

Opus Group AB (publ)

Year-end report 2017

January - December 2017

- Net sales amounted to SEK 1,857.5 million (1,697.2), a revenue growth of 9.4 percent. Adjusted for acquisitions and FX, the organic revenue growth amounted to 3.8 percent.
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK 308.1 million (332.0), corresponding to an EBITDA margin of 16.6 percent (19.5).
- Net financial income/expense includes net foreign exchange differences of SEK -39.0 million (53.4).
- Profit for the year amounted to SEK 73.8 million (85.4).
- Earnings per share after dilution amounted to SEK 0.27 (0.29).
- Cash flow from operating activities amounted to SEK 185.7 million (204.2).
- The Board proposes a dividend of SEK 0.05 (0.12) per share.

October – December 2017

- Net sales amounted to SEK 496.0 million (430.3), a revenue growth of 15.3 percent. Adjusted for acquisitions and FX, the organic revenue growth was 9.9 percent.
- Operating profit before depreciation and amortization (EBITDA) amounted to SEK 62.4 million (67.8), corresponding to an EBITDA margin of 12.5 percent (15.7).
- Net financial income/expense includes net foreign exchange differences of SEK -15.4 million (33.6).
- Profit for the period amounted to SEK 24.5 million (21.4).
- Earnings per share after dilution amounted to SEK 0.09 (0.08).
- Cash flow from operating activities amounted to SEK 34.8 million (39.2).

Notable events during the fourth quarter

- Opus issued USD 50 million L/C backed bonds in the U.S.
- Opus received notice of contract extension from the New York Taxi & Limousine Commission.
- Opus raised a USD 25 million five-year credit facility.

Notable events after the end of the period

- Opus acquired the U.S. vehicle inspection company Gordon-Darby.

RESULT OVERVIEW

SEK millions	October - December		January - December	
	2017	2016	2017	2016
Net sales	496.0	430.3	1,857.5	1,697.2
Total operating income	497.0	430.7	1,859.8	1,698.6
Earnings before interest, taxes, depreciation and amortization (EBITDA)	62.4	67.8	308.1	332.0
EBITDA margin	12.5%	15.7%	16.6%	19.5%
Profit/loss for the period	24.5	21.4	73.8	85.4
Earnings per share after dilution	0.09	0.08	0.27	0.29
Cash flow from operating activities	34.8	39.2	185.7	204.2



Solid growth with several projects under development

In 2017, our company reported solid revenue growth of 9.4%, mainly driven by organic growth in various programs and countries, the acquisition of Autologic in June and by the vehicle inspection concessions in Córdoba, Argentina in March. In addition to these realized projects, Opus has been actively working on several projects in 2017 that will be completed in the next 6 to 15 months, including roll-out of the Sindh and Punjab programs in Pakistan, EaaS expansion in California, Pennsylvania and Texas; and further delivery of RAP service to new customers in the U.S. repair industry market.

Currently, we are implementing significant projects in the provinces of Punjab and Sindh, Pakistan, as well as several concessions in Chile. All these projects will continue well into 2018. Adding to that is an additional acquisition completed in early 2018: Gordon-Darby, which strengthens our position in the key U.S. states of Arizona, Texas and New Hampshire. Gordon-Darby is a well-managed company in the U.S. vehicle inspection market that will increase Opus' revenues and EBITDA margin. This acquisition is a cornerstone of our growth plan.

Because of our deliberate expansion plan, Opus' profitability in 2017 was negatively affected by equipment roll-out costs, acquisition related expenses and business development related expenses in various parts of the world.

The fourth quarter results showed an increase in net sales of 15%, supported by organic growth of 10%. Operating profit before depreciation and amortization (EBITDA) temporarily dropped to a margin of 12.5%. While the underlying business continues to be strong, the drop in EBITDA was mainly caused by the before mentioned effects.

For 2018, our Vehicle Inspection division will focus on an on-time implementation of the various programs under development; on securing a re-win of our existing programs when they come up for bid; on the further expansion of our vehicle inspection activities in Latin America; and a significantly improved EBITDA margin for 2018.

The new Intelligent Vehicle Support division, established on January 1, 2018, is currently focusing its efforts on the creation of a single digital customer entry point for all products and services offered; it further focuses on increased revenues and profitability of both Autologic's products and of Drew Tech's RAP service and the development of new and exciting products and business concepts, designed to strengthen our market position for many years to come. We will be reporting more on this during the remainder of 2018.

Together with the groundwork we laid in 2017, we are clearly focused on our five-year goal of 400/100/25 when compared to 2016: double revenues by 2021 to USD 400 million; and increase EBITDA to USD 100 million, which equals an EBITDA margin of 25%.

Gothenburg in February 2018
Lothar Geilen
CEO

Notable events during the year

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

During the first quarter

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

During the second quarter

- Nashville, Tennessee signed new contract with Opus.
- Opus welcomed Sandra McCulloch as President of Vehicle Inspection U.S. and Rest of World and new CEO of Opus Inspection, Inc.
- Opus acquired European RSLab.
- Opus received notice of award from Government of Sindh, Pakistan.
- Ohio signed renewed contract with Opus.
- Opus acquired U.K. based Autologic Diagnostics.
- Opus entities named in lawsuit.
- Opus issued USD 25 million L/C backed bonds (Taxable Corporate Notes) in the U.S.

During the third quarter

- Opus signed a 20-year vehicle inspection concession agreement in Sindh Province, Pakistan.
- Opus acquired Farsight, a provider of remote diagnostics and vehicle communication technical services for the automotive aftermarket in North America.
- Opus hired Helene Carlson as new Director of Corporate Communications & Investor Relations.

During the fourth quarter

- Opus issued USD 50 million L/C backed bonds in the U.S.
- Opus received notice of contract extension from the New York Taxi & Limousine Commission.
- Opus raised a USD 25 million five-year credit facility.

Events after the end of the period

- Opus formed a new division, Intelligent Vehicle Support, to address the need of services resulting from increased vehicle complexity.
- The State of New Jersey, Department of Treasury, informed Opus that they accepted a protest from a competitor and canceled the notice of contract award that Opus received on August 23, 2017.
- Opus won a new concession in Chile (Valparaiso).
- Opus raised an additional USD 35 million five-year credit facility which combined with the USD 25 million from the fourth quarter was used to finance the acquisition of Gordon-Darby.
- Opus acquired the U.S. vehicle inspection company Gordon-Darby.

Financial information

Sales and result

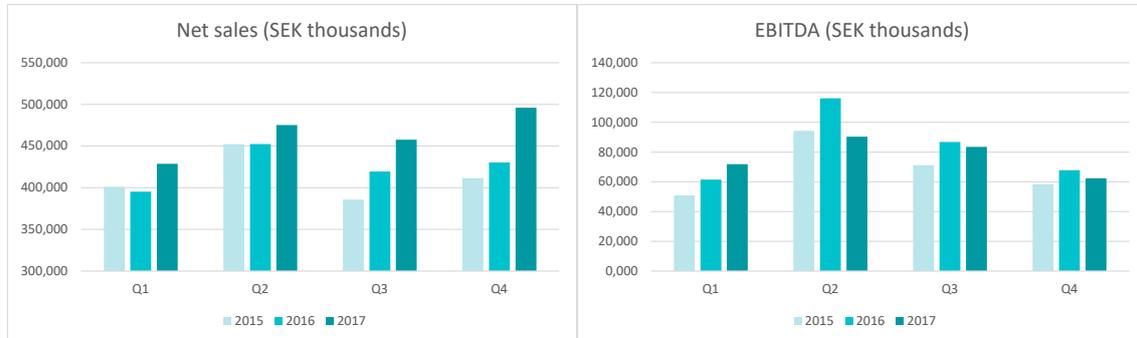
January – December 2017

- Net sales for the year amounted to SEK 1,857.5 million (1,697.2). Reported net sales is 9.4 percent higher for the Group compared to the previous year. Net sales has been positively affected by the acquisition of the three vehicle inspection concessions in Córdoba, Argentina, finalized on March 2, 2017, by the acquisition of Autologic, finalized on June 16, 2017, and negatively by FX effects. Adjusted for revenue from acquired businesses and adjusted for FX, the Group's net sales increased by 3.8 percent.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to SEK 308.1 million (332.0), corresponding to an EBITDA margin of 16.6 percent (19.5). EBITDA has been negatively affected by expenses for international expansion into new geographical markets, strengthening of our organization, start-up costs of SEK 25.2 million in conjunction with new EaaS contracts and Drew Tech's RAP-service, as well as by direct acquisition costs of SEK 3.7 million.
- Depreciation and amortization amounted to SEK -201.3 million (-182.9) and comprise depreciation of tangible assets of SEK -120.1 million (-107.3) and amortization of intangible assets of SEK -81.2 million (-75.6). The increase in depreciation and amortization is mainly due to delivered equipment within EaaS programs and amortization of acquired intangible assets.
- The Group's net financial items amounted to SEK -104.0 million (-3.9), whereof net interest amounted to SEK -56.8 million (-50.6), foreign exchange differences to SEK -39.0 million (53.4) and other financial items to SEK -8.2 million (-6.8).
- The reported income tax is positive for the year in part as a result of a positive tax effect of SEK 28.2 million relating to non-expensed exchange-rate losses reported directly over equity, and in part due to the new tax reform in the U.S. which resulted in a revaluation of deferred tax liabilities on the balance sheet of approximately USD 6 million (approximately SEK 51 million).
- Profit for the year amounted to SEK 73.8 million (85.4).

October – December 2017

- Net sales for the period amounted to SEK 496.0 million (430.3). Reported net sales is 15.3 percent higher for the Group compared to the same period previous year. Net sales has been positively affected by the acquisition of the three vehicle inspection concessions in Córdoba, Argentina, finalized on March 2, 2017, by the acquisition of Autologic, finalized on June 16, 2017, and negatively by FX effects. Adjusted for revenue from acquired businesses and adjusted for FX, the Group's net sales increased by 9.9 percent.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to SEK 62.4 million (67.8), corresponding to an EBITDA margin of 12.5 percent (15.7). EBITDA has been negatively affected by expenses for international expansion into new geographical markets, a strengthening of our organization, start-up costs of SEK 8.9 million in conjunction with new EaaS contracts and by direct acquisition costs of SEK 0.6 million.
- Depreciation and amortization amounted to SEK -52.3 million (-50.4) and comprise depreciation of tangible assets of SEK -30.8 million (-29.5) and amortization of intangible assets of SEK -21.5 million (-20.9). The increase in depreciation and amortization is mainly due to delivered equipment within EaaS programs and amortization of acquired intangible assets.
- The Group's net financial items amounted to SEK -34.7 million (-18.8), whereof net interest amounted to SEK -15.9 million (-13.8), foreign exchange differences to SEK -15.4 million (33.6) and other financial items to SEK -3.4 million (-1.0).

- The reported income tax is positive for the period as a result of the new tax reform in the U.S. which resulted in a revaluation of deferred tax liabilities on the balance sheet of approximately USD 6 million (approximately SEK 51 million).
- Profit for the period amounted to SEK 24.5 million (21.4).



Financial position and Liquidity

Cash and cash equivalents

Cash and cash equivalents at the end of the year amounted to SEK 642.8 million (507.3) whereof SEK 37.1 million is restricted cash, which is not available for the Group. Restricted cash consists of a contractually required reserve trust fund for one of the states in USA. Consequently, available cash and cash equivalents at the end of the year amounted to SEK 605.7 million (477.3).

Equity

Equity attributable to equity holders of the parent company at the end of the year amounted to SEK 939.7 million (1,029.2), equivalent to SEK 3.24 (3.56) per share outstanding at the end of the year before dilution. For the full year 2017, non-expensed exchange-rate losses reported directly over equity have impacted equity by SEK -131.8 million (79.5) of which SEK -121.0 million (55.8) consisted of exchange rate losses from intra-group loans reported directly over equity and SEK -10.8 (23.6) consist of translation differences on foreign operations.

Solvency

The equity ratio at the end of the year amounted to 28.4 percent (34.6).

Cash flow

Cash flow from operating activities

Cash flow from operating activities amounted to SEK 185.7 million (204.2) in 2017, including a change in working capital of SEK -32.4 million (-29.5).

Investments

Cash flow from investing activities amounted to SEK -412.9 million in 2017 compared with SEK -173.9 million previous year. Cash flow related to acquisitions amounted to SEK -159.7 million (-12.6). Investments in tangible fixed assets amounted to SEK -209.0 million (-127.2) and primarily consisted of machinery and equipment related to the company's business model with EaaS contracts and investments in new vehicle inspection stations in Sweden, Pakistan, Argentina and Chile. Investments in intangible fixed assets amounted to SEK -18.2 million (-17.2) and are primarily related to the Group's new concession in Sindh. The Group's free cash flow before acquisitions amounted to SEK -41.5 million (59.8).

Financing

In October, the parent company Opus Group AB issued USD 50 million L/C backed bonds of which 25 MUSD replaced the bonds issued by Opus Inspection Inc in June 2017, which are thereby fully repaid.

The Group's interest bearing liabilities at the end of the year amounted to SEK 1,608.4 million (1,192.1). Cash flow from financing activities amounted to SEK 391.6 million (203.5) in 2017. The change is primarily due to bonds issued for USD 75 million (approximately SEK 621 million), of which USD -25 million (approximately SEK 204 million) has been repaid according to above, new bank loan in the U.S. of USD 25 million (approximately SEK 213 million), repayment of corporate bonds in Sweden of SEK -200 million, amortization of bank loans of SEK -2.6 million and dividends paid to the shareholders of SEK -34.8 million. The Group's net debt at the end of the year amounted to SEK 965.6 million (684.8).

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 and minimum cash requirements.

Legal proceedings

Pradeep Tripathi and one of his companies, Nexus Environmental, LLC, have filed suit against Opus Group AB (publ) and Opus Inspection, Inc. (collectively, "Opus") in the United States District Court for the Southern District of New York. Mr. Tripathi is a former owner of Systech International, LLC, a company that Opus Group AB (publ) purchased in 2008. The complaint alleges that Opus breached its 2008 contract to make earnout payments related to the Systech acquisition in an amount of at least USD 2.2 million, and seeks damages of at least USD 15 million. The complaint also alleged that Opus engaged in anti-competitive conduct that prevented Nexus from competing in the vehicle inspection market in California. Opus denies the allegations in the complaint and defends itself vigorously. During Q4 2017 Mr. Tripathi withdrew his complaint regarding anti-competitive conduct, whilst the complaint regarding earnout will be decided in arbitration or through settlement.

Customers

Opus Group's customers are primarily government agencies (counties, states etc.), car owners and the automotive industry, including repair shops.

Employees

The number of full time equivalents (FTEs) in the Group was 1,929 (1,691) at the end of the year.

Taxes

The tax expense for the year is calculated using the current tax rate for the parent company and each subsidiary. Temporary and permanent differences have been taken into account. In December, the U.S. Senate and Representative House passed a comprehensive tax reform. One of the cornerstones of the tax reform is that the federal corporate tax will be reduced from 34 to 21 percent from January 1, 2018.

Parent company

The parent company's net sales during the fourth quarter amounted to SEK 4.8 million (3.2) and profit/loss before tax to SEK -133.4 million (82.8). Profit and loss includes net foreign exchange differences of SEK 15.5 million (70.1).

Dividend policy

Opus Group's Board has adopted the following dividend policy: Opus Group's dividend policy is to distribute 10-20 percent of profit at the EBITDA level, provided that the company meets the financial target for net indebtedness.

In view of the recently made large acquisition of Gordon-Darby in the beginning of 2018 which temporarily affects the company's net debt, the Board will propose that dividend shall be SEK 0.05 (0.12). The decreased level of dividend compared to fiscal year 2016, is made to reflect the target of net debt in the dividend policy.

Financial targets

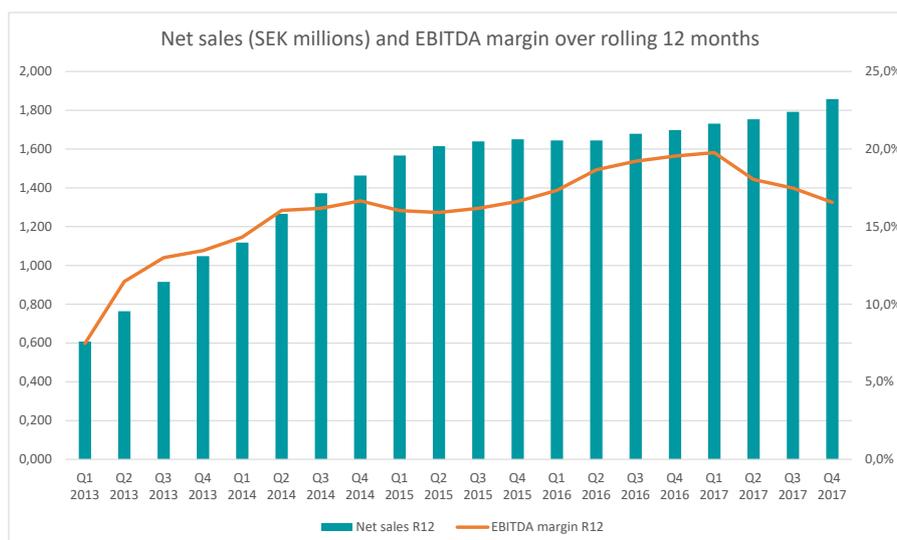
The Board of Opus Group has adopted financial targets:

Opus Group's financial targets are:

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

- Net debt/EBITDA* over the last 12 months (January 1, 2017 - December 31, 2017) amounted to 3.0 times.

* EBITDA includes proforma accounts for acquired businesses.



Related Parties

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

Divisions and segments

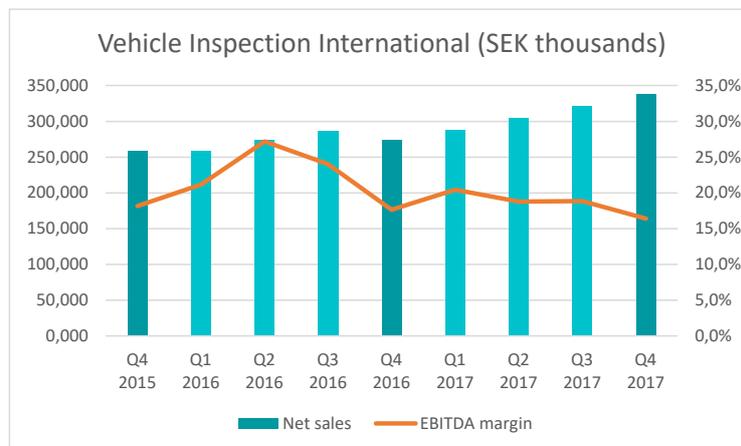
As of January 1, 2018, Opus Group consists of the two divisions Vehicle Inspection and Intelligent Vehicle Support. Quarterly reports under the new operating structure will be reported starting with the first quarter of 2018.

Until December 31, 2017, Opus Group consisted of the Vehicle Inspection Division with the two segments; Vehicle Inspection International and Vehicle Inspection Sweden as reported below.

Vehicle Inspection International				
SEK thousands	October - December		January - December	
	2017	2016	2017	2016
Segment's net sales	338,550	274,493	1,251,852	1,091,972
Total operating income	339,225	274,524	1,253,406	1,092,897
EBITDA	55,659	48,397	232,281	246,204
EBITDA margin	16.4%	17.6%	18.5%	22.5%
Depreciation of tangible assets	-26,857	-25,708	-104,341	-92,948
EBITA	28,802	22,689	127,940	153,256
EBITA margin	8.5%	8.3%	10.2%	14.0%
Start-up costs*	8,864	7,650	25,222	16,626

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

Net sales in Q4 2017 amounted to SEK 338.6 million (274.5). Revenue growth in SEK was 23.3 percent, while organic revenue growth in local currency was 15.4 percent. EBITDA amounted to SEK 55.7 million (48.4). The EBITDA margin was 16.4 percent (17.6). The lower EBITDA margin is primarily caused by expenses for international expansion into new geographical markets and by start-up costs for EaaS.



In the fourth quarter the New York Taxi and Limousine Commission (TLC) signed a new contract extension with Opus Inspection to continue technical support of their comprehensive vehicle safety inspection program. The 1-year extension began October 1, 2017, and may be extended at TLC's option.

In Q3 Opus received a notice of contract award from New Jersey to operate its enhanced vehicle inspection program. The notice of award was subject to a protest which was sustained in January 2018. Opus has filed an appeal and a stay. Opus is not the incumbent contractor for this program.

Opus continued the expansion of Remote Assist Program (RAP) service and FastLign in the U.S. market. For RAP Service, Opus has now delivered over 2,200 units. Further delivery of RAP units is expected to continue at a strong pace. The FastLign pilot program is ongoing with more than 55 units installed at dealerships that are using the system. Information is being collected and analyzed from these units for further commercial development.

The EaaS business continues to grow. The run rate amounted to USD 19.9 million on an annualized 12-month basis based on the revenue in December 2017, an increase of 10 percent compared to Septem-

ber 2017. This represents 66 percent of our USD 30 million goal included in Opus' 5-year growth plan. Start-up costs related to initial sales commission for new EaaS contracts amounted to SEK 8.9 million in the quarter and SEK 20.8 million for the full year. Opus expects continued growth of EaaS contracts for emission test equipment during the coming 12 months, particularly in California and Pennsylvania.

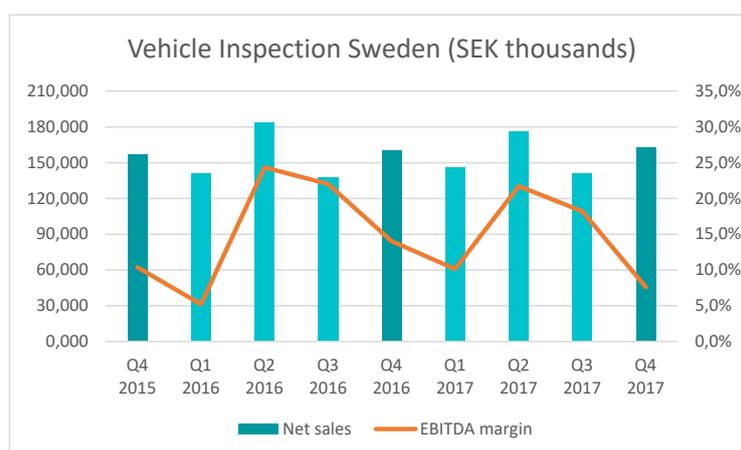
In Pakistan, in Opus' Punjab vehicle inspection program we were operational and testing in two full service stations in 2017. The implementation of phase 2 continues and in total we plan to be operational in 39 stations, 15 of which consist of permanently staffed, full service facilities, in 2018. In Sindh, site selection has commenced and the program was inaugurated at an event presided over by the Chief Minister, Sindh, in Karachi.

The Latin American vehicle inspection operations are developing well. In Córdoba, Argentina, Opus, jointly with the local government, continues to develop the vehicle inspection program. In Chile, Opus continues the development of new stations to be opened during 2018. The goal is to have ten inspection stations operational during the second half of 2018 including two stations in Valparaíso, a concession Opus won in January 2018. In the fourth quarter three stations were operational in Chile.

The number of employees at the end of the reporting period amounted to 1,355 (1,121).

Vehicle Inspection Sweden				
	October - December		January - December	
SEK thousands	2017	2016	2017	2016
Segment's net sales	162,607	160,364	625,975	622,966
Total operating income	162,720	160,413	626,444	623,195
EBITDA	12,331	22,484	91,164	104,902
EBITDA margin	7.6%	14.0%	14.6%	16.8%
Depreciation of tangible assets	-3,968	-3,871	-15,932	-14,531
EBITA	8,363	18,613	75,232	90,371
EBITA margin	5.1%	11.6%	12.0%	14.5%

Net sales in Q4 2017 amounted to SEK 162.6 million (160.4). EBITDA for the quarter amounted to SEK 12.3 million (22.5) with an EBITDA margin of 7.6 percent (14.0). The EBITDA has, primarily, been negatively affected by costs attributable to new stations for heavy vehicles.



Despite the lower EBITDA in the quarter compared to the same quarter previous year, the long term margins remain good. Opus has a positive development of the revenue per inspection that we expect to remain. We ended the year as the market leader in a lower than expected total market.

During the fourth quarter Opus opened new stations in Kungsängen Truck Center and Arvika. In total, Opus opened six new stations in Sweden during 2017.

The number of employees at the end of the reporting period amounted to 568 (564).

Accounting and Valuation policies

This report has been prepared in accordance with IAS 31, Interim Financial Reporting. The group accounting has been prepared in accordance with International Financial Reporting Standards, IFRS, as approved by the EU, and the Swedish Annual Accounts Act. The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2. The same accounting and valuation policies have been applied as in the annual report for 2016. No new or revised IFRS or interpretations have been applied or have had any essential effect on the financial position, result or information for the group or parent company.

As of January 1, 2018, IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" will be applied. No recalculation of comparative figures will occur due to the new standards. For the Group, no significant effects have been demonstrated by IFRS 9 or IFRS 15, and the opening balance for 2018 is therefore not affected.

Estimates and Assumptions

To prepare the financial reports in accordance with IFRS, company management is required to make different assessments, valuations and assumptions that affect the reported assets, liabilities, revenues, costs, contingent liabilities and contingent assets. These assessments, valuations and assumptions are based on historical experience and other factors that could be considered reasonable in the prevailing conditions. Valuation of goodwill, provision for earnout and acquired intangible assets are areas covered by assessments that may have significant impact on the financial statements. As of January 1 2017 a portion of intercompany loans in USD has been reclassified to net investment in foreign operations and by that, the exchange rate differences are recognized in other comprehensive income through a translation reserve in equity, instead of net financial items in the income statement.

Translation of Foreign operations

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



Currency	Average rates				Closing rate	
	Oct - Dec 2017	Oct - Dec 2016	Jan - Dec 2017	Jan - Dec 2016	31 Dec 2017	31 Dec 2016
USD	8.32	9.04	8.54	8.56	8.23	9.10
ARS	0.47	0.59	0.52	0.58	0.43	0.57
PKR	0.08	0.09	0.08	0.08	0.07	0.09
GBP	11.04	-	10.99	-	11.10	-

Essential risks and Uncertainty factors

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

Due to the fact that the parent company is largely financed in SEK and lends USD to its subsidiaries, there is a currency risk that the company has decided not to exchange hedge. As per December 31, 2017 the parent company's net exposure of loans and cash equivalents in USD amounts to approximately USD 129 million, of which net exposure recalculated in the income statement, i.e. excluding net investment in foreign operations, amounted to USD 1 million. A detailed description of the parent company and subsidiaries' risks and risk management is given in Opus Group's Annual Report 2016.

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.

The rapidly increasing vehicle complexity toward autonomous driving 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, diagnosis, and repair of advanced vehicles. Opus sees good potential in remote technical support, such as Autologic Support and Drew Tech's Remote Assist Program (RAP) service. The new division is another important milestone in reaching the goals in the group's 5-year plan.

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 Mexico, Chile, Perú and Argentina – 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. Earnings 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 activities planned for 2018, 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 due to capex. However, these new projects will add to Opus' underlying long-term revenues, cash flow generation and increased return on capital employed (ROCE).

Opus Group does not provide any forecasts.

Next Financial reports

- The Annual Report 2017 will be published on or before April 25, 2018. The Annual Report will be made available on the company's website www.opus.se.
- May 15, 2018 - Interim report Q1 2018.
- May 17, 2018 - Annual general meeting 2018 at Elite Park Avenue Hotel in Gothenburg.
- August 17, 2018 - Interim report Q2 2018.
- November 15, 2018 - Interim report Q3 2018.

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

This information is information that Opus Group AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:30 CET on February 16, 2018.

Opus Group AB (publ) in brief

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 cash flow and good operating profitability. 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 2,200 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, Germany and Australia. Opus has production facilities in the U.S. in Hartford, Ann Arbor and Tucson. The Opus share is listed on Nasdaq Stockholm.

GROUP

INCOME STATEMENT IN SUMMARY

SEK thousands	2017-10-01 2017-12-31	2016-10-01 2016-12-31	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Operating income				
Net sales	496,016	430,276	1,857,511	1,697,150
Other operating income	957	401	2,328	1,475
Total operating income	496,973	430,677	1,859,839	1,698,625
Operating expenses	-434,611	-362,907	-1,551,733	-1,366,607
Earnings before interest, taxes, depreciation and amortization (EBITDA)	62,362	67,770	308,106	332,018
Depreciation	-30,825	-29,526	-120,135	-107,270
EBITA	31,537	38,244	187,971	224,748
Amortization	-21,452	-20,913	-81,159	-75,595
Earnings before interest and taxes (EBIT)	10,085	17,331	106,812	149,153
Net financial income/expense	-34,693	18,836	-104,035	-3,930
Profit after financial items	-24,608	36,167	2,777	145,223
Income taxes	49,089	-14,722	70,995	-59,846
Profit/loss for the period	24,481	21,445	73,772	85,377
Attributable to:				
Parent company shareholders	27,620	22,958	81,157	87,051
Non-controlling interests	-3,139	-1,513	-7,385	-1,674
Earnings per share				
Average number of outstanding shares, before dilution	290,318	288,712	289,988	288,712
Average number of outstanding shares, after dilution	295,818	300,091	295,488	300,091
Earnings per share before dilution (SEK)	0.10	0.08	0.28	0.30
Earnings per share after dilution (SEK)	0.09	0.08	0.27	0.29

STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK thousands	2017-10-01 2017-12-31	2016-10-01 2016-12-31	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Profit/loss for the period	24,481	21,445	73,772	85,377
Items that might be reclassified to profit/loss for the period				
Translation differences	26,483	51,041	-131,794	79,475
Accumulated exchange rate differences reversed to income	-	-	-7,302	-
Cash flow hedge	5,923	649	2,488	1,862
Tax effect of cash flow hedge	-1,303	-143	-547	-410
Total other comprehensive income for the period	31,103	51,547	-137,155	80,927
Comprehensive income for the period	55,584	72,992	-63,383	166,304
Attributable to:				
Parent company shareholders	58,104	73,758	-55,581	167,235
Non-controlling interests	-2,520	-766	-7,802	-931

GROUP

STATEMENT OF FINANCIAL POSITION IN SUMMARY

SEK thousands	2017-12-31	2016-12-31
ASSETS		
Intangible assets	1,456,242	1,320,616
Tangible assets	831,065	814,945
Financial assets	25,114	22,790
Deferred tax receivable	32,296	31,521
Total non-current assets	2,344,717	2,189,872
Inventory	132,571	85,258
Other current assets	210,800	224,145
Cash and cash equivalents	642,801	507,300
Total current assets	986,172	816,703
TOTAL ASSETS	3,330,889	3,006,575
EQUITY AND LIABILITIES		
Equity attributable to parent company's shareholders	939,650	1,029,221
Equity attributable to non-controlling interests	7,039	12,524
Total equity	946,689	1,041,745
Non-current interest bearing liabilities	1,111,505	987,990
Non-current non-interest bearing liabilities and provisions	274,392	380,368
Current interest bearing liabilities	496,934	204,078
Current non-interest bearing liabilities and provisions	501,369	392,394
TOTAL EQUITY AND LIABILITIES	3,330,889	3,006,575

STATEMENT OF CHANGES IN EQUITY

SEK thousands	Number of outstanding shares	Equity attributable to parent company's shareholders					Non-controlling interests	Total Equity
		Share capital	Other capital contributions	Reserves	Retained earnings	Total		
Equity 2016-01-01	288,711,959	5,774	610,122	79,312	195,459	890,667	-10	890,657
Total comprehensive income	-	-	-	80,184	87,051	167,235	-931	166,304
Stock options	-	-	190	-	-	190	-	190
Dividend	-	-	-	-	-28,871	-28,871	-	-28,871
Transactions with shareholders with non-controlling interests	-	-	-	-	-	-	13,465	13,465
Equity 2016-12-31	288,711,959	5,774	610,312	159,496	253,639	1,029,221	12,524	1,041,745
Total comprehensive income	-	-	-	-136,738	81,156	-55,582	-7,802	-63,384
Redemption stock options	1,606,287	32	817	-	-	849	-	849
Dividend	-	-	-	-	-34,838	-34,838	-	-34,838
Transactions with shareholders with non-controlling interests	-	-	-	-	-	-	2,317	2,317
Equity 2017-12-31	290,318,246	5,806	611,129	22,758	299,957	939,650	7,039	946,689

STATEMENT OF CASH FLOWS IN SUMMARY

SEK thousands	2017-10-01 2017-12-31	2016-10-01 2016-12-31	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Earnings before interest and tax (EBIT)	10,085	17,331	106,812	149,153
<i>Adjustment for non cash flow items</i>				
- Depreciation/amortization	52,278	50,439	201,295	182,866
- Other	246	-1,905	-6,496	-4,933
Interest net	-16,214	-13,777	-57,857	-50,602
Income tax paid	-374	522	-25,580	-42,829
Change in working capital	-11,196	-13,385	-32,438	-29,451
Cash flow from operating activities	34,825	39,225	185,736	204,204
<i>Investing activities</i>				
Acquisition of subsidiary/business net after acquired cash	-1,161	-12,601	-159,675	-12,601
Investments in tangible assets	-56,191	-47,854	-209,029	-127,244
Investments in intangible assets	-4,250	-1,719	-18,178	-17,155
Other	4,915	-2,039	-26,068	-16,868
Cash flow from investment activities	-56,687	-60,135	-412,950	-173,868
<i>Financing activities</i>				
Dividend	-	-	-34,838	-28,871
New debt	613,779	4,294	833,889	496,395
Net change in bank overdraft facilities	-	-	-	-71,408
Amortization of liabilities to credit institutions	-406,364	-679	-408,302	-193,352
Other	-	563	848	753
Cash flow from financing activities	207,415	4,178	391,597	203,517
Liquid assets at the beginning of the period	454,959	511,932	507,300	256,214
Translation difference	2,289	12,100	-28,882	17,233
Cash flow for the period	185,553	-16,732	164,383	233,853
Liquid assets at the end of the period	642,801	507,300	642,801	507,300

KEY RATIOS

	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Return on capital employed, percent	4.6	7.4
Return on total assets, percent	3.5	5.4
Return on equity, percent *	8.2	9.1
EBITDA margin, percent	16.6	19.5
EBITA margin, percent	10.1	13.2
Operating profit (EBIT) margin, percent	5.7	8.8
Profit margin, percent	0.1	8.5
Sales growth, percent	9.4	2.8
Net debt, Sek thousands	965,638	684,768
Net debt / equity ratio, times	1.0	0.7
Interest coverage ratio, times	1.6	2.5
Equity ratio, percent	28.4	34.6
Acid test ratio, percent	84.3	115.9
Number of employees at the end of the year	1,929	1,691
Data per share		
Number of shares at year end before dilution, thousands	290,318	288,712
Number of shares at year end after dilution, thousands	295,818	300,091
Average number of outstanding shares, before dilution, thousands	289,988	288,712
Average number of outstanding shares, after dilution, thousands	295,488	300,091
Equity per share, before dilution, SEK *	3.24	3.56
Equity per share, after dilution, SEK *	3.18	3.43
Earnings per share, before dilution, SEK *	0.28	0.30
Earnings per share, after dilution, SEK *	0.27	0.29
Dividend per share, before dilution, SEK	0.05	0.12
Dividend per share, after dilution, SEK	0.05	0.12
Cash flow from operating activities per share, before dilution, SEK	0.64	0.71
Cash flow from operating activities per share, after dilution, SEK	0.63	0.68

* excluding minority interests

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

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

QUARTERLY DEVELOPMENT FOR THE GROUP

Segment information	2017				2016			
SEK thousands	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total operating income								
Vehicle Inspection Sweden	162,720	141,186	176,452	146,086	160,413	137,480	184,066	141,235
Vehicle Inspection International	339,225	321,404	304,938	287,839	274,524	286,797	273,466	258,111
Group eliminations	-4,972	-4,266	-5,827	-4,946	-4,260	-3,822	-5,359	-4,027
Group	496,973	458,324	475,563	428,979	430,677	420,455	452,173	395,319
Vehicle Inspection International in USD thousands	40,794	39,499	34,652	32,258	30,361	33,660	33,303	30,521
EBITDA								
Vehicle Inspection Sweden	12,331	25,698	38,323	14,812	22,484	30,281	44,789	7,348
Vehicle Inspection International	55,659	60,534	57,270	58,817	48,397	68,846	74,367	54,595
Group-wide expenses	-5,628	-2,721	-5,231	-1,758	-3,111	-12,387	-3,058	-532
Group	62,362	83,511	90,362	71,871	67,770	86,740	116,098	61,411
Vehicle Inspection International in USD thousands	6,693	7,439	6,508	6,592	5,352	8,080	9,056	6,456
EBITDA margin								
Vehicle Inspection Sweden	7.6%	18.2%	21.7%	10.1%	14.0%	22.0%	24.3%	5.2%
Vehicle Inspection International	16.4%	18.8%	18.8%	20.4%	17.6%	24.0%	27.2%	21.2%
Group	12.5%	18.2%	19.0%	16.8%	15.7%	20.6%	25.7%	15.5%

Income statement	2017				2016			
SEK thousands	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	496,016	457,671	475,157	428,667	430,276	419,445	452,301	395,128
Total operating income	496,973	458,324	475,563	428,979	430,677	420,455	452,173	395,319
Operating expenses	-434,611	-374,813	-385,201	-357,108	-362,907	-333,715	-336,075	-333,908
EBITDA	62,362	83,511	90,362	71,871	67,770	86,740	116,098	61,411
EBITDA margin	12.5%	18.2%	19.0%	16.8%	15.7%	20.6%	25.7%	15.5%
Depreciation and amortization	-52,276	-49,264	-49,497	-50,257	-50,439	-45,431	-43,222	-43,774
Operating profit/loss (EBIT)	10,086	34,247	40,865	21,614	17,331	41,309	72,876	17,637
Net financial income/expense	-34,693	-30,669	-22,931	-15,742	18,836	-6,732	4,340	-20,374
Profit/loss after financial items	-24,607	3,578	17,934	5,872	36,167	34,577	77,216	-2,737
Income taxes	49,089	9,159	10,366	2,381	-14,722	-23,270	-26,702	4,848
Net profit/loss for the period	24,482	12,737	28,300	8,253	21,445	11,307	50,514	2,111

Cash flow analysis	2017				2016			
SEK thousands	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities	34,825	67,955	31,868	51,088	39,225	61,205	94,808	8,966
Cash flow from investing activities	-56,687	-112,658	-156,835	-86,770	-60,135	-36,430	-51,505	-25,798
Cash flow from financing activities	207,415	-827	184,775	234	4,178	-285	239,896	-40,272
Net cash flow for the period	185,553	-45,530	59,808	-35,448	-16,732	24,490	283,199	-57,104
Liquid assets at the beginning of the period	454,959	518,791	468,878	507,300	511,932	484,571	194,830	256,214
Translation difference	2,289	-18,302	-9,895	-2,974	12,100	2,871	6,542	-4,280
Liquid assets at the end of the period	642,801	454,959	518,791	468,878	507,300	511,932	484,571	194,830

THE SHARE

The share capital in Opus Group AB totals SEK 5,806,365 distributed over 290,318,246 shares, each with a quota value of SEK 0.02 per share. All shares have one (1) vote each and hold equal rights to the company's assets and profits. Opus Group's market capitalization totaled SEK 1,887 million as of December 31, 2017.



Based on data from Euroclear, the number of shareholders were 11,592 as of December 30, 2017. The shareholders structure of Opus Group is shown in the table below, which shows the 10 largest shareholders as of December 31, 2017.

Shareholder	Number of shares	Share of capital and votes, %
RWC Asset Management	50,963,839	17.6%
Magnus Greko and Jörgen Hentschel, privately and through AB Kommandoran	42,560,439	14.7%
Lothar Geilen	19,628,132	6.8%
Andra AP-Fonden	18,621,167	6.4%
Avanza Pension	17,123,575	5.9%
Henrik Wagner Jørgensen	10,478,570	3.6%
Deutsche Bank AG, WBIMY	7,514,147	2.6%
Nordnet Pensionsförsäkring	4,160,618	1.4%
CBNY-National Financial Services LL	3,477,828	1.2%
Per Hamberg	2,600,000	0.9%
Sub-total	177,128,315	61.0%
Other Shareholders	113,189,931	39.0%
Total	290,318,246	100.0%

NOTES

Note 1. Earnout Systech acquisition

In connection with the acquisition of Systech in 2008, a 15-year contract was signed concerning earnout for certain new contracts of larger vehicle inspection programs. In 2017, the new Nashville program and the concessions in Chile have been added to the contracts that qualify for earnout. Opus has accounted for a total provision of SEK 120.6 million (long-term SEK 105.1 million and short-term SEK 15.5 million). Changes in the valuation of this earnout affect the Group's goodwill asset with the same amount. More information on the terms of the agreement for the earnout and the accounting of it is described in Opus Group's annual report 2016.

Note 2. The vehicle inspection concession in Punjab, Pakistan

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

Reported net sales in 2017 for the operations in Punjab, Pakistan, in respect to the construction or upgrade services in accordance with IFRIC 12, amounted to SEK 5.2 million with an EBITDA-margin of 4.8%. Profit after financial items, from construction or upgrade services, amounted to SEK 1.4 million.

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

Note 3. Financial instruments valued at fair value

Financial liabilities valued at fair value

SEK thousands	2017-12-31	2016-12-31
Provisions, additional considerations	170,919	145,063
Derivatives	-	2,488
Carrying amount	170,919	147,551

Valuation of provision for additional consideration (earnout) at fair value is attributable to level 3 of the fair value hierarchy. The derivative instrument in 2016 covered an interest rate swap and the fair value adjustment is attributable to level 2 of the fair value hierarchy. No changes have been made regarding the valuation techniques or assumptions compared to the annual report 2016.

Note 4. Pledged assets and contingent liabilities

SEK thousands	Group		Parent company	
	2017-12-31	2016-12-31	2017-12-31	2016-12-31
<i>Assets pledged for liabilities to credit institutions</i>				
Property mortgages	-	31,516	-	-
Pledged shares in subsidiaries	512,549	558,183	512,549	558,168
Total	512,549	589,699	512,549	558,168
<i>Contingent liabilities</i>				
Guarantees on behalf of Group companies	-	2,729	-	2,729
Warranty obligations	5,942	2,848	5,942	2,848
Additional consideration	69,956	81,004	69,956	81,004
Other contingent liabilities	-	62,729	-	14,895
Total	75,898	149,310	75,898	101,476

Note 5. Acquisitions

Acquisition of three vehicle inspection concessions in Córdoba, Argentina.

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

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

On April 24, 2017, Opus Inspection acquired 60% of RSLab, the Madrid based, ISO 17025 accredited laboratory for the remote measurement of real-driving emissions. The company has been renamed Opus RS Europe S.L. and will lead Opus' commercial Remote Sensing activities in Europe. RSLab has represented Opus' Remote Sensing technology in European markets since 2007, and has conducted numerous on-road emissions studies using Remote Sensing. Both the purchase price and RSLab's revenues are insignificant in relation to Opus Group's revenues and total assets. The acquisition was made for strategic reasons, positioning Opus as the leader for current and potential future European Remote Sensing business opportunities.

Acquisition of Autologic Diagnostics

On June 16, 2017, Opus Group AB (publ) acquired 100 percent of the shares in Autologic Diagnostics (Holdings) Ltd. Autologic is a world leader in advanced automotive diagnostics for the aftermarket of the automotive industry. The purchase price, including cash, amounted to GBP 9.3 million (approximately SEK 103 million). At the time of acquisition, Autologic had a cash balance of GBP 1.3 million (approximately SEK 14 million) and liabilities to the previous owners of GBP 9.3 million (approximately SEK 103 million) which were paid in connection with the acquisition. The purchase price excluding net debt amounted to GBP 1 (GBP 8 million excluding cash).

Autologic with headquarters in Oxford in the U.K. with subsidiaries in the U.S., Germany and Australia was founded in 1999 and has developed into a world leader in advanced aftermarket automotive diagnostics. The company had revenues of approximately GBP 16.5 million (approximately SEK 184 million) in 2016 with an EBITDA (adjusted for non-recurring items) of approximately GBP 2.6 million (approximately SEK 29 million). Autologic provides market leading software, hardware and professional support services enabling the global automotive aftermarket to diagnose and fix passenger vehicles. Autologic has an established presence in the key geographic territories for the automotive aftermarket through operations in Europe, the U.S. and Australia. Autologic has long standing relationships with the key automotive OEM's and a customer base of 6,000 accounts located in 120 countries around the world, primarily comprising of specialist workshops. Autologic's business fits well with Opus subsidiary Drew Technologies and the acquisition strengthens Opus's position in vehicle diagnostics and vehicle communications, which the company sees as an important business to address the trend of increased vehicle computerization.

The transaction, at GBP 8 million, was financed through existing cash of Opus. Direct acquisition costs amounted to SEK 2.3 million and have been charged to "Operating expenses" in the consolidated income statement. The acquisition has contributed SEK 78.1 million to the Group's net sales and SEK 4.0

million to the Group's EBITDA. If the acquisition had been completed on January 1, 2017, Opus estimates that Autologic would have contributed approximately SEK 141 million to the Group's net sales and approximately SEK 16 million to EBITDA through the end of December 2017.

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

Acquired net assets	
SEK thousands	Fair value
Customer contracts and relationships	20,519
Brand	15,699
Product rights	5,414
Other intangible assets	1,741
Tangible fixed assets	4,154
Inventory	6,915
Accounts Receivable	4,365
Other current assets	17,022
Deferred tax liability	-8,325
Non-current interest bearing liabilities	-103,347
Non-current non-interest bearing liabilities and provisions	-10,412
Current non-interest bearing liabilities and provisions	-69,818
Total acquired net assets	-116,072
Goodwill	116,072
Purchase price	0
Less:	
Paid debt to previous owner	-103,347
Acquired cash	14,290
Effect on Group cash and cash equivalents	-89,056

Add-on acquisition in Argentina

On July 31, 2017, Opus acquired control over a company in Argentina. Opus does not acquire the shares in the company but has, through an agreement, assumed control over the company's operations and return. The agreement contains a call option which gives Opus the right to overtake 100% of the shares in the company. The acquired business will operate vehicle inspection operations that are expected to begin during the first half of 2018. The acquisition gives Opus a stronger footprint in Argentina and will enable resource and knowledge sharing as well as contribute to a stronger growth for Opus in the country. The amount to acquire the control of the company is not deemed to be material in relation to Opus Group's revenues and total assets.

Acquisition of Farsight

On August 4, 2017, Opus' subsidiary Autologic, acquired 100 percent of the shares in the New York-based company MVDS, LLC d / b / a Farsight (Farsight) for a purchase price of USD 1.2 million (approximately SEK 9.8 million). Direct acquisition costs amounted to SEK 0.9 million and have been charged to "Operating expenses" in the consolidated income statement in the quarter. Farsight has been merged with Autologic and its operations has been integrated into those of Autologic in North America.

Farsight was founded in New York in 2016 by former Autologic employees. The company provides market leading hardware and services enabling the North American automotive aftermarket to diagnose and fix passenger vehicles. The combined entities of Farsight and Autologic will serve an existing Opus customer base of nearly 40,000 automotive repair shops in the United States and strengthen the Autologic offering with experienced staff, new innovative products, and expanded service offerings. Farsight also fits well with Opus subsidiary Drew Tech who will be able to leverage both Autologic's and Farsight's resources to expand its RAP service.

Acquisition of Gordon Darby

On January 31, 2018 Opus Inspection Inc, a wholly owned subsidiary of Opus Group AB (publ), acquired 100% of the shares in Gordon-Darby Inc for a purchase price of approximately USD 55 million (approximately SEK 431 million), on a cash and debt free basis.

Gordon-Darby Inc. (Gordon-Darby) is a leading U.S.-based government services company specializing in vehicle inspection and fish and game licensing, headquartered in Louisville, Kentucky with operations 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 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 US, with the overwhelming majority coming from vehicle inspection programs. The acquisition increases Opus' footprint in the U.S., while offering management and technology synergies to benefit customers worldwide.

The acquisition was financed through a five-year USD denominated credit facility from Swedbank. Gordon-Darby will be included under Opus' Vehicle Inspection Division, Segment U.S. & Rest of World.

The preliminary purchase price allocation is based on Gordon-Darby's preliminary balance sheet according to US GAAP. Fixed assets have not yet been market valued and intangible assets remain to be identified and valued. The entire surplus is therefore presented as goodwill in the table below.

Acquired net assets	
SEK thousands	Fair value
Tangible fixed assets	11,396
Accounts Receivable	14,189
Other current assets	3,537
Current non-interest bearing liabilities and provisions	-12,871
Total acquired net assets	16,252
Goodwill	417,638
Purchase price	433,899
Less:	
Acquired cash	-2,353
Effect on Group cash and cash equivalents	-431,536

Reconciliation between IFRS and key ratios

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

Organic growth		
SEK thousands	October - December	January - December
Net sales 2017	496,016	1,857,511
- Effects from acquisitions/divestments	-47,354	-99,029
Comparable net sales	448,662	1,758,482
Net sales 2016	430,276	1,697,150
- Effects from acquisitions/divestments	-	-
- Net FX impact	-22,055	-2,292
Comparable net sales	408,221	1,694,858
Sales growth (%)	15.3%	9.4%
Organic growth (%)	4.3%	3.6%
FX adjusted organic growth (%)	9.9%	3.8%

Return on capital employed and total assets		
SEK thousands	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Earnings before interest and taxes (EBIT)	106,812	149,153
Financial income excluding exchange gains	2,989	2,146
Total	109,801	151,299
Average capital employed	2,394,471	2,042,372
Return on capital employed (%)	4.6%	7.4%
Average total assets	3,168,732	2,818,992
Return on total assets (%)	3.5%	5.4%

Interest coverage ratio		
SEK thousands	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Earnings before interest and taxes (EBIT)	106,812	149,153
Financial income excluding exchange gains	2,989	2,146
Total	109,801	151,299
Financial costs excluding exchange losses	67,998	59,512
Interest coverage ratio (times)	1.6	2.5

Acid test ratio		
SEK thousands	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Current receivables	210,800	224,145
Cash and cash equivalents	642,801	507,300
Total	853,601	731,445
Current liabilities and provisions	998,303	596,472
Proposed dividend	14,516	34,838
Total	1,012,819	631,310
Acid test ratio	84.3%	115.9%

PARENT COMPANY

INCOME STATEMENT IN SUMMARY

SEK thousands	2017-10-01 2017-12-31	2016-10-01 2016-12-31	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Operating income				
Net sales	4,798	3,230	17,429	13,260
Other operating income	14	66	0	88
Total operating income	4,812	3,296	17,429	13,348
Operating expenses	-13,273	-6,709	-33,511	-32,730
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-8,461	-3,413	-16,082	-19,382
Depreciation and amortization	-210	-102	-627	-383
Earnings before interest and taxes (EBIT)	-8,670	-3,515	-16,708	-19,765
Net financial income/expense	29,554	81,742	-16,491	152,792
Profit/loss after financial items (EBT)	20,883	78,227	-33,200	133,027
Appropriations	112,548	4,616	112,548	4,616
Profit/loss before tax	133,431	82,843	79,348	137,643
Tax for the period	-27,853	-18,219	1,743	-32,540
Profit/loss for the period	105,578	64,624	81,091	105,103

STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK thousands	2017-10-01 2017-12-31	2016-10-01 2016-12-31	2017-01-01 2017-12-31	2016-01-01 2016-12-31
Profit/loss for the period	105,578	64,624	81,091	105,103
Items that might be reclassified to profit/loss for the period				
Cash flow hedge	5,923	649	2,488	1,862
Tax effect on cash flow hedge	-1,303	-143	-547	-410
Other comprehensive income for the period	4,621	506	1,941	1,452
Total comprehensive income for the period	110,199	65,130	83,032	106,555

BALANCE SHEET IN SUMMARY

SEK thousands	2017-12-31	2016-12-31
ASSETS		
Intangible assets	1,619	954
Tangible assets	1,183	181
Financial assets	1,923,217	1,938,591
Total non-current assets	1,926,019	1,939,726
Current receivables	156,034	98,150
Cash and cash equivalents	439,027	325,264
Total current assets	595,061	423,414
TOTAL ASSETS	2,521,080	2,363,140
EQUITY AND LIABILITIES		
Equity	835,519	786,475
Untaxed reserves	20,669	98,379
Non-current interest bearing liabilities	904,905	986,567
Non-current provisions	105,049	98,765
Current interest bearing liabilities	496,935	201,349
Current non-interest bearing liabilities and provisions	158,003	191,605
TOTAL EQUITY AND LIABILITIES	2,521,080	2,363,140

The Board of Directors has 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.

Gothenburg February 16, 2017

Katarina Bonde
Chairman

Anne-Lie Lind
Board member

Ödgård Andersson
Board member

Friedrich Hecker
Board member

Magnus Greko
Board member

Anders Lönnqvist
Board member

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