

## Opus Group AB (publ)

# Interim Report (January – December 2014)

## Strong year with organic and acquisition driven growth in revenues and earnings

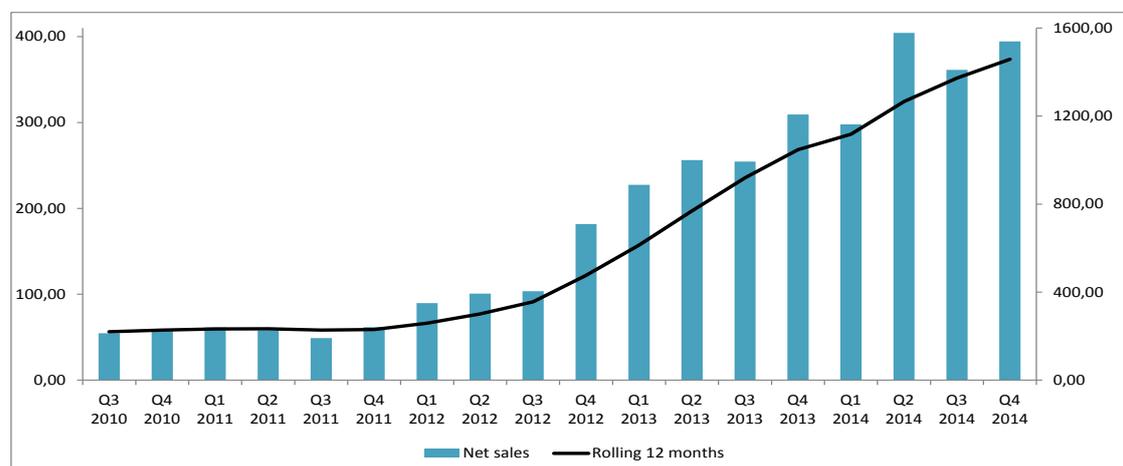
### January – December 2014

- Sales amounted to SEK 1,457.6 million (1,047.5), a sales growth of 39.2 percent
- Operating profit before depreciation (EBITDA) amounted to SEK 246.3 million (141.9), corresponding to an EBITDA margin of 16.8 percent (13.5)
- EBITDA includes non-recurring costs related to the close down of the British Columbia program of SEK 6,6 million
- Cash flow from operating activities amounted to SEK 158,5 million (114.5)
- Profit after tax amounted to SEK 142.1 million (61.3)
- Earnings per share after dilution amounted to SEK 0.55 (0.23)
- The Board proposes a dividend of SEK 0.09 (0.06) per share

### October – December 2014

- Sales amounted to SEK 394.5 million (309.3), a sales growth of 27.6 percent
- Operating profit before depreciation (EBITDA) amounted to SEK 49.4 million (27.7), corresponding to an EBITDA margin of 12.3 percent (9.0)
- EBITDA includes non-recurring costs related to the close down of the British Columbia program of SEK 6,6 million
- Cash flow from operating activities amounted to SEK 59.8 million (7.3)
- Profit after tax amounted to SEK 31.0 million (9.5)
- Earnings per share after dilution amounted to SEK 0.12 (0.04)

### NET SALES, SEK millions





## Strong year with organic and acquisition driven growth in revenues and earnings

2014 is characterized by good volume and earnings growth linked to the acquisition of Envirotec and to new vehicle inspection programs in the US. Sales compared to last year rose by 39% and earnings per share increased to SEK 0.55 (0.23) for the year. The underlying organic\* growth of the business was approximately 3% for the whole group.

In the international vehicle inspection segment we signed a contract for a new Remote Sensing program in the State of Virginia to start 2015. We also signed a new vehicle inspection contract with the State of Indiana for up to 8 years (four years plus four year extension) and received a 5-year contract extension in the State of Maryland making 2014 a year of success in the US market. In addition, Opus Inspection won its first vehicle inspection contract in Chile, a new market for Opus in Latin America. Besides our strength in new business, the focus has been on the integration of Envirotec, which has been successful.

2014 also saw extensive investments including the introduction of a new business model in form of rental of emission testing equipment. The Opus Inspection's equipment rental program in California has been successful with more than 4 100 signed contracts until the year-end. This temporarily affects our profitability negatively in the form of start-up costs and investments affect the cash flows. However, this new business model will generate continued long-term cash flows and good profitability, starting during 2015. In general, the segment was negatively affected in Q4 by the anticipated close down of the British Columbia program (USD 1 million) and the California rental equipment (USD 0.5 million). The appreciation of the USD contributed positively to the group's earnings in SEK in 2014 and is likely to continue to contribute positively during 2015.

In the segment Vehicle Inspection Sweden, the focus in 2014 has been on implementing the new proprietary and customer focused IT system. The project to exit the old IT-solution within 24 months was a part of the acquisition in November 2012. The migration project started in mid-2014 and is expected to run into early 2015. During September and October the booking system and the production system have been replaced at all 73 stations, which caused temporarily lower inspection capacity. This simultaneously affected both revenues and profit margin. We are confident that the effects in the long-term will be positive in terms of cost savings, improved flexibility and efficiency as well as better service to our customers.

Sales in the Equipment division increased organically by about 10% compared to the last year. The EBITDA margin has improved from last year and amounted to 6.8% in the fourth quarter and 5.7% for the full year.

2015 has had a good start with success in the start-up of new contracts in the US as well as the signing of a new 20-year contract in Pakistan, Opus' first in the Asian market. The Virginia Remote Sensing contract and the California rental program phase one will generate significant revenues in 2015, mitigating the drop of revenues expected in the Colorado program from January 2015. In California, the second phase of our rental equipment program (Bar 97 Gen3) will start during the first 6 months of 2015. In addition the acquisition of Drew Technologies will strengthen Opus' technology portfolio within vehicle inspection, as well as adding new related business opportunities in vehicle communication technology for the vehicle inspection, the vehicle OEM's and the vehicle service aftermarket. In connection with the Drew Tech acquisition Opus' Board of Directors has decided to strengthen the balance sheet by offering a rights issue to the shareholders valued at approximately SEK 150 million to enable further continued growth both organically and through further acquisitions.

Möndal in February 2015

Magnus Greko  
CEO and Group President

*\*Adjusted for USD effects and the one-time equipment sales in the State of New York 2013*

## Notable Events during the third quarter

### During the first quarter

#### **Publication of prospectus in connection with issue of corporate bond in Opus Group**

Opus Group has prepared a prospectus in connection with the corporate bond that the company issued in November 2013. The prospectus in English has been approved and registered by the Swedish Financial Supervisory Authority, and is available on Opus Group's website, [www.opus.se](http://www.opus.se).

#### **Opus Inspection begins vehicle inspection operations in Virginia**

On January 1, 2014, Opus Inspection successfully began vehicle inspection operations under its exclusive contract with the Commonwealth of Virginia Department of Environmental Quality (DEQ) to provide Vehicle Emissions Inspection & Maintenance Program, Program Coordinator Services. Over 530 Virginia inspection stations are now communicating with Opus Inspection's data management system, which will process approximately 900,000 inspections per year.

#### **Opus Inspection begins full operation of the New York vehicle inspection program (NYVIP2)**

On January 16, 2014, Opus Inspection assumed full operation of NYVIP2 under its exclusive contract with the State of New York. Opus Inspection has designed, built and delivered over 9,800 new vehicle inspection analyzers to participating inspection stations throughout the State of New York and is now processing 100% of the inspection related transactions with its new data management system. Opus Inspection began NYVIP2 operations in October 2013 in parallel with the legacy system, which has now been fully replaced by the new Opus system.

#### **Change in the number of shares and votes in Opus Group**

As a result of the rights issue, resolved upon by the Board of Directors in Opus Group AB (publ) ("Opus Group") on November 6, 2013 and approved by the Extraordinary General Meeting on November 28, 2013, the number of shares and votes in Opus Group has increased by 17,959,269. Total number of shares and votes in Opus Group on January 31, 2014 amounts to 251,429,777.

#### **Envirotest awarded vehicle inspection contract in Colorado**

Envirotest Systems Holdings Corp. has been awarded the vehicle inspection contract by the Colorado Department of Public Health and Environment.

#### **Vehicle inspection contract in Colorado signed**

Envirotest Systems Holdings Corp. has signed an exclusive contract with the Colorado Department of Public Health and Environment to operate the vehicle inspection contract in Colorado.

#### **Opus Group completes acquisition of Envirotest**

The vehicle inspection company Opus Group AB (publ) announces that it has completed the closing of the acquisition and has received access to all shares of Envirotest Systems Holdings Corp. The purchase price is USD 89.96 million (approx. SEK 585 million). All conditions of the merger agreement for the acquisition of Envirotest Systems Holdings Corp., a leading vehicle inspection services and technology company in North America, have now been met.

### During the second quarter

#### **Opus Inspection awarded US patent for OBD fraud detection system**

Opus Inspection, Inc. has been awarded US Patent 8,666,588 FRAUD DETECTION IN AN OBD INSPECTION SYSTEM. The innovative technology, marketed under the trademark "Tamper Terminator™," addresses a problem that has been increasingly challenging to government agencies relying on On-Board Diagnostic (OBD) testing for emission inspection since the early 2000's.

### **Opus Group's Board of Directors increases financial targets and updates the vision in connection with publication of the annual report 2013**

Opus Group's Board of Directors has increased the company's financial targets with regards to the EBITDA margin. The yearly target for the company's EBITDA margin was previously at least 10 percent and has now been increased to at least 15 percent from the year 2014 and onwards. The Board of Directors has also adopted an updated vision for the company. Opus Group's vision is "to be a global leader in vehicle inspection through customer focus, operational excellence and innovative technologies".

### **Opus Inspection's subsidiary Envirotest selected by the State of Indiana to negotiate a vehicle inspection contract**

The State of Indiana has selected Opus Inspection's subsidiary, Envirotest Corp., to begin contract negotiations to provide Vehicle Emissions Testing services for the Indiana Department of Environmental Management (IDEM).

### **Jim Sands becomes President of Envirotest**

Envirotest, an Opus Inspection, Inc. subsidiary, welcomes Mr. Jim Sands as President. Mr. Sands is a leading business executive with more than twenty years of vehicle inspection industry experience in various positions, who brings global experience and proven leadership to Envirotest. Mr. Sands has a strong customer relations orientation and will be instrumental in continuing the company's focus on our customers' needs in the U.S. centralized vehicle inspection programs and remote sensing operations.

### **State of Illinois intends to award a vehicle inspection contract to Opus Inspection**

Opus Inspection, Inc. has received a notice of intent to award a contract to provide Vehicle Emissions Testing services from the Illinois Environmental Protection Agency (IEPA).

### **AGM 2014**

Opus Group convened to an AGM that took place at 6 pm on May 22, 2014, at Elite Park Avenue Hotel in Gothenburg. All members of the Board of Directors were reelected with no changes.

### **During the third quarter**

#### **Commonwealth of Virginia awards Remote Sensing Contract to Envirotest**

Envirotest, subsidiary of Opus Inspection, Inc., has been awarded a contract to provide enhanced, unique technology services in the form of "Remote Sensing (RS)" to include "Clean Screen" (CS) and "High Emitter" (HE) identification as an integral part of the Virginia Department of Environmental Quality (DEQ) Air Check Virginia emissions inspection program. The initial contract term is three (3) years from the start of operation, with two (2) successive, two (2) year renewal options.

#### **Systech Chile signed a first contract to build and operate vehicle inspection stations in Chile**

Systech Chile Ltda., a subsidiary of Opus Inspection, Inc., has been awarded a contract, through competitive bidding, to design, build, equip, and operate three centralized vehicle inspection stations in the Maule Region, south of Santiago, Chile. The contract with the Maule Regional Ministry of Transportation and Telecommunication is for an 8-year concession to provide vehicle emission and road worthiness inspections in the cities of Curicó, Parral, and Constitución.

#### **Opus Inspection consolidated its management team and appointed Jim Sands as President**

Opus Inspection, Inc. announced that Mr. Jim Sands has been appointed as President. Mr. Sands, already President of Envirotest, a subsidiary of Opus Inspection, brings more than twenty years of vehicle inspection industry experience in various senior management positions.

### **State of Maryland extends the vehicle inspection contract to Envirotest**

Envirotest, Corp., subsidiary of Opus Inspection, has received an extension of its contract to provide Vehicle Emissions Inspection Program services for the State of Maryland, Motor Vehicle Administration (MVA). The amendment will extend the contract until September 30, 2019.

### **Stock option redemption in Opus Group AB**

Opus Group AB has completed the redemption of the stock option program 2011/2014. A total of 1,733,642 new shares were subscribed. Opus Group AB received a capital injection of SEK 1,987,967.28 in connection with the redemption of the stock options. The share capital increased by SEK 34,672.84 to SEK 5,063,268.38. Total shares outstanding after the redemption of the stock options amounts to 253,163,419. The subscription rate in connection with the redemption of the stock options amounted to 88.7 percent. The dilution effect of the redemption of the stock option program amounted to 0.7 percent.

### **Envirotest contracted by the State of Indiana for Vehicle Emissions Testing program**

The State of Indiana has signed a contract with Opus Inspection's subsidiary, Envirotest Corp., to provide Vehicle Emissions Testing services for the Indiana Department of Environmental Management (IDEM).

### **During the fourth quarter**

#### **Opus Group has successfully completed a Tap Issue of SEK 300M in the Swedish bond market**

Opus issued an additional SEK 300M within the framework amount of SEK 500M in the existing bond issue with maturity date of 20 November 2018 (ISIN: SE0005556834). The order book was heavily oversubscribed compared to the issued amount. The company has previously issued SEK 200M within the existing framework. The tap issue of SEK 300M was issued under par corresponding to a floating coupon of 3 month STIBOR + 4.5%. The bond carries a floating coupon of 3 months STIBOR + 4.0% and is listed on NASDAQ OMX Stockholm. Swedbank AB (publ) has acted as sole manager and book runner in the transaction.

### **Illinois program to be re-bid**

The Opus Group Board of Directors has decided to accept the decision of the Illinois Chief Procurement Officer (CPO) to cancel the Illinois Request for Proposal (RFP), which had previously been awarded to Opus Inspection, Inc. The CPO found that the RFP was ambiguous and no longer represented the best interest of the state. The Illinois Environmental Protection Agency (EPA) expects to issue a new RFP in the near future for the operation of the Illinois vehicle inspection program. Opus looks forward to this RFP and participating in the new process.

### **Nomination Committee prior to the Annual General Meeting 2015**

Appointed members of Opus Group's Nomination Committee are:

- Göran Nordlund, as Chairman of the Board in Opus Group
- Jörgen Hentschel, representing AB Kommandoran
- Lothar Geilen, representing himself
- Martin Jonasson, representing the Second Swedish National Pension Fund
- Johannes Wingborg, representing Länsförsäkringar Fondförvaltning AB

Martin Jonasson was elected Chairman of the Nomination Committee.

### **Notable Events after the fourth quarter**

#### **Successful program starts in Colorado, Indiana, and California**

Opus Inspection successfully began vehicle inspection operations under its renewed exclusive contracts in the States of Colorado and Indiana. Opus Inspection also successfully launched its new rental program of DAD-OBD equipment in the State of California with over 4,100 signed rental contracts. All these operations began on or around January 1, 2015.

### **Opus Inspection signed a 20-year vehicle inspection concession agreement in Pakistan**

Opus Inspection (Pvt) Ltd., an Opus Group subsidiary, won a public tender and has signed a 20-year public service vehicle inspection concession with the Government of the Punjab (GoPb) Transport Department in the Punjab province of Pakistan. The agreement provides the GoPb with two additional five-year options to extend for a total term of 30 years.

### **Opus Inspection signed agreement to acquire Drew Technologies**

Opus Inspection, Inc. has signed a share purchase agreement to acquire Drew Technologies Inc, a leading manufacturer of vehicle communication analysis and diagnostic equipment for the vehicle inspection and automotive service industry. The purchase price is USD 30 million (approximately SEK 254 million) plus a contingent earn-out of 4.4 million (approximately SEK 37 million). The transaction is expected to close within the next 30 days.

### **Opus Group announces rights issue of approximately SEK 150 million**

Opus Group AB (publ) (Opus Group or the Company) announces a rights issue to existing shareholders of approximately SEK 150 million before transaction costs

- The proceeds will be used to strengthen Opus Group's balance sheet in conjunction with the acquisition of Drew Technologies, Inc. (Drew Tech) and to finance the Company's continued expansion
- The rights issue is subject to approval by Extraordinary General Meeting ("EGM") on March 10, 2015
- The subscription price and offer ratio intends to be decided no later than March 4, 2015 and announced no later than March 5, 2015 at the latest
- The subscription period will run from and including March 17, 2015 up to and including March 31, 2015

## **Financial Information, Group**

### **Sales and result**

#### **January – December 2014**

Net sales for the period amounted to SEK 1,457.6 million (1,047.5). The turnover has increased by 39.2 percent for the Group compared to the same period for the previous year. The acquisition of Envirotest Corp. as well as the new vehicle inspection contracts in New York State and Virginia State have contributed to the increase in sales.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 246.3 million (141.9), corresponding to an EBITDA margin of 16.8 percent (13.5). EBITDA also includes non-recurring items comprising of closing down costs for the British Columbia program amounting to SEK 6,6 million as well as sales commission costs related to the California rental program amounting to SEK 6,4 million. Depreciation and amortization amounted to SEK -97.7 million (-29.9) and comprises depreciation on tangible assets of SEK -57.6 million (-16.6) and amortization of intangible assets of SEK -40.2 million (-13.3). The increase is mainly due to the acquisition of Envirotest Corp. (see note 2). Net financial items include positive foreign exchange effects of SEK 79.2 million. Net earnings amounted to SEK 142.1 million (61.3).

### **Sales and result**

#### **October – December 2014**

Net sales for the period amounted to SEK 394.5 million (309.3). The turnover has increased by 27.6 percent for the Group compared to the same period for the previous year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 49.4 million (27.7), corresponding to an EBITDA margin of 12.3 percent (9.0). EBITDA also includes non-recurring items comprising of closing down costs for the British Columbia program amounting to SEK 6,6 million as well as sales commission costs related to the

California rental program amounting to SEK 3,4 million. Depreciation and amortization amounted to SEK -31.4 million (-6.2) and comprises depreciation on tangible assets of SEK -19.1 million (-4.2) and amortization of intangible assets of SEK -12.3 million (-2.0). Net financial items include positive foreign exchange effects of SEK 36.7 million. Net earnings amounted to SEK 31.0 million (9.5).

## Financial Position and Liquidity

### Cash and cash equivalents

Available cash and cash equivalents at the end of the period amounted to SEK 407.3 million (477.9) including an unutilized overdraft facility of SEK 25 million (25).

### Equity

Shareholders' equity at the end of the period amounted to SEK 638.6 million (465.6), equivalent to SEK 2.52 (1.78) per share outstanding at the end of the period.

### Solvency

The equity ratio at the end of the period amounted to 27.4 percent (34.3).

## Cash Flow

### Cash flow from operating activities

Cash flow from operations for the period January - December 2014 amounted to SEK 158.5 million (114.5) including a change of working capital of SEK -41.7 million (12.5). The negative change in working capital is primarily due to larger vendor payments in January 2014 related to equipment that was delivered to the New York State contract in the second half of 2013.

### Investments

The cash flow from the investing activities amounted to SEK -697.4 for the period January - December 2014 compared with SEK -21.0 million for the corresponding period last year. The increase primarily relates to the acquisition of Envirotec Corp amounting to SEK -530.6 million. Investments in tangible fixed assets consisted primarily of construction in progress and the company's new business model with contract rentals of equipment in California. Investments in Capitalised Development Expenditure amounted to SEK -26.9 million (-1.1) and is mainly related to the development of the company's new proprietary IT-system for the Swedish market.

### Financing

The Group's interest bearing liabilities at the end of the period amounted to SEK 1,063.9 million (543.5). Cash flow from financing activities during the period January - December 2014 amounted to SEK 450.6 million (262.6). The change is due to a new long-term credit facility of USD 45,4 million (approx. SEK 295,7 million) used to finance the acquisition of Envirotec Corp., a Tap Issue of SEK 300 million within the framework amount of SEK 500 million in the existing bond issue with maturity date of 20 November 2018, as well as the amortization of bank loans. The Group has amortized SEK 124,5 million during the year. The Group's net debt at the end of the period amounted to SEK 681.6 million (81.6).

Opus Group's ability to borrow is limited by the financial obligations of the loan agreement in the form of covenants. These consist of the financial key ratios net debt, interest coverage ratio, equity ratio and Opus Group's liquidity.

## 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 2014, the Board will propose that a dividend of SEK 0.09 (SEK 0.06) per share be paid.

## Financial Targets

- Opus Group's financial targets, over a business cycle, are:
- Compounded annual growth (CAGR) of at least 10% during a five year period
  - EBITDA margin of at least 15% (prior 2014: 10%)
  - Interest-bearing net debt relative to EBITDA shall not exceed 3.0 times

| Quarterly development of financial targets                         |       |       |           |
|--|-------|-------|-----------|
|  | 2014  | 2013  | 2014      |
| SEK thousands  | Q4    | Q4    | Full year |
| Revenue growth:  |       |       |           |
| Annual growth in revenues of at least 10%                          | 27,6% | 75,1% | 39,2%     |
| EBITDA-margin*:  |       |       |           |
| EBITDA-margin of at least 15% (prior 2014: 10%)                    | 12,3% | 14,2% | 16,8%     |
| Net debt:  |       |       |           |
| Interest net debt relative to EBITDA** should not exceed 3.0 times | 2,6x  | 0,5x  | 2,6x      |

\* EBITDA margin has been adjusted for acquisition related adjustments and costs.

\*\* EBITDA has been calculated based on 12 months rolling result adjusted for acquisition related adjustments and costs and includes proforma accounts for Envirotec Corp.

## Business Areas

Opus Group's business consists of two divisions and three segments. The divisions are Vehicle Inspection and Equipment. The Vehicle Inspection division consists of two segments: Vehicle Inspection Sweden and Vehicle Inspection International.



## Vehicle Inspection

| Vehicle Inspection International (Vehicle Inspection operations outside Sweden) |                    |               |                    |               |
|---|--------------------|---------------|--------------------|---------------|
|   | October - December |               | January - December |               |
| SEK thousands   | 2014               | 2013          | 2014               | 2013          |
| Segment's net sales   | 225,550            | 130,901       | 783,288            | 387,220       |
| <b>EBITDA</b>   | <b>32,619</b>      | <b>4,937</b>  | <b>161,305</b>     | <b>58,184</b> |
| Close down costs  | 6,646              | -             | 6,646              | -             |
| Insurance compensation  | -                  | -             | -                  | -4,818        |
| Acquisition costs   | -                  | 12,224        | -                  | 12,224        |
| Start-up costs  | -                  | 4,288         | -                  | 4,288         |
| <b>Adjusted EBITDA</b>  | <b>39,265</b>      | <b>21,449</b> | <b>167,951</b>     | <b>69,878</b> |
| <b>EBITDA margin</b>  | <b>17,4%</b>       | <b>16,4%</b>  | <b>21,4%</b>       | <b>18,0%</b>  |

Sales for the fourth quarter amounted to SEK 225.6 million (130.9). Adjusted EBITDA amounted to SEK 39.3 million (21.4), corresponding to an EBITDA margin of 17.4 percent (16.4). EBITDA also includes non-recurring items comprising of closing down costs for the British Columbia program amounting to SEK 6,6 million (0) as well as sales commission costs for the California rental equipment amounting to SEK 3,4 million (0). The number of employees at end of the reporting period amounted to 1 136 people (260).

The table below shows external revenue and EBITDA in local currency (USD).

|                                | October - December |        | January - December |        |
|--------------------------------|--------------------|--------|--------------------|--------|
| Local currency (USD thousands) | 2014               | 2013   | 2014               | 2013   |
| External net sales*            | 30,453             | 19,452 | 114,220            | 59,440 |
| EBITDA                         | 4,404              | 760    | 23,521             | 8,932  |

\* External net sales, for comparable units and in local currencies. Also see page 10 "Translation of Foreign Operations".

## Vehicle Inspection Sweden

| SEK thousands                  | October - December |               | January - December |               |
|--------------------------------|--------------------|---------------|--------------------|---------------|
|                                | 2014               | 2013          | 2014               | 2013          |
| Segment's net sales            | 136,462            | 148,758       | 559,528            | 551,254       |
| <b>EBITDA</b>                  | <b>19,204</b>      | <b>21,977</b> | <b>85,871</b>      | <b>82,501</b> |
| Acquisition and start up costs | -                  | -             | -                  | 2,578         |
| <b>Adjusted EBITDA</b>         | <b>19,204</b>      | <b>21,977</b> | <b>85,871</b>      | <b>85,079</b> |
| <b>EBITDA margin</b>           | <b>14.1%</b>       | <b>14.8%</b>  | <b>15.3%</b>       | <b>15.4%</b>  |

Sales for the fourth quarter amounted to SEK 136.5 million (148.8). EBITDA amounted to SEK 19.2 million (22.0), corresponding to an EBITDA margin of 14.1 percent (14.8). The number of employees at end of the reporting period amounted to 541 persons (543).

## Equipment

| Equipment              |                    |              |                    |              |
|------------------------|--------------------|--------------|--------------------|--------------|
| SEK thousands          | October - December |              | January - December |              |
|                        | 2014               | 2013         | 2014               | 2013         |
| Segments net sales     | 39,153             | 34,453       | 135,412            | 122,949      |
| <b>EBITDA</b>          | <b>2,676</b>       | <b>1,548</b> | <b>7,733</b>       | <b>4,831</b> |
| Bad debt               | -                  | -            | -                  | 1,724        |
| <b>Adjusted EBITDA</b> | <b>2,676</b>       | <b>1,548</b> | <b>7,733</b>       | <b>6,555</b> |
| <b>EBITDA margin</b>   | <b>6.8%</b>        | <b>4.5%</b>  | <b>5.7%</b>        | <b>5.3%</b>  |

Sales for the fourth quarter amounted to SEK 39.2 million (34.5). EBITDA amounted to SEK 2.7 million (1.5). The number of employees at end of the reporting period amounted to 71 people (70).

## Customers

Opus Group's customers on the international market are primarily government agencies (counties, states etc.), the automotive industry, vehicle garages, and vehicle inspection companies (state and privately owned). The customers of Vehicle Inspection Sweden include individuals, businesses and governments who are the owners of Swedish registered vehicles or foreign-registered vehicles to be inspected.

## Taxes

The tax expense for the period is calculated using the current tax rate for the Parent company and each subsidiary. Temporary differences and existing fiscal loss carry-forwards have been taken into account.

## Employees

The number of FTEs (full-time equivalents) in the Group was 1,754 (878) at end of the reporting period. The increase in number of employees is mainly related to the acquisition of Envirotest Corp.

## Parent Company

The Parent company's sales during the third quarter amounted to SEK 0.8 million (3.2) and profit and loss after financial items to SEK 47.5 million (70.8).

## 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 Opus Group's annual report of 2013.

## Accounting and Valuation Policies

This report has been prepared in accordance with IAS 34, Interim Financial Reporting. The group accounting has been prepared in accordance with International Financial Reporting Standards, IFRS, as approved by EU, and the Swedish Annual Accounts Act. The interim report for the Parent company has been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2. The same accounting and valuation policies were applied as in the 2013 Annual Report. No new or revised IFRS standards or interpretations from IFRIC have been applied or have had any essential effect on the financial position, result or information for the group or parent company.

## Accounting Estimates and Assumptions

The preparation of financial reports in accordance with IFRS requires the Board of Directors and Management to make estimates and assumptions that affect the application of accounting principles and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may deviate from these estimates.

## Translation of Foreign Operations

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

| Country                     | Currency | Average rate   |                | Closing rate |             |
|-----------------------------|----------|----------------|----------------|--------------|-------------|
|                             |          | Jan - Dec 2014 | Jan - Dec 2013 | Dec 31 2014  | Dec 31 2013 |
| USA, Peru, Chile and Cyprus | USD      | 6.86           | 6.51           | 7.81         | 6.51        |
| Hong Kong                   | HKD      | 0.88           | 0.84           | 1.01         | 0.84        |
| China                       | CNY      | 1.11           | 1.06           | 1.26         | 1.07        |

## Essential Risks and Uncertainty Factors

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

The companies' operations, profitability and financial conditions are directly related to investments within the automotive industry and regulations within environmental and safety testing of vehicles. In the business area Vehicle Inspection International, the Group runs vehicle inspection programs through long-term contracts with government agencies. There is a risk of early contract termination, which would affect the Group's financial position negatively. The business area Equipment is depending on garages and vehicle inspection stations making new investments in equipment, which is affected by the general economic climate. Furthermore, the Group has a currency risk through its translation exposure of the operations in the United States. A detailed description of the Parent company and subsidiaries' risks and risk management are given in Opus Group's Annual Report 2013.

## Outlook

In 2015 Opus Group will have a good acquisition-driven growth. The acquisition driven growth from Envirotec and Drew Technologies, combined with the newly signed programs and the California rental business will well counteract the negative effects of the shutdown of British Columbia and the decrease in the Colorado program, and lead to a good positive growth in 2015. During the year the focus will be to incorporate Drew Technologies in the Opus Group and develop their business opportunities as well as developing future contract opportunities in vehicle inspection. The new IT system for vehicle inspection Sweden is to be completed which will provide better customer service and efficiency.

The company sees continued growth opportunities through winning more vehicle inspection contracts on both existing and new markets. Through its Vehicle Inspection division, Opus Group has a well-established position as number two in the Swedish vehicle inspection market and market leader in the U.S.

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

Opus Group does not provide financial forecasts.

## Next financial report

May 21, 2015, Quarterly report for the first quarter 2015 (January - March 2015)

The Annual Report 2014 is expected to be published on or before April 30, 2015. The Annual Report will be made available on the company's website [www.opus.se](http://www.opus.se).

This report has not been subject to auditors' review.

Mölndal, Sweden, February 19, 2015  
Magnus Greko  
President and CEO

## Contact Information

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

## Opus Group AB (publ) in Brief

Opus Group is a leading company in vehicle inspection technology and vehicle inspection program operations. The Group has two main business areas which consist of vehicle inspection and equipment. Opus Group is one of the market leaders in vehicle inspection operations in the US and Sweden. Opus Bilprovning has 73 vehicle inspection stations in Sweden. Opus Inspection operates vehicle inspection programs in the U.S., Bermuda, Chile, Peru and Pakistan and is active in sales and service of emission control equipment in North America and Mexico. Through the subsidiaries, Opus Equipment and J&B Maskinteknik, Opus Group conduct production, sales and service of vehicle inspection equipment for vehicle inspection companies and vehicle workshops. Opus Group's revenues amounted to approx. SEK 1,458 million in 2014. Opus Group's shares are listed on Nasdaq OMX Stockholm.

## GROUP INCOME STATEMENT IN SUMMARY

| SEK thousands  | 14-10-01<br>14-12-31 | 13-10-01<br>13-12-31 | 14-01-01<br>14-12-31 | 13-01-01<br>13-12-31 |
|--|----------------------|----------------------|----------------------|----------------------|
| <b>Operating income</b>  |                      |                      |                      |                      |
| Net sales  | 394,541              | 309,300              | 1,457,610            | 1,047,493            |
| Other operating income   | 6,510                | 725                  | 8,855                | 7,193                |
| <b>Total operating income</b>  | <b>401,051</b>       | <b>310,025</b>       | <b>1,466,466</b>     | <b>1,054,686</b>     |
| Operating expenses   | -351,640             | -282,286             | -1,220,193           | -912,832             |
| <b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b> | <b>49,410</b>        | <b>27,739</b>        | <b>246,272</b>       | <b>141,854</b>       |
| Depreciation and amortization  | -31,367              | -6,157               | -97,714              | -29,937              |
| <b>Operating profit (EBIT)</b>   | <b>18,043</b>        | <b>21,582</b>        | <b>148,558</b>       | <b>111,917</b>       |
| <b>Results from financial items</b>  |                      |                      |                      |                      |
| Interest income and similar items  | 74,319               | 455                  | 173,432              | 3,209                |
| Interest expense and similar charges   | -50,893              | -7,113               | -136,804             | -25,410              |
| <b>Financial items</b>   | <b>23,426</b>        | <b>-6,658</b>        | <b>36,628</b>        | <b>-22,201</b>       |
| <b>Profit after financial items</b>  | <b>41,469</b>        | <b>14,924</b>        | <b>185,186</b>       | <b>89,716</b>        |
| Current tax/Deferred tax   | -10,454              | -5,438               | -43,037              | -28,419              |
| <b>Net profit</b>  | <b>31,015</b>        | <b>9,486</b>         | <b>142,149</b>       | <b>61,297</b>        |
| <b>Attributable to:</b>  |                      |                      |                      |                      |
| Equity holders of the Parent Company   | 31,015               | 9,486                | 142,149              | 61,297               |
| <b>Earnings per share</b>  |                      |                      |                      |                      |
| Average number of shares, before dilution, thousands                           | 253,163              | 238,690              | 251,976              | 252,302              |
| Average number of shares, after dilution, thousands                            | 260,765              | 248,585              | 259,578              | 261,857              |
| Number of shares at period end, before dilution, thousands                     | 253,163              | 238,690              | 253,163              | 251,430              |
| Number of shares at period end, after dilution, thousands                      | 253,163              | 248,585              | 253,163              | 260,985              |
| Earnings per share before dilution (SEK)                                       | 0.12                 | 0.04                 | 0.56                 | 0.24                 |
| Earnings per share after dilution (SEK)  | 0.12                 | 0.04                 | 0.55                 | 0.23                 |

## GROUP STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

| SEK thousands  | 14-10-01<br>14-12-31 | 13-10-01<br>13-12-31 | 14-01-01<br>14-12-31 | 13-01-01<br>13-12-31 |
|--|----------------------|----------------------|----------------------|----------------------|
| <b>Net profit</b>  | <b>31,015</b>        | <b>9,486</b>         | <b>142,149</b>       | <b>61,297</b>        |
| <b>Items that may be reclassified to profit for the year</b> |                      |                      |                      |                      |
| Translation differences on foreign operations                | 18,606               | 3,038                | 45,679               | 306                  |
| Cash flow hedge  | -649                 | -1,824               | -3,322               | -1,824               |
| Tax effect on cash flow hedge                                | 142                  | 238                  | 894                  | 238                  |
| <b>Other comprehensive income</b>                            | <b>18,099</b>        | <b>1,452</b>         | <b>43,251</b>        | <b>-1,280</b>        |
| <b>Total comprehensive income</b>                            | <b>49,114</b>        | <b>10,938</b>        | <b>185,400</b>       | <b>60,017</b>        |
| <b>Attributable to:</b>                                      |                      |                      |                      |                      |
| Equity holders of the Parent Company                         | 49,114               | 10,938               | 185,400              | 60,017               |

## GROUP STATEMENT OF FINANCIAL POSITION IN SUMMARY

| SEK thousands  | 14-12-31         | 13-12-31         |
|--|------------------|------------------|
| <b>ASSETS</b>  |                  |                  |
| <b>Non-current assets</b>                            |                  |                  |
| <b>Intangible assets</b>                             |                  |                  |
| Capitalized development costs                        | 34,956           | 9,473            |
| Customer contracts and relationships                 | 150,453          | 45,396           |
| Other intangible assets                              | 102,970          | 2,516            |
| Goodwill   | 623,525          | 469,668          |
| <b>Total intangible assets</b>                       | <b>911,904</b>   | <b>527,053</b>   |
| <b>Tangible assets</b>                               |                  |                  |
| Construction in progress                             | 30,988           | -                |
| Land and buildings                                   | 394,793          | 28,567           |
| Furnishings, machinery and other technical equipment | 262,134          | 101,737          |
| <b>Total tangible assets</b>                         | <b>687,915</b>   | <b>130,304</b>   |
| <b>Financial assets</b>                              |                  |                  |
| Financial assets                                     | 7,809            | 6,129            |
| <b>Total financial assets</b>                        | <b>7,809</b>     | <b>6,129</b>     |
| Deferred tax assets                                  | 35,341           | 21,283           |
| <b>Total non-current assets</b>                      | <b>1,642,969</b> | <b>684,769</b>   |
| <b>Current assets</b>                                |                  |                  |
| Inventory  | 108,196          | 85,866           |
| Trade receivables                                    | 100,452          | 58,321           |
| Current tax receivable                               | 28,009           | 16,139           |
| Other current assets                                 | 65,295           | 76,183           |
| Cash and cash equivalent                             | 382,299          | 452,923          |
| <b>Total current assets</b>                          | <b>684,251</b>   | <b>673,293</b>   |
| <b>TOTAL ASSETS</b>                                  | <b>2,327,220</b> | <b>1,358,062</b> |
| <b>EQUITY AND LIABILITIES</b>                        |                  |                  |
| <b>Shareholders' equity</b>                          | <b>638,628</b>   | <b>465,630</b>   |
| <b>Non-current liabilities</b>                       |                  |                  |
| Deferred tax liabilities                             | 158,848          | 40,352           |
| Other non-current liabilities                        | 5,475            | 1,316            |
| Corporate bonds                                      | 683,027          | 390,471          |
| Loans from financial institutions                    | 182,770          | 63,266           |
| Provisions   | 91,650           | 74,463           |
| <b>Total non-current liabilities</b>                 | <b>1,121,770</b> | <b>569,868</b>   |
| <b>Current liabilities</b>                           |                  |                  |
| Loans from financial institutions                    | 192,649          | 80,791           |
| Trade payables                                       | 47,785           | 59,668           |
| Current tax payable                                  | 54,315           | 227              |
| Other current liabilities                            | 262,279          | 172,005          |
| Provisions   | 9,794            | 9,873            |
| <b>Total current liabilities</b>                     | <b>566,822</b>   | <b>322,564</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                  | <b>2,327,220</b> | <b>1,358,062</b> |
| Pledged assets                                       | 703,578          | 699,199          |
| Contingent liabilities                               | 108,357          | 107,346          |

## GROUP STATEMENT OF CHANGES IN EQUITY IN SUMMARY

| SEK thousands              | Number of shares outstanding | Share capital | Other capital contributions | Reserves      | Retained earnings | Total equity   |
|----------------------------|------------------------------|---------------|-----------------------------|---------------|-------------------|----------------|
| <b>Equity 2013-01-01</b>   | <b>231,674,455</b>           | <b>4,633</b>  | <b>269,435</b>              | <b>16,970</b> | <b>-28,903</b>    | <b>262,135</b> |
| Total comprehensive income | -                            | -             | -                           | -1,280        | 61,297            | 60,017         |
| Stock options              | -                            | -             | 1,927                       | -             | -                 | 1,927          |
| Redemption stock options   | 1,796,053                    | 36            | 2,443                       | -             | -                 | 2,479          |
| Dividend                   | -                            | -             | -                           | -             | -4,633            | -4,633         |
| Rights issue               | 17,959,269                   | -             | 143,705                     | -             | -                 | 143,705        |
| <b>Equity 2013-12-31</b>   | <b>233,470,508</b>           | <b>4,669</b>  | <b>417,510</b>              | <b>15,690</b> | <b>27,761</b>     | <b>465,630</b> |
| Total comprehensive income | -                            | -             | -                           | 43,251        | 142,149           | 185,400        |
| Rights Issue               | 17,959,269                   | 359           | 337                         | -             | -                 | 696            |
| Redemption stock options   | 1,733,642                    | 35            | 1,953                       | -             | -                 | 1,988          |
| Dividend                   | -                            | -             | -                           | -             | -15,086           | -15,086        |
| <b>Equity 2014-12-31</b>   | <b>253,163,419</b>           | <b>5,063</b>  | <b>419,800</b>              | <b>58,941</b> | <b>154,824</b>    | <b>638,628</b> |

## GROUP STATEMENT OF CASH FLOWS IN SUMMARY

| SEK thousands  | 14-01-01<br>14-12-31 | 13-01-01<br>13-12-31 |
|--|----------------------|----------------------|
| Operating profit (EBIT)  | 148,558              | 111,917              |
| Adjustment for non-cashflow items  | 27,555               | 30,407               |
| Financial items  | 36,628               | -20,631              |
| Income tax paid  | -12,587              | -19,697              |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>200,154</b>       | <b>101,996</b>       |
| Change in net working capital  | -41,676              | 12,483               |
| <b>Cash flow from operating activities</b>                                   | <b>158,478</b>       | <b>114,479</b>       |
| <b>Investing activities</b>  |                      |                      |
| Acquisition of subsidiaries, net of acquired cash                            | -530,591             | -                    |
| Paid additional consideration  | -9,950               | -2,106               |
| Capitalized development costs  | -26,947              | -4,104               |
| Acquisition of tangible assets   | -129,848             | -11,649              |
| Acquisition of intangible assets   | -3,226               | -130                 |
| Proceeds from sale of tangible assets  | -                    | 25                   |
| Other  | 3,126                | -3,031               |
| <b>Cash flow from investment activities</b>                                  | <b>-697,436</b>      | <b>-20,995</b>       |
| <b>Financing activities</b>  |                      |                      |
| Payment stock options  | -                    | 1 927                |
| Dividends paid   | -15,086              | - 4 633              |
| Redemption stock options   | 1,988                | 2 479                |
| Rights issue   | 696                  | 143 705              |
| New debt   | 587,508              | 390 250              |
| Net change in bank overdraft   | -                    | -20 937              |
| Amortization of loans from financial institutions                            | -124,480             | -250 203             |
| <b>Cash flow from financing activities</b>                                   | <b>450,626</b>       | <b>262 588</b>       |
| <b>Change in cash and cash equivalents</b>                                   |                      |                      |
| <b>Cash and cash equivalents at the beginning of the period</b>              | <b>452,923</b>       | <b>96,964</b>        |
| Foreign currency translation differences                                     | 17,708               | -113                 |
| Net cash flow for the period   | -88,332              | 356,072              |
| <b>Cash and cash equivalents at the end of the period</b>                    | <b>382,299</b>       | <b>452,923</b>       |



## SEGMENTAL REPORTING

Opus Group's business consists of two divisions and three segments. The divisions are Vehicle Inspection and Equipment. The Vehicle Inspection division consists of two segments: Vehicle Inspection Sweden and Vehicle Inspection International.

| October - December, 2014<br>SEK thousands | Vehicle Inspection |                |                | Group & eliminations | Group          |
|---|--------------------|----------------|----------------|----------------------|----------------|
|   | Equipment          | Sweden         | International  |                      |                |
| External sales                            | 32,530             | 136,462        | 225,550        | -                    | 394,541        |
| Internal sales (to other segments)        | 6,624              | -              | -              | -6,624               | -              |
| <b>Net sales</b>                          | <b>39,153</b>      | <b>136,462</b> | <b>225,550</b> | <b>-6,624</b>        | <b>394,541</b> |
| Other external operating income           | 317                | 5,626          | -8             | 575                  | 6,510          |
| <b>Total income</b>                       | <b>39,470</b>      | <b>142,087</b> | <b>225,543</b> | <b>-6,049</b>        | <b>401,051</b> |
| EBITDA                                    | 2,676              | 19,204         | 32,619         | -                    | 49,410         |
| EBITDA margin                             | 6.8%               | 14.1%          | 14.5%          |                      | 12.3%          |
| Depreciation and amortization             |                    |                |                |                      | -31,367        |
| Results from financial items              |                    |                |                |                      | 23,426         |
| <b>Profit after financial items</b>       |                    |                |                |                      | <b>41,469</b>  |
| Current tax/Deferred tax                  |                    |                |                |                      | -10,454        |
| <b>Net profit</b>                         |                    |                |                |                      | <b>31,015</b>  |

| October - December, 2013<br>SEK thousands | Vehicle Inspection |                |                | Group & eliminations | Group          |
|---|--------------------|----------------|----------------|----------------------|----------------|
|   | Equipment          | Sweden         | International  |                      |                |
| External sales                            | 29,641             | 148,758        | 130,901        | -                    | 309,300        |
| Internal sales (to other segments)        | 4,836              | -              | -              | -4,836               | -              |
| <b>Net sales</b>                          | <b>34,477</b>      | <b>148,758</b> | <b>130,901</b> | <b>-4,836</b>        | <b>309,300</b> |
| Other external operating income           | 426                | 329            | -              | -30                  | 725            |
| <b>Total income</b>                       | <b>34,903</b>      | <b>149,087</b> | <b>130,901</b> | <b>-4,866</b>        | <b>310,025</b> |
| EBITDA                                    | 1,548              | 21,977         | 4,937          | -723                 | 27,739         |
| EBITDA margin                             | 4.5%               | 14.8%          | 3.8%           |                      | 9.0%           |
| Depreciation and amortization             |                    |                |                |                      | -6,157         |
| Results from financial items              |                    |                |                |                      | -6,658         |
| <b>Profit after financial items</b>       |                    |                |                |                      | <b>14,924</b>  |
| Current tax/Deferred tax                  |                    |                |                |                      | -5,438         |
| <b>Net profit</b>                         |                    |                |                |                      | <b>9,486</b>   |

| January - december 2014<br>SEK thousands | Vehicle Inspection |                |                | Group & eliminations | Group            |
|--|--------------------|----------------|----------------|----------------------|------------------|
|  | Equipment          | Sweden         | International  |                      |                  |
| External sales                           | 114,794            | 559,528        | 783,288        | -                    | 1,457,610        |
| Internal sales (to other segments)       | 20,618             | -              | -              | -20,618              | -                |
| <b>Net sales</b>                         | <b>135,412</b>     | <b>559,528</b> | <b>783,288</b> | <b>-20,618</b>       | <b>1,457,610</b> |
| Other external operating income          | 1,025              | 6,042          | 173            | 1,616                | 8,855            |
| <b>Total income</b>                      | <b>136,437</b>     | <b>565,570</b> | <b>783,461</b> | <b>-19,002</b>       | <b>1,466,466</b> |
| EBITDA                                   | 7,733              | 85,871         | 161,305        | -8,637               | 246,272          |
| EBITDA margin                            | 5.7%               | 15.3%          | 20.6%          |                      | 16.8%            |
| Depreciation and amortization            |                    |                |                |                      | -97,714          |
| Results from financial items             |                    |                |                |                      | 36,628           |
| <b>Profit after financial items</b>      |                    |                |                |                      | <b>185,186</b>   |
| Current tax/Deferred tax                 |                    |                |                |                      | -43,037          |
| <b>Net profit</b>                        |                    |                |                |                      | <b>142,149</b>   |

| January - December, 2013<br>SEK thousands | Vehicle Inspection |                |                |                      | Group            |
|---|--------------------|----------------|----------------|----------------------|------------------|
|   | Equipment          | Sweden         | International  | Group & eliminations |                  |
| External sales                            | 109,206            | 551,254        | 387,033        | -                    | 1,047,493        |
| Internal sales (to other segments)        | 13,743             | -              | 160            | -13,903              | -                |
| <b>Net sales</b>                          | <b>122,949</b>     | <b>551,254</b> | <b>387,193</b> | <b>-13,903</b>       | <b>1,047,493</b> |
| Other external operating income           | 1,182              | 1,015          | 4,818          | 178                  | 7,193            |
| <b>Total income</b>                       | <b>124,131</b>     | <b>552,269</b> | <b>392,011</b> | <b>-13,725</b>       | <b>1,054,686</b> |
| <b>EBITDA</b>                             | <b>4,831</b>       | <b>82,501</b>  | <b>58,184</b>  | <b>-3,662</b>        | <b>141,854</b>   |
| <b>EBITDA margin</b>                      | <b>3.9%</b>        | <b>15.0%</b>   | <b>15.0%</b>   |                      | <b>13.5%</b>     |
| Depreciation and amortization             |                    |                |                |                      | -29,937          |
| Results from financial items              |                    |                |                |                      | -22,201          |
| <b>Profit after financial items</b>       |                    |                |                |                      | <b>89,716</b>    |
| Current tax/Deferred tax                  |                    |                |                |                      | -28,419          |
| <b>Net profit</b>                         |                    |                |                |                      | <b>61,297</b>    |

## KEY RATIOS

|   | 14-01-01<br>14-12-31 | 13-01-01<br>13-12-31 |
|---|----------------------|----------------------|
| Return on capital employed, percent                                 | 23.8                 | 11.5                 |
| Return on total assets, percent                                     | 17.5                 | 8.5                  |
| Return on equity, percent   | 25.7                 | 24.7                 |
| EBITDA margin, percent  | 16.8                 | 13.5                 |
| Operating profit margin (EBIT), percent                             | 10.1                 | 10.7                 |
| Net profit margin, percent  | 12.6                 | 5.9                  |
| Sales growth, percent   | 39.2                 | 123.4                |
| Net debt, SEK thousands   | 681,621              | 81,605               |
| Net debt / equity ratio, times                                      | 1.1                  | 0.2                  |
| Interest coverage ratio, times                                      | 2.4                  | 0.2                  |
| Equity ratio, percent   | 27.4                 | 34.3                 |
| Cash liquidity ratio, percent                                       | 101.6                | 174.5                |
| Number of employees at period end                                   | 1,754                | 868                  |
| <b>Data Per Share</b>   |                      |                      |
| Number of shares at period end, before dilution, thousands          | 253,163              | 251,430              |
| Number of shares at period end, after dilution, thousands           | 253,163              | 260,985              |
| Average number of shares, before dilution, thousands                | 251,976              | 252,302              |
| Average number of shares, after dilution, thousands                 | 259,578              | 261,857              |
| Equity per share, before dilution, SEK                              | 2.52                 | 1.85                 |
| Equity per share, after dilution, SEK                               | 2.52                 | 1.78                 |
| Earnings per share before dilution, SEK                             | 0.56                 | 0.24                 |
| Earnings per share after dilution, SEK                              | 0.55                 | 0.23                 |
| Dividend per share, before dilution, SEK                            | -                    | 0.06                 |
| Dividend per share, after dilution, SEK                             | -                    | 0.06                 |
| Cash flow from operating activities per share, before dilution, SEK | 0.63                 | 0.45                 |
| Cash flow from operating activities per share, after dilution, SEK  | 0.61                 | 0.44                 |

Outstanding stock options result in a dilution effect 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 2013.

## QUARTERLY DEVELOPMENT FOR THE GROUP

| Income Statement<br>SEK thousands  | 2014          |               |               |               | 2013          |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | Q1            | Q2            | Q3            | Q4            | Q1            | Q2            | Q3            | Q4            |
| <b>Net sales</b>   | 297,353       | 404,322       | 361,393       | 394,541       | 227,389       | 256,299       | 254,504       | 309,300       |
| Total income   | 297,760       | 405,958       | 361,697       | 401,051       | 228,479       | 261,213       | 254,968       | 310,025       |
| Operating expenses   | -252,409      | -317,158      | -298,988      | -351,640      | -204,310      | -214,967      | -211,268      | -282,286      |
| <b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b> | <b>45,351</b> | <b>88,802</b> | <b>62,709</b> | <b>49,410</b> | <b>24,169</b> | <b>46,246</b> | <b>43,700</b> | <b>27,739</b> |
| % margin   | 15.2%         | 21.9%         | 17.3%         | 12.3%         | 10.6%         | 17.7%         | 17.2%         | 8.9%          |
| Depreciation and amortization  | -13,128       | -25,884       | -27,336       | -31,367       | -9,703        | -7,377        | -6,700        | -6,157        |
| <b>Operating profit/loss (EBIT)</b>  | <b>32,223</b> | <b>62,918</b> | <b>35,374</b> | <b>18,043</b> | <b>14,466</b> | <b>38,869</b> | <b>37,000</b> | <b>21,582</b> |
| Results from financial investments   | -8,616        | 2,359         | 19,459        | 23,426        | -5,443        | -4,936        | -5,164        | -6,658        |
| <b>Profit/loss after financial items</b>                                       | <b>23,607</b> | <b>65,277</b> | <b>54,833</b> | <b>41,469</b> | <b>9,023</b>  | <b>33,933</b> | <b>31,836</b> | <b>14,924</b> |
| Current tax/Deferred tax   | -6,914        | -16,133       | -9,536        | -10,454       | -2,785        | -12,575       | -7,621        | -5,438        |
| <b>Net profit/loss</b>   | <b>16,693</b> | <b>49,144</b> | <b>45,297</b> | <b>31,015</b> | <b>6,238</b>  | <b>21,358</b> | <b>24,215</b> | <b>9,486</b>  |

| Balance Sheet<br>SEK thousand                   | 2014             |                  |                  |                  | 2013           |                |                  |                  |
|---|------------------|------------------|------------------|------------------|----------------|----------------|------------------|------------------|
|   | Q1               | Q2               | Q3               | Q4               | Q1             | Q2             | Q3               | Q4               |
| <b>ASSETS</b>                                   |                  |                  |                  |                  |                |                |                  |                  |
| Intangible assets                               | 959,224          | 986,898          | 1,030,290        | 911,904          | 517,677        | 520,063        | 520,445          | 527,053          |
| Tangible assets                                 | 528,736          | 585,795          | 627,387          | 687,915          | 134,421        | 133,863        | 129,485          | 130,304          |
| Financial assets                                | 7,960            | 7,627            | 7,863            | 7,809            | 3,750          | 3,727          | 3,569            | 6,129            |
| Deferred tax assets                             | 14,693           | 30,552           | 50,887           | 35,341           | 36,341         | 34,037         | 36,336           | 21,283           |
| <b>Total non-current assets</b>                 | <b>1,510,613</b> | <b>1,610,872</b> | <b>1,716,428</b> | <b>1,642,969</b> | <b>692,189</b> | <b>691,689</b> | <b>689,835</b>   | <b>684,769</b>   |
| Inventory                                       | 100,599          | 89,383           | 103,603          | 108,196          | 70,980         | 75,768         | 86,902           | 85,866           |
| Current assets                                  | 174,198          | 177,403          | 183,662          | 193,756          | 111,902        | 104,155        | 130,404          | 134,504          |
| Cash and cash equivalents                       | 149,900          | 112,599          | 125,745          | 382,299          | 59,269         | 61,368         | 105,293          | 452,923          |
| <b>Total current assets</b>                     | <b>411,655</b>   | <b>379,385</b>   | <b>413,010</b>   | <b>684,251</b>   | <b>242,152</b> | <b>241,291</b> | <b>322,599</b>   | <b>673,293</b>   |
| <b>Total assets</b>                             | <b>1,922,268</b> | <b>1,990,257</b> | <b>2,129,438</b> | <b>2,327,220</b> | <b>934,340</b> | <b>932,980</b> | <b>1,012,434</b> | <b>1,358,062</b> |
| <b>EQUITY AND LIABILITIES</b>                   |                  |                  |                  |                  |                |                |                  |                  |
| Shareholders' equity                            | 482,623          | 524,069          | 589,514          | 638,628          | 268,007        | 291,458        | 310,473          | 465,630          |
| Interest bearing liabilities                    | 810,559          | 790,448          | 803,896          | 1,063,921        | 371,314        | 350,664        | 326,680          | 534,528          |
| Non-interest bearing liabilities and provisions | 629,086          | 675,740          | 736,028          | 624,671          | 295,019        | 290,858        | 375,281          | 357,904          |
| <b>Total equity and liabilities</b>             | <b>1,922,268</b> | <b>1,990,257</b> | <b>2,129,438</b> | <b>2,327,220</b> | <b>934,340</b> | <b>932,980</b> | <b>1,012,434</b> | <b>1,358,062</b> |

| Cash Flow Analysis<br>SEK thousands                             | 2014            |                |                |                | 2013           |               |                |                |
|---|-----------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|
|   | Q1              | Q2             | Q3             | Q4             | Q1             | Q2            | Q3             | Q4             |
| Cash flow from operating activities                             | -19,253         | 78,146         | 39,830         | 59,755         | 10,631         | 27,903        | 68,710         | 7,235          |
| Cash flow from investing activities                             | -561,693        | -70,186        | -21,645        | -43,912        | -5,048         | -58           | -4,795         | -11,094        |
| Cash flow from financing activities                             | 275,922         | -45,923        | -12,522        | 233,149        | -42,872        | -26,616       | -19,300        | 351,376        |
| <b>Net cash flow for the period</b>                             | <b>-305,024</b> | <b>-37,963</b> | <b>5,663</b>   | <b>248,992</b> | <b>-37,289</b> | <b>1,229</b>  | <b>44,615</b>  | <b>347,517</b> |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>452,923</b>  | <b>149,900</b> | <b>112,599</b> | <b>125,745</b> | <b>96,964</b>  | <b>59,269</b> | <b>61,368</b>  | <b>105,293</b> |
| Foreign currency translation differences                        | 2,001           | 662            | 7,483          | 7,562          | -406           | 870           | -690           | 113            |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>149,900</b>  | <b>112,599</b> | <b>125,745</b> | <b>382,299</b> | <b>59,269</b>  | <b>61,368</b> | <b>105,293</b> | <b>452,293</b> |



## QUARTERLY DEVELOPMENT PER SEGMENT

| Income Statement<br>SEK thousands                                   | 2014           |                |                |                | 2013           |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | Q1             | Q2             | Q3             | Q4             | Q1             | Q2             | Q3             | Q4             |
| <b>Total income</b>   |                |                |                |                |                |                |                |                |
| Equipment   | 35,815         | 34,163         | 26,989         | 39,470         | 35,816         | 31,225         | 22,450         | 34,903         |
| Vehicle Inspection Sweden   | 143,330        | 162,342        | 117,810        | 142,087        | 126,386        | 156,067        | 120,728        | 149,087        |
| Vehicle Inspection International                                    | 122,767        | 214,756        | 220,395        | 225,543        | 68,992         | 76,695         | 115,423        | 130,901        |
| Vehicle Inspection International<br>in local currency USD thousands | 18,991         | 32,705         | 31,879         | 30,453         | 10,641         | 11,704         | 17,643         | 19,452         |
| <b>Group</b>  | <b>297,760</b> | <b>405,958</b> | <b>361,697</b> | <b>401,051</b> | <b>228,479</b> | <b>261,213</b> | <b>254,968</b> | <b>310,025</b> |
| <b>EBITDA</b>   |                |                |                |                |                |                |                |                |
| Equipment   | 1,070          | 2,271          | 1,716          | 2,676          | 2,793          | -283           | -64            | 1,548          |
| Vehicle inspection Sweden   | 18,525         | 33,494         | 14,648         | 19,204         | 8,731          | 32,371         | 19,422         | 21,977         |
| Vehicle Inspection International                                    | 26,504         | 54,232         | 47,950         | 32,619         | 12,645         | 16,888         | 23,714         | 4,937          |
| Vehicle Inspection International<br>in local currency USD thousands | 3,942          | 8,119          | 6,929          | 4,404          | 1,966          | 2,581          | 3,625          | 760            |
| <b>Group</b>  | <b>45,351</b>  | <b>88,802</b>  | <b>62,709</b>  | <b>49,410</b>  | <b>24,169</b>  | <b>46,246</b>  | <b>43,698</b>  | <b>27,739</b>  |
| <b>EBITDA margin</b>  |                |                |                |                |                |                |                |                |
| Equipment   | 3.0%           | 6.6%           | 6.4%           | 6.8%           | 7.9%           | neg.           | neg.           | 4.5%           |
| Vehicle Inspection Sweden   | 12.9%          | 20.6%          | 12.4%          | 14.1%          | 6.9%           | 20.8%          | 16.1%          | 14.8%          |
| Vehicle Inspection International                                    | 21.6%          | 25.3%          | 21.7%          | 14.5%          | 18.5%          | 23.3%          | 20.5%          | 3.8%           |
| <b>Group</b>  | <b>15.2%</b>   | <b>21.9%</b>   | <b>17.3%</b>   | <b>12.3%</b>   | <b>10.6%</b>   | <b>18.0%</b>   | <b>17.2%</b>   | <b>9.0%</b>    |

### Note 1. Earnout

In connection with the acquisition of Systech in 2008, a contract was signed concerning earnout for new contracts of larger vehicle inspection programs. As the Wisconsin, North Carolina, New York State and Virginia programs qualify for earnout payments to the sellers of Systech, Opus has accounted for a total provision of 92.8 MSEK (long-term SEK 83.0 million and short-term SEK 9.8 million) for the contractual periods two to seven years. This earnout affects the company's goodwill with the same amount. More information on the terms of the agreement for the earnout is described in Opus Group's annual report of 2013.

### Note 2. Acquisitions

#### Acquisition of Envirotec Systems Holdings Corp.

On February 28, 2014, Opus Group AB acquired Envirotec Systems Holdings Corp. and received access to all shares in the company. After the acquisition the company is now called Envirotec Corp. Envirotec, headquartered in Windsor, Connecticut, USA, is the market leader in the centralized vehicle inspection business in the United States. Program management and operations are conducted in North America, and Remote Sensing Device (RSD) services are offered globally. Envirotec has exclusive rights to certain RSD patented technology and proprietary vehicle inspection database systems (VIDs). The acquired business had revenues of USD 81 million and an EBITDA of USD 23 million during 2013. At the date of acquisition, the company had approx. 1,060 employees.

The total purchase price was paid cash and amounted to USD 90.4 million (approx. SEK 587 million) on a debt free basis. The acquisition includes real estate properties, skilled personnel, intellectual properties, 60 vehicle inspection stations, inspection equipment, leases of the real estate and miscellaneous assets. The acquisition also includes processes, procedures and knowhow.

After the acquisition, Opus Inspection will become the market leader in the U.S. vehicle inspection market. Opus Inspection is already the market leader in the U.S. decentralized vehicle inspection market segment and now also becomes the market leader in the U.S. centralized vehicle inspection market segment. The acquisition increases the Opus Group's contract base of long-term vehicle inspection contracts in the U.S. All conditions for the completion of the acquisition were satisfied: Envirotest executed a contract for the continuation of the vehicle inspection program in Colorado which is expected to start in January 2015 and has a contract period of five years and can be extended by the Colorado Department of Public Health and Environment for an additional six years (2 + 4 years); and Opus Group received funding for the purchase price.

The acquisition was financed through a long-term credit facility of USD 46 million (approx. SEK 300 million) from Swedbank, a corporate bond of SEK 200 million and a rights issue of SEK 152.7 million. Direct acquisition costs amounted to approx. SEK 4,6 million and are included under "other external costs" in the group's income statement during 2013.

The table below shows the final determination of fair value of net assets acquired, reported goodwill and the effect on the consolidated statements of cash flows related to the acquisition of Envirotest in 2014.

| MSEK  | Fair value     |
|---|----------------|
| <b>Acquired net assets</b>                            |                |
| Customer contracts and relationships                  | 103,405        |
| Brands  | 12,647         |
| Other intangible assets                               | 78,241         |
| Land and buildings                                    | 291,242        |
| Construction in progress                              | 17,758         |
| Other tangible assets                                 | 82,174         |
| Financial assets                                      | 4,806          |
| Current assets  | 84,172         |
| Non-current liabilities                               | -4,996         |
| Deferred tax liability                                | -101,941       |
| Current liabilities                                   | -75,803        |
| <b>Total acquired net assets</b>                      | <b>491,705</b> |
| Goodwill  | 95,297         |
| <b>Purchase price</b>                                 | <b>587,002</b> |
| <b>Deduct:</b>  |                |
| Acquired cash and bank                                | 56,411         |
| <b>Effect on Group cash and bank from acquisition</b> | <b>530,591</b> |

Surplus values of tangible fixed assets are amortized over the useful life of 2-11 years. Customer contracts are amortized over a useful life of 5 years while the Group has considered brands to have a useful life of 3 years. Identified goodwill, which is not tax deductible, is attributable to future synergies arising from the combination.

## PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

| SEK thousands  | 14-10-01<br>14-12-31 | 13-10-01<br>13-12-31 | 14-01-01<br>14-12-31 | 13-01-01<br>13-12-31 |
|--|----------------------|----------------------|----------------------|----------------------|
| <b>Operating income</b>  |                      |                      |                      |                      |
| Net sales  | 208                  | 3,156                | 9,825                | 12,640               |
| Other operating income   | 555                  | 6                    | 1,353                | 213                  |
| <b>Total operating income</b>  | <b>763</b>           | <b>3,162</b>         | <b>11,178</b>        | <b>12,853</b>        |
| Operating expenses   | -5,361               | -4,043               | -16,215              | -17,258              |
| <b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b> | <b>-4,598</b>        | <b>-881</b>          | <b>-5,037</b>        | <b>-4,405</b>        |
| Depreciation and amortization  | -57                  | -35                  | -197                 | -105                 |
| <b>Operating loss (EBIT)</b>   | <b>-4,655</b>        | <b>-916</b>          | <b>-5,234</b>        | <b>-4,510</b>        |
| Results from financial items   | 36,254               | 78,480               | 78,039               | 62,650               |
| <b>Net loss/profit after financial items</b>                                   | <b>31,599</b>        | <b>77,564</b>        | <b>72,805</b>        | <b>58,140</b>        |
| Appropriations   | 15,925               | -6,742               | 15,925               | -6,742               |
| <b>Net loss/profit before taxes</b>  | <b>47,524</b>        | <b>70,822</b>        | <b>88,730</b>        | <b>51,398</b>        |
| Current tax/Deferred tax   | -11,200              | -11,124              | -20,266              | -6,850               |
| <b>Net loss/profit</b>   | <b>36,324</b>        | <b>59,698</b>        | <b>68,464</b>        | <b>44,548</b>        |

## PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

| SEK thousands  | 14-10-01<br>14-12-31 | 13-10-01<br>13-12-31 | 14-01-01<br>14-12-31 | 13-01-01<br>13-12-31 |
|--|----------------------|----------------------|----------------------|----------------------|
| <b>Net loss/profit</b>                                       | <b>36,324</b>        | <b>59,698</b>        | <b>68,464</b>        | <b>44,548</b>        |
| <b>Items that may be reclassified to profit for the year</b> |                      |                      |                      |                      |
| Cash flow hedges   | -649                 | -1,824               | -3,322               | -1,824               |
| Tax effect on cash flow hedges                               | 142                  | 238                  | 894                  | 238                  |
| Translation of net investment                                | 1,399                | 192                  | 3,179                | -17                  |
| <b>Other comprehensive income</b>                            | <b>892</b>           | <b>-1,394</b>        | <b>751</b>           | <b>-1,603</b>        |
| <b>Total comprehensive income</b>                            | <b>37,216</b>        | <b>58,304</b>        | <b>69,215</b>        | <b>42,945</b>        |

## PARENT COMPANY'S BALANCE SHEET IN SUMMARY

| SEK thousands                        | 14-12-31         | 13-12-31         |
|--------------------------------------|------------------|------------------|
| <b>ASSETS</b>                        |                  |                  |
| <b>Non-current assets</b>            |                  |                  |
| Intangible assets                    | 580              | 130              |
| Tangible assets                      | 273              | 587              |
| <b>Financial assets</b>              |                  |                  |
| Shares in Group companies            | 606,220          | 606,220          |
| Receivables from Group companies     | 883,054          | 98,636           |
| Other non-current assets             | 173              | -                |
| Deferred tax asset                   | 1,132            | 238              |
| <b>Total financial assets</b>        | <b>1,490,579</b> | <b>705,094</b>   |
| <b>Total non-current assets</b>      | <b>1,491,432</b> | <b>705,811</b>   |
| <b>Current assets</b>                |                  |                  |
| Trade receivables                    | -                | 25               |
| Receivables from Group companies     | 72,035           | 19,720           |
| Other current assets                 | 525              | 695              |
| Cash and cash equivalent             | 240,954          | 371,154          |
| <b>Total current assets</b>          | <b>313,514</b>   | <b>391,594</b>   |
| <b>TOTAL ASSETS</b>                  | <b>1,804,946</b> | <b>1,097,405</b> |
| <b>EQUITY AND LIABILITIES</b>        |                  |                  |
| <b>Shareholders' equity</b>          |                  |                  |
| Restricted equity                    | 5,913            | 5,519            |
| Non-restricted equity                | 506,640          | 450,221          |
| <b>Total shareholder's equity</b>    | <b>512,553</b>   | <b>455,740</b>   |
| <b>Untaxed reserves</b>              | <b>35,817</b>    | <b>6,742</b>     |
| <b>Non-current liabilities</b>       |                  |                  |
| Other long term liabilities          | 5,146            | 1,080            |
| Corporate bonds                      | 683,027          | 390,471          |
| Loans from financial institutions    | 177,928          | 57,409           |
| Provisions                           | 83,169           | 72,890           |
| <b>Total non-current liabilities</b> | <b>949,270</b>   | <b>521,850</b>   |
| <b>Current liabilities</b>           |                  |                  |
| Loans from financial institutions    | 190,267          | 57,143           |
| Trade payables                       | 557              | 3,998            |
| Liabilities to Group companies       | 74,885           | 24,114           |
| Current tax payable                  | 24,166           | -                |
| Other current liabilities            | 7,637            | 17,945           |
| Provisions                           | 9,794            | 9,873            |
| <b>Total current liabilities</b>     | <b>307,306</b>   | <b>113,073</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>1,804,946</b> | <b>1,097,405</b> |
| <b>Items within the line</b>         |                  |                  |
| Pledged assets                       | 606,220          | 606,220          |
| Contingent liabilities               | 108,357          | 107,346          |

## PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY IN SUMMARY

| SEK thousands            | Restricted equity |                   |                       | Non-restricted equity |                   | Total equity   |
|--------------------------|-------------------|-------------------|-----------------------|-----------------------|-------------------|----------------|
|                          | Share capital     | Statutory reserve | Share premium reserve | Fair value reserve    | Retained earnings |                |
| <b>Equity 2013-01-01</b> | <b>4,633</b>      | <b>850</b>        | <b>269,436</b>        | <b>1,245</b>          | <b>-4,920</b>     | <b>271,245</b> |
| Net profit/loss          | -                 | -                 | -                     | -1,603                | 44,548            | 42,945         |
| Redemption stock options | 36                | -                 | 2,443                 | -                     | -                 | 2,479          |
| Dividend                 | -                 | -                 | -                     | -                     | -4,633            | -4,633         |
| Rights issue             | -                 | -                 | 143,705               | -                     | -                 | 143,705        |
| <b>Equity 2013-12-31</b> | <b>4,669</b>      | <b>850</b>        | <b>415,584</b>        | <b>-358</b>           | <b>34,995</b>     | <b>455,740</b> |
| Net profit/loss          | -                 | -                 | -                     | 751                   | 68,464            | 69,215         |
| Redemption stock options | 35                | -                 | 1,953                 | -                     | -                 | 1,988          |
| Dividend                 | -                 | -                 | -                     | -                     | -15,086           | -15,086        |
| Rights issue             | 359               | -                 | 337                   | -                     | -                 | 696            |
| <b>Equity 2014-12-31</b> | <b>5,063</b>      | <b>850</b>        | <b>417,874</b>        | <b>393</b>            | <b>52,051</b>     | <b>512,553</b> |

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

Mölnadal, February 19, 2015

**Göran Nordlund**  
Chairman

**Lothar Geilen**  
Board member

**Eva-Lotta Kraft**  
Board member

**Jan Åke Jonsson**  
Board member

**Magnus Greko**  
CEO and Group President

**Anders Lönnqvist**  
Board member

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