiaries' risks and risk management is provided in Opus Group's Annual Report 2017.

During the second and third quarter of 2018, the Argentine peso (ARS) has lost significantly in value against the USD. Due to the fact that the parent company in Opus primarily lends in USD to its subsidiaries, significant unrealized exchange rate losses have occurred in the Argentinian subsidiaries holding intra-group USD loans. As the interest rates on (external) ARS loans are at extreme levels, Opus still considers that it is preferable for the Group to fund the Argentinian subsidiaries with intra-group USD loans instead of paying a high interest to an external party. Opus monitors the economic development in Argentina carefully and looks at the opportunities available to reduce the impact of the depreciating peso and high inflation rates in Argentina. In accordance with the concession agreements in Argentina, Opus is entitled to an annual fee increase matching local inflation.

Other events that have occurred in the environment or within Opus since the publication of the annual report are deemed not to have resulted in any significant risks or any change in how the Group works with the identified risks compared with the description in the Annual Report for 2017.

Legal proceedings
A U.S. subsidiary in the Intelligent Vehicle Support Division ("Subsidiary") has recently been named as a defendant in a lawsuit filed in the State of California, United States. The complaint alleges that plaintiffs' former employees illegally shared plaintiffs' business plans and market research with the Subsidiary and that the Subsidiary has misappropriated plaintiffs' trade secrets. The complaint requests injunctive relief and unspecified damages. Opus has engaged legal counsel to investigate the allegations and submit a response to the court. The initial assessment is that the allegations in the complaint are without merit.

Parent company
Opus Group AB (publ) is the parent company in Opus Group. The parent company's operations include group management and group-wide functions within group accounting, financing, legal services, business development and communication. During the first nine months of 2018 the parent company´s net sales amounted to SEK 14 million (13) and profit/loss before tax to SEK 119 million (-54). Profit/loss includes foreign exchange differences of SEK 88 million (-165).

Dividend policy
Opus Group's Board has adopted the following dividend policy: Opus Group's dividend policy is to distribute 10-20% of EBITDA of each fiscal year, provided that the company meets the financial target for net indebtedness.

For the fiscal year 2017 the Board proposed a dividend of SEK 0.05 per share. Resolution on the dividend was taken at the Annual General Meeting 2018 and the dividend was executed on May 24, 2018.

Financial targets
The Board of Opus Group has adopted the following financial targets:

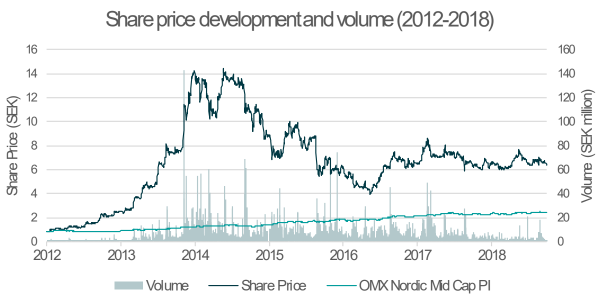
- Revenue of USD 400 million to be achieved in the fiscal year 2021.
- EBITDA margin of 25% to be achieved in the fiscal year 2021.
- Net debt/EBITDA not to exceed 3.0x based on the last 12-months. (Net debt/EBITDA may temporarily be allowed to exceed 3.0x should investment opportunities arise where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

Financial calendar

- February 15, 2019 - Year-end report 2018.
- April 25, 2019 - Annual Report 2018.
- May 14, 2019 - Interim Report Q1 2019.
- May 16, 2019 - Annual General Meeting 2019.

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 1,858 million as of September 30, 2018.



Shareholding

The table below lists the ten largest shareholders of Opus Group AB as of September 30, 2018.

Shareholder	Number of shares	Share of capital and votes
RWC Asset Management	57,778,150	19.9%
Magnus Greko and Jörgen Hentschel [1)]	42,230,439	14.5%
Lothar Geilen	19,628,132	6.8%
Andra AP-Fonden	18,621,167	6.4%
Avanza Pension	17,093,732	5.9%
Henrik Wagner Jørgensen	10,352,200	3.6%
Dimensional Fund Advisors	8,429,310	2.9%
Deutsche Bank AG, W8IMY	8,294,916	2.9%
Nordnet Pensionsförsäkring	3,358,498	1.2%
Per Hamberg	2,801,000	1.0%
Subtotal	**188,587,544**	**65.0%**
Other shareholders	101,730,702	35.0%
Total	**290,318,246**	**100.0%**

[1)] *Privately and through companies.*

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For any questions regarding the interim report, please contact Helene Carlson, Director of Corporate Communications & Investor Relations, E-mail: helene.carlson@opus.se.

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 15, 2018.

The Board of Directors has ensured that the interim 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.

Gothenburg, November 15, 2018

The Board of Directors

Auditor´s review report

Opus Group AB (publ), company registration number 556390-6063

Introduction
We have reviewed the summary interim financial information (interim report) of Opus Group AB (publ) as of 30 September 2018 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.

Gothenburg, November 15, 2018

KPMG AB

Jan Malm
Authorized Public Accountant

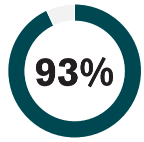
Divisions and segments

Division - Vehicle Inspection

In the Vehicle Inspection division Opus operates vehicle inspection programs for safety and emission testing and provide associated products and services. The division provides turnkey systems, services and equipment (including EaaS and remote sensing) for government agencies, with advanced technology that increases the quality and efficiency of inspections and helps drive compliance with safety and emission standards.

Share of Opus´ net sales (last 12-months)

Share of Opus´ EBITDA excl. Group-wide expenses (last 12-months)



	3 months		9 months		12 months	
SEK millions	**2018**	**2017**	**2018**	**2017**	**LTM**	**2017**
Net sales	565	401	1,650	1,267	2,076	1,693
EBITDA	129	75	365	244	419	298
EBITDA margin	22.8%	18.8%	22.1%	19.2%	20.2%	17.6%
EBITA	92	48	266	157	291	182
EBITA margin	16.3%	12.0%	16.1%	12.4%	14.0%	10.7%

Net sales in Q3 2018 increased to SEK 565 million (401), corresponding to a growth of 41%. Adjusted for currency and acquisitions, the organic growth was 8%. EBITDA rose to SEK 129 million (75). The EBITDA margin was 22.8% (18.8).

Segment - Vehicle Inspection U.S. & Asia

	3 months		9 months		12 months	
SEK millions	**2018**	**2017**	**2018**	**2017**	**LTM**	**2017**
Net sales	391	253	1,115	791	1,372	1,048
EBITDA	104	54	299	182	354	236
EBITDA margin	26.7%	21.4%	26.8%	23.0%	25.8%	22.5%
EBITA	74	31	218	107	250	139
EBITA margin	19.0%	12.2%	19.6%	13.6%	18.2%	13.2%

Net sales in Q3 2018 increased by 54% to SEK 391 million (253). The growth was primarily driven by the acquisition of Gordon-Darby, higher equipment sales and the continuing roll-out of the EaaS business model. Adjusted for currency and acquisitions, the organic growth was 9%.

EBITDA rose to SEK 104 million (54). The EBITDA margin was 26.7% (21.4). The acquisition of Gordon-Darby as well as higher equipment sales and EaaS volumes, compared to last year, had a positive impact on the margin.

The EaaS business continues to grow. The run rate amounted to USD 27 million (18) on an annualized 12-months basis based on the revenue in September 2018. The roll-out of EaaS in Pennsylvania started in Q2 and contributed to the growth in Q3. The opening of new stations in Punjab, Pakistan has slowed down in connection with national and provincial elections. The number of operational stations therefore remains at 7 but new stations are expected to be inaugurated over the next few months.

Segment - Vehicle Inspection Europe

	3 months		9 months		12 months	
SEK millions	**2018**	**2017**	**2018**	**2017**	**LTM**	**2017**
Net sales	142	141	478	463	640	626
EBITDA	20	26	73	79	85	91
EBITDA margin	14.0%	18.2%	15.2%	17.0%	13.3%	14.6%
EBITA	15	22	60	67	68	75
EBITA margin	10.9%	15.4%	12.5%	14.4%	10.6%	12.0%

Net sales in Q3 2018 increased by 0.6% to SEK 142 million (141). Higher average revenue per inspection more than offset lower volumes. Opus sustained its market leading position during the quarter, but the total market was 6% weaker compared to the same period last year.

EBITDA decreased to SEK 20 million (26). The EBITDA margin was 14.0% (18.2). A reorganization, with reduction of managerial positions, impacted EBITDA negatively by SEK 7 million in the quarter but will reduce costs from Q4 2018 onwards.

A new station was opened in August and Opus now operates a total of 89 stations in Sweden

Segment - Vehicle Inspection Latin America

	3 months		9 months		12 months	
SEK millions	**2018**	**2017**	**2018**	**2017**	**LTM**	**2017**
Net sales	37	11	75	28	86	40
EBITDA	5	-4	-8	-16	-20	-29
EBITDA margin	12.1%	-39.2%	-10.1%	-57.0%	-23.2%	-70.9%
EBITA	3	-5	-12	-17	-27	-32
EBITA margin	6.9%	-41.7%	-15.8%	-58.9%	-30.9%	-78.0%

Net sales in Q3 2018 increased to SEK 37 million (11), corresponding to a growth of 239%. The growth was mainly driven by the acquisition of VTV in Argentina, equipment sales in Mexico and new station openings in Chile. Adjusted for currency and acquisitions, the organic growth was 77%.

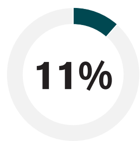
EBITDA was SEK 5 million (-4). The EBITDA margin was 12.1% (-39.2). The recently acquired VTV generated strong earnings and contributed to the positive EBITDA in Q3.

The underlying business in Argentina is performing according to plan in local currency but the result is negatively impacted by the weak currency when converted to SEK. The opening of new stations in Chile is continuing and by the end of the quarter 7 stations were operational. Within awarded concessions in Chile, Opus is contracted to operate 12 stations. The remaining 5 stations are expected to be opened in 2019.

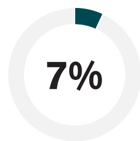
Division - Intelligent Vehicle Support

The Intelligent Vehicle Support division helps automotive service technicians meet the challenges of ever-increasing vehicle complexity through a range of advanced diagnostic, programming and remote assistance services (such as RAP service). The division provides advanced diagnostic and programming tools that help technicians in the secondary aftermarket compete on a level footing with manufacturer-owned dealerships.

Share of Opus´ net sales (last 12-months)



Share of Opus´ EBITDA excl. Group-wide expenses (last 12-months)



	3 months		9 months		12 months	
SEK million	**2018**	**2017**	**2018**	**2017**	**LTM**	**2017**
Net sales	75	61	205	102	275	172
EBITDA	2	11	18	11	31	25
EBITDA margin	2.6%	17.7%	8.6%	11.1%	11.4%	14.6%
EBITA	0	9	12	9	25	21
EBITA margin	0.1%	15.5%	6.1%	8.6%	9.0%	12.2%

Net sales in Q3 2018 increased by 23% to SEK 75 million (61). The growth was primarily driven by the turnaround in Autologic. Adjusted for currency and acquisitions, the organic growth was 15%.

EBITDA dropped to SEK 2 million (11). The EBITDA margin was 2.6% (17.7). EBITDA was down primarily due to a difference in product mix sold but also because of increased costs for developing and releasing a new range of products labeled Drive.

The division's underlying trend is positive with an increasing amount of recurring revenues while revenues from equipment sales fluctuates depending on when certain high-volume orders are being executed.

Strategy and outlook

In 2017, Opus launched a new growth strategy to address the global demand for vehicle inspection and intelligent vehicle support, with the goal of reaching turnover of USD 400 million and EBITDA of USD 100 million by 2021. Opus intends to defend and strengthen its position in its core markets - the U.S. and Sweden, to continue to grow in Latin America and Asia, and to develop new services aimed at repair shops that focus on vehicle communication, reprogramming and diagnostics.

Increased mobility and growing vehicle fleets in low and middle-income countries create a higher demand for vehicle inspection programs to improve road safety and help reduce air pollution. Opus has been laying the foundations for growth in Latin America by expanding in Argentina, Chile, Mexico and Peru – and this will continue in 2018. In Asia, Opus won its second public tender in Pakistan and signed a 20-year concession in Sindh province in 2017. This, together with our concession in Punjab, is a significant part of our planned growth in Asia.

Opus is continuing to expand its business model Equipment as a Service (EaaS) for emission test equipment in the U.S., as a part of its strategy to defend its position in the U.S. and Swedish vehicle inspection markets. Cash flows from these markets will allow the company to finance its growth in other parts of the world. The acquisition of Gordon-Darby increases the footprint in the U.S., while offering management and technology synergies to benefit customers worldwide.

The rapidly increasing vehicle complexity, not least in the development of driverless vehicles brings with it serious technical support challenges. Repair shops are not yet well equipped to keep up with the pace of change in vehicle technology. In January 2018, Opus formed its Intelligent Vehicle Support division to focus on technology-based offerings that assist repair shops in the programming, diagnostics, and repair of advanced vehicles. Opus sees good potential in remote technical support, such as Autologic Support and Drew Technologies' Remote Assist Program (RAP) service. The formation of the new division is another important milestone in reaching the goals in the group's 5-year plan.

The activities underway this year, in combination with investments already made, position Opus well towards achieving the goals of the growth strategy. New vehicle inspection programs, EaaS and RAP service may have a short-term negative impact on EBITDA as well as the cash flows. However, these new projects will add to Opus´ underlying long-term revenues, cash flow generation and increased return on capital employed (ROCE).

Opus does not provide any forecasts.

ABOUT OPUS

Opus is a technology-driven growth company in the vehicle inspection and intelligent vehicle support markets. The company has a strong focus on customer service and innovative technology within emission and safety testing and intelligent vehicle support. Opus had approximately SEK 1.9 billion in revenues in 2017 with solid operating profit and cash flow. Opus' plan is to reach USD 400 million in revenues and USD 100 million in EBITDA by 2021. The majority of the growth is estimated to come from the international expansion of the vehicle inspection business, with a primary focus on the Latin American and Asian markets, and the expansion of the intelligent vehicle support business. With approximately 2,500 employees, Opus is headquartered in Gothenburg, Sweden. Opus has 34 regional offices, 24 of which are in the United States and the others in Sweden, Argentina, Chile, Mexico, Peru, Pakistan, United Kingdom, Spain and Australia. Opus has production facilities in the U.S. in Hartford, Ann Arbor and Tucson. The shares of Opus Group are listed on Nasdaq Stockholm.

Financial reports - Group

Income statement in summary

SEK thousands	Jul 1 - Sep 30 2018	Jul 1 - Sep 30 2017	Jan 1 - Sep 30 2018	Jan 1 - Sep 30 2017	Jan 1 - Dec 31 2017
Net sales	634,363	457,671	1,840,778	1,361,495	1,857,511
Other operating income	-7	653	733	1,371	2,328
Total operating income	**634,356**	**458,324**	**1,841,511**	**1,362,866**	**1,859,839**
Operating expenses	-505,336	-374,813	-1,469,809	-1,117,122	-1,551,733
EBITDA	**129,020**	**83,511**	**371,702**	**245,744**	**308,106**
Depreciation of tangible assets	-38,318	-28,776	-103,600	-89,310	-120,135
EBITA	**90,702**	**54,735**	**268,102**	**156,434**	**187,971**
Amortization of intangible assets	-42,824	-20,488	-110,455	-59,707	-81,159
Earnings before interest and tax (EBIT)	**47,878**	**34,247**	**157,647**	**96,727**	**106,812**
Net financial income/expense	-45,250	-30,669	-149,430	-69,343	-104,035
Profit/loss after financial items	**2,628**	**3,578**	**8,217**	**27,384**	**2,777**
Income taxes	-26,231	9,159	-48,491	21,906	70,995
Profit/loss for the period	**-23,603**	**12,737**	**-40,274**	**49,290**	**73,772**
Attributable to:					
Parent company shareholders	-7,158	14,654	-8,320	53,536	81,157
Non-controlling interests	-16,445	-1,917	-31,954	-4,246	-7,385
Earnings per share					
Earnings per share before dilution, SEK	-0.02	0.05	-0.03	0.18	0.28
Earnings per share after dilution, SEK	-0.02	0.05	-0.03	0.18	0.27

Statement of comprehensive income in summary

SEK thousands	Jul 1 - Sep 30 2018	Jul 1 - Sep 30 2017	Jan 1 - Sep 30 2018	Jan 1 - Sep 30 2017	Jan 1 - Dec 31 2017
Profit/loss for the period	**-23,603**	**12,737**	**-40,274**	**49,290**	**73,772**
Items that might be reclassified to profit/loss for the period					
Translation differences	-35,191	-56,633	78,456	-158,277	-131,794
Exchange rate differences reversed to income	-	-	-	-7,302	-7,302
Cash flow hedge, net after tax	-	-3,657	-	-2,679	1,941
Other comprehensive income for the period	**-35,191**	**-60,290**	**78,456**	**-168,258**	**-137,155**
Comprehensive income for the period	**-58,794**	**-47,553**	**38,182**	**-118,968**	**-63,383**
Attributable to:					
Parent company shareholders	-49,474	-45,335	58,515	-113,686	-55,581
Non-controlling interests	-9,320	-2,218	-20,333	-5,282	-7,802

Financial reports - Group

Statement of financial position in summary

SEK thousands	Sep 30, 2018	Sep 30, 2017	Dec 31, 2017
Assets			
Intangible assets	2,033,345	1,447,205	1,456,242
Tangible assets	973,211	800,327	831,065
Financial assets	57,209	29,655	25,114
Deferred tax assets	39,159	31,538	32,296
Total fixed assets	**3,102,924**	**2,308,725**	**2,344,717**
Inventory	144,903	141,512	132,571
Other current assets	253,097	214,454	210,800
Cash and cash equivalents	328,087	454,959	642,801
Total current assets	**726,087**	**810,925**	**986,172**
Total assets	**3,829,011**	**3,119,650**	**3,330,889**
Equity and liabilities			
Equity attributable to parent company's shareholders	984,160	881,546	939,650
Equity attributable to non-controlling interests	-13,294	7,242	7,039
Total equity	**970,866**	**888,788**	**946,689**
Non-current interest bearing liabilities	1,963,080	1,192,714	1,111,505
Non-current non-interest bearing liabilities and provisions	347,174	354,728	274,392
Total non-current liabilities	**2,310,254**	**1,547,442**	**1,385,897**
Current interest bearing liabilities	-	201,118	496,934
Current non-interest bearing liabilities and provisions	547,891	482,302	501,369
Total current liabilities	**547,891**	**683,420**	**998,303**
Total equity and liabilities	**3,829,011**	**3,119,650**	**3,330,889**

Financial reports - Group

Statement of changes in equity in summary

SEK thousands	Equity attributable to parent company´s shareholders	Equity attributable to non-controlling interests	Total equity
Equity 2017-01-01	**1,029,221**	**12,524**	**1,041,745**
Comprehensive income for the period	-113,686	-5,282	-118,968
Redeemed subscription options	849	-	849
Dividend	-34,838	-	-34,838
Equity 2017-09-30	**881,546**	**7,242**	**888,788**
Comprehensive income for the period	58,104	-2,520	55,584
Transactions with non-controlling interests	-	2,317	2,317
Equity 2017-12-31	**939,650**	**7,039**	**946,689**
Comprehensive income for the period	58,516	-20,333	38,183
Subscription options	510	-	510
Dividend	-14,516	-	-14,516
Equity 2018-09-30	**984,160**	**-13,294**	**970,866**

Statement of cash flows in summary

SEK thousands	Jul 1 - Sep 30 2018	Jul 1 - Sep 30 2017	Jan 1 - Sep 30 2018	Jan 1 - Sep 30 2017	Jan 1 - Dec 31 2017
Earnings before interest and tax (EBIT)	**47,878**	**34,247**	**157,647**	**96,727**	**106,812**
Depreciation/amortization	81,142	49,264	214,055	149,017	201,295
Other non-cash items	-1,527	-859	-10,998	-6,742	-6,496
Interest, net	-20,592	-14,427	-67,856	-41,643	-57,857
Income tax paid	-13,571	-8,439	-58,064	-25,206	-25,580
Change in working capital	-37,969	8,169	-28,882	-21,242	-32,438
Cash flow from operating activities	**55,361**	**67,955**	**205,902**	**150,911**	**185,736**
Acquisition of subsidiary/business net after acquired cash	-	-35,688	-543,581	-158,514	-159,675
Investments in tangible assets	-57,363	-59,421	-172,376	-152,838	-209,029
Investments in intangible assets	-1,690	-12,567	-6,906	-13,928	-18,178
Other	-5,811	-4,982	-49,011	-30,983	-26,068
Cash flow from investing activities	**-64,864**	**-112,658**	**-771,874**	**-356,263**	**-412,950**
Dividend	-	-	-14,516	-34,838	-34,838
New debt	-160	-219	768,331	220,110	833,889
Amortization of liabilities to credit institutions	-	-608	-500,000	-1,938	-408,302
Other	-	-	510	848	848
Cash flow from financing activities	**-160**	**-827**	**254,325**	**184,182**	**391,597**
Liquid assets at the beginning of the period	**342,020**	**518,791**	**642,801**	**507,300**	**507,300**
Translation difference	-4,270	-18,302	-3,067	-31,171	-28,882
Cash flow for the period	-9,663	-45,530	-311,647	-21,170	164,383
Liquid assets at the end of the period	**328,087**	**454,959**	**328,087**	**454,959**	**642,801**

Key ratios - Group

	Jan 1 - Sep 30 2018	Jan 1 - Sep 30 2017	Jan 1 - Dec 31 2017
Profitability			
Return on equity, percent [1] [2]	2.0	8.0	8.5
Return on capital employed (ROCE), percent [2]	11.6	9.3	8.8
Margins			
EBITDA margin, percent	20.2	18.0	16.6
EBITA margin, percent	14.6	11.5	10.1
EBIT margin, percent	8.3	7.1	5.7
Profit margin (Profit/loss after financial items), percent	0.4	2.0	0.1
Growth			
Revenue growth, percent	35.2	7.5	9.4
EBITDA growth, percent	51.3	-7.0	-7.2
EBITA growth, percent	71.4	-16.1	-16.4
Financial position			
Cash and cash equivalents, SEK thousands	328,087	454,959	642,801
Interest bearing debt, SEK thousands	1,963,080	1,393,832	1,608,439
Net debt, SEK thousands	1,634,993	938,873	965,638
Net debt/EBITDA, times [3]	3.4	2.8	3.0
Equity, SEK thousands	970,866	888,788	946,689
Equity/Total assets ratio, percent	25.4	28.5	28.4
Net financial items excluding Fx gains and losses, SEK thousands [2]	-90,496	-60,460	-65,009
Interest coverage ratio, times [4]	5.3	5.5	4.9
Other			
Average number of employees	2,418	1,911	1,887
Number of employees at end of the period	2,518	1,943	1,929
Number of shares at end of the period before dilution	290,318,246	290,318,246	290,318,246
Number of shares at end of the period after dilution [5]	295,818,246	295,818,246	295,818,246
Average number of outstanding shares, before dilution	290,318,246	289,876,958	289,988,187
Average number of outstanding shares, after dilution [5]	295,818,246	295,376,958	295,488,187
Data per share			
Equity per share, before dilution, SEK [1]	3.39	3.04	3.24
Equity per share, after dilution, SEK [1]	3.33	2.98	3.18
Profit per share, before dilution, SEK [1]	-0.03	0.18	0.28
Profit per share, after dilution, SEK [1]	-0.03	0.18	0.27
Cash flow from operating activities per share, before dilution, SEK	0.71	0.52	0.64
Cash flow from operating activities per share, after dilution, SEK	0.70	0.51	0.63

[1] *Excluding minority interests.*
[2] *Calculated on a last 12-month basis.*
[3] *EBITDA is calculated on a last 12-month basis and is adjusted for proforma accounts from acquired businesses.*
[4] *The key ratio definition has been changed compared to Opus Group´s annual report 2017. The new definition is: "EBITDA calculated on a last 12-month basis adjusted for proforma accounts from acquired businesses, divided by last 12-month´s net financial items excluding Fx gains and losses.*
[5] *Outstanding options give rise to a dilution effect because the discounted redemption price for the options is below the average rate of the base shares during the periods. The dilution effect with reference made to the option program is calculated according to the dilution that applied at the end of each period.*

For definitions of key ratios, see Opus Group´s annual report 2017.

Quarterly development - Group

Income statement

	2018			2017			
SEK thousands	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net sales	634,363	651,234	555,182	496,016	457,671	475,157	428,667
Total operating income	634,356	651,547	555,608	496,973	458,324	475,563	428,979
Operating expenses	-505,336	-509,058	-455,415	-434,611	-374,813	-385,201	-357,108
EBITDA	**129,020**	**142,489**	**100,193**	**62,362**	**83,511**	**90,362**	**71,871**
EBITDA margin	20.3%	21.9%	18.0%	12.5%	18.2%	19.0%	16.8%
Depreciation and amortization	-81,142	-82,464	-50,449	-52,276	-49,264	-49,497	-50,257
Operating profit/loss (EBIT)	**47,878**	**60,025**	**49,744**	**10,086**	**34,247**	**40,865**	**21,614**
Net financial income/expense	-45,250	-78,653	-25,527	-34,693	-30,669	-22,931	-15,742
Profit/loss after financial items	**2,628**	**-18,628**	**24,217**	**-24,607**	**3,578**	**17,934**	**5,872**
Income taxes	-26,231	-8,345	-13,915	49,089	9,159	10,366	2,381
Net profit/loss for the period	**-23,603**	**-26,973**	**10,302**	**24,482**	**12,737**	**28,300**	**8,253**

Cash flow

	2018			2017			
SEK thousands	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Cash flow from operating activities	55,361	111,294	39,247	34,825	67,955	31,868	51,088
Cash flow from investing activities	-64,864	-196,214	-510,796	-56,687	-112,658	-156,835	-86,770
Cash flow from financing activities	-160	-19,426	273,911	207,415	-827	184,775	234
Net cash flow for the period	**-9,663**	**-104,346**	**-197,638**	**185,553**	**-45,530**	**59,808**	**-35,448**
Liquid assets at the beginning of the period	**342,020**	**443,789**	**642,801**	**454,959**	**518,791**	**468,878**	**507,300**
Translation difference	-4,270	2,577	-1,374	2,289	-18,302	-9,895	-2,974
Liquid assets at the end of the period	**328,087**	**342,020**	**443,789**	**642,801**	**454,959**	**518,791**	**468,878**

Quarterly development - Group

Segment information

	2018			2017			
SEK thousands	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Total operating income							
Vehicle Inspection U.S. & Asia	391,283	388,918	335,125	256,926	253,476	270,693	267,110
Vehicle Inspection Europe	141,973	188,150	147,947	162,720	141,186	176,452	146,086
Vehicle Inspection Latin America	37,154	17,163	20,369	12,183	11,342	12,752	4,610
Division eliminations	-5,111	-7,068	-5,506	-5,141	-4,367	-5,829	-4,932
Division Vehicle Inspection	**565,299**	**587,163**	**497,935**	**426,688**	**401,637**	**454,068**	**412,874**
Division Intelligent Vehicle Support	**74,618**	**71,169**	**58,959**	**70,341**	**60,858**	**24,031**	**16,780**
Group eliminations	-5,562	-6,787	-1,285	-56	-4,171	-2,536	-675
Group	**634,355**	**651,545**	**555,609**	**496,973**	**458,324**	**475,563**	**428,979**
EBITDA							
Vehicle Inspection U.S. & Asia	104,400	101,328	93,695	54,542	54,229	63,369	64,048
Vehicle Inspection Europe	19,883	43,535	9,485	12,331	25,698	38,323	14,812
Vehicle Inspection Latin America	4,508	-7,282	-4,746	-12,620	-4,441	-6,998	-4,912
Division Vehicle Inspection	**128,791**	**137,581**	**98,434**	**54,253**	**75,486**	**94,694**	**73,948**
Division Intelligent Vehicle Support	**1,952**	**10,804**	**4,751**	**13,737**	**10,746**	**900**	**-319**
Group-wide expenses	-1,723	-5,896	-2,992	-5,628	-2,721	-5,232	-1,758
Group	**129,020**	**142,489**	**100,193**	**62,362**	**83,511**	**90,362**	**71,871**
EBITDA margin							
Vehicle Inspection U.S. & Asia	26.7%	26.1%	28.0%	21.2%	21.4%	23.4%	24.0%
Vehicle Inspection Europe	14.0%	23.1%	6.4%	7.6%	18.2%	21.7%	10.1%
Vehicle Inspection Latin America	12.1%	-42.4%	-23.3%	-103.6%	-39.2%	-54.9%	-106.6%
Division Vehicle Inspection	**22.8%**	**23.4%**	**19.8%**	**12.7%**	**18.8%**	**20.9%**	**17.9%**
Division Intelligent Vehicle Support	**2.6%**	**15.2%**	**8.1%**	**19.5%**	**17.7%**	**3.7%**	**-1.9%**
Group	**20.3%**	**21.9%**	**18.0%**	**12.5%**	**18.2%**	**19.0%**	**16.8%**

Financial reports - Parent company

Income statement in summary

SEK thousands	Jul 1 - Sep 30 2018	Jul 1 - Sep 30 2017	Jan 1 - Sep 30 2018	Jan 1 - Sep 30 2017	Jan 1 - Dec 31 2017
Net sales	4,675	4,124	13,674	12,631	17,429
Other operating income	-59	-29	240	-14	0
Total operating income	**4,616**	**4,095**	**13,914**	**12,617**	**17,429**
Operating expenses	-6,281	-6,953	-24,167	-20,238	-33,511
EBITDA	**-1,665**	**-2,858**	**-10,253**	**-7,621**	**-16,082**
Depreciation and amortization	-236	-167	-687	-417	-627
Earnings before interest and taxes (EBIT)	**-1,901**	**-3,025**	**-10,940**	**-8,038**	**-16,708**
Net financial income/expense	4,229	1,138	130,287	-46,045	-16,491
Profit/loss after financial items (EBT)	**2,328**	**-1,887**	**119,347**	**-54,083**	**-33,200**
Appropriations	-	-	-	-	112,548
Profit/loss before tax	**2,328**	**-1,887**	**119,347**	**-54,083**	**79,348**
Tax for the period	-512	11,415	-26,076	29,596	1,743
Profit/loss for the period	**1,816**	**9,528**	**93,271**	**-24,487**	**81,091**

Statement of comprehensive income in summary

SEK thousands	Jul 1 - Sep 30 2018	Jul 1 - Sep 30 2017	Jan 1 - Sep 30 2018	Jan 1 - Sep 30 2017	Jan 1 - Dec 31 2017
Profit/loss for the period	**1,816**	**9,528**	**93,271**	**-24,487**	**81,091**
Items that might be reclassified to profit/loss for the period					
Cash flow hedge, net after tax	-	-3,657	-	-2,679	1,941
Other comprehensive income for the period	**-**	**-3,657**	**-**	**-2,679**	**1,941**
Total comprehensive income for the period	**1,816**	**5,871**	**93,271**	**-27,166**	**83,032**

Balance sheet in summary

SEK thousands	Sep 30, 2018	Sep 30, 2017	Dec 31, 2017
Assets			
Intangible assets	1,834	1,632	1,619
Tangible assets	1,002	975	1,183
Financial assets	2,303,482	1,850,885	1,923,217
Total non-current assets	**2,306,318**	**1,853,492**	**1,926,019**
Current receivables	276,812	158,618	156,034
Cash and cash equivalents	89,491	261,049	439,027
Total current assets	**366,303**	**419,667**	**595,061**
Total assets	**2,672,621**	**2,273,159**	**2,521,080**
Equity and liabilities			
Equity	914,275	725,321	835,519
Untaxed reserves	20,669	98,379	20,669
Non-current interest bearing liabilities	1,432,451	990,268	904,905
Non-current liabilities and provisions	103,514	95,193	105,049
Current interest bearing liabilities	-	201,274	496,935
Current non-interest bearing liabilities and provisions	201,712	162,724	158,003
Total equity and liabilities	**2,672,621**	**2,273,159**	**2,521,080**

Notes

Note 1 - Accounting principles

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 the EU, and in accordance with the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary Accounting Rules for Groups". The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and with the Swedish Financial Reporting Board's recommendation RFR 2 "Accounting for Legal Entities". Except for the following changes, in regards to IFRS 9 and IFRS 15, the same accounting and calculation principles apply in the interim report as in the annual report for 2017.

On July 1, 2018, hyperinflation in Argentina's economy was determined according to the criteria in IAS 29. Opus has evaluated the effect of applying IAS 29 and the conclusion is that the effect on the consolidated financial statements is not considered to be material to the Group. The financial reports in this interim report have therefore not been adjusted for hyperinflation in Argentina in accordance with IAS 29.

New standards applicable from January 1, 2018

As of January 1, 2018 IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" apply.

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 presents a new model for the classification and measurement of financial instruments, a forward-impairment model on expected customer losses, and a reformed approach regarding hedge accounting. The new standard also means a change in the nature of the Group's financial instrument disclosures. The Group has reviewed its financial instruments and deems the standard not to have any significant effects on the consolidated financial statements and thus the transition does not entail any adjustment of the opening balance for 2018.

IFRS 15 "Revenue from Contracts with Customers" is a new framework for revenue recognition and replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and associated interpretations. IFRS 15 primarily sets out principles for when revenues from contracts with customers should be recognized and the valuation of the consideration paid by the customer. The new standard is based on the principle that revenue should be recognized when the control of a product or service is transferred to the customer. The Group has reviewed its customer contracts and revenue flows and deems the standard not to have any significant effects on the consolidated financial statements and thus the transition does not entail any adjustment of the opening balance for 2018.

New standards not yet applicable

IFRS 16 "Leases" comes in effect on January 1, 2019 and will replace IAS 17 "Leases" with accompanying interpretations. IFRS 16 will have a significant impact on Opus´ financial reports.

The standard sets out that all the leasing agreements, of the lessee, are reported in the balance sheet with the exception of short-term and low-value agreements. The leases where Opus serves as lessee primarily consist of property leases. Reporting by the lessor is essentially unchanged. Implementation of the new standard will result in an increased balance sheet total and a positive effect on EBITDA as leasing expenses will be reported as depreciation and interest expense instead of operating expense. In the cash flow statement, leasing payments will be divided between interest paid in the cash flow from operating activities and amortization of leasing liabilities in the financing activities. This therefore has a positive effect on operating cash flow.

During the third quarter of 2018, the work to compile the Group's relevant agreements and the development of the Group's tools for calculating the effect on the balance sheet and income statement has continued in preparation of the implementation of the standard. The assessment is that, based on the agreements currently in the Group, the balance sheet will increase by approximately SEK 300 million in "lease assets" (Right-of-Use assets) and SEK 300 million in lease liabilities. As the "lease assets" will be depreciated according to plan, leasing expenses, which are currently reported in other external expenses within EBITDA, will be reported as depreciation within EBITA and interest expenses in the net financial items as of 2019.

The standard will be applied with the modified retroactive approach. For leases previously classified as operating leases, the lease liability will be recognized at January 1, 2019 as the discounted value of future lease payments. The "lease asset" will be recognized at an amount equal to the lease liability, therefore no transition effect will be presented in equity. No comparative figures will be restated.

Translation of foreign operations

	Average rate					Closing rate		
Currency	Jul - Sep 2018	Jul - Sep 2017	Jan - Sep 2018	Jan - Sep 2017	Jan - Dec 2017	Sep 30 2018	Sep 30 2017	Dec 31 2017
ARS	0.29	0.47	0.36	0.53	0.52	0.22	0.47	0.43
GBP	11.66	10.64	11.57	10.97	10.99	11.57	10.87	11.10
PKR	0.07	0.08	0.07	0.08	0.08	0.07	0.08	0.07
USD	8.95	8.14	8.58	8.61	8.54	8.86	8.11	8.23

Assets and liabilities in foreign entities, including goodwill and other corporate fair value adjustments, are translated to Swedish kronor (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 exchange rates in the table above have been used for currencies that are material for the Group:

Notes

Note 2 - Revenue

Distribution of revenues has been made in the main income categories and segments, which also corresponds to Opus geographical markets. Vehicle inspection includes all types of inspections from decentralized and centralized programs and inspections carried out on the Swedish market (open market, not regulated by contract).

Equipment sales includes the sale of inspection equipment to inspection stations and automotive repair shops. Service and support refers to service of sold equipment, support of sold software systems, and service to automotive repair shops within our decentralized programs. Equipment as a Service (EaaS) constitutes leasing income from Opus´ rental of inspection equipment, which includes maintenance, spare parts and software updates. The income category Other includes Remote Assistance Programming (RAP), software sales, vehicle registration services and fish and game licensing.

Distribution of revenues per income category Q3, 2018 (SEK thousands)	Vehicle Inspection U.S. & Asia	Vehicle Inspection Europe	Vehicle Inspection Latin America	Intelligent Vehicle Support	Group
Vehicle inspection	259,385	134,891	30,495	-	424,771
Equipment sales	21,098	-	5,131	27,125	53,354
Service and support	22,565	-	890	26,771	50,226
Equipment as a Service (EaaS)	57,792	-	-	654	58,446
Other	25,294	6,957	581	14,734	47,566
Total	**386,134**	**141,848**	**37,097**	**69,284**	**634,363**

Distribution of revenues per income category Q3, 2017 (SEK thousands)	Vehicle Inspection U.S. & Asia	Vehicle Inspection Europe	Vehicle Inspection Latin America	Intelligent Vehicle Support	Group
Vehicle inspection	158,828	132,231	8,884	-	299,944
Equipment sales	8,410	-	165	31,664	40,239
Service and support	30,567	-	619	21,610	52,796
Equipment as a Service (EaaS)	36,334	-	-	142	36,476
Other	14,975	8,811	1,304	3,124	28,213
Total	**249,114**	**141,042**	**10,972**	**56,539**	**457,667**

Distribution of revenues per income category 9 months, 2018 (SEK thousands)	Vehicle Inspection U.S. & Asia	Vehicle Inspection Europe	Vehicle Inspection Latin America	Intelligent Vehicle Support	Group
Vehicle inspection	732,939	454,629	54,004	-	1,241,571
Equipment sales	58,264	-	16,183	71,095	145,542
Service and support	71,386	-	2,038	72,942	146,366
Equipment as a Service (EaaS)	150,628	-	-	1,585	152,213
Other	84,348	23,044	2,309	45,387	155,087
Total	**1,097,565**	**477,673**	**74,533**	**191,009**	**1,840,778**

Distribution of revenues per income category 9 months, 2017 (SEK thousands)	Vehicle Inspection U.S. & Asia	Vehicle Inspection Europe	Vehicle Inspection Latin America	Intelligent Vehicle Support	Group
Vehicle inspection	505,472	439,557	20,384	-	965,413
Equipment sales	31,034	-	4,650	61,090	96,774
Service and support	102,318	-	1,590	25,945	129,854
Equipment as a Service (EaaS)	95,893	-	-	507	96,400
Other	41,150	23,811	1,481	6,608	73,050
Total	**775,868**	**463,368**	**28,106**	**94,150**	**1,361,491**

Notes

Note 3 - Financial instruments valued at fair value

Financial liabilities valued at fair value			
SEK thousands	**Sep 30, 2018**	**Sep 30, 2017**	**Dec 31, 2017**
Additional consideration	142,791	136,739	142,831
Derivatives	-	5,923	-
Carrying amount	**142,791**	**142,662**	**142,831**

In conjunction with the Systech acquisition in 2008, an agreement was signed for additional consideration on gaining certain new contracts for major vehicle inspection programs. An agreement on additional consideration was also signed upon acquisition of Drew Technologies in 2015. Valuation of additional consideration at fair value is attributable to Level 3 of the fair value hierarchy. No changes have been made to valuation techniques or assumptions in comparison with the Annual Report 2017. More information about the terms of the additional consideration agreements and their reporting is described in the Opus Annual Report for 2017.

Note 4 - Pledged assets and contingent liabilities

Pledged assets and contingent liabilities	Group			Parent company		
SEK thousands	**Sep 30 2018**	**Sep 30 2017**	**Dec 31 2017**	**Sep 30 2018**	**Sep 30 2017**	**Dec 31 2017**
Assets pledged for liabilities to credit institutions						
Property mortgages	-	27,949	-	-	-	-
Pledged shares in subsidiaries	512,549	512,549	512,549	512,549	512,549	512,549
Total	**512,549**	**540,498**	**512,549**	**512,549**	**512,549**	**512,549**
Contingent liabilities						
Guarantees on behalf of Group companies	-	608	-	530,109	608	-
Warranty obligations	5,942	2,660	5,942	5,942	2,660	5,942
Additional consideration	10,003	45,187	69,956	10,003	45,187	69,956
Total	**15,945**	**48,455**	**75,898**	**546,054**	**48,455**	**75,898**

Note 5 - Acquisitions

Acquisition of the American vehicle inspection company Gordon-Darby Inc.
In January 2018, Opus Inspection, Inc., a wholly-owned subsidiary of Opus Group AB (publ), acquired 100% of the shares in Gordon-Darby Inc. The purchase price was USD 55 million (SEK 434 million) on a cash and debt-free basis. Gordon-Darby has been consolidated into Opus accounts as of January 1, 2018.

Gordon-Darby is a leading U.S.-based government services company specializing in vehicle inspection and fish and game licensing. The company is headquartered in Louisville, Kentucky and operates in Arizona, New Hampshire and Texas. Founded in 1982, Gordon-Darby has earned its reputation as a quality-minded government services company focusing on the development, implementation, and operation of vehicle inspection and licensing programs in the U.S. With approximately 280 employees, Gordon-Darby provides its own software technology and advanced testing products to deliver customer-focused inspection and licensing services under government contract in the three named states. In 2017, the company had revenues of approximately USD 35 million, the majority of which comes from the vehicle inspection programs. The acquisition enables Opus to strengthen its position in the US and offers management and technology synergies that benefit the shared customer base across the globe. The acquisition was financed through a five-year USD denominated credit facility from Swedbank. Gordon-Darby is part of Opus' Vehicle Inspection division within the segment U.S. & Asia.

Notes

The following table shows the confirmed values of acquired net assets, reported goodwill and the impact on the consolidated cash flow statement related to the acquisition of Gordon-Darby.

Net assets acquired (SEK thousands)	Fair value
Customer contracts and relations	185,411
Trademarks	20,159
Systems and software	18,442
Tangible assets	11,156
Accounts receivable	17,816
Other current assets	2,634
Deferred tax liability	-51,718
Current non-interest bearing liabilities	-13,384
Net assets acquired	**190,515**
Goodwill	245,700
Purchase price	**436,215**
Less:	
Acquired liquid assets	2,353
Impact on the Group's liquid assets	**-433,862**

Acquired customer contracts and relations are amortized over an estimated useful life of 1.5-10.5 years, which corresponds to the remaining contract period including contractual extensions. Trademarks are amortized over an estimated useful life of 10 years, and systems and software are amortized over an estimated useful life of 7-10 years.

Acquisition of VTV

On May 29, 2018 Opus Group AB (publ) and its fully owned subsidiary Opus Inspection, Inc. (Opus) acquired 100% of the shares of the two Argentinian vehicle inspections companies, VTV Norte SA and VTV Metropolitana SA (VTV). The VTV companies hold vehicle inspection concessions in the province and city of Buenos Aires, Argentina. The total purchase price, on a cash and debt-free basis, amounted to EUR 11 million (SEK 110 million). The transaction was financed through existing cash. The VTV companies have been consolidated into Opus accounts as of May 29, 2018 and are part of Opus' Vehicle Inspection division within the segment Latin America.

For the past 20 years, VTV Norte has operated a concession for five vehicle inspection stations in the province of Buenos Aires, inspecting 330,000 vehicles a year. The concession expires at the end of 2018 and negotiations are underway to obtain a contract extension. VTV Metro holds a concession until 2026 to operate two inspection stations in the city of Buenos Aires. In 2017, the first calendar year of its operations, the company inspected 145,000 vehicles. In 2017, VTV Norte and VTV Metro had combined revenues of approximately EUR 10 million (based on 2017 end of year exchange rate).

The acquisition of VTV improves Opus' overall position in Argentina and in the Latin American vehicle inspection market. It also contributes positively to Opus' overall EBITDA and return on capital employed (ROCE) from the date of acquisition. No significant one-off expenses have occurred as a result of the completed transaction. VTV Norte and VTV Metro will continue to operate under the same names, and with the same highly experienced management team and staff. VTV Norte has successfully operated its concession for 20 years and both companies are active in the local vehicle inspection association.

The acquisition has contributed SEK 26.6 million to the Group's net sales and SEK 7.3 million to the Group's EBITDA. If the acquisition had been completed on January 1, 2018, Opus estimates that the VTV companies would have contributed approximately SEK 66 million to the Group's net sales and approximately SEK 14 million to EBITDA through the end of the period.

The preliminary purchase price analysis is based on a preliminary market valuation of identified intangible assets (Customer contracts and relations and Systems and software). Opus has obtained a third-party market valuation of VTV's land, where the land has been valued at approximately USD 4.5 million. Final market valuation of the land and identified intangible assets remains.

Net assets acquired (SEK thousands)	Fair value
Intangible assets	43,195
Land	36,781
Other tangible assets	7,745
Deferred tax asset	3,616
Accounts receivable	2,633
Other current assets	17,027
Deferred tax liability	-23,441
Current non-interest bearing liabilities	-16,588
Net assets acquired	**70,968**
Goodwill	54,947
Purchase price	**125,914**
Less:	
Acquired liquid assets	16,193
Impact on the Group's liquid assets	**-109,722**

Reconciliation between IFRS and key ratios

Organic growth

SEK thousands	Jul 1 - Sep 30	Jan 1 - Sep 30
Net sales 2018	634,363	1,840,778
- Net exchange rate effects	-30,528	6,376
- Effect of acquisitions/divestments	-107,499	-354,849
Comparable net sales	**496,336**	**1,492,305**
Net sales 2017	**457,671**	**1,361,495**
Revenue growth	**38.6%**	**35.2%**
Organic growth	**8.4%**	**9.6%**

In this report, Opus presents certain financial measures that are not defined under IFRS, referred to as 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.

Return on capital employed and equity

SEK thousands	Jan 1 - Sep 30 2018	Jan 1 - Sep 30 2017	Jan 1 - Dec 31 2017
LTM EBITA	299,639	194,678	187,971
LTM average working capital	-106,958	-67,845	-72,177
LTM average value tangible and intangible assets	2,684,801	2,152,250	2,206,328
Average capital employed	**2,577,843**	**2,084,405**	**2,134,151**
Return on capital employed	**11.6%**	**9.3%**	**8.8%**
LTM profit/loss - attributable to parent company shareholders	19,301	76,494	81,157
LTM average equity - attributable to parent company shareholders	964,255	960,350	957,187
Return on equity - attributable to parent company shareholders	**2.0%**	**8.0%**	**8.5%**

LTM = Last 12-months

Interest coverage ratio

SEK thousands	Jan 1 - Sep 30 2018	Jan 1 - Sep 30 2017	Jan 1 - Dec 31 2017
LTM EBITDA	434,064	313,514	308,106
LTM EBITDA for proforma accounts from acquired businesses	45,469	16,668	10,736
LTM EBITDA incl. proforma accounts from acquired businesses	**479,533**	**330,182**	**318,842**
LTM Net financial items excluding Fx differences	-90,496	-60,460	-65,009
Interest coverage ratio	**5.3**	**5.5**	**4.9**

LTM = Last 12-months