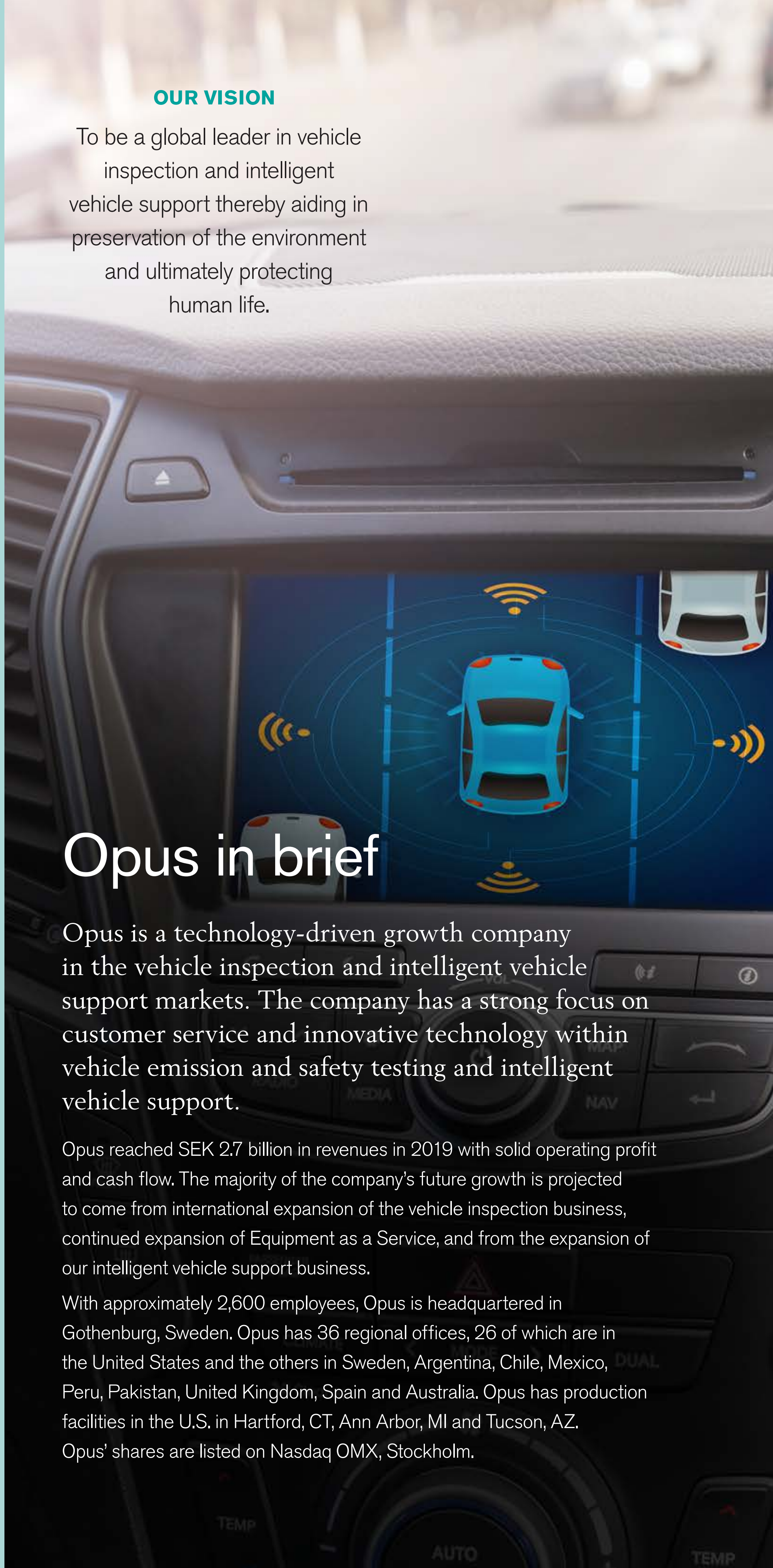
OPUS

Making the world a safer and cleaner place

Opus Annual Report 2019

www.opus.global

CONTENT



OUR VISION

To be a global leader in vehicle inspection and intelligent vehicle support thereby aiding in preservation of the environment and ultimately protecting human life.

Opus 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 vehicle emission and safety testing and intelligent vehicle support.

Opus reached SEK 2.7 billion in revenues in 2019 with solid operating profit and cash flow. The majority of the company's future growth is projected to come from international expansion of the vehicle inspection business, continued expansion of Equipment as a Service, and from the expansion of our intelligent vehicle support business.

With approximately 2,600 employees, Opus is headquartered in Gothenburg, Sweden. Opus has 36 regional offices, 26 of which are in the United States and the others in Sweden, Argentina, Chile, Mexico, Peru, Pakistan, United Kingdom, Spain and Australia. Opus has production facilities in the U.S. in Hartford, CT, Ann Arbor, MI and Tucson, AZ. Opus' shares are listed on Nasdaq OMX, Stockholm.

Our business areas

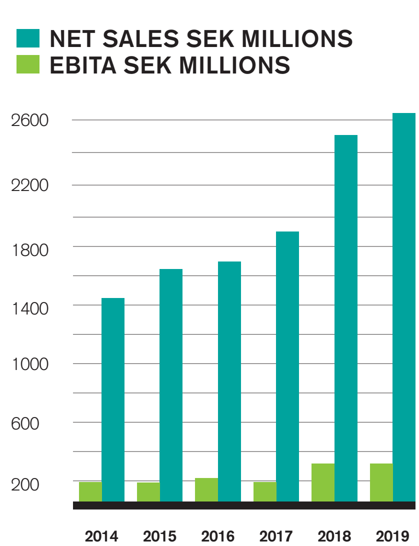
Opus operates in two main markets. Our Vehicle Inspection division helps governments around the world improve road safety and air quality through innovative, efficient safety and emission testing programs. The Intelligent Vehicle Support (IVS) division provides diagnostics equipment and remote technical support for automotive service shops, helping them to diagnose, scan, re-program and calibrate increasingly computerized modern vehicles.

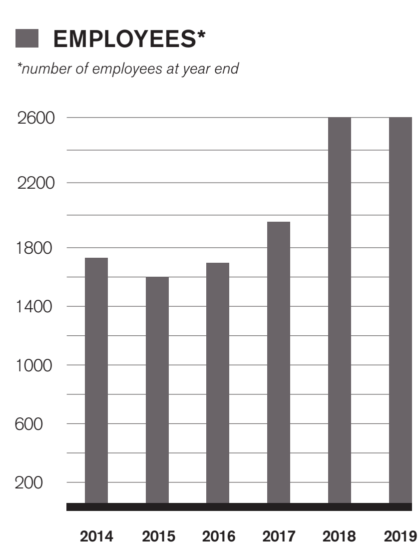
A global leader in vehicle inspection

We design, build and manage turnkey vehicle inspection programs in North and South America, Europe and Asia. Our programs are powered by industry-leading IT solutions and test equipment that maximize efficiency and convenience for motorists. We also provide equipment and services to support decentralized programs and open market contracts.

Intelligent support for complex vehicles

Opus IVS helps independent automotive service shops keep pace with modern vehicle technology. Our tools and platforms empower technicians to carry out advanced diagnostics and pre/post-repair collision scanning to manufacturer specifications, with live support from master technicians to guide them through complex tasks in real time.





2.7 BILLION
revenue (SEK)

342 MILLION
EBITA (SEK)

69 MILLION
vehicle inspections, including EaaS

285,000
diagnostic support cases

10
countries

2,600
global employees

2019: the year in brief

GLOBAL

Intelligent Vehicle Support

- Autologic and DrewTech unite under the new Opus IVS brand.

Corporate

- Ograi/Searchlight Capital Partners make a public offer to buy all shares in Opus. Opus Board of Directors recommends that shareholders accept the offer.

ASIA

Vehicle Inspection

- 15 stations open in Pakistan.
- Opus signs contracts to provide EaaS in the Philippines.
- Opus study shows hundreds of injuries and deaths avoided by vehicle inspection in Punjab.

LATIN AMERICA

Vehicle Inspection

- Two new stations open in Chile, bringing the total to nine.
- Opus hosts the annual CITA South and Central America conference.

EUROPE

Vehicle Inspection

- Opus Bilprovning opens three new inspection stations, bringing the total to 92.
- Opus RSE helps Berlin government detect high-emitting vehicles.
- Opus RSE helps Spanish police detect emission-cheating trucks driving with illegal defeat devices.

EVENTS AFTER YEAR END

- The UN holds its 3rd Global High-Level Conference on Road Safety in Sweden, February 2020.

NORTH AMERICA

Vehicle Inspection

- Gordon-Darby wins new five-year contract in New Hampshire.
- Opus wins a new contract in Utah, its second in the state.
- 'Replace your Drive' remote sensing contract extended in California.
- Andrew McIntosh joins as new President Vehicle Inspection U.S.
- Opus opens new self-service kiosks in Washington D.C.

Intelligent Vehicle Support

- Opus acquires BlueLink diagnostics
- New partnership with Mitchell expands Opus' footprint in the collision scanning market.

EVENTS AFTER YEAR END

Intelligent Vehicle Support

- Opus acquires diagnostics software specialist AutoEnginuity.

Global trends shaping our markets

Intelligent Vehicle Support

Fully autonomous vehicle testing continues to expand. In California alone, more than 60 companies have received approval to test driverless cars.[1]

Ford expects to have fully autonomous vehicles operating in geo-fenced areas by 2021.[2]

Vehicle Inspection

Bloomberg NEF predicts the global on-road fleet of passenger vehicles will reach 1.7 billion by 2040, up from 1.2 billion today.[3]

Road traffic accidents claim 1.35 million lives a year, equivalent to 3,700 deaths every day.[4]

More than 4 million people die prematurely each year from the effects of outdoor air pollution.[5]

Vehicle inspection is an important part of 'Safer vehicles', the UN's 3rd pillar of the Sustainable Development Goals (SDG).

The UN announces a new decade of action at the 2020 Global High-Level Conference on Road Safety in Sweden, with ambitious goals to reduce traffic fatalities by 2030 and accelerate action on proven strategies to save lives.[6]

1 https://www.govtech.com/transportation/Uber-Gets-OK-to-Test-Autonomous-Vehicles-on-California-Roads.html

2 https://emerj.com/ai-adoption-timelines/self-driving-car-timeline-themselves-top-11-automakers/

3 https://about.bnef.com/electric-vehicle-outlook/#toc-viewreport

4 World Health Organization (WHO) 2018 Global Status Report on Road Safety

5 WHO Global Ambient Air Quality Database update 2018

6 https://www.roadsafetysweden.com/contentassets/2d0fb5aee5fe41f7b0c853398c4015c1/program_200124.pdf"

Chief Executive's review

Steady growth in a year of change

Opus continued to move forward in 2019. We won contracts, opened new inspections stations, increased Equipment-as-a-Service (EaaS) revenues and brought our IVS businesses together under the unified Opus IVS brand to drive future growth and profitability. We achieved a significant increase in revenue, although operating earnings were down overall, mainly due to one-off costs.

The need for our services is strong as the global vehicle fleet continues to expand, leading to increased emissions and road accidents. This reinforces the requirement for safety and emission testing as part of measures to reduce the impact of rising traffic. Meanwhile, as digitalization and automation in vehicles increases, independent service shops need intelligent vehicle support to help them complete complex repairs and calibrations.

During 2019, we continued to meet those needs and support governments and industry in moving towards a safer and cleaner world.

Expanding our footprint

In our core U.S. market, we won new contracts in New Hampshire – extending a program we have managed since 2004 – and in Cache County, Utah, a new program and our second in that state. We continued to roll out EaaS in open market states such as Texas and Pennsylvania, and completed the integration of Gordon-Darby into our organization, both of which contributed to strong revenue growth.

We opened new inspection stations in Sweden extending our reach across the country and increasing convenience for motorists. Although regulations extending the interval between periodic vehicle inspections left revenue growth flat, we managed to increase profitability through a mix of cost reduction measures and a higher average inspection fee.

More inspection stations

In Latin America, we had mixed fortunes. Newly-opened stations in Chile drove some revenue growth, but a concession we expected to start in Argentina was cancelled resulting in a one-off charge for associated costs. In Pakistan, we operate 27 stations in Punjab province, albeit with low inspection volumes. We are working with the local government to increase compliance with inspection regulations.

Rebranding as Opus IVS

We combined our Intelligent Vehicle Support businesses, Autologic and Drew Technologies, under one Opus IVS brand. In early 2020, we acquired AutoEnginuity, a leader in diagnostic software. We expect these developments to drive synergies and increased revenue and profitability.

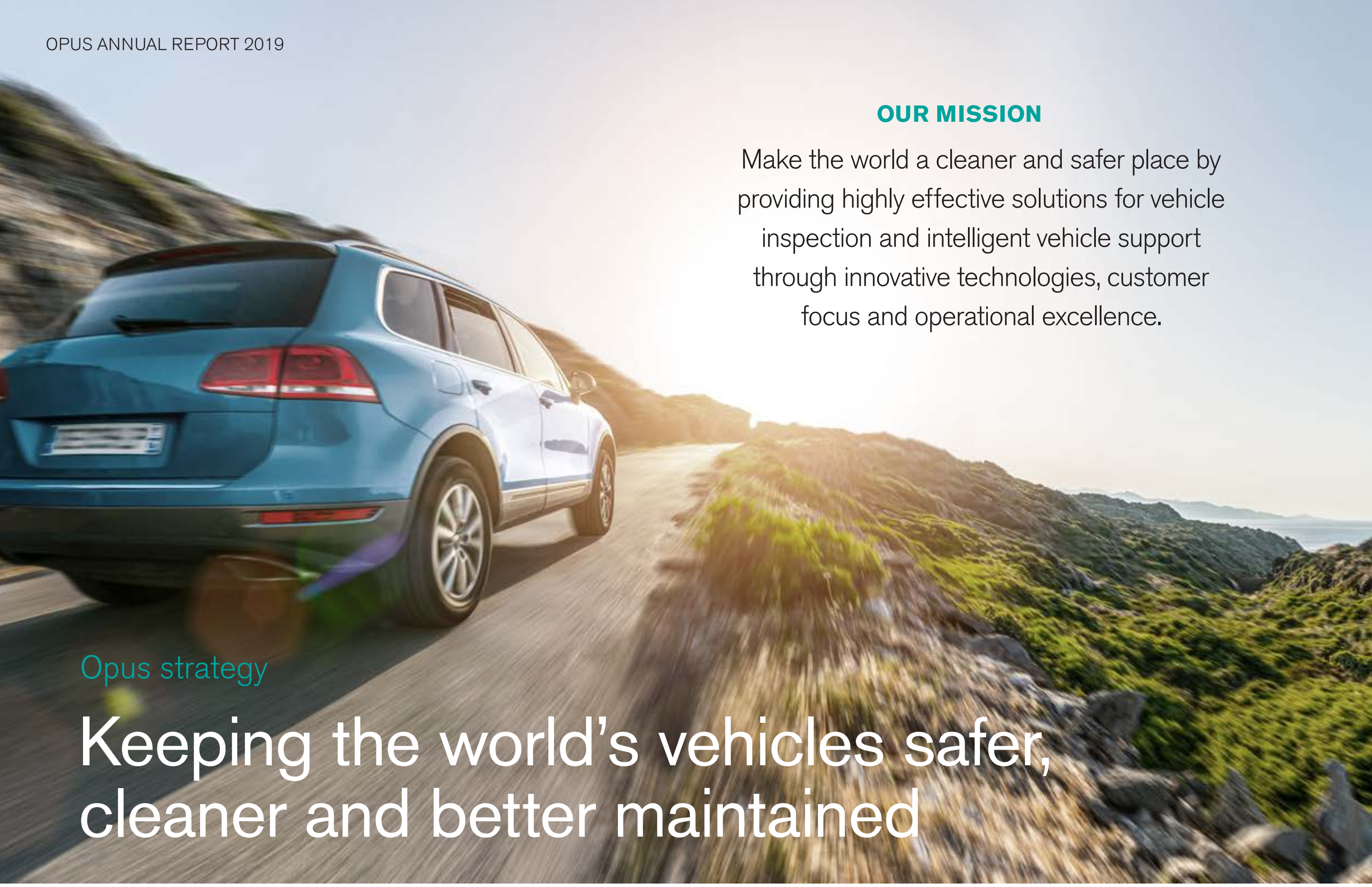
Although IVS revenue grew in 2019, it was below target, mostly due to slow adoption of our new Drive platforms. However, we expect to see improvements in the coming year, as we enhance our technology and increase our sales efforts.

Looking forward

Looking ahead, we will continue our customer focus in our core markets of Vehicle Inspection and Intelligent Vehicle Support. The Covid-19 outbreak is affecting Opus operations, and there is a considerable risk of a material impact on the Group's financials. Opus is taking steps to minimize the impact on the Group. Our first priority is the safety of our employees and customers. We are following advice from the World Health Organization, and the rules introduced by governments and health administrations in the countries where we operate.

Since January 2020, Opus has a new strong majority owner in Ograi/Searchlight Capital Partners. With Searchlight's backing and the continued commitment of our management team and dedicated employees, I am confident that Opus can achieve sustainable growth in the future.

Lothar Geilen, Opus CEO



OUR MISSION

Make the world a cleaner and safer place by providing highly effective solutions for vehicle inspection and intelligent vehicle support through innovative technologies, customer focus and operational excellence.

Opus strategy

Keeping the world's vehicles safer, cleaner and better maintained

The global vehicle fleet is growing fast as the population increases and rising incomes means more people can afford to buy a car. Additional traffic volume in low- and middle-income countries, mostly based on used car imports, brings an increased risk of road fatalities, while rising vehicle emissions impact human health and climate change.

At the same time, in the developed world, vehicles are becoming increasingly computerized as we embrace driver assist technologies and automation. These trends are driving demand for services that can help governments improve road safety and air quality – and help automotive service shops keep pace with increasingly complex vehicle diagnostics. Our business strategy is based on helping our customers meet these challenges, while achieving ambitious growth in revenue and profitability.

Helping to make roads safer and reduce emissions

Our Vehicle Inspection business provides innovative turnkey programs and tailor-made services for governments around the world. As a global leader, we help to meet the growing demand in low- and middle-income countries for vehicle safety and emission testing to ensure vehicles on the road are safe to drive.

We are also a leader in emission testing programs and technology, including remote sensing drive-by testing. We believe that emission testing will be needed for the long term, as fossil fuel powered vehicles continue to form the majority of the vehicle fleet well into the future. Bloomberg NEF estimates that the on-road fleet of internal combustion engine passenger cars will not peak until 2030 and they will still dominate the on-road fleet in 2040[1].

Supporting automotive shops in advanced diagnostics

Opus' Intelligent Vehicle Support division helps automotive service technicians keep up to date with increasing vehicle computerization and autonomy across many different brands. Our diagnostics, scanning and re-programming tools enable technicians to perform complex automotive service tasks, remotely guided by diagnostics master technicians who are current with the latest manufacturer-specific knowledge. Intelligent Vehicle Support is a key part of our growth strategy. We are developing new innovations and services and expect it to expand significantly as a proportion of our total revenues in the coming years.

1 https://about.bnef.com/electric-vehicle-outlook/#toc-viewreport

OUR STRATEGY

DEFEND

Vehicle Inspection: we will defend our market position in the U.S. and Swedish markets to secure strong cash flow. We will aim for an EBITA margin of over 15 percent in the U.S. and over 10 percent in Sweden. We will achieve this through low operating expenses and further productivity gains, leveraging our industry-leading in-house R&D resources for competitive advantage.

Intelligent Vehicle Support: we will maintain our position as a leader in advanced diagnostics, programming and remote support for the automotive service industry.

GROW

Vehicle Inspection: we will continue to expand our EaaS business model in the U.S. We will also grow our business in low- and middle-income countries. Growth in these markets will be driven by a rising number of vehicles and increasing government desire to implement vehicle inspection to improve road safety.

Intelligent Vehicle Support: we will expand in the collision scanning market in the U.S. with our new DriveCrash product.

DEVELOP

Vehicle Inspection: we will review potential business opportunities outside the U.S. for the EaaS business model.

Intelligent Vehicle Support: we will continue to develop new markets in innovative technologies and services for the automotive aftermarket, including re-programming, scanning, diagnostics and vehicle communications. Innovative product development, driven by increased vehicle complexity, will provide competitive advantages and generate continued growth.

What we delivered in 2019

We made progress towards our goals in 2019, with growth in the mature U.S. market, stable profitability in Sweden and organic growth in Latin America and Asia. We continued to develop our Intelligent Vehicle Support platforms to offer more capability for our customers.

Vehicle inspection

U.S. Gordon-Darby won a new five-year contract in New Hampshire and received an extension to its centralized program in Arizona. Opus also won a new contract in Cache County, Utah. We completed the roll-out of Equipment-as-a-Service (EaaS) in Pennsylvania.

Europe We opened three new stations in Sweden, extending our nationwide network. Despite reduced frequency of vehicle inspection, we increased profitability thanks to a successful cost reduction plan.

Latin America We opened two new inspection stations in Chile in 2019 and two more after year end.

Asia In Punjab, Pakistan, we opened 15 new stations, bringing the total in the province to 27.

Remote sensing We won new remote sensing contracts in the U.S., Europe, Latin America and Asia.

Intelligent Vehicle Support

We acquired U.S. diagnostic business BlueLink, and diagnostic software specialist AutoEnginuity after year-end. These additions will increase the number of brands we cover, expand our customer base and help us develop our technology and diagnostic capabilities.

We continued to develop our DriveCrash collision scanning platform and agreed a partnership with Mitchell that will expand our footprint in the U.S. market.

We united all of our IVS businesses under one Opus IVS brand and management team to drive efficiency and synergies, and accelerate innovations for customers.

2020 and beyond

Looking forward, we will continue to focus on profitable growth and work towards achieving our financial goals by:

- Focusing on services generating recurring revenues, such as Equipment-as-a-Service (EaaS), RAP and DriveCrash.
- Expanding the market for DrivePro, the diagnostic platform with enhanced capacity and broad vehicle coverage, combined with live technical support.
- Maximising management and technology synergies between our businesses to add value for our customers.
- Developing new vehicle inspection markets, primarily in Latin America and Asia, through innovative business models.
- Improving operations and compliance rates in existing global programs.

Financial targets 2020

Following the acquisition of a majority stake of Opus by Ograi and the improved headroom with respect to the leverage covenant under the new financing from Ares, the Opus Board of Directors has decided to remove the leverage target as of 2020. The financial targets for revenue growth and EBITA margin, adopted by the Board in early 2019, remain unchanged.

5–10%

annual revenue growth

Through organic and acquisitive growth based on a 3-year CAGR

15%

EBITA margin

Dividend policy

Opus has a general policy to return capital to its shareholders when possible. Dividends will be proposed by the Board in relation to the development of earnings and cash flow, taking the company's financial position, future outlook, as well as growth opportunities into consideration.

Proposed dividend

In light of Covid-19, the Board proposes no dividend to be paid for the fiscal year 2019.

Vehicle Inspection division

Opus increased its footprint in 2019, opening new vehicle inspection stations in Sweden, Chile and Pakistan. In the U.S. market, we saw strong revenue growth and won contracts in New Hampshire and Utah. We expanded our profitable Equipment-as-a-Service (EaaS) business in open market states including Texas and signed contracts to offer EaaS in the Philippines starting in 2020. In Argentina, a concession we expected to start was cancelled, resulting in one-off costs.

2.4 BILLION
revenue (SEK)

69 MILLION
vehicle inspections, including EaaS

240
inspection stations (Opus owned-operated)

8
countries

18,000
decentralized, privately owned stations, partners of Opus

19,000
stations under EaaS contracts

3%
organic revenue growth

Our business model

Our Vehicle Inspection division operates safety and emission testing programs and provides associated products and services in the U.S., Sweden, Argentina, Chile, Mexico, Peru, India and Pakistan. We manage 35 million inspections a year in our programs, and deliver a further 34 million inspections through Equipment-as-a-Service (EaaS).

We provide turnkey systems and services for government agencies, with advanced technology that increases the quality and efficiency of vehicle inspection and helps drive compliance with road safety and emission standards.

Long-term inspection programs

In many of our vehicle inspection markets, we operate long-term, centralized vehicle inspection programs through dedicated inspection stations. In many U.S. states, we offer decentralized inspection programs where the inspection is performed by automotive service shops using our equipment, training, maintenance, database services and program management. In other U.S. states, we offer EaaS, an attractive way to provide test equipment to decentralized inspection stations in a package that includes equipment rental, maintenance, consumables, spare parts and all required software upgrades.

Remote sensing roadside tests

In Europe, Latin America and Asia, our programs focus on both safety and emission testing. In the U.S., our focus is mainly on emission testing – safety testing is often done by visual checks. We also operate emission testing through remote sensing, which enables government agencies to measure emissions of large numbers of vehicles from the roadside as vehicles are passing by. Opus analyzes the data and provides the government with results to determine pass and fail rates, perform fleet evaluations or evaluate the efficiency and emissions compliance of vehicle makes and models.

MARKET TYPES

Centralized vehicle inspection programs, where we operate dedicated inspection stations and are responsible for all aspects of the program, including staffing by our own trained and certified inspectors, IT systems, testing equipment and customer help desks. Centralized programs include: Argentina; Chile; Pakistan; Peru; Sweden; and the U.S. states of Arizona, Colorado, Indiana, Maryland, Ohio and Tennessee.

Decentralized programs, where we partner with service stations to carry out inspections. We provide certified equipment and maintenance, training for technicians, data management systems and customer service help desks. These include: Louisiana; New Hampshire; New York; Rhode Island; Utah County; Virginia; Wisconsin. We provide data management systems under a separate contract for North Carolina and Texas.

Open market contracts, where we can offer EaaS and equipment sales to decentralized inspection stations. These include: California; Georgia; North Carolina; Pennsylvania and Texas.

MARKET TRENDS AND DRIVERS

Road safety and air quality

Governments around the world are increasingly focused on preventive measures to reduce the number of deaths in traffic and to improve air quality in major cities. Traffic fatalities now stand at 1.35 million deaths globally each year, 94% of which occur in low- and middle-income countries[1]. More than 4.2 million people die prematurely of conditions associated with outdoor air pollution, where vehicle emissions are a significant factor[2].

Expanding vehicle fleets

The global vehicle fleet continues to increase. There are approximately 1.4 billion vehicles of all kinds on the world's roads and that number is expected to nearly double in the next 20 years[3]. In low- and middle-income countries, most of this growth comes from used cars imported from developed countries. This means there is a fast-growing and ageing vehicle fleet worldwide. The result is vehicles in poor condition, which are unsafe and high-polluting, increasing the need for effective vehicle inspection as a significant contributor to safer roads and lower air pollution.

Environmental regulations

In most of the developed world, emissions regulations are tightening, evidenced by the new ground level ozone standards issued by the U.S. EPA in 2018 and the recent regulations requiring smog checks for California diesel trucks[4]. The EU is pushing for measures such as diesel restrictions or bans in low emission zones among its member states. It has also recognized the need for roadside inspection to ensure compliance with emission standards. These pressures are driving growth in demand for vehicle inspection services and Opus Remote Sensing.

In the U.S., the administration announced a freeze of new car emission standards, overturning an earlier announcement that would have further tightened standards for newly manufactured vehicles. The policy is being challenged in court in 19 states. Opus does not expect any imminent negative impact on our vehicle inspection business resulting from new car emission standards in the U.S.

1 World Health Organization (WHO) 2018 Global Status Report on Road Safety
2 WHO Global Ambient Air Quality Database update 2018
3 https://www.carsguide.com.au/car-advice/how-many-cars-are-there-in-the-world-70629
4 https://www.overdriveonline.com/new-california-laws-require-smog-check-for-trucks-accelerate-move-away-from-diesel-trucks

Our vehicle inspection markets

U.S

Opus is the North American market leader in vehicle inspection and remote sensing programs. We provide a range of services including complete program development, implementation and ongoing management to government agencies in states and cities across the continent. We also work flexibly depending on local requirements, for example providing emission testing equipment to independent inspection stations under EaaS in open market states such as California, Pennsylvania, Texas and North Carolina. In most of the U.S. states where we operate programs, the focus is primarily on emission testing. We also provide mostly visual safety testing in many states, depending on local requirements.

FLEET OVERVIEW

285 million vehicles[1]
2.4% average annual fleet growth[1]
90 million annual vehicle inspections (Opus estimate)
4 years average model year's exemption

KEY COMPETITORS

Applus+, Parsons.

MARKET TYPE

Centralized vehicle inspection programs, including Arizona; Colorado; Indiana; Maryland; Nashville, Tennessee; Middle Tennessee; Ohio. We provide technology solutions and technical support in Delaware, Oregon and Washington DC.

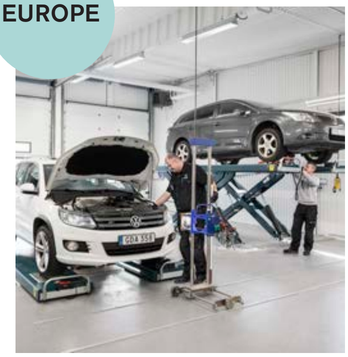
Decentralized programs, including Louisiana; New Hampshire; New York; Rhode Island; Utah County; Virginia; Wisconsin. Opus provides data management systems and support in North Carolina and Texas.

Open market areas, including California, Georgia, North Carolina, Pennsylvania, and Texas.

REGULATION

Emissions testing is mandated by the U.S. Environmental Protection Agency (EPA) under the Federal Clean Air Act. The EPA sets clean air standards for several pollutants. It strengthened its standard for ground-level ozone to 70 parts per billion (ppb) from 75 ppb. This may lead to opportunities, including vehicle inspection programs, in new geographic areas if these measures are implemented.

EUROPE



SWEDEN

Opus' subsidiary Opus Bilprovning operates vehicle inspection across Sweden under an open market system. Opus has approximately 25% of the market and is among the top three providers.

FLEET OVERVIEW

9 million vehicles[2]
1% average annual fleet growth[2]
5.6 million annual vehicle inspections[3]
14 months inspection interval (cars over 5 years old)

KEY COMPETITORS

AB Svensk Bilprovning, Besikta, Carspect and Dekra.

MARKET TYPE

We provide centralized services through dedicated inspection stations within an open market deregulated system.

REGULATION

In Sweden, all motor vehicles driven on public roads must be regularly inspected to ensure compliance with safety and emission standards. Vehicle Regulation and the Transport Authority regulations determine how often and which vehicle types must be inspected. Sweden has a 3-model year exemption for passenger cars; the second inspection must occur no later than 24 months after the first inspection; thereafter every 14 months after the previous inspection. Trucks have no model exemption and must be inspected every 12 months.

ASIA

PAKISTAN

Opus operates the vehicle inspection concession for all public service vehicles in Punjab, Pakistan's largest province with a population of more than 100 million citizens. We have signed a 20-year vehicle inspection concession with the Government of Sindh, the country's second largest province, for all private and public service vehicles. Under this program, we will design, build and operate initially two, and later-on up to 17 inspection stations, including 11 multi-lane, full-service facilities.

FLEET OVERVIEW

23.6 million vehicles[4] (2017)
5.3% average annual fleet growth[4]
0.91 million vehicles subject to inspection Punjab (Opus estimate)
1.5 million vehicles subject to inspection Sindh (Opus estimate)

KEY COMPETITORS

Opus operates as a single source provider.

MARKET TYPE

Centralized vehicle inspection programs through dedicated inspection stations.

REGULATION

Opus operates under the local regulations in each province as well as the national Public-Private Partnership (PPP) Act 2016. In Punjab, all public service vehicles including trucks, delivery vans, commercial vehicles, coaches and auto rickshaws must be tested twice a year. In Sindh, the entire fleet is tested, including private vehicles.

1 https://hedgescompany.com/automotive-market-research-statistics/auto-mailing-lists-and-marketing/
2 SCB statistics
3 Transportstyrelsen statistics
4 https://profit.pakistantoday.com.pk/2019/06/16/registered-vehicles-in-pakistan-increased-by-9-6-in-2018/

LATIN AMERICA

ARGENTINA

Opus operates vehicle inspection concessions in the city and province of Buenos Aires under the VTV Metro and VTV Norte brands, inspecting almost 520,000 vehicles annually. We also operate concessions in the city of Córdoba, under the Opus brand, inspecting more than 200,000 vehicles a year.

FLEET OVERVIEW

16 million vehicles[5]

4.5% average annual fleet growth[5]

4.2 million annual vehicle inspections (Opus estimate)

KEY COMPETITORS

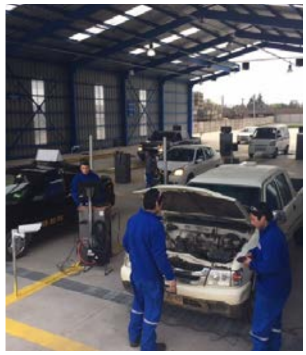
SGS, Applus+, TÜV Rheinland and RTO.

MARKET TYPE

Centralized concessions are awarded through competitive tenders.

REGULATION

In certain jurisdictions in Argentina, motor vehicles driven on public roads must be regularly inspected to ensure compliance with safety and emission standards. Passenger cars and other light vehicles are first inspected after two years and after that every year. Heavy duty vehicles and vehicles used in public transportation are first inspected between 6 months to two years after registration, depending on the category and location.



CHILE

Opus operates vehicle inspection programs in the Metropolitan, Maule and O'Higgins regions. In 2018, we won new concessions for the regions of Valparaíso and Arica. We now have 11 inspection stations, including new stations opened since the start of 2020.

FLEET OVERVIEW

5.5 million vehicles[6]

6% average annual fleet growth[6]

6.5 million annual vehicle inspections (Opus estimate)

KEY COMPETITORS

Grupo Denham, Applus+, Chilena de Revisiones Técnicas, and TÜV Rheinland.

MARKET TYPE

Centralized concessions are awarded through competitive tendering.

REGULATION

In Chile, all motor vehicles driven on public roads must be regularly inspected to ensure compliance with safety and emission standards. Passenger cars and other light vehicles are first inspected after three years, then after two years and after that annually. Heavy duty vehicles and vehicles used for public transportation are inspected twice a year since their registration.

MEXICO

Opus supplies certified emission testing equipment and service to many of Mexico's vehicle inspection programs.

FLEET OVERVIEW

38 million vehicles[7] (including heavy duty)

3% average annual fleet growth[8]

15 million annual vehicle inspections (Opus estimate)

KEY COMPETITORS

Several local companies.

MARKET TYPE

We supply equipment and service in an open market.

REGULATION

New laws were published in 2019 with important changes in emission testing.

PERU

Opus operates one vehicle inspection station in Perú under the trade name Revistar. The inspection facility has three inspection lanes.

FLEET OVERVIEW

6.1 million vehicles[9]

5% average annual fleet growth[9]

2.5 million annual vehicle inspections[9]

KEY COMPETITORS

Farenet, Cedive, RTP and Cipesac.

MARKET TYPE

Centralized concessions for inspection stations.

REGULATION

In Perú, all motor vehicles driven on public roads must be regularly inspected to ensure compliance with safety and emission standards. Passenger cars and other light vehicles are first inspected after four years and after that every year. Heavy duty vehicles and vehicles used in public transportation are first inspected after two years and after that every six months. The local authorities have implemented new strict standards with severe penalties for taxis, motorcycle taxis and buses that do not comply with vehicle inspection.

5 Dirección Nacional de los Registros Nacionales de la Propiedad del Automotor y de Créditos Prendarios, http://www.dnrpa.gov.ar
6 Encuesta Anual de Parque Vehicular 2018, INE
7 Ministry of Transport and Telecommunications 2018
8 INEGI (Instituto Nacional de Estadística y Geografía)
9 Ministerio de Transportes y Comunicaciones de Perú 2017

Intelligent Vehicle Support division

Autologic, Drew Technologies and Bluelink united as Opus IVS during 2019. Integration under one unified brand will bring added synergies and enable us to develop more innovations for our customers. In early 2020 we acquired U.S. diagnostics software specialist AutoEnginuity, which will strengthen our capabilities and help to accelerate the development of our technologies. The division grew during 2019, but at a lower rate than target due to a delay in the roll-out of our Drive platforms.

320 MILLION
revenue (SEK)

41
countries (distribution)

30,000
customers

285,000
diagnostic support cases

1.6 MILLION
diagnostic scans

Our business model

Modern vehicles are increasingly more complex. With driver assist systems, connected technologies such as telematics, and the move towards autonomous vehicles, aftermarket technicians need additional support to keep pace with rapid changes in technology.

Automotive service shops are required to carry out highly-specialized diagnostic and re-programming tasks for jobs as routine as replacing a windshield or wheel alignment, which involves a lot of time and effort. Keeping up with model-specific training is becoming a difficult task for independent multi-brand service shops.

Opus IVS empowers automotive technicians to do this work quickly and easily across multiple brands, without the need for specialist product knowledge. Our advanced diagnostic and programming platforms connect to live support from more than 100 master technicians, who guide mechanics remotely through complex tasks, helping independent service shops compete on a level footing with manufacturer-licensed dealerships.

We also provide pre- and post-repair scanning to help collision shops meet the growing demands of manufacturers, insurance companies and regulators for proof that all systems have been checked and properly serviced to their requirements post-collision.

Most of our business is based on recurring revenues under e-commerce. In some markets we provide tools as a capital purchase with recurring subscriptions, while in others we increasingly operate an Equipment-as-a-Service (EaaS) model, providing equipment at low or no upfront capital cost, focusing on recurring revenues from subscriptions and transactions for our support services.

In 2019 our companies Drew Technologies, Autologic and BlueLink Diagnostic Solutions united as one business called Opus IVS. Under this new brand, we will use our combined strengths in diagnostics, collision scanning, flash programming and remote technical assistance to drive further innovation, support increasing complexity and digitalization of vehicles, and serve more customers globally.

Our markets

Opus IVS targets independent automotive service shops and collision repair shops in the U.S., Europe, Asia and Australia, serving more than 30,000 customers.

By uniting our Autologic and Drew Technologies businesses under the Opus IVS brand, we are creating new synergies and innovations that will enable us to deliver more advancements to the market in 2020 and beyond.

The market for remote diagnostic service is estimated at up to USD 740 million in the U.S. alone. We are working on increasing sales of our diagnostic and programming services in this market, especially among the 20,000 specialty automotive service shops that deal with foreign cars. We also see strong potential to expand in the growing collision scanning market.

MARKET TRENDS AND DRIVERS

Vehicle technology is increasingly computerized and complex. Even basic automotive service jobs can now require complex digital diagnosis and re-programming, as well as detailed product knowledge, specialized tools and access to extensive product support databases. These factors are driving a growing demand for sophisticated diagnostic and programming tools covering multiple vehicle brands, supported by call centers staffed with expert mechanics providing remote assistance.

More automated systems

Advanced driver assist systems (ADAS) are fast becoming the norm. The worldwide ADAS market, estimated at USD 30 billion today, is forecast to reach 135 billion by the end of 2027.[1]

Electronics and software growth

The technology built into cars by manufacturers has diverged exponentially. Automotive technicians need detailed technical knowledge such as electronics, software and system re-programming, on many makes of car.

Collision service requirements

Collision shops, automakers, insurers and regulators are all under immense pressure to make sure vehicles are fixed correctly and safe to return to the road after an accident. This requires detailed scans of the vehicle's network of processors before and after repair. Manufacturers have issued position papers on the need for such scans and insurance companies are increasingly paying for them as part of the claims process.[2]

Knowledge and training needs

Independent automotive service shops find it challenging to keep pace with growing vehicle complexity and are falling behind in their ability to service vehicles, especially those covering multiple brands.

Ageing vehicle fleets

At the same time, the average age of vehicles on the road is growing, yielding more vehicles that need support and service.

Right to Repair and Telematics

As digitalization increases, there is a growing need for telematics data in vehicle service. Right to Repair will help standardize access to these systems in North America.

1 https://www.marketsandmarkets.com/Market-Reports/driver-assistance-systems-market-1201.html?gclid=Cj0KCQiAjfvwBRCkARIsAIqSWlPTCcXydzQ2pFiaQUsOhywWrrNP52gqtK-hk4nBlynsiDibWGQgryMaAre7EALw_wcB"

2 https://rts.i-car.com/collision-repair-news/pre-and-post-repair-scanning-position-statements.html

Our products and services

Driving profitability for independent service shops

Our platforms combine advanced diagnostics with live remote support, allowing automotive service shops to do more work in-house, get jobs done faster and operate more profitably.

DRIVEPRO™ ES

Empowering service shops to do more

DrivePro ES gives automotive service shops the confidence to repair the most complex vehicles fast. The platform combines advanced diagnostics for European, U.S. and Asian brands with live support from our OE-trained master technicians who can connect direct to the vehicle's computer systems, so they see the same data as mechanics in real time. Customers can choose to have Remote Assist Programming built in, so service technicians can diagnose faults and re-program components, guided by our experts, in one fast operation. DrivePro ES connects to manufacturer specifications with real-time updates, so there is no need to maintain detailed technical knowledge for every brand.

DRIVECRASH™

Delivering proof of collision repairs

DriveCrash helps collision shops verify that vehicles are safe to drive after a collision. It scans every module on the vehicle twice – pre-repair to identify any damage, and post-repair to demonstrate that all systems are working correctly. The technician can choose from a manufacturer-approved comprehensive scan, performed remotely by our master technicians, or a quick scan that performs a base assessment in just a few minutes. DriveCrash also integrates remote programming and calibration with real-time support from master technicians. The platform is already approved by several automakers.

OPUS 360™ LIVE REPAIR GUIDANCE

Our platforms are connected to live remote support from more than 100 master technicians in five call centers, located across the U.S. the UK and Australia. Our experts guide service technicians remotely through complex re-programming and diagnostic tasks. Remote expert assistance is integrated into the Drive and RAP® 2 platforms, so our experts see the same data as the shop in real time.

RAP® 2: REMOTE ASSIST PROGRAMMING

Most major services on modern vehicles involve at least one re-programming task to ensure on-board software is working correctly. When this happens, service shops can plug in RAP 2 and connect to our master technicians, who will walk them through the programming task and stay with them until it is done. Customers get the RAP 2 equipment at no upfront cost and pay per programming event plus a small monthly fee. RAP 2 can be integrated into our DrivePro ES and DriveCrash platforms.

Sustainability Report

Helping to meet global challenges

Climate change, population growth and demands for a decent standard of living are driving people to move to cities, which in turn leads to more traffic and emissions. The increase in car ownership in the developing world means air pollution and road accidents are continuing to rise.

OPUS FOCUS GOALS

As a global vehicle inspection and intelligent vehicle support company, we recognize the contribution we can make with our vehicle inspection activities to managing these challenges. The UN has defined 17 Sustainable Development Goals (SDG) for member countries to achieve in collaboration by 2030. We have chosen to focus on the following goals as this is where we believe Opus can have the greatest impact as a company:

#8 Decent work and economic growth

#11 Sustainable cities and communities

#13 Climate action

#16 Peace, justice and strong institutions

In dialogue with external and internal stakeholders, our Board of Directors and Group Management Team have further identified six strategic priorities for sustainability. They are based on our assessment of our most important sustainability issues and on where Opus, our products and services can create most value and have the greatest impact from a sustainability perspective.

- Combating climate change
- Operating in low- and middle-income countries
- Financial stability as a company
- Anti-fraud
- Equal opportunity
- Human rights

Our sustainability reporting encompasses the same entities as the rest of our annual report. A more in-depth description of our business model and strategy can be found on pages 6-7.

Sustainability management

In 2017, we defined a set of groupwide sustainability goals for Opus, having previously measured our performance within our individual companies. These goals are on pages 16-17 and 2019 is the third year we are publicly reporting on our groupwide goals.

Opus business culture promotes long-term thinking, integrity and sustainability (among other principles) and we recruit employees based on their fit with our culture. A number of corporate policies help us manage sustainability in various areas of the company. These include: Ethical guidelines; Anti-corruption policy; Code of Conduct; Environmental and Quality policy and Work environment policy. As we take responsibility for engaging with good, sustainable business partners when they are delivering on our behalf, we have introduced an Anti-corruption policy and a Code of Conduct for business partners. Our policies are available upon request. The manager of each business segment at Opus is responsible for ensuring that the policies are followed, with the Board of Directors ultimately responsible.

Every year, we conduct a comprehensive risk assessment for the company and define our most significant risks. Bribery and corruption have been identified as principal sustainability risks. Consequently, we devote considerable resources to training our employees and suppliers, and to developing processes and technology to fight the potential for corruption. Starting 2018, we initiated a mandatory annual anti-bribery, anti-corruption training program for staff; we are also requesting our key business partners to sign our Anti-corruption policy and Code of conduct. Further information on how we manage our risks can be found on pages 30-33.

Sustainability performance

In general, Opus' performance against our sustainability goals for 2019 was in line with our expectations – including for renewable energy, emission testing, human rights, anti-corruption and employee numbers in low- and middle-income countries.

This year, we have clarified the language in our gender balance measure so that we now use 'leadership' rather than 'managerial and professional'. We have also sharpened our focus on female leadership. We recognise that we recruited fewer female leaders proportionally than female employees overall in 2019, and that in a male-dominated industry we must take action at a leadership level to secure a healthy gender balance throughout the whole company in the long term. Additionally, we have adjusted our measure for workplace accidents allowing us to benchmark against our industry peers.

OPUS GROUP'S STAKEHOLDERS

Opus Group sustainability goals and performance, 2019

ECONOMIC

GOAL

In 2019, to reach annual revenue growth of 5-10%*, an EBITA margin of 15%, with net debt/ EBITDA not exceeding 3.0.

RATIONALE

As a financially stable company, we support UN global goal #16.6 (Effective institutions) by enabling governments worldwide to establish and operate effective transport authorities and vehicle testing programs over the long term. We also support UN global goal #8.3 (Decent work for all) by providing secure employment so people can support their families on decent incomes.

GOVERNANCE + MEASURES

We gather information monthly and we report on our progress towards these targets every quarter.

*We expect to achieve 5-10% annual growth through organic and acquisitive growth based on a 3-year CAGR.

GOAL

The proportion of revenue coming from safety-based vehicle inspection should increase by 15% per year.

RATIONALE

We support UN global goal #8.1 (Growth in developing world) and UN global goal #11.2 (Road safety) by focusing our efforts on where we can make the most difference – countries where the vehicle fleet is older and less safe (which are often low- and middle-income countries).

GOVERNANCE + MEASURES

We are committed to our strategy and have made significant investments in new safety inspection programs, including dividing our Vehicle Inspection business into three geographical segments to enable appropriate focus. We monitor our performance closely and publish our results every quarter.

HUMAN RIGHTS

GOAL

To ensure 100% of employees continue to follow our Ethical guidelines and Code of conduct policies.

RATIONALE

We work towards UN global goal #8 (Decent working conditions, specifically #8.7, and #8.8) by ensuring our employees operate in an ethical way.

GOVERNANCE + MEASURES

For many years, it has been mandatory for our employees to review our Ethical Guidelines and Code of Conduct when they join the company to ensure understanding. The company has a Whistleblowing hotline where employees can report their concerns.

GOAL

To show zero tolerance for any kind of discrimination.

RATIONALE

We support UN global goal #8.3 (Protecting labor rights) by ensuring zero discrimination against our employees, whether on the basis of gender, sexual orientation, nationality, race, color, ethnicity, religion, age, pregnancy or membership of a trade union.

GOVERNANCE + MEASURES

We measure the number of discrimination cases reported per year, investigate all reports, keep a record of the findings and take appropriate action. The company has a Whistleblowing hotline where employees can report their concerns. In 2019, all reports of discrimination were investigated thoroughly as per our Ethical Guidelines and Disciplinary Policy and resolved.

ENVIRONMENT

GOAL

To increase the number of vehicle emissions tests we carry out in low- and middle-income countries by an average of 25% each year until 2021, from a baseline of 400,000 in 2017.

RATIONALE

We contribute towards UN global goal #13 (Climate action) by helping governments to integrate climate change measures, inspecting vehicle emissions, and failing the most polluting cars.

GOVERNANCE + MEASURES

We measure the number of tests we carry out through our equipment and through our management information systems. Because of 2018 acquisitions in line with our strategy, the number of tests we carried out in these countries increased to 1,097,300 (940,000 in 2018) – which is a compound annual increase of 65% from 2017 to 2019. But we do not expect an equivalent increase in 2020.

GOAL

To grow the proportion of renewable energy in markets where it is available and economically sustainable.

RATIONALE

We contribute towards UN global goal #13 (Climate action) by seeking to reduce our environmental impact and using 100% renewable energy where it is available and economically sustainable. We recognize that by requesting renewable energy, we can drive external demand in the energy markets.

GOVERNANCE + MEASURES

We monitor our energy consumption, investigate alternatives when energy contracts are up for renewal and put pressure on suppliers to provide us with clean energy. In 2019, Sweden used 97% (97% in 2018) renewable electricity while in Chile the number was 17% (17% in 2018). In all other countries the data was either unavailable, or renewable energy sources were unavailable.

ANTI-CORRUPTION & FRAUD

GOAL

To ensure vehicle inspection performed under Opus management is free from fraud.

RATIONALE

We contribute to UN goal #16.5 (Anti-bribery and corruption) as we have zero tolerance for corruption within the company and beyond and we actively use tools, technology and methods to prevent and detect fraud. We also work closely with governments and tailor our anti-fraud offering to their requirements and market needs.

GOVERNANCE + MEASURES

Anti-corruption and fraud are covered in our policies, including our Anti-Corruption Policy for Employees and our Anti-Corruption Policy for Business Partners. We have tools, technology and methods to prevent and detect fraud, and we are continuously evolving them. We train relevant staff in anti-corruption as part of our onboarding programs and we also have a formal annual anti-corruption and fraud program, which saw 99% participation in 2019. The company has a Whistleblowing hotline where employees can report their concerns. In 2019, any suspected cases of fraud or corruption were actioned as per our policies. All relevant business partners receive our Anti-Corruption Policy and Code of Conduct for Business Partners for review.

SOCIAL

GOAL

To increase our employee numbers in low- and middle-income countries by 2021, from a baseline of 192 employees in 2017.

RATIONALE

We drive long-term employment and enable sustainable wealth creation in low and middle-income countries contributing to UN Global goal #8 Decent work and economic growth (specifically 8.5) by employing and training local employees where we set up vehicle inspection programs.

GOVERNANCE + MEASURES

We employ and train local employees where we can, and we gather data about employee numbers as part of our HR program. In 2019, we increased our total employee numbers in low- and middle-income countries to 631, from 539 in 2018.

GOAL

To reduce the percentage of employees experiencing workplace accidents that require time away from work from a baseline of 7.6 accidents requiring time away from work per million working hours.

RATIONALE

We contribute to UN global goal #8.8 (Safe and secure work environment) by ensuring our employees are not at risk from harm when they come to work.

GOVERNANCE + MEASURES

Health and Safety are covered in our Work Environment Policy. We provide the resources, information, training and management attention to achieve our objectives and targets. If we miss the goal, we revisit our training and procedures to ensure the foundations are in place.

GOAL

To offer equal opportunity to men and women, with the long-term aim of reaching a healthy gender balance in the Group. The 2017 baseline was 22% women versus 78% men in leadership roles; and 27% women versus 73% men in total.

RATIONALE

In a male-dominated industry, we support UN global goal #5 (Gender equality, specifically 5.5, 5A and 5C) by working to increase the number of women in total. We also seek to achieve a healthy gender balance in leadership roles. We further ensure nobody is disadvantaged because of their gender and that we benefit from a broad range of experience. We also recognize that by employing women in low- and middle-income countries, we can make a significant difference to society.

GOVERNANCE + MEASURES

Gender equality is covered in our ethical guidelines. We ask our external recruiters to include a dynamic gender balance in the selection pool for all our recruitment. In 2019, our employee numbers were:

- 43% (3) women and 57% (4) men on the Board of Directors in 2019 – unchanged from 2018
- 10% (1) woman and 90% (9) men on the Group Management Team – 25% (2) women and 75% men (6) in 2018
- 23% women and 77% men in leadership positions - 24% women and 76% men in 2018
- 21% women and 79% men in total (all employees) – unchanged from 2018

In 2019, 29% of all employees recruited were women – which is positive in a male-dominated industry. A concern however is that the number of female leaders we recruited was 16%, which does not reflect the current leadership gender balance or proportion of women recruited overall.

The share

Opus Group AB is a public company whose shares are listed in accordance with Swedish law and shareholder rights associated with the shares are governed by the Swedish Companies Act. Opus Group AB's shares are registered in electronic form with Euroclear Sweden AB.

Opus Group AB's shares have been listed on Nasdaq Stockholm since July 2, 2013. The short name is OPUS and the ISIN code is SE0001696683.

As of December 31, 2019, share capital in Opus Group AB amounted to SEK 5,806,365, divided into a total of 290,318,246 shares, each with a quota value of SEK 0.02. All shares have one (1) vote and equal rights to the corresponding share of the Company's assets and profits. Opus Group AB's market capitalization amounted to SEK 2,439 million as of December 31, 2019.

Ograi BidCo AB acquired the majority of shares in Opus

On December 2, 2019, Ograi BidCo AB ("Ograi") announced a public cash offer to the shareholders of Opus Group AB ("Opus") to acquire all their shares in Opus at a price of SEK 7.75 in cash per share. On December 20, 2019, Ograi announced an increase of the offer to SEK 8.50 per share (the "Offer"). On January 16, 2020, Ograi announced that it controlled approximately 79.4 percent of the shares and votes in Opus and declared the Offer unconditional and extended the acceptance period to February 13, 2020. At the end of the extended acceptance period, Ograi announced that it controlled a total of 242,640,164 shares in Opus, corresponding to approximately 83.6 percent of the shares, share capital and votes in Opus.

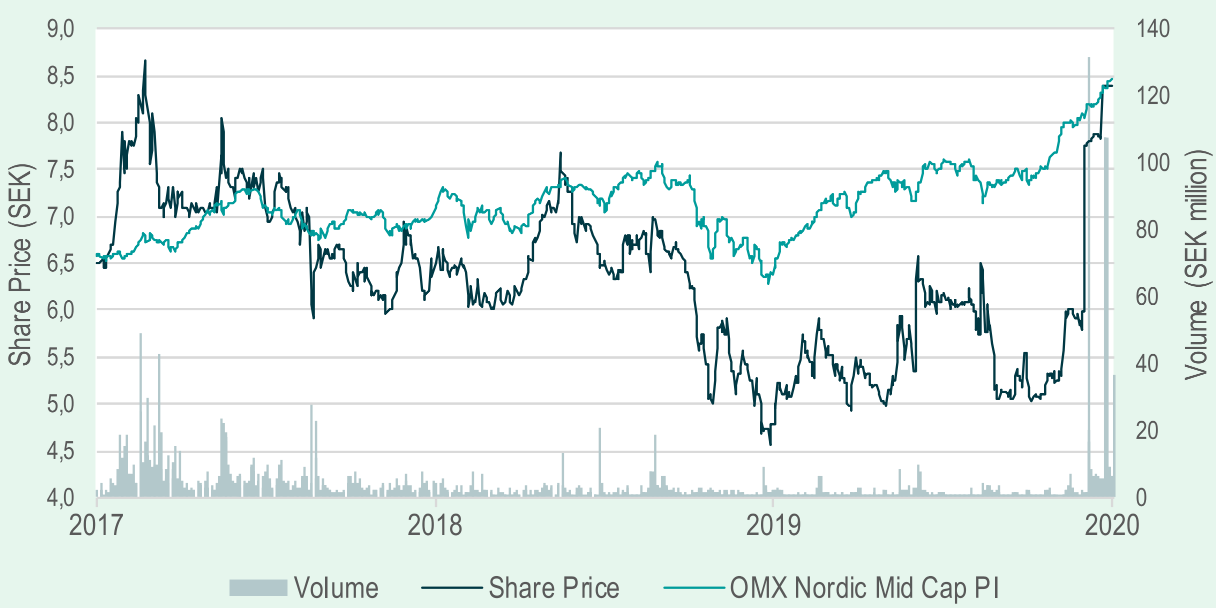
Shareholding as of January 31, 2020

Based on data from Euroclear, there were 3,474 shareholders as of January 31, 2020. The table below shows the ten largest shareholders of Opus Group AB as of January 31, 2020.

Shareholders	Number of shares	Share of capital and votes, %
Ograi BidCo AB	231,446,376	79.7%
Andra AP-fonden	20,053,189	6.9%
BNY Mellon SA/NV	3,328,567	1.1%
Ranvik Industrier AB [1]	3,000,000	1.0%
Carl Erik Norman	2,500,000	0.9%
Avanza Pension	2,268,875	0.8%
Anders Gunnarsson Björkman	1,688,726	0.6%
BNY Mellon NA	1,455,565	0.5%
Handelsbanken Sverige Index, Criteria	1,384,309	0.5%
CBNY-National Financial Services	981,069	0.3%
Subtotal	**268,106,676**	**92.3%**
Other shareholders	22,211,570	7.7%
Total	**290,318,246**	**100.0%**

[1] *Through endowment insurance at Avanza Pension*

PRICE DEVELOPMENT AND TURNOVER OF THE OPUS SHARE 2017-2019



SHARE CAPITAL DEVELOPMENT

Year	Transaction	Change in share capital	Share capital	Change in no. of shares	Total no. of shares
1990	Company formed	50,000	50,000	500	500
1996	Bonus issue	150,000	200,000	1,500	2,000
1998	Bonus issue	300,000	500,000	3,000	5,000
2003	New share issue directed to a number of private investors	179,400	679,400	1,794	6,794
2004	Split 100:1	-	679,400	672,606	679,400
2005	New share issue directed to a number of private investors	70,600	750,000	70,600	750,000
2006	New issue directed to Yield AB	40,000	790,000	40,000	790,000
2006	Split 50:1	-	790,000	38,710,000	39,500,000
2006	New share issue directed to the shareholders of Yield AB and the general market in connection with the listing on Aktietorget, with preferential rights for the shareholders of Yield AB	246,914	1,036,914	12,345,679	51,845,679
2006	New share issue directed to a number of private investors in connection with the switch of listing from Aktietorget to First North	60,000	1,096,914	3,000,000	54,845,679
2007	Issue for non-cash consideration directed to sellers of the EWJ Group	126,718	1,223,631	6,335,892	61,181,571
2007	New share issue directed to a number of private investors	60,000	1,283,631	3,000,000	64,181,571
2008	New share issued directed to sellers of Systech International, LLC and TriLen, LLC	400,000	1,683,631	20,000,000	84,181,571
2008	New share issue directed to institutional and professional investors	422,500	2,106,131	21,125,000	105,306,571
2008	New share issue with preferential rights for the existing shareholders in Opus	1,755,110	3,861,241	87,755,475	193,062,046
2012	New share issue with preferential rights for the existing shareholders in Opus	772,248	4,633,489	38,612,409	231,674,455
2013	Redemption of warrants	35,921	4,669,410	1,796,053	233,470,508
2013	New share issue with preferential rights for the existing shareholders in Opus	359,185	5,028,595	17,959,269	251,429,777
2014	Redemption of warrants	34,672	5,063,267	1,733,642	253,163,419
2015	New share issue with preferential rights for the existing shareholders in Opus	562,585	5,625,854	28,129,268	281,292,687
2015	Issue for non-cash consideration to sellers of Drew Technologies Inc.	109,414	5,735,269	5,470,744	286,763,431
2015	Redemption of warrants	38,971	5,774,239	1,948,528	288,711,959
2017	Redemption of warrants	32,126	5,806,365	1,606,287	290,318,246
2020	Redemption of warrants	25,119	5,831,484	1,255,955	291,574,201

BREAKDOWN OF SHAREHOLDING AS AT JANUARY 31, 2020

No. of shares	No. of shareholders	as % of all shareholders	No. of shares owned together	as % of all shares
Under 501	1,712	49.28%	260,548	0.09%
501-1,000	430	12.38%	358,044	0.12%
1,001-2,000	410	11.80%	620,027	0.21%
2,001-5,000	420	12.09%	1,445,753	0.50%
5,001-10,000	199	5.73%	1,491,132	0.51%
10,001-20,000	139	4.00%	1,988,161	0.68%
20,001-50,000	85	2.45%	2,581,138	0.89%
50,001-100,000	37	1.07%	2,563,136	0.88%
100,001-500,000	25	0.72%	5,306,730	1.83%
500,001-1,000,000	9	0.26%	6,577,970	2.27%
1,000,001-5,000,000	5	0.14%	10,357,167	3.57%
5,000,001-10,000,000	1	0.03%	5,268,875	1.81%
Over 10,000,000	2	0.06%	251,499,565	86.63%
Total	**3,474**	**100.00%**	**290,318,246**	**100.00%**

Based on data from Euroclear.

Five-year overview

Consolidated income statement, SEK thousands	2019	2018	2017	2016	2015
Net sales	2,691,173	2,497,327	1,857,511	1,697,150	1,650,155
Total income	**2,697,803**	**2,512,724**	**1,859,839**	**1,698,625**	**1,651,746**
Operating expenses	-2,089,937	-2,009,107	-1,551,733	-1,366,607	-1,377,105
EBITDA	**607,866**	**503,617**	**308,106**	**332,018**	**274,641**
Depreciation and impairment of tangible assets	-265,428	-145,951	-120,135	-107,270	-92,467
EBITA	**342,438**	**357,666**	**187,971**	**224,748**	**182,174**
Amortization and impairment of intangible assets	-141,821	-151,999	-81,159	-75,595	-73,201
Earnings before interest and tax (EBIT)	**200,617**	**205,667**	**106,812**	**149,153**	**108,973**
Net financial income/expense	-186,368	-155,170	-104,035	-3,930	-28,517
Profit/loss after financial items	**14,249**	**50,497**	**2,777**	**145,223**	**80,456**
Income tax	-52,042	-56,708	70,995	-59,846	-14,023
Profit/loss for the year	**-37,793**	**-6,211**	**73,772**	**85,377**	**66,433**

Consolidated statement of financial position, SEK thousands	2019	2018	2017	2016	2015
Assets					
Intangible assets	1,956,362	2,019,876	1,456,242	1,320,616	1,250,183
Tangible assets	1,275,338	990,000	831,065	814,945	739,118
Financial assets	67,703	59,307	25,114	22,790	13,524
Deferred tax assets	27,538	27,031	32,296	31,521	29,378
Total fixed assets	**3,326,941**	**3,096,214**	**2,344,717**	**2,189,872**	**2,032,203**
Inventory	105,945	133,331	132,571	85,258	81,016
Current receivables	245,082	253,805	210,800	224,145	261,975
Cash and cash equivalents	505,523	384,155	642,801	507,300	256,214
Total current assets	**856,550**	**771,291**	**986,172**	**816,703**	**599,205**
Total assets	**4,183,491**	**3,867,505**	**3,330,889**	**3,006,575**	**2,631,408**
Equity and liabilities					
Equity	971,842	987,073	946,689	1,041,745	890,657
Interest-bearing liabilities	2,343,641	1,980,501	1,608,439	1,192,068	960,274
Non-interest bearing liabilities and provisions	868,008	899,931	775,761	772,762	780,477
Total equity and liabilities	**4,183,491**	**3,867,505**	**3,330,889**	**3,006,575**	**2,631,408**

Consolidated statement of cash flows, SEK thousands	2019	2018	2017	2016	2015
Cash flow from operating activities	445,723	323,047	185,736	204,204	201,181
Cash flow from investing activities	-267,454	-835,948	-412,950	-173,868	-326,453
Cash flow from financing activities	-55,985	254,325	391,597	203,517	-8,224
Cash flow for the year	**122,284**	**-258,576**	**164,383**	**233,853**	**-133,496**
Cash and cash equivalents at the start of the year	384,155	642,801	507,300	256,214	382,299
Translation difference	-916	-70	-28,882	17,233	7,411
Cash flow for the year	122,284	-258,576	164,383	233,853	-133,496
Cash and cash equivalents at year-end	**505,523**	**384,155**	**642,801**	**507,300**	**256,214**

KEY RATIOS [1]	2019	2018	2017	2016	2015
Return on capital					
Return on total assets, percent	8.2	9.6	6.0	8.0	7.1
Return on equity, percent *	0.2	2.6	8.5	9.3	8.0
Return on capital employed, percent	11.0	13.1	8.8	11.5	9.9
Profitability					
EBITDA margin, percent	22.6	20.0	16.6	19.5	16.6
EBITA margin, percent	12.7	14.2	10.1	13.2	11.0
EBIT margin, percent	7.5	8.2	5.7	8.8	6.6
Profit margin, percent	0.5	2.0	0.1	8.5	4.9
Labor and capital intensity					
Revenue growth, percent	7.8	34.4	9.4	2.8	12.8
Turnover per employee, SEK thousands	1,035	1,014	984	1,019	1,014
Value added per employee, SEK thousands	731	681	657	687	665
EBITDA per employee, SEK thousands	234	204	163	199	169
Capital turnover rate, times	0.9	1.0	1.0	1.0	1.1
Financial indicators					
Interest-bearing liabilities, SEK thousands	2,343,641	1,980,501	1,608,439	1,192,068	960,274
Net debt, SEK thousands	1,838,118	1,596,348	965,638	684,768	704,060
Net debt/EBITDA, times	3.1	3.1	3.0	2.1	2.4
Interest coverage ratio, times	5.0	5.7	4.9	5.8	5.3
Equity ratio, percent	23.2	25.5	28.4	34.6	33.8
Acid test ratio, percent	101.2	110.5	84.3	115.9	71.6
Average number of employees	2,600	2,464	1,887	1,666	1,627
Average number of employees at year-end	2,636	2,569	1,929	1,691	1,605
Data per share					
Number of shares at year-end before dilution	290,318,246	290,318,246	290,318,246	288,711,959	288,711,959
Number of shares at year-end after dilution [3]	295,818,246	295,818,246	295,818,246	300,090,716	294,590,716
Average number of outstanding shares, before dilution [2]	290,318,246	290,318,246	289,988,187	288,711,959	280,403,116
Average number of outstanding shares, after dilution [3]	295,818,246	295,818,246	295,488,187	300,090,716	286,281,873
Equity per share, before dilution, SEK *	3.48	3.45	3.24	3.56	3.08
Equity per share, after dilution, SEK *	3.41	3.38	3.18	3.43	3.02
Profit per share, before dilution, SEK *	0.01	0.09	0.28	0.30	0.24
Profit per share, after dilution, SEK *	0.01	0.09	0.27	0.29	0.23
Dividend per share, before dilution, SEK [4]	-	0.05	0.05	0.12	0.10
Dividend per share, after dilution, SEK [4]	-	0.05	0.05	0.12	0.10
Cash flow from operating activities per share, before dilution, SEK	1.54	1.11	0.64	0.71	0.72
Cash flow from operating activities per share, after dilution, SEK	1.51	1.09	0.63	0.68	0.70

* excluding minority interests

1) See page 84 for applicable definitions.

2) Average number of shares has been restated for 2015 with regard to the bonus issue element in rights issues.

3) If the discounted exercise price for outstanding warrants is less than the average price for the Opus share, the warrants give rise to a dilution effect. The dilution effect with reference made to the warrant program is calculated according to the dilution that applied at the end of each period.

4) 2019 refers to proposed dividend.

Quarterly overview

Consolidated income statement, by quarter	2019				2018			
SEK thousands	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net sales	651,364	699,139	707,517	633,152	656,548	634,363	651,234	555,182
Total income	**656,339**	**700,064**	**708,082**	**633,319**	**671,213**	**634,356**	**651,547**	**555,608**
Operating expenses	-553,111	-518,703	-528,514	-489,611	-539,298	-505,336	-509,058	-455,415
EBITDA	**103,228**	**181,361**	**179,568**	**143,708**	**131,915**	**129,020**	**142,489**	**100,193**
Depreciation and impairment of tangible assets	-63,661	-85,472	-59,565	-56,727	-42,351	-38,318	-34,557	-30,725
EBITA	**39,567**	**95,889**	**120,003**	**86,981**	**89,564**	**90,702**	**107,932**	**69,468**
Amortization and impairment of intangible assets	-29,729	-33,968	-35,891	-42,235	-41,544	-42,824	-47,907	-19,724
Earnings before interest and tax (EBIT)	**9,838**	**61,921**	**84,112**	**44,746**	**48,020**	**47,878**	**60,025**	**49,744**
Net financial income/expense	-30,713	-57,831	-46,903	-50,920	-5,740	-45,250	-78,653	-25,527
Profit/loss after financial items	**-20,875**	**4,090**	**37,209**	**-6,174**	**42,280**	**2,628**	**-18,628**	**24,217**
Income tax	7,001	-30,163	-17,977	-10,904	-8,217	-26,231	-8,345	-13,915
Profit/loss for the year	**-13,874**	**-26,073**	**19,232**	**-17,078**	**34,063**	**-23,603**	**-26,973**	**10,302**

Consolidated statement of financial position, by quarter	2019				2018			
SEK thousands	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Assets								
Intangible assets	1,956,362	2,044,629	1,998,483	2,034,750	2,019,876	2,033,345	2,106,949	1,919,092
Tangible assets	1,275,338	1,323,069	1,327,084	1,310,542	990,000	973,211	984,191	872,380
Financial assets	67,703	67,516	59,908	64,087	59,307	57,209	51,532	37,406
Deferred tax assets	27,538	29,761	31,269	29,109	27,031	39,159	57,799	33,778
Total fixed assets	**3,326,941**	**3,464,975**	**3,416,744**	**3,438,488**	**3,096,214**	**3,102,924**	**3,200,471**	**2,862,656**
Inventory	105,945	118,380	132,138	125,999	133,331	144,903	138,705	135,993
Current receivables	245,082	275,051	267,124	258,765	253,805	253,097	251,937	246,593
Cash and cash equivalents	505,523	516,436	442,642	426,890	384,155	328,087	342,020	443,789
Total current assets	**856,550**	**909,867**	**841,904**	**811,654**	**771,291**	**726,087**	**732,662**	**826,375**
Total assets	**4,183,491**	**4,374,842**	**4,258,648**	**4,250,142**	**3,867,505**	**3,829,011**	**3,933,133**	**3,689,031**
Equity and liabilities								
Equity	971,842	1,018,171	995,499	995,113	987,073	970,866	1,029,660	985,440
Interest-bearing liabilities	2,343,641	2,436,761	2,373,198	2,364,675	1,980,501	1,963,080	1,974,536	1,911,310
Non-interest bearing liabilities and provisions	868,008	919,910	889,951	890,354	899,931	895,065	928,937	792,281
Total equity and liabilities	**4,183,491**	**4,374,842**	**4,258,648**	**4,250,142**	**3,867,505**	**3,829,011**	**3,933,133**	**3,689,031**

Consolidated statement of cash flows, by quarter	2019				2018			
SEK thousands	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Cash flow from operating activities	84,237	152,736	132,420	76,330	117,145	55,361	111,294	39,247
Cash flow from investing activities	-58,773	-68,721	-81,121	-58,839	-64,074	-64,864	-196,214	-510,796
Cash flow from financing activities	-20,596	-19,890	-34,267	18,768	0	-160	-19,426	273,911
Cash flow for the period	**4,868**	**64,125**	**17,032**	**36,259**	**53,071**	**-9,663**	**-104,346**	**-197,638**
Cash and cash equivalents at the start of the period	516,436	442,642	426,890	384,155	328,087	342,020	443,789	642,801
Translation difference	-15,781	9,669	-1,280	6,476	2,997	-4,270	2,577	-1,374
Cash flow for the period	4,868	64,125	17,032	36,259	53,071	-9,663	-104,346	-197,638
Cash and cash equivalents at the end of the period	**505,523**	**516,436**	**442,642**	**426,890**	**384,155**	**328,087**	**342,020**	**443,789**

Group Management

Lothar Geilen

CEO

Born in 1961.

Employed since 2008.

Background: President Systech International, LLC, President Sensors, Inc. (USA), Managing Director Sensors Europe (Germany).

Other assignments: Vice President & Treasurer and member of CITA Bureau Permanent, board member of BDEX LLC.

Education: Dipl.-Kfm. at Ludwig-Maximilian University in Munich, Germany.

Shares in Opus Group: 0. [1]

Warrants in Opus Group: 0.

Linus Brandt

Executive Vice President and CFO

Born in 1966.

Employed since 2016.

Background: Executive Vice President & CFO Mediatec Broadcast Group, CFO Stena Adactum, Partner Arthur Andersen/Deloitte.

Other assignments: Board member of Transtema Group AB (publ).

Education: B.Sc. (Hons) in International Business Administration and Economics from Gothenburg School of Economics.

Shares in Opus Group: 0.

Warrants in Opus Group: 800,000.

Magnus Greko

Vice President Strategic Business Development

Born in 1963.

Employed since 1990.

Background: CEO and President Opus Group AB 2006–2017. Co-founder of Opus Group AB, 1990.

Other assignments: Board member of AB Kommandoran, AB Krösamaja, AB Griseknoen, Dalfrid Invest AB.

Education: Graduate in engineering from Polhemsgymnasiet in Gothenburg.

Shares in Opus Group: 0.

Warrants in Opus Group: 0.

Tom Fournier

CTO

Born in 1950.

Employed since 2012.

Background: President and founder of Applus Technologies, Inc. (formerly Keating Technologies, Inc.), Vice President Engineering Envirotest Corp., President Emitest Corp., President Sensors, Inc.

Other assignments: None.

Education: Masters of Philosophy from Arizona State University, Bachelors of Business Administration from Cleary University, studied electrical engineering at the University of Michigan.

Shares in Opus Group: 0.

Warrants in Opus Group: 547,558.

Helene Carlson

Director of Corporate Communications

Born in 1978.

Employed since 2017.

Background: Global Head of Marketing & Communications Xvivo Perfusion, Corporate Communications Director Mölnlycke, Global Marketing & Communications Director Mölnlycke.

Other assignments: None.

Education: M.A. in Strategic Marketing Communication & Media Studies from University of Gothenburg, Sweden, and Leeds Metropolitan University, U.K, B.A. in English, Rhetoric from Sussex University, U.K, and University of Gothenburg, Sweden.

Shares in Opus Group: 0.

Warrants in Opus Group: 250,000.

Olle Lindkvist

Global Director of Human Resources

Born in 1974.

Employed since 2019.

Background: HR Manager Swedavia, Leadership and Change Consultant Lorensbergs, Head of HR Nilson Group.

Other assignments: None.

Education: B.A. in Strategic Human Resource Management and Labor Relations, University of Gothenburg.

Shares in Opus Group: 0.

Warrants in Opus Group: 0.

Andy McIntosh

President, Vehicle Inspection U.S.

Born in 1974.

Employed since 2019.

Background: President of AP Emissions Technologies, Vice President/General Manager of Aristo and Airtek Emissions Equipment, Vice President of Engineering & CTO at Honeywell Safety Products.

Other assignments: None.

Education: MBA from Ross School of Business at the University of Michigan, M.Sc. in Mechanical Engineering from Michigan State University, B.Sc. in Mechanical Engineering from Michigan State University.

Shares in Opus Group: 0.

Warrants in Opus Group: 0.

Alfredo R Granai

President, Vehicle Inspection Latin America

Born in 1958.

Employed since 2017.

Background: President Depuy Synthes at Johnson & Johnson Latin America, President Synthes Latin America. Various management positions in several Latin American countries and Switzerland at F. Hoffman-La Roche Fine Chemical Division.

Other assignments: None.

Education: Chemical Engineering at Rafael Landívar University, Guatemala City. MBA from Francisco Marroquín University, Guatemala City.

Shares in Opus Group: 0.

Warrants in Opus Group: 468,776.

Per Rosén

President, Vehicle Inspection Europe

Born in 1966.

Employed since 2013.

Background: CEO and other senior managerial positions at Upplands Motor Group and Marketing Manager at Bilia.

Other assignments: Board member of Helmia Bil AB, Helmia AB and Helmia Lastbilar AB.

Education: Business education from IHM Business School and IFL School of Economics.

Shares in Opus Group: 0.

Warrants in Opus Group: 679,950.

Brian Herron

President, Opus IVS

Born in 1980.

Employed since 2015.

Background: President Drew Technologies.

Other assignments: None.

Education: B. Sc. in Management Information Systems from the University of Missouri.

Shares in Opus Group: 0.

Warrants in Opus Group: 467,687.

Jan Malm, authorized public accountant

Born in 1960. Authorized Public Accountant at KPMG AB and member of FAR (Professional Association of Accountants and Advisers in Sweden). Auditor of Opus Group AB since 2014.

Other clients: Including Concordia Maritime, Flexlink, Kjell & Co, Lindex, Media-Markt, Rottneros and Xvivo Perfusion.

Other information about the Board and Group management

All members of the Board and Group management can be contacted through the Company's address: Opus Group AB (publ), Basargatan 10, 411 10 Gothenburg, Sweden.

Note: Shareholdings and warrants as per January 31, 2020. Information on shareholding includes those of related natural or legal persons.

[1] Indirectly holds 7.86% of the capital in Ogra BidCo AB which in turn owns 83.6% (as per March 31,2020) of the shares in Opus Group.

Board of Directors

François Dekker

Chairman of the Board

Born in 1975.

Chairman of the Board since 2020.

Member of the Audit Committee

Background: Partner Searchlight Capital Partners UK LLP 2011-, Principal Bain Capital 2002-2011, Analyst at Morgan Stanley 1999-2002.

Other board assignments: Board member of Ardent Hire Solutions Ltd., Ograi BidCo AB, Ograi MidCo AB and Ograi TopCo AB.

Education: MSc in Business Administration and Economics at the University of St. Gallen (HSG), Switzerland.

Shares in Opus Group: 0.

Independent of the Company and its management.

Not independent of the Company's major shareholders.

Katarina Bonde

Born in 1958.

Board member since 2020.

Chairman of the Board 2016 - 2020.

Chairman of the Audit Committee.

Background: CEO UniSite Software Inc 2000–2004, CEO Captura International 1997–2000, Managing Director Marketing Dun & Bradstreet Software, Inc. 1996–1996, VP Sales and Marketing Timeline Software, Inc. 1994–1995, CEO of Programator Industri AB 1989–1992.

Other board assignments: Founder and Managing Director of the management consultancy company Kubi LLC, Chairman of the board of Flatfrog Laboratories AB, Reason Studios AB, Mentimeter and Imint Intelligence AB. Board member of Mycronic AB (publ) and Stillfront Group AB.

Education: Master of Science in Technology at KTH Royal Institute of Technology, studies in Business and Economics at the University of Stockholm.

Shares in Opus Group: 40,000.

Independent of the Company and its management.

Independent of the Company's major shareholders.

Friedrich Hecker

Born in 1962.

Board member since 2016.

Background: CEO and Managing Director ROSEN Swiss AG 2012–2015, CEO TÜV Rheinland AG 2010–2011, COO TÜV Rheinland AG 2009–2010, member of the executive board TÜV Rheinland AG 2009–2011, Executive Vice President Industrial Services and board member SGS SA 2003–2009, COO and board member SGS SA 2002–2003, Managing Director TÜV SÜD Bau und Betrieb GmbH 2001–2002.

Other board assignments: Senior Advisor to COBEPA SA, member of the board of Underwriters Laboratory (UL) Inc., Vice President of OiER (Organization For International Economic Relations).

Education: Dipl.-Kfm. at Ludwig-Maximilian University, Munich, Germany.

Shares in Opus Group: 0.

Independent of the Company and its management.

Independent of the Company's major shareholders.

Oliver Haarmann

Born in 1967.

Board member since 2020.

Background: Founding Partner Searchlight Capital Partners UK LLP 2010-, Partner KKR & Co L.P. 1998-2010.

Other board assignments: Board member of Hunter Boot, Ltd. and EOLO SpA.

Education: BA degrees in International Relations and History from Brown University, USA, MBA from Harvard Business School, USA.

Shares in Opus Group: 0.

Independent of the Company and its management.

Not independent of the Company's major shareholders.

Jonathan Laloum

Born in 1986.

Board member since 2020.

Background: Principal Searchlight Capital Partners UK LLP 2014-, Leveraged Finance Associate Deutsche Bank 2011-2014, Private Equity Analyst PAI Partners 2010.

Other board assignments: Board member of Ardent Hire Solutions Ltd.

Education: MA from EDHEC Business School, France.

Shares in Opus Group: 0.

Independent of the Company and its management.

Not independent of the Company's major shareholders.

Lothar Geilen

Born in 1961.

Board member since 2020, and 2008 - 2017.

Background: President Systech International, LLC, President Sensors, Inc. (USA), Managing Director Sensors Europe (Germany).

Other board assignments: Vice President & Treasurer and member of CITA Bureau Permanent, board member of BDEX LLC.

Education: Dipl.-Kfm. at Ludwig-Maximilian University in Munich, Germany.

Shares in Opus Group: 0. [1)]

Not independent of the Company and its management.

Independent of the Company's major shareholders.

Comments: The number of shares is based on holdings as per January 31, 2020 and include holdings by related natural or legal persons.

[1)] Indirectly holds 7.86% of the capital in Ogra BidCo AB which in turn owns 83.6% (as per March 31,2020) of the shares in Opus Group.

Information for the capital market

All external and internal communication shall be correct and appropriate. Current information shall be available for all stakeholders simultaneously and at the time promised. Communication in the form of reporting to various government authorities, financial reporting and information to employees shall comply with external regulations and requirements, the Group's internal control documents and IR and communication policies.

Information channels

Publications, financial information, press releases and information about Opus' organization and offering are available on the Opus website, www.opus.global.

Shareholders

The information channels available to shareholders are interim reports, press releases, the annual report and the Opus website. Shareholders also have the opportunity to attend Opus' Annual General Meeting. Questions can be submitted directly to ir@opus.se. It is also possible to order annual reports in printed form from the Group's headquarters via the e-mail address above.

Stock market

Opus' goal is to always be available for questions from the stock market. Questions are answered primarily by the Group's spokespersons, namely the CEO, CFO and Investor Relations Manager. Furthermore, extensive information on the Group's operations and financial results is available on the Opus website, www.opus.global.

Annual General Meeting (AGM) 2020

The AGM will be held on Wednesday, May 13, 2020 at 6 pm at Advokatfirman Vinge, Nordstadstorget 6, 411 05 Gothenburg, Sweden. Registration for the AGM will take place from 5:30 pm CEST. Shareholders who wish to attend the meeting must be listed in the share register administrated by Euroclear Sweden AB on Thursday, May 7, 2020, and, not later than that same date, must notify the Company of their attendance via the link at www.opus.global/AGM2020, by telephone to +46 771 246 400, or by letter to: Computershare AB "Opus Annual General Meeting", Box 5267, 102 46 Stockholm, Sweden.

The notification must include name (company name), personal identity number (company registration number), address, phone number, name of any accompanying assistants (maximum two), and the name and personal identity number of the proxy (if relevant). To be entitled to attend the meeting, shareholders who have nominee registered their shares must temporarily register the shares in their own name in the share register administrated by Euroclear Sweden AB. Such registration must be completed by Thursday, May 7, 2020, and should therefore be requested from the nominee in good time before this date.

As a precautionary measure to reduce the risk of transmission of COVID-19, Opus intends to keep the AGM very short and effective. The shareholders may exercise their voting rights at the AGM by voting in advance, so called postal voting in accordance with Section 3 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. Opus encourages the shareholders to use this opportunity in order to minimise the number of participants attending the AGM in person and thus reduce the spread of the infection. A special form shall be used for advance voting. The form is available on www.opus.global/AGM2020. A shareholder who is exercising its voting right through advance voting do not need to notify the company of its attendance to the AGM. The advance voting form is considered as the notification of attendance to the AGM.

IR policy

The goal of Opus' IR activities is to help give all stakeholders an accurate picture of the Group's business and financial results through communication activities. In order for contacts with the market to be considered credible, there must be a well-functioning internal reporting system that provides fast and accurate reporting of all of Opus' operations. All external financial information about Opus is handled centrally. Any comments regarding financial reports are made by the CEO, CFO and Investor Relations Manager. One of these individuals is always available. Confidence in the Opus share is based on compliance with Nasdaq Stockholm's rules for listed companies and on Opus' ability and willingness to provide clear and relevant information.

IR activities

In 2019, Opus has held individual analyst meetings with Kepler Cheuvreux, Nordea, ABG Sundal Collier and Redeye. The Company has also met international institutional investors at conferences and individual meetings. Opus also attended an investor conference at Berenberg Bank, London, and Redeye's Autotech seminar and Technology Day. After each interim report, the Company arranges telephone conferences and web conferences with institutional investors and equity research analysts. In addition, the Company has participated in stock market days; seminars; breakfast, lunch or dinner meetings; and stock investor meetings.

IR contact

Opus Group AB (publ)
Basargatan 10
411 10 Gothenburg, Sweden
Tel.: +46 31 748 34 00
Email: ir@opus.se
www.opus.global

Analysts following Opus in 2019

Kepler Cheuvreux
Mats Liss
+46 8 723 51 18
mliss@keplercheuvreux.com

Nordea
Christer Beckard
+46 706 509 803
christer.beckard@nordea.com

ABG Sundal Collier
Stefan Knutsson
+46 8 566 286 37
Stefan.knutsson@abgsc.se

Redeye
Henrik Alveskog
+46 8 545 013 45
henrik.alveskog@redeye.se

Financial information and reporting 2020

2020-05-12 - Interim Report January - March 2020
2020-05-13 - Annual General Meeting 2020
2020-08-18 - Interim Report April - June 2020
2020-11-17 - Interim Report July - September 2020

Directors´ report

The Board and CEO hereby submit the Annual Report and consolidated financial statements for Opus Group AB (publ) 556390-6063, based in Gothenburg, Sweden, for the financial year January 1, 2019 to December 31, 2019.

Business

Opus Group consists of the two divisions, Vehicle Inspection and Intelligent Vehicle Support.

In the Vehicle Inspection division, Opus operates vehicle inspection programs for safety and emission testing and provides associated products and services. The division provides turnkey systems, services and equipment for government agencies, with advanced technology that increases the quality and efficiency of inspections and helps drive compliance with safety and emission standards. The Vehicle Inspection division is divided into three segments: Vehicle Inspection U.S. & Asia, Vehicle Inspection Europe and Vehicle Inspection Latin America.

The Intelligent Vehicle Support division helps automotive service technicians meet the challenges of ever-increasing vehicle complexity through a range of advanced diagnostic, programming and remote assistance services. The division provides advanced diagnostic and programming tools that help technicians at independent workshops to compete on a level footing with manufacturer-owned dealerships.

Reporting to Group management, the Board of Directors and to the stock market and other external stakeholders is done in accordance with this structure.

At year-end, the Group had 2,636 employees. Opus Group AB's shares are listed on Nasdaq Stockholm.

Ownership

The number of shareholders at the end of January 2020 was 3,474. The only shareholder with a holding amounting to more than one tenth of the votes in the Company as at January 31, 2020 was Ograi BidCo AB with 79.7 percent.

Earnings trend during the year

Group

Net sales for the Group increased by 7.8 percent compared to the previous year and amounted to SEK 2,691 million (2,497). Compared with 2018, net sales for 2019 were positively affected by the VTV acquisition, which was completed in May 2018, and by changes in currency exchange rates. Adjusted for sales from acquired businesses and currency effects, net sales in the Group increased by 2.5 percent.

EBITA amounted to SEK 342 million (358), which corresponds to an EBITA margin of 12.7% (14.3). EBITA was negatively affected by costs of SEK -27 million attributable to the cancelled concession in Buenos Aires, Argentina. The change in the assessment of the useful life of equipment within the EaaS business (changed from five to seven years) has make a positive contribution to EBITA.

Amortization of intangible assets amounted to SEK -142 million (-152). The acquisition of VTV and amortization on the Drew Technologies brand, previously deemed to have an indefinite useful life but now assumed to have a set useful life of 15 years, effective from January 2019, has had a negative impact on amortization. Amortization has been positively affected by the fact that the value of acquired customer contracts from the acquisitions of Envirotest and Gordon-Darby has been fully amortized (according to plan).

The Group's net financial items amounted to SEK -186 million (-155), of which interest and financing expenses amounted to SEK -129 million (-97), and includes interest expenses for lease liabilities in accordance with IFRS 16 of SEK -20 million (-) as well as refinancing costs of SEK -16 million in connection with the early redemption of the "SEK 500 million 2016/2021-bonds" in January 2019. Unrealized net foreign exchange differences amounted to SEK -63 million (-66).

The reported income tax includes a tax effect of SEK -6 million relating to exchange rate gains not recognized as income but reported directly against equity.

Profit/loss for the year was SEK -38 million (-6). Earnings per share after dilution (excluding minority interests) amounted to SEK 0.01 (0.09). The Board proposes no dividend to be paid for the 2019 fiscal year (0.05).

Vehicle Inspection division

Net sales for the Vehicle Inspection division amounted to SEK 2,387 million (2,208), which corresponds to an increase of 8 percent compared with 2018. Net sales have been positively affected by the acquisition of VTV. Adjusted for sales from acquired businesses and for currency effects, net sales for the division increased by 3 percent, mainly attributable to the higher inspection fees in Argentina and increased inspection volume in Chile. EBITA for the division amounted to SEK 370 million (334), which corresponds to a EBITA margin of 15 percent (15).

The Vehicle Inspection U.S. & Asia segment's net sales increased by 10 percent and amounted to SEK 1,645 million (1,496). Adjusted for currency effects, net sales for the segment increased by 1 percent. EBITA for the segment amounted to SEK 317 million (286), which corresponds to an EBITA margin of 19 percent (19).

Net sales in the Vehicle Inspection Europe segment amounted to SEK 629 million and were in line with the previous year. EBITA for the segment was SEK 82 million (64), which corresponds to an EBITA margin of 13 percent (10). Opus' work on adapting its cost structure and inspection capacity in the segment has had a positive impact on the EBITA margin.

The Vehicle Inspection Latin America segment is continuing to grow. Net sales for 2019 were SEK 135 million (109), which is 24 percent higher than in 2018. This increase is mainly attributable to the acquisition of VTV, higher inspection fees in Argentina and the opening of new stations in Chile. Net sales for the segment increased by 40

Results and financial position	Group					Parent company				
SEK thousands	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
Net sales	2,691,173	2,497,327	1,857,511	1,697,150	1,650,155	19,058	16,119	17,429	13,260	13,554
EBITA	342,438	357,666	187,971	224,748	182,174	-118,766	-23,404	-16,249	-19,478	-20,629
Profit/loss after financial items	14,249	50,497	2,777	145,223	80,456	50,351	175,006	-33,200	133,027	40,099
Profit/loss for the year	-37,793	-6,211	73,772	85,377	66,433	80,234	111,054	81,091	105,103	30,391
Total assets	4,183,491	3,867,505	3,330,889	3,006,575	2,631,408	2,193,001	2,726,763	2,521,080	2,363,140	1,942,374
Equity ratio	23.2%	25.5%	28.4%	34.6%	33.8%	45.5%	35.8%	33.8%	36.5%	38.5%
Average number of employees	2,600	2,464	1,887	1,666	1,627	7	6	6	6	6

percent, adjusted for acquisitions and currency effects. EBITA amounted to SEK -30 million (-16). In August 2019, one of Opus' concessions in Buenos Aires, Argentina was cancelled by the authorities. The cancellation of the concession resulted in costs of SEK -27 million, of which SEK -21 million relates to the impairment of the vehicle inspection facility that Opus had built for the now cancelled concession.

Intelligent Vehicle Support division

Net sales for the Intelligent Vehicle Support (IVS) division amounted to SEK 317 million (308). The reported increase in net sales was 3 percent, but adjusted for currency effects, sales for the division were down 4 percent. EBITA amounted to SEK -14 million (40) which corresponds to an EBITA margin of -4 percent (13). Sluggish sales of the division's new products, fluctuating equipment sales, costs of capacity increases in operations as well as costs related to legal proceedings had a negative impact on the division's sales and performance during the year.

Cash flows, investments and financial position

Cash flow from operating activities amounted to SEK 446 million (323), for the year, including a change in working capital of SEK 13 million (-10).

Cash flow from investing activities in 2019 was SEK -267 million (-836). Investments in tangible assets amounted to SEK -218 million (-224) and were primarily made up of machinery, equipment and other technical facilities in the company's EaaS business, as well as investments in new inspection stations in Sweden and Chile. Investments in intangible assets amounted to SEK -8 million (-15). Free cash flow for the Group amounted to SEK 219 million (84). Earnout paid during the year amounted to SEK -33 million (-21). Cash flow from financing activities amounted to SEK -56 million (254) during the year and primarily comprised SEK 36 million net in connection with the refinancing of the "SEK 500 million 2016/2021 bonds", amortization of lease liabilities of SEK -77 million (-) and dividends paid to the parent company shareholders of SEK -15 million.

The Group's interest-bearing liabilities at year-end amounted to SEK 2,344 million (1,981). This increase is due mainly to the implementation of IFRS 16 which entailed the reporting of lease liabilities of SEK 247 million. Consequently, interest-bearing liabilities, excluding the effects of IFRS 16, amounted to SEK 2,096 million. In January 2019, Opus issued a new corporate bond of USD 60 million in the U.S. In conjunction with this, Opus prematurely redeemed all outstanding bonds on the SEK 500 million bond loan due to expire in May 2021 ("SEK 500 million 2016/2021 bonds").

The Group's net debt amounted to SEK 1,838 million at the end of the year, including lease liabilities of SEK 247 million. Consequently, the Group's net debt excluding IFRS 16 effects amounted to SEK 1,591 million (1,596), which corresponds to 3.1 times the Group's EBITDA on a rolling 12-month basis, excluding effects from accounting according to IFRS 16 and adjusted for pro forma accounts from acquired businesses.

In April 2020 Opus received new financing through Ares Management Limited, consisting of facilities of USD 250 million (approximately SEK 2,500 million) and approximately SEK 646 million (as described in Opus press release on April 1, 2020). The duration of the loans is seven years and the interest rate is variable and determined on various financial key ratios.

The purpose of the new financing is to refinance all of Opus outstanding loans, including repurchase/redemption of Opus outstanding 2016/2022 500 MSEK Bonds. The refinancing is expected to be executed and finalised during April 2020.

Cash and cash equivalents at the end of the year amounted to SEK 506 million (384), of which SEK 45 million is only available to the Group for special purposes attributable to a contractual investment fund for one of the states in the United States. Consequently, available cash and cash equivalents at the end of the year amounted to SEK 460 million.

The equity ratio at the end of the year amounted to 23.2 percent, compared with 25.5 percent at the start of the year.

Changes to information published in the Year-end Report 2019

After the date of publication of the Year-end Report 2019, the parent company, Opus Group AB (publ), and the wholly owned subsidiary Opus Bilprovning AB have decided to reverse all provisions for tax allocation reserves. Furthermore, Opus Group AB (publ) has reported an anticipated dividend from Opus Bilprovning AB of SEK 121 million. Updated tax calculations for the two companies have affected the companies' tax expense and tax liability for 2019.

The changes described above mean that the financial reports in this Annual Report for the Group and for the Parent Company have changed compared to the Year-end Report 2019, which was published on February 18, 2020. Below are the changes made in the financial reports in comparison with the Year-end Report 2019.

The Group's financial reports

As dividends between Group companies are eliminated in their entirety and untaxed reserves are not reported in the Group, the Group's earnings and financial position have changed in terms of reclassification between current tax and deferred tax. The net change is SEK 0, which means that the change has not had any effect on the consolidated income statement.

In the consolidated statement of financial position, deferred tax liability has decreased by SEK 25 million and the current tax liability has increased by the corresponding amount. Consequently, the net effect on the Group's total assets is SEK 0.

The parent company's financial reports

The Parent Company's income statement has been amended as follows:

- The anticipated dividend from subsidiaries had a positive effect on net financial items of SEK 121 million.
- Reversed provisions for tax allocation reserves (including the provision that was reported for 2019) had a positive effect of SEK 75 million on the item appropriations.
- Profit/loss before tax has thus improved by MSEK 196 and amounts to MSEK 107.
- Tax expense for the year increased by SEK 16 million.
- Profit/loss for the year thus improved by SEK 179 million and amounts to SEK 80 million.

The Parent Company's balance sheet has been amended as follows:

- Equity (retained earnings) increased by SEK 179 million to SEK 998 million.
- Untaxed reserves have decreased by SEK 75 million.
- The receivable from the anticipated dividend from subsidiaries has resulted in a reduction of reported liabilities to Group companies of SEK 121 million.
- Current tax liability has increased by SEK 16 million.
- The net effect of the changes is SEK 0 and the balance sheet total is thus unchanged.

The company's assessment is that the changes are not material as they have not changed the company's financial position.

Parent company

Opus Group AB (publ) is tasked with providing its subsidiaries with Group management and Group-wide functions in areas such as business development, acquisitions, financing, legal services, communication, governance, analysis and ownership. During 2019, the parent company invoiced its subsidiaries compensation for services performed for the amount of SEK 19 million (16).

The parent company had an average of 7 (6) employees. Net sales for the full year amounted to SEK 19 million (16). Profit/loss for the year amounted to SEK 80 million (111) and includes impairment of intra-group receivables of SEK -104 million, impairment of shares in subsidiaries of SEK -63 million and unrealized net exchange rate differences of SEK 35 million (102). Investments in tangible and intangible assets amounted to SEK 1 million (1). Cash and cash equivalents at the end of the year amounted to SEK 280 million (145).

In 2019, the parent company provided Group contributions of SEK 0.2 million (1) and no Group contributions have been received for the year (-). Dividends from subsidiaries of SEK 151 million (30), whereof SEK 121 million is anticipated dividend, has been received in 2019.

Significant events during the year

For more information, see the press releases at www.opus.global

Quarter 1

- Opus refinanced its ”SEK 500 million 2016/2021 bonds”.
- Opus signed a vehicle inspection contract with New Hampshire.

Quarter 2

- Opus revised its financial targets.

Quarter 3

- Concession in Buenos Aires cancelled.

Quarter 4

- Cash offer to shareholders in Opus Group AB.

Employees

Opus aims to recruit, develop and retain skilled and committed employees. Annual performance reviews are an important part of this work. The Group has an equality policy in place, and all employees receive equal pay for equal work. Opus has a zero tolerance approach to all forms of discrimination and makes sure that no one is disadvantaged on account of their gender, sexual orientation, nationality, color, ethnicity, religion, age, pregnancy or membership of any trade union. No employee may be subjected to sexual or any other harassment. To ensure an ethical working environment, all employees must review our Ethical guidelines and Code of Conduct. The average number of employees in 2019 was 2,600 (2,464).

Changes in the Board and Group management

The Board of Directors at Opus consists of François Dekker, Chairman of the Board, Oliver Haarmann, Jonathan Laloum, Lothar Geilen, Katarina Bonde and Friedrich Hecker. An Extraordinary General Meeting was held on February 20, 2020 at which Anne-Lie Lind, Håkan Erixon, Jimmy Tillotson, Ödgärd Andersson and Magnus Greko left the Board and François Dekker, Oliver Haarmann, Jonathan Laloum and Lothar Geilen joined.

The Group management at Opus consists of Lothar Geilen (CEO), Linus Brandt (Executive Vice President and CFO), Magnus Greko (Vice President Strategic Business Development), Tom Fournier (CTO), Helene Carlson (Director of Corporate Communications), Olle Lindkvist (Global Director of Human Resources), Andy McIntosh (President, U.S.), Alfredo R Granai (President, Latin America), Per Rosén (President, Europe) and Brian Herron (President, Opus IVS).

Product development and development expenses

Further development of existing products and the development of new technologies and equipment are prioritized by Opus and are an important component for achieving the Group’s growth and profitability targets. Opus Inspection’s development division in Tucson, Arizona has 50 full-time engineers working on R&D, product development and support for existing products and services. In 2014 and 2015, Opus developed a proprietary IT vehicle inspection system for the Swedish market. Development of the IT system continues on a running basis, with new features and adaptations to customize the product for specific customer requirements, improve the cost structure, expand the scope of application, and improve performance.

In 2018, the Intelligent Vehicle Support division developed a versatile diagnostic platform, known as “Drive”, to support today’s modern, intelligent vehicle technologies. In 2019, the IVS division continued developing Drive making improvements to the hardware platform and user experience. Drive combines OEM experience and RAP services with advanced aftermarket diagnostic and technical support into a single expandable product line. It is currently being used for the DrivePRO and DriveCRASH products

Investments in capitalized development work during the year amounted to SEK 7 million (14).

Investments in tangible assets

Tangible assets primarily consist of buildings, machinery, equipment and other technical facilities. The need for investment primarily depends on the implementation of new vehicle inspection contracts and on the type of contract. Centralized contracts often require investment in inspection stations and sometimes land, while decentralized contracts primarily require investment in equipment. The company’s EaaS business requires investments in equipment rented out to customers. Investments in tangible assets amounted to SEK 218 million (224) for the year.

Legal proceedings

Opus is, besides what is reported below, not involved in any legal or arbitration proceedings that currently have, or recently have had, any material affect on the Group’s financial position or profitability. The Board is not aware of any circumstances that might lead to the occurrence of any such legal proceedings or arbitration.

A U.S. subsidiary in the Intelligent Vehicle Support Division (“Subsidiary”) was named as a defendant in a lawsuit filed in the State of California, United States in 2018. The complaint alleged that plaintiffs’ former employees illegally shared plaintiffs’ business plans and market research with the Subsidiary and that the Subsidiary misappropriated plaintiffs’ trade secrets. Opus engaged legal counsel to defend the allegations. The lawsuit has been dismissed based upon an agreement between the parties whereby no party admitted liability. The parties are negotiating a final settlement agreement, the terms of which are confidential.

Environmental work

Opus actively works with environmental issues and the environmental work is based on applicable legislation, local requirements, ISO 14001, company requirements and specific customer requirements. Opus' operations support the fight against climate change by helping authorities to incorporate climate measures, inspect vehicle emissions and issue driving bans for the most polluting cars. Opus has an environmental policy, and works systematically to reduce the Group's energy consumption and increase the proportion of renewable energy. The Group's environmental work also includes reducing the environmental impact from our transportation and travel, and recycling waste. The environment is an important part of Opus' sustainability work, which is reported on page 15, and within Opus there are companies certified in accordance with the environmental standard ISO 14001:2015. Opus does not have operations that require permits or notification.

Opus Bilprovning AB has had a 100% carbon offset since January 1, 2016. Opus Bilprovning has chosen to operate in compliance with the international standard PAS 2060:2014, which sets strict requirements in relation to use of the term carbon-neutral company. The requirements include having a continuous reduction of emissions, having at least 99% of all operations reported, and for the carbon offsetting to be done in verified emission allowances (CO2e). Opus Bilprovning AB is the only inspection company operating in accordance with PAS 2060:2014. Opus Bilprovning has chosen to offset carbon in the forest projects ArBolivia and Nakau. With both projects, the Company offsets carbon in areas of threatened forest, while taking into account the people who live there.

Quality work

An element in Opus' mission statement is that the Group will provide user-friendly, high-quality products and services. The quality management system at Opus aims to support the development of the Company and its employees. It will be characterized by a high level of competence, personal responsibility and a high degree of commitment. Opus has a quality policy, and the overriding goal in Opus' quality work is that each delivery shall be made in line with the contracted terms and conditions and that customers' requirements and expectations will be met. The work of Opus shall always lead to customers, investors and other stakeholders retaining confidence in the Group. The quality work is integrated in a natural way within the Company's work processes with the goal of doing things properly from the beginning and to always work toward improvement. Within Opus there are companies that hold accreditation to the quality standards ISO 9001:2015, ISO 17020:2012 and ISO 17025:2017.

Sustainability report

The Group's sustainability report is based on the sustainability areas where Opus has assessed that the Group can generate the most value from a sustainability perspective and where Opus products and services may have the greatest significance.

For more information on the Group's sustainability work and results in 2019, see Opus Sustainability Report 2019 on pages 15–17. All Group companies are included in the sustainability report.

Opus Bilprovning AB fulfills the requirements for establishing a sustainability report but will, in accordance with ÅRL (Swedish Annual Accounts Act), in its annual report refer to Opus Group AB's sustainability report in this annual report.

Capital management

Capital is defined as total equity, including holdings with non-controlling interest. The Board makes decisions regarding adjustment of capital based on what is deemed to provide maximum long-term returns to shareholders. Opus' financial targets and dividend policy are given consideration when managing the capital structure.

Dividend policy and financial targets for 2019

The Board of Opus has adopted the following dividend policy for the financial year 2019:

Opus has a policy to distribute dividends in relation to the development of earnings and cash flow, taking the Company's financial position, future outlook and growth opportunities into consideration.

The Board proposes no dividend to be paid for the 2019 fiscal year (0.05).

Opus Group's financial targets for 2019 were:

- **5-10% annual revenue growth**
  Average organic and acquisitive growth over a 3-year period (3-year CAGR).
  Outcome: 3-year CAGR at the end of 2019 amounted to 17 percent, which is above the Company's financial target.
- **15% EBITA margin**
  Outcome: The EBITA margin for 2019 was 13 percent which was below the target.
- **Net debt/ EBITDA not to exceed 3.0x**
  Net debt/EBITDA excluding IFRS16 effects
  Net debt/EBITDA may temporarily exceed 3.0 if an attractive business opportunity arises.
  Outcome: Net debt/EBITDA* over the last 12 months (January 1, 2019 to December 31, 2019) amounted to 3.1 times.
  Comment: In 2019, Net debt/EBITDA has been allowed to exceed 3.0 as a result of the investment opportunities taken by the Group for which the EBITDA contribution is expected to materialize in subsequent periods. Hence Opus has achieved its financial Net debt/EBITDA target in 2019

*Both Net debt and EBITDA are calculated excluding effects from accounting in accordance with IFRS 16. EBITDA includes pro forma accounts for acquired businesses.

Proposal for distribution of profits

The following profits are at the disposal of the Annual General Meeting:

	SEK
Share premium reserve	609,012,598
Retained earnings	301,871,630
Profit/loss for the year	80,233,645
Total	**991,117,873**

The Board proposes no dividend to be paid for the 2019 fiscal year (0.05).

The Board recommends that the Company's distributable funds be appropriated as follows:

	SEK
To be carried forward	991,117,873
Total	**991,117,873**

Risks and risk management

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 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.

Opus' Board of Directors determines the Company's business direction and strategic plans, and risks related to such based on proposals from Group management. The Board monitors the Company's risk management processes and is continuously informed about new and existing risks and measures to limit them. The Group's segments are responsible for managing risks associated with their strategic plans and operations. A summary of the most relevant risks identified by Opus and a general description of how they are managed are found below.

Environment risks

The category Environment risks refers to risks arising from general global changes affecting Opus operations or from measures that are taken by others and are not under the Company's direct control.

Competitive market

Opus' long-term growth and profit depend on its ability to continue to develop products and services that are competitive in terms of quality and price. If Opus is not able to develop and sell competitive products and services, Opus' earnings and financial position may be adversely affected.

Opus is vulnerable to competition on both the vehicle inspection market and the market for intelligent vehicle support. The primary competitors can be found in companies from Europe and North America. Competitors on the vehicle inspection market are usually so-called TIC companies (Testing, Inspection, Certification) with operations within the vehicle inspection sector.

Some of Opus' current competitors may choose to increase their market shares through aggressive pricing strategies. This may lead to Opus choosing to lower its prices to remain competitive and defend its business. If Opus is subjected to increased price competition or loses market shares, this may have an adverse effect on its business activities, earnings and financial position.

Opus uses proprietary technology and services as a means of competition, and strives to secure long-term agreements with good profitability and to foster good customer relations. Opus continuously analyzes the strategy and tactics of its competitors and develops counterstrategies – where required.

New technology

Opus is a technology company with a strong position in OBD-based emission testing and vehicle diagnostics. Although the current trend in vehicle inspection is OBD-based testing of both emissions and safety, there is a risk of new, more efficient technologies being developed that could compete with Opus. Such a development could have an adverse effect on Opus' sales and earnings.

In the longer term, current automotive technology may be replaced by new technology such as electric engines and fuel cells, which minimize exhaust emissions. If the need for testing of exhaust emissions reduces, this could lead to reduced demand for Opus products and services related to emission testing of vehicles.

Opus continuously analyzes changes in technology that could affect Opus' operations, and develops strategies for how the Company will respond to such changes and trends in order to turn them into an opportunity.

Political decisions, legislation and regulations

The demand for Opus' products and services is dependent on a continued political will to implement emission and safety testing of vehicles. It cannot be ruled out that this political will could change, for one reason or another, on certain markets as a result of new EU directives, national laws and regulations. It cannot be ruled out either that governmental power in certain regions might strive for exclusively domestic or government-owned control of products and services on the vehicle inspection market. Opus may also be affected by political decisions that generally affect the market.

Opus' primary markets are also subject to extensive regulation. Even if Opus currently follows applicable laws, regulations and ordinances in each market, operations may be affected by changes in regulations, customs tariffs and other trade barriers, price and currency controls, and statutory regulations and restrictions in the countries in which Opus operates.

For example, if the inspection intervals in markets in which Opus operates were to change so that the period between inspections is increased, this could have a negative impact on Opus' activities, results and financial position.

Opus uses significant internal and external resources to keep management informed of political and regulatory changes. The Company continuously analyzes the political will and potential changes in markets or regulations affecting Opus' operations.

Operational risks

The category Operational risks refers to risks that are a result of Opus' own operations and are under the Company's direct control.

Vehicle inspection accreditation and contract compliance

Accreditation for vehicle inspection from Swedac is required to establish and operate vehicle inspection on the Swedish market. Similar bodies and inspection regulations exist in all markets where Opus operates. Specific compliance clauses also exist in existing contracts in the U.S. and other markets where Opus operates.

If Opus were to lose its accreditation or fail to satisfy other contract-specific undertakings, this could negatively impact the Company's operations, profitability and financial position.

Opus has implemented processes to ensure compliance with accreditation requirements and similar regulations and contract-specific requirements. ISO 9001 and equivalent quality management systems are implemented within the Group to safeguard and develop processes for continuous improvement. For example, Opus Bilprovning has a comprehensive internal audit program with internal auditors who are impartial in their relations to the audit objects in order to secure ongoing operations, including management systems.

Key individuals

There are a number of key persons in senior positions within Opus. These individuals bring a high level of expertise and experience to the Company, which is important for the development of Opus' business. If one or more of these key persons were to leave Opus, this could have an adverse effect on its business activities, earnings and financial position.

A number of employees in Opus are directly or indirectly involved in the development of new services and products. If Opus were to fail to recruit and/or maintain qualified personnel, this could have negative consequences for its business, earnings and financial position.

Opus offers competitive salaries and other benefits to all key personnel and uses incentive programs, skills development programs and bonuses to foster commitment and loyalty. Opus strives to create a positive work environment and to develop a high-quality HR function to meet local needs and expectations to the greatest possible extent.

Dependence on customers and contracts

The contracts that Opus enters into with U.S. state authorities and authorities in other countries in which the Company operates are obtained through bidding in public procurement processes. Opus' contracts include contracts with about 20 U.S. state authorities, several of which have a long duration and a high retention rate. There is a risk that Opus will not be successful in the procurement of new vehicle inspection programs or that Opus will not receive renewed contracts in the programs the Company currently holds. If Opus were to lose existing contracts, for whatever reason, this could negatively impact the financial performance of the Group.

Opus has a high customer focus, strives to ensure its operations maintain high quality, and uses proprietary technology and concepts to secure long-term relationships. Opus is intending to win new contracts and concessions, develop support services and new business models, and expand into new markets to increase the number of contracts and thereby limit dependence on individual contracts.

Disruptions to operations

Opus' operations are highly dependent on functional and efficient production facilities (inspection stations) and IT systems, and a number of Opus employees are members of and represented by various union organizations. Damage to production facilities or IT infrastructure caused by fire, for example, and interruptions or disruptions in any stage of the operations and production process, such as those caused by breakdowns, weather conditions, labor disputes, terrorist activities, pandemics and natural disasters, could have negative consequences in the form of direct damage to property or interruptions that hinder the ability to meet obligations to customers. This, in turn, could cause customers to choose other suppliers. Such interruptions or disruptions could have a negative impact on Opus' business activities, earnings and financial position.

Opus has implemented qualitative internal control structures and systems for its IT infrastructure, which are evaluated and improved on an ongoing basis, to minimize the risk of errors that affect operations. Where unions are represented, management actively works to ensure good relations and dialog. Contingency plans have been implemented in the organization to limit the effects in the event that such incidents occur.

Legal risks

Opus is vulnerable to the risk of entering into legal disputes and arbitration proceedings for various reasons that may be derived from conflicts with competitors, customers, employees or governments. This may require a significant amount of management's time and may have an adverse impact on Opus' business, results and reputation.

Opus has extensive and thorough monitoring and specific controls within its key processes in order to avoid conflicts that could potentially lead to legal disputes and arbitration proceedings. If such legal conflicts were nevertheless to arise, Opus has developed a strong network of legal expertise for dealing with such circumstances.

Risks related to acquisition

Acquisitions are part of Opus' growth strategy and the Group has implemented a significant number of acquisitions in recent years. The acquired companies have been well integrated with Opus' other operations.

Acquisitions of companies may involve different types of business and financial risks. These risks include decisions by customers, suppliers or key individuals to leave the acquired company. There is also a risk that the integration of acquired companies will be costlier or take more time than expected and that anticipated synergies will not be achieved as expected. These risks and other acquisition-related risks may have an adverse effect on the Group's business activities, earnings and financial position.

Opus minimizes risks related to acquisition by taking measures such as commercial, financial and legal due diligence; by obtaining seller guarantees; and, in some cases, through acquisition-related insurance.

Expansion into new markets

Opus' future growth strategy will be partially based on expansion into countries and markets, several of which will be in emerging markets with the inherent political or financial risks. Expansion into new markets may also include operational risks that are underestimated or cannot be predicted, such as regulatory and legal risks, fraud, corruption, taxes and trade agreements.

Opus conducts country risk analyses and identifies specific environmental, operational and financial risks. Opus has implemented anti-corruption policies for the Company and the Company's business partners in order to minimize fraud and corruption risks. The Group has tools in place to prevent and detect fraud, including a whistleblowing hotline where employees can report any suspicions. Inspection technicians and other relevant personnel receive anti-corruption training. Opus also creates contingency plans in order to limit the financial impact of cases where the Company is forced to leave a specific market. Opus collaborates with local partners or external experts where appropriate.

New business models and services

Opus is continuously developing new business models, products and services to market. There is a risk of the Company misjudging the market's need for such business models, products and services; of the costs for developing, introducing and delivering them not being sufficiently compensated through revenue; or of them requiring significant initial investments that have a higher level of uncertainty about the repayment period than normal.

Before new business models, products or services are developed and launched, Opus conducts a detailed feasibility study covering all aspects of the new offering and develops best and worst case scenarios to understand the potential implication for the Group's financial position and liquidity. In some cases, Opus conducts a pilot launch in a small part of the potential market for new business models, products and services to reduce risk.

Intellectual property rights

Through its technological innovations and products, Opus is subject to the risk of potential patent infringement and plagiarism and invests resources into protecting its intellectual property rights. There is also a risk that the Company may be deemed to be in infringement of the intellectual property rights of others. Like any other dispute, disputes concerning infringement may be costly and time-consuming and could therefore have a negative impact on Opus' operations.

Opus protects its technical innovations with patents in those cases it is considered warranted. The Company uses both internal and external resources to regularly scan the markets for infringements and to avoid infringing the property rights of others, and uses legal counsel to communicate and manage legal proceedings when such occur.

Tax risks

Opus operates in multiple tax jurisdictions and may interpret or manage tax-related transactions or calculations incorrectly, which may result in additional tax payments and penalties. The risk is generally higher for intra-Group and cross-border transactions, where a government agency's interpretation of the principle of "arm's length" may differ from the Company's.

Opus has extensive monitoring and specific controls in place to ensure compliance with local tax regulations. External experts are used when considered necessary. Opus has internal pricing policies to ensure that the "arm's length" principle is applied to intra-Group and cross-border transactions.

Financial risks

The category Financial risks refers to risks related to financial reporting or changes in the financial market and are completely or partly under the Company's control.

Opus' finance policy defines the risk exposure with which operations are conducted and specifies the framework for how different types of financial risk should be managed. Risk management is aimed at identifying, quantifying, and reducing or eliminating risks. The primary objective is to strive for a low risk profile at a reasonable cost. Opus Group AB (Parent Company) has the overall responsibility for the Group's financial issues. Through centralization and coordination, significant economies of scale are achieved concerning the terms of financial transactions and financing.

Valuation risk

The Group has a number of assets and liabilities that are initially valued using different expertise, such as goodwill for assets and provision for additional considerations for liabilities.

Goodwill and acquired trademarks with indefinite useful life are tested at least annually for impairment. The impairment testing includes both complexity and significant elements of assessments and assumptions regarding forecasts and key assumptions.

The valuation of provision for additional considerations includes assessments regarding the date and size of additional consideration settlement. The models used for the calculations are complex and give rise to a risk of errors as the result of incomplete data or the improper design or application of the models.

Opus regularly reviews the valuation models and assumptions used for the calculations and adjusts them when necessary. Opus also uses external experts to ensure that the Company's assessments, assumptions and calculations are reasonable and correctly performed.

See Notes 9 and 17 in the consolidated financial reports for more detailed information and a sensitivity analysis.

Currency risk

Opus is exposed to translation risk, primarily from the U.S. dollar (USD), which affects profit/loss for the year and other comprehensive income.

Exchange rate fluctuations affect the profit for the year when Group companies have assets and liabilities in currencies other than the entity's functional currency, as well as when the subsidiaries' net income in foreign currencies is translated to SEK.

Exchange rate fluctuations affect other comprehensive income when the subsidiaries' net assets in foreign currency are translated to SEK and when intra-Group loans classified as net investment in foreign operations, in foreign currency, are translated to SEK.

Natural cash flow hedging is taken into account to the extent possible. Opus does not hedge the risk of translation from foreign currency to SEK with regard to net profit or equity in foreign subsidiaries. Transaction risks (net operational cash flow from a certain transaction) can be hedged. Opus regularly reviews its net exposure originating from intra-Group receivables, which can be hedged.

See Note 25 in the consolidated financial reports for more detailed information and a sensitivity analysis.

Interest rate risk

Interest rate risk is defined as a decrease in earnings caused by a change in market interest rates.

Opus' borrowings currently have a variable interest period, which means that Opus is exposed to interest rate risk. Higher market interest rates would have a negative impact on Opus' financial position and earnings.

When deemed appropriate, the Group uses hedging instruments to manage interest rate risk.

See Note 25 in the consolidated financial reports for more detailed information and a sensitivity analysis.

Financing and liquidity risk

Financing and liquidity risk is the risk that financing opportunities will be limited when there is a need for new loans or loan roll-over, and the risk of being unable to meet payment obligations due to insufficient liquidity.

Existing bond and loan agreements include customary financial terms in the form of a number of key figures (covenants). The risk that Opus may violate these terms in the future due to factors such as the general economy or disruptions in the capital and credit markets means that the Company may be forced to renegotiate or raise new financing.

Opus' finance policy prescribes that the Group must maintain a well-balanced maturity structure for its debts and use different sources of funding in order to manage the financing risk. The risk of insufficient liquidity is minimized through good liquidity planning supported by cash flow forecasts. Any excess liquidity is invested in bank deposits, where liquidity risk is low.

The Company continuously monitors these financial key figures and takes the measures deemed necessary for the covenants to be fulfilled.

See Note 25 in the consolidated financial reports for more detailed information and a sensitivity analysis.

Credit and counterparty risk

Credit and counterparty risk refers to the risk that the counterparty will not fulfill its obligations, which could negatively impact the Group's operations, earnings and financial position.

The Group has significant customer exposure to governments where the credit risk is low. The Opus financial policy defines guidelines for the handling of credit and counterparty risk.

See Note 25 in the consolidated financial reports for more detailed information and a sensitivity analysis.

Corporate governance

This Corporate Governance Report is part of the Directors' report.

Corporate governance in Opus Group AB 2019

Corporate governance in Opus is based on both external and internal instruments of control.

External instruments of control

External instruments of control include Swedish legislation (in particular, the Swedish Companies Act), the Swedish Corporate Governance Code ("the Code"), and the Stockholm Nasdaq listing requirements as specified in "Rule Book for Issuers".

Swedish Corporate Governance Code

Opus Group AB's shares have been listed for trade on Nasdaq Stockholm since July 2, 2013 and the Company has applied the Code from this date. Under the principle of "comply or explain", it is possible for the Company to deviate from the Code and choose other solutions deemed to better respond to the circumstances of the individual case, provided that the Company openly reports each such deviation, describes the chosen solution, and states the reason for this.

Internal instruments of control

The most important internal instrument of control is the Articles of Association adopted by the Annual General Meeting, followed by the Board's rules of procedure and the Board's instructions to the CEO. In addition, the Board has established a number of policies, guidelines and instructions with binding rules for the entire Group. All policies are reviewed annually.

Annual General Meeting

The shareholders' right to decide on the Company's affairs is exercised at the Annual General Meeting, or, where appropriate, at extraordinary general meetings, which is Opus' highest decision-making body.

The Annual General Meeting is usually held in Gothenburg in May. This meeting appoints the members and the Chairman of the Board, elects the auditor, decides whether to approve the parent company's and the consolidated income statement and balance sheet, decides on the distribution of Company profits, decides whether to discharge the Board members and CEO from liability, and decides on director remuneration and auditor fees, etc.

Notice of the Annual General Meeting and of any extraordinary general meeting at which amendments to the Articles of Association will be addressed must be given no earlier than six and no later than four weeks before the meeting. Notice of any other extraordinary general meeting must be given no earlier than six and no later than two weeks before the meeting.

Notice of the General Meeting will be published in the notification medium Post- och Inrikes Tidningar and on the Company's website. Indication that notice has been given will be published in the financial newspaper Dagens Industri.

2019 Annual General Meeting

The last Annual General Meeting was held at Elite Park Avenue Hotel, Kungsportsavenyn 36 in Gothenburg, Sweden on May 16, 2019. 66 shareholders were represented. These shareholders represented 152,059,958 shares, corresponding to 52 percent of the number of shares and votes in the Company. The Annual General Meeting adopted the financial statements for 2018 and discharged the Board and CEO from liability for 2018 management.

The following decisions were made at the Annual General Meeting on May 16, 2019:

- The decision was made to issue a dividend of SEK 0.05 per share.
- Re-election of Board members: Katarina Bonde (Chairman), Friedrich Hecker, Anne-Lie Lind, Magnus Greko, Ödgärd Andersson, Håkan Erixon and Jimmy Tillotson.
- Re-election of authorized public accounting firm KPMG AB as auditor, with authorized public accountant Jan Malm as the main responsible auditor.
- The Nomination Committee's proposed principles for appointment of the Nomination Committee were approved.
- Guidelines for remuneration to executive officers were adopted in accordance with the Board's proposal.
- The Annual General Meeting resolved that remuneration to the Board, the Audit Committee and the auditor shall be paid in accordance with the Nomination Committee's proposal.
- For the period up until the next AGM, the Board was authorized, in accordance with the Board's proposal, to decide on the acquisition of own shares on one or more occasions for up to 10 percent of the existing share capital. The Board was also authorized to decide on the transfer of the own shares held by the Company at the time of the Board's decision to transfer.
- For the time period up until the next AGM, the Board was authorized, in accordance with the Board's proposal, to decide on the issue of new shares and/or warrants and/or convertibles of up to 10 percent of the share capital, with or without deviation from shareholders' preferential rights. The issue may be conducted as a cash issue, non-cash issue or offset issue. The issue may only be conducted at market price. Deviation from the shareholders' preferential rights is only permissible in connection with company acquisition or in connection with new contracts or start-up of new business areas that require extensive investments.

The full minutes from the 2019 Annual General Meeting are available at www.opus.global.

Extraordinary General Meeting February 2020

In connection with the acquisition by Ograi BidCo AB of the majority of shares and votes in Opus Group AB (publ) in January 2020, the Board of Opus received a request from Ograi to call an Extraordinary General Meeting to discuss questions regarding the election of new members to the Board. An Extraordinary General Meeting of Opus Group AB (publ) was held on February 20, 2020. The meeting was held at Advokatfirman Vinge, Nordstadstorget 6, Gothenburg, Sweden on Thursday, February 20, 2020. 13 shareholders were represented at the meeting. These shareholders represented 255,800,055 shares, corresponding to 88 percent of the number of shares and votes in the Company.

The following decisions were made at the Extraordinary General Meeting on February 20, 2020:

- The decision was made in accordance with Ograi BidCo AB's proposal that there should be six Board members and no deputies should be appointed.
- The decision was made that the remuneration paid to the Board, in accordance with Ograi BidCo AB's proposal, should remain unchanged for the time being until the next Annual General Meeting and that it should be divided pro rata between departing and incoming members in relation to their length of service. The Company's CEO should not be paid a Board fee. A decision was also made that the current fees for committee work and the special remuneration paid to members living outside the Nordic region who attend Board meetings in person, should remain unchanged.
- Re-election of Board members: Katarina Bonde and Friedrich Hecker.
- Election of new Board members: François Dekker (Chairman), Oliver Haarmann, Jonathan Laloum and Lothar Geilen.

The full minutes of the 2020 Extraordinary General Meeting are available at www.opus.global.

Waiver of board fee

In light of the Covid-19 pandemic and its negative effects on the Group´s financials, board members François Dekker, Oliver Haarman and Jonathan Laloum have decided to waive their board fees for the period between their election on the Extraordinary General Meeting in February 2020 up until the AGM 2020.

2020 Annual General Meeting

The 2020 Annual General Meeting of Opus will be held on May 13, 2020 at Advokatfirman Vinge, Nordstadstorget 6, Gothenburg, Sweden. For information on the Annual General Meeting, see page 25.

Nomination Committee

Opus' Nomination Committee is tasked with submitting proposals to the AGM regarding the number of Board members to be elected by the meeting, Board and auditor remuneration, any remuneration for committee work, the composition of the Board, Chairman of the Board, chairman of the AGM, decisions on election nominations and selection of auditors.

The Nomination Committee shall consist of at least five members and is appointed after the Chairman of the Board has identified the number of votes held by the four largest shareholders in Opus Group AB. The identification shall be based on the share register and nominee list administrated by Euroclear Sweden AB, and shall refer to those registered in their own name or as part of an ownership group as of September 30. The Chairman of the Board shall then, as soon as reasonably possible and in an appropriate manner, contact the four identified shareholders and request that they, in writing and within a reasonable amount of time (which shall not exceed 30 days), name the person that the shareholder would like to appoint as a member of the Nomination Committee.

In accordance with the decision of the 2019 Annual General Meeting, the members of the Nomination Committee during the year have been appointed by RWC Capital, AB Kommandoran, Lothar Geilen and Andra AP-Fonden. The Chairman of the Board has also been a member of the Nomination Committee. As, according to the Code, the CEO of the Company must not be a member of the Nomination Committee, Lothar Geilen appointed Henrik Wagner Jørgensen as a member of the Nomination Committee.

As a result of RWC Capital, AB Kommandoran and Lothar Geilen accepting Ograi BidCo's offer in January 2020, the members appointed by these shareholders announced their departure from the Nomination Committee. In accordance with the instructions to the Nomination Committee adopted by the Annual General Meeting, in the event that shareholders sell their shares, the request to appoint members shall pass to the next largest shareholder.

The composition of the Nomination Committee for the 2020 Annual General Meeting is presented in the table below. The Nomination Committee has met four times in preparation for the 2020 Annual General Meeting. No remuneration has been paid for work in the Nomination Committee.

Composition of the Nomination Committee

Name	Representing	Percentage of votes as per January 31, 2020
Henrik Fritz (Chairman)	Ograi BidCo AB	79.7%
Martin Jonasson	Andra AP-fonden	6.9%
Carl Erik Norman	himself	0.9%
Anders Björkman	himself	1.0%
François Dekker	As Chairman of the Board at Opus	-
Share of voting rights for all shares in Opus		**88.6%**

The Board and its work in 2019

The Board of Directors at Opus, according to the Company's Articles of Association, shall consist of at least five and no more than nine members, with no deputies. In 2019, the Board of Directors at Opus consisted of seven members, with no deputies. Board members are appointed for maximum one year at a time. The Company's CEO was not a member of the Board in 2019. According to the Code, a majority of the elected board members must be independent of the Company and its management. Board member Magnus Greko was CEO of Opus until April 2017 and is now Vice President Strategic Business Development as well as a member of Group Management and therefore cannot be considered independent of the Company and Company management in accordance with the Code. Magnus Greko is also a board member of AB Kommandoran, which owned more than 10% of the shares in Opus in 2019, and therefore, according to the Code, could not be regarded as independent of the Company's major shareholders. Other Board members in 2019 were independent of the Company and its management, and its major shareholders.

Board responsibilities include being responsible for the Company's organization and management of the Company's affairs, ensuring that the Company's organization is structured so that the accounting, cash management and the Company's financial condition in general can be controlled in a satisfactory manner and that it is continuously possible to assess the financial situation of the Company and the Group. The Board is accountable to shareholders for the organization and management of the Company.

The Board shall establish rules of procedure for the Board and instructions to the CEO. The Board also decides on changes to the adopted rules of procedure for the Board and the instructions to the CEO.

In 2019, the Board addressed issues relating to various investments, operations, financing, sustainability and other routine accounting and corporate law issues, and evaluated Ograi BidCo AB's cash offer to Opus shareholders and the related 'fairness opinion'. According to the current rules of procedure, after the post-election meeting following the

Annual General Meeting, the Board shall meet on at least five scheduled occasions during the financial year.

In 2019, the Board met 19 times, including the post-election meeting.

Board meeting attendance 2019

Board member	Number of meetings
Katarina Bonde (Chairman)	19
Anne-Lie Lind	19
Friedrich Hecker	19
Ödgärd Andersson	17
Magnus Greko	19
Håkan Erixon	19
Jimmy Tillotson	19

Evaluation of the Board's work

The Chairman of the Board is responsible for evaluating the work of the Board. In 2019, an external consultant, commissioned by the Chairman, conducted extensive surveys among the members. The result has been presented by the external consultant to the Board and the Nomination Committee and discussed in those groups. The evaluation has focused on the work of the Board in general and on the efforts of individual members, including the Chairman and the CEO.

Board committees

The Board has established two committees: HR Committee (previously known as the Remuneration Committee) and the Audit Committee.

HR Committee

The HR Committee shall prepare matters related to remuneration and other employment terms for the Company CEO and executive officers. In 2019, it consisted of Katarina Bonde (Chairman) and Friedrich Hecker. The HR Committee's tasks include in particular preparing issues related to remuneration principles and other terms of employment for Company management before the Board makes a decision, and following and evaluating ongoing and completed programs for variable remuneration to Company management.

The Committee shall also evaluate the Company's work with talent management, management training and general employment conditions within the Company as the global overall HR work.

The Committee shall also monitor and evaluate application of the guidelines for remuneration to executive officers that the Annual General Meeting, by law, shall decide on, as well as the remuneration structures and remuneration levels in force within the Company.

A Global Director of HR was appointed in the Company in 2019 and the Committee has been given ongoing updates of how the strategic work with Opus global HR work has been developing. A global HR strategy has been developed and a survey of the employees' opinions has been carried out across all parts of Opus using a questionnaire. This has been a subject of information and discussion in the whole Board.

In March 2020, the Opus Board decided to disband the HR Committee. The task that fell under the Committee's remit will be managed in the future by the whole Board.

Audit Committee

The Audit Committee shall be responsible for preparing the Board's work with quality assurance of the Company's financial reporting, internal control, and risk management. In addition, the Audit Committee shall stay abreast of information related to auditing of the Annual Report and the consolidated financial statements, meet with the Company auditor on a regular basis, examine the auditor's impartiality, evaluate the audit work, assist, and provide recommendations to the Nomination Committee in determining who to propose as auditor and remuneration to said auditor. Opus' Audit Committee comprised Håkan Erixon (Chairman), Anne-Lie Lind and Ödgärd Andersson in 2019.

The Committee met six times during the year, with the auditors attending four of these meetings. The auditors have also participated in one Board meeting to present their review. Issues related to the annual and quarterly financial statements, the auditors' review, changes to IFRS, impairment test of goodwill and internal control were discussed during the year. A total of SEK 220 thousand was paid for work in the Audit Committee in 2019.

Diversity policy

Opus, the Nomination Committee and the Annual General Meeting will promote diversity when appointing Board members. Differences, equality and diversity are not an end in itself. It is the ability to take advantage of different experiences and skills that make diversity a success factor for sustainable improvement of profitability and make Opus remain an attractive employer.

All members, regardless of ethnicity, gender, religion or belief, age, sexual orientation or disability shall have equal opportunities when it comes to selection and appointment. Work conditions and other conditions shall be designed in such a way that they promote equal opportunities and make it easier for all Board members to strike a good balance between work, personal life and parenthood. Laws and contracts are the minimum levels for equality and diversity work in Opus.

In terms of the Board's composition, the Company has applied what is stated in section 4.1 of the Corporate Governance Code as the diversity policy as well as the relevant objectives of it, which has resulted in the Nomination Committee's proposal to the Annual General Meeting regarding the election of the Board.

New Board following the Extraordinary General Meeting 2020

An extraordinary general meeting of Opus Group AB (publ) was held on February 20, 2020 at which a new Board was elected. Following the meeting, the Board of Directors consists of François Dekker (Chairman), Katarina Bonde, Friedrich Hecker, Oliver Haarmann, Jonathan Laloum and Lothar Geilen.

As CEO of Opus, Board member, Lothar Geilen, cannot be regarded as independent from the Company and Company management. According to the Code, Board members, François Dekker, Oliver Haarmann and Jonathan Laloum cannot be regarded as independent from the Company´s major shareholders due to their employment and/or board assignments in companies with a direct or indirect holding of more than 10 percent of Opus. The Board members Katarina Bonde and Fredrich Hecker are independent in relation to both the Company and Company management as well as to the company's major shareholders. Opus's Board of Directors has thus been deemed to fulfill the Code's requirements for independence.

The Board has appointed Katarina Bonde (Chairman) and François Dekker as members of the Audit Committee.

Auditors

One or two auditors, with or without deputy auditors, are appointed each year at the Annual General Meeting for the purposes of reviewing the Company's Annual Report and financial statements, and the management work of the Board and the CEO.

At the 2019 Annual General Meeting, KPMG AB was chosen as Opus' external auditors until the 2020 Annual General Meeting. Jan Malm was appointed head auditor. The auditors report to the Audit Committee, and meet with the Company Board without the presence of the CEO or any other member of Company management on at least one occasion per year. The auditor shall be paid regularly during their mandate period after receipt of an approved invoice. For more information on audit fees, see Note 4.

CEO

Lothar Geilen has been the CEO since April 1, 2017. The CEO is responsible to the Board and shall manage and develop the Company. The CEO is responsible for the daily management of the Company's affairs and shall make the decisions required for the development of operations within the limitations set by the Swedish Companies Act; the business plan, budget and instructions to the CEO adopted by the Board; as well as any other guidelines and instructions provided by the Board. The CEO shall take the measures necessary to ensure that the Company's accounting is in full compliance with the law, and that financial management is handled in a satisfactory manner. The CEO and the Board of Directors of Opus have drawn up instructions regarding the CEO's work tasks and reporting duties.

The instructions to the CEO are defined annually at the Board meeting immediately following the Annual General Meeting.

Executive Vice President

The Executive Vice President is Linus Brandt, who also serves as CFO of Opus. The instructions to the CEO also apply to the Executive Vice President in instances when he is serving as acting CEO.

Guidelines for remuneration to executive officers 2019

The 2019 Annual General Meeting decided on the following guidelines for remuneration to executive officers:

The basic principle is that remuneration and other terms of employment for executive officers shall be market based and competitive in every market where Opus operates, so that competent and proficient employees can be attracted, motivated and retained. Individual compensation levels are based on experience, competence, responsibility and performance.

The remuneration is made up of a fixed part and a variable part. The fixed part is made up of salary, pension contributions and other benefits, such as company cars.

The variable part relates to bonuses. The variable part must be based on profits or other predefined, measurable targets. The variable part shall in principle be capped and shall not exceed 30 percent of the fixed remuneration.

Pension terms shall be consistent with prevailing market rates, and as a rule shall be premium based. The CEO is entitled to severance pay of 12 months' salary in the event of termination of employment by the Company. No severance pay shall be paid to other executive officers.

The guidelines shall apply to contracts entered into in accordance with the Annual General Meeting's decision and to amendments made to existing agreements after this meeting. The Board shall be entitled to deviate from the guidelines if there are special circumstances in individual cases that justify this.

Issues related to remuneration to Company management shall be addressed by the HR Committee, and reported to and decided on by the Board.

For further information regarding remuneration to Group management in 2019, see Note 5.

Proposed guidelines for remuneration to executive officers 2020

The Board proposes that the Annual General Meeting 2020 adopt the following guidelines:

The board of directors' proposal for guidelines for executive remuneration

The Group Management Team ("GMT"), consisting of the CEO, deputy CEO and other members of the executive management within the Opus group, fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

The company's business strategy is to be a global leader in vehicle inspection and intelligent vehicle support by having a strong focus on customer service and innovative technologies, thereby aiding in preservation of the environment and ultimately protecting human life. For more information regarding the company's business strategy, please see www.opus.global.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

Long-term share-related incentive plans have been implemented in the Group. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. The plans include the GMT and other key employees within the Group. For more information regarding these incentive plans, please see www.opus.global.

Variable remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components:

- fixed remuneration
- variable remuneration
- pension benefits
- other benefits.

Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

Fixed remuneration

Each senior executive shall receive fixed remuneration, i.e. a fixed monthly basic salary. This represents foreseeable remuneration that contributes to attracting and retaining qualified employees. Senior executives' fixed remuneration shall be competitive and based on the individual's experience, area of responsibility and performance. The fixed remuneration is normally reviewed on an annual basis and shall constitute the basis for the calculation of variable remunerations.

Variable remunerations

In addition to fixed remuneration, senior executives may receive variable remunerations, i.e. cash bonus. The variable remuneration shall be based on earnings performance or other pre-defined measurable goals, which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. As a general rule 50 percent of the variable remuneration shall be based on overperformance against budgeted EBITDA and 50 percent shall be based on individual pre-defined measurable goals. The satisfaction of criteria for awarding variable remuneration shall be measured over a period of one year. The variable remuneration may amount to not more than 75 percent of the total fixed remuneration under the measurement period for such criteria.

To which extent the criteria for awarding variable remuneration has been satisfied shall be determined when the measurement period has ended. The board of directors is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Pension benefits

Pension benefits, including health insurance, shall be competitive and generally be paid in accordance with rules, collective agreements (which may involve a right to early retirement), and, if relevant, practice in the country where the senior executive resides permanently. As a general rule, pension benefits shall be premium based and the pension premiums for premium defined pension shall amount to not more than 35 percent of the fixed remuneration. Variable remuneration shall not qualify for pension benefits unless required by mandatory collective agreement provisions.

Other benefits

Other benefits may include, for example, life insurance, medical insurance and company cars. Premiums and other costs relating to such benefits may amount to not more than 15 percent of the fixed annual remuneration.

For employments governed by rules other than Swedish, remuneration, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Termination of employment

The CEO of Opus Group AB has a three-year contract that was entered into in early 2018 and runs through December 31, 2020. In case of termination by the company, severance pay corresponding to 12 months' normal compensation will be paid.

Other executive officers have at most a twelve-month notice period if notice of termination of employment is made by the company. No severance pay will normally be paid to other executive officers, regardless of which party initiates the termination. Normal salary will be paid during the termination notice period. The period of notice may not exceed six months and will be without any right to severance pay when termination is made by the executive.

Salary and employment conditions for employees

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to executives and remuneration to other employees will be disclosed in the remuneration report.

The decision-making process to determine, review and implement the guidelines

The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The board of directors shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The CEO and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

Incentive program

Opus' Board of Directors is of the opinion that incentive programs benefits both the employees eligible for the incentive program and the Company shareholders, and that it contributes to Opus' ability to recruit and retain skilled employees since it gives employees the opportunity to take advantage of the Company's growth in value, maintains confidence in the Company, and increases the value of the share. Incentive programs are also expected to increase the commitment and motivation of program participants, and help form a closer tie between those eligible for the program and Opus.

Opus has one outstanding warrant program for executive officers and other employees of the Company (warrant program 2018). New shares may be subscribed during the period from June 1, 2022 to June 30, 2022. The dilution effect of outstanding warrant programs, if fully exercised, would not exceed a maximum of 6,000,000 shares or 2.02 percent of the share capital and voting rights.

Opus completed the redemption of the warrant program 2016:1 in March 2020. A total of 1,255,955 new shares were subscribed. 15,840 of these shares were subscribed through exercise and 1,240,115 through a procedure when Opus repurchased warrants from the employees and where the proceeds were used to subscribe for new shares. The total number of outstanding shares after the redemption of warrants was 291, 574, 201.

Opus paid costs for the repurchase of warrants in connection with warrant redemption which resulted in the Company paying SEK 2.7 million net for the redemption of the warrant program 2016:1 including proceeds from exercised shares. The dilution effect amounted to 0.43 percent compared with 1.86 percent if the program had been fully exercised. The procedure for the repurchase of the warrants thereby resulted in less dilution for Opus Group AB's shareholders. The warrants that were repurchased by the Company and those that were not exercised have expired and will not result in any dilution.

For more information on the warrant program, see Note 5.

Internal control

The Board's responsibility for internal control is regulated in the Swedish Companies Act and in the Code, which contains requirements for annual external communication of information on how internal control related to financial reporting is organized. Opus' internal controls are designed to provide reasonable assurance that the Company's assets are protected, and that the financial reporting is reliable in accordance with generally accepted accounting principles, laws, and ordinances. The Board of Directors and CEO have overall responsibility for internal control in relation to financial reporting. The Board has adopted written rules of procedure that, among other things, establishes procedures for the Board's work and for its control of the management of Company affairs, and that defines the distribution of tasks and responsibilities between the Board and the CEO, and between the Board and its committees.

The Board has also appointed an Audit Committee, whose responsibilities include overseeing the financial reporting, the internal control and the external audit. Opus has adopted guidelines and procedures relating to financial reporting, a finance policy, and an accounting manual that includes accounting principles, reporting procedures, and more. Through set authorization principles, levels and rules for approval of transactions within the Company and with external parties have been defined.

The Audit Committee and the Board also engage in discussions with the external auditor for purposes such as uncovering deficiencies in the financial reporting and/or internal controls.

The Board has evaluated the need for internal auditing and made the assessment that there is no need for this. The question of setting up a special internal audit function is reviewed annually.

Financial reporting and follow-up

In accordance with applicable law and stock exchange rules, as well as other regulations applicable at the respective time, Opus strives to regularly provide accurate, reliable, and current financial information. The financial information is published regularly in the form of quarterly reports, annual reports, and press releases containing news and significant events that could affect the share price.

Each month, the various segments of the Group create a report presenting the development in the Group and submits it to Group management. The report includes an income statement report with comments on the monthly results and on the aggregated results, and a comparison against budget and the corresponding period of the previous year. A monthly report to the Board is prepared by the Company's CFO, who is also ultimately responsible for consolidation of the monthly reports.

Consolidated income statement

SEK thousands	NOTE	2019-01-01 - 2019-12-31	2018-01-01 - 2018-12-31
Operating income			
Net sales	2	2,691,173	2,497,327
Other operating income		6,630	15,397
Total operating income		**2,697,803**	**2,512,724**
Operating expenses			
Raw materials, supplies and merchandise	11	-223,867	-214,039
Other external costs	3,4,12	-573,408	-620,124
Personnel costs	5	-1,292,662	-1,174,944
Total operating expenses		**-2,089,937**	**-2,009,107**
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**607,866**	**503,617**
Depreciation of right-of-use assets	3	-85,545	-
Depreciation and impairment of other tangible assets	10	-179,883	-145,951
Earnings before interest, taxes, and amortization (EBITA)		**342,438**	**357,666**
Amortization and impairment of intangible assets	9	-141,821	-151,999
Earnings before interest and tax (EBIT)		**200,617**	**205,667**
Profit/loss from financial items			
Interest income and similar items		11,915	9,760
Interest expenses and similar items		-198,283	-164,930
Net financial income/expense	6	**-186,368**	**-155,170**
Profit/loss after financial items		**14,249**	**50,497**
Income tax	7	-52,042	-56,708
Profit/loss for the year		**-37,793**	**-6,211**
Attributable to:			
Parent company shareholders		2,184	25,806
Non-controlling interests		-39,977	-32,017
Earnings per share			
Average number of outstanding shares, before dilution		290,318,246	290,318,246
Average number of outstanding shares, after dilution		295,818,246	295,818,246
Earnings per share before dilution (SEK)	8	0.01	0.09
Earnings per share after dilution (SEK)	8	0.01	0.09

Consolidated statement of comprehensive income

SEK thousands	NOTE	2019-01-01 - 2019-12-31	2018-01-01 - 2018-12-31
Profit/loss for the year		**-37,793**	**-6,211**
Other comprehensive income			
Items that might be reclassified to profit/loss for the year			
Translation differences		49,688	100,758
Accumulated exchange rate differences reversed to income		-1,010	-38,029
Cash flow hedge		-15,421	-2,916
Tax effect of cash flow hedge		3,821	787
Total other comprehensive income		**37,078**	**60,600**
Comprehensive income for the year		**-715**	**54,389**
Attributable to:			
Parent company shareholders		23,129	75,592
Non-controlling interests		-23,844	-21,203

Consolidated statement of financial position

SEK thousands	NOTE	2019-12-31	2018-12-31
Assets			
Fixed assets			
Intangible assets			
Capitalized development costs		26,240	30,705
Customer contracts and relations		190,449	265,444
Trademarks		145,389	150,834
Goodwill		1,493,265	1,446,308
Other intangible assets		101,019	126,585
Total intangible assets	9	**1,956,362**	**2,019,876**
Tangible assets			
Construction in progress	10	73,746	86,853
Property and land	10	445,675	454,469
Furnishings, machinery and other technical equipment	10	516,278	448,678
Right-of-use assets	3	239,639	-
Total tangible assets		**1,275,338**	**990,000**
Financial assets	20	67,703	59,307
Total financial assets		**67,703**	**59,307**
Deferred tax assets	7	27,538	27,031
Total fixed assets		**3,326,941**	**3,096,214**
Current assets			
Inventory	11	105,945	133,331
Current receivables			
Accounts receivable	12,20	126,680	144,074
Current tax assets		9,453	3,388
Other current receivables	13,20	108,949	106,343
Total current receivables		**245,082**	**253,805**
Cash and cash equivalents	14,20	505,523	384,155
Total current assets		**856,550**	**771,291**
Total assets		**4,183,491**	**3,867,505**

SEK thousands	NOTE	2019-12-31	2018-12-31
Equity and liabilities			
Equity	15		
Share capital		5,806	5,806
Other contributed capital		611,639	611,639
Reserves		93,490	72,545
Retained earnings, including profit for the year		298,922	311,247
Equity attributable to parent company's shareholders		1,009,857	1,001,237
Equity attributable to non-controlling interests		-38,015	-14,164
Total equity		**971,842**	**987,073**
Non-current liabilities			
Deferred tax liabilities	7	188,994	216,929
Bond loans	16,20	1,517,052	1,437,516
Liabilities to credit institutions	16,20	557,637	537,195
Non-current leasing liabilities	3	175,459	-
Other non-current liabilities	16,20	26,183	85,817
Provisions	17,20	4,601	39,994
Total non-current liabilities		**2,469,926**	**2,317,451**
Current liabilities			
Accounts payable	20	71,170	77,003
Current tax liability		62,361	28,409
Current leasing liabilities	3	71,822	-
Other current liabilities	16,18,20	523,644	440,230
Provisions	17,20	12,726	17,339
Total current liabilities		**741,723**	**562,981**
Total equity and liabilities		**4,183,491**	**3,867,505**

Consolidated statement of changes in equity

SEK thousands	Share capital	Other contributed capital	Hedging reserve	Translation reserve	Retained earnings, incl. profit for the year	Total	Non-controlling interests	Total equity and liabilities
	Equity attributable to parent company's shareholders							
Equity 2017-12-31	**5,806**	**611,129**	**-**	**22,758**	**299,957**	**939,650**	**7,039**	**946,689**
Profit/loss for the year					**25,806**	**25,806**	**-32,017**	**-6,211**
Other comprehensive income								
Translation differences				89,944		89,944	10,814	100,758
Accumulated exchange rate differences reversed to income				-38,029		-38,029		-38,029
Cash flow hedge			-2,916			-2,916		-2,916
Tax effect of cash flow hedge			787			787		787
Total other comprehensive income	**-**	**-**	**-2,129**	**51,915**	**-**	**49,786**	**10,814**	**60,600**
Transactions with owners								
Warrants		510				510		510
Dividend					-14,516	-14,516		-14,516
Total transactions with parent company shareholders	**-**	**510**	**-**	**-**	**-14,516**	**-14,006**	**-**	**-14,006**
Transactions with owners with non-controlling interests						**-**		**-**
Equity 2018-12-31	**5,806**	**611,639**	**-2,129**	**74,674**	**311,247**	**1,001,237**	**-14,164**	**987,073**
Profit/loss for the year					**2,184**	**2,184**	**-39,977**	**-37,793**
Other comprehensive income								
Translation differences				33,555		33,555	16,133	49,688
Accumulated exchange rate differences reversed to income				-1,010		-1,010		-1,010
Cash flow hedge			-15,421			-15,421		-15,421
Tax effect of cash flow hedge			3,821			3,821		3,821
Total other comprehensive income	**-**	**-**	**-11,600**	**32,545**	**-**	**20,945**	**16,133**	**37,078**
Transactions with owners								
Dividend					-14,516	-14,516		-14,516
Total transactions with parent company shareholders					**-14,516**	**-14,516**	**-**	**-14,516**
Transactions with owners with non-controlling interests					**7**	**7**	**-7**	**-**
Equity 2019-12-31	**5,806**	**611,639**	**-13,729**	**107,219**	**298,922**	**1,009,857**	**-38,015**	**971,842**

For more information on share capital, number of shares and earnings per share, see notes 8 and 15.

Consolidated statement of cash flows

SEK thousands	NOTE	2019-01-01 - 2019-12-31	2018-01-01 - 2018-12-31
Earnings before interest and tax (EBIT)		200,617	205,667
Adjustment for non-cash flow items			
Depreciation/Amortization/Impairment	3,9,10	407,249	297,950
Other		-2,915	-20,970
Interest received		4,992	2,214
Interest paid		-123,234	-93,225
Income tax paid		-53,572	-58,855
Cash flow from operating activities before change in working capital		**433,137**	**332,781**
Increase (-)/Decrease (+) in inventory		33,238	9,923
Increase (-)/Decrease (+) in accounts receivable		22,052	-13,830
Increase (-)/Decrease (+) in other receivables		-5,198	3,113
Increase (+)/Decrease (-) of current liabilities		-37,506	-8,940
Change in working capital		**12,586**	**-9,734**
Cash flow from operating activities		**445,723**	**323,047**
Investing activities			
Acquisition of subsidiaries/operations, net of cash acquired	23	-2,817	-543,581
Additional consideration paid		-33,327	-21,370
Investments in tangible assets	10	-223,825	-227,718
Sale of tangible assets	10	5,821	4,074
Investments in intangible assets	9	-8,234	-15,221
Others		-5,072	-32,132
Cash flow from investing activities		**-267,454**	**-835,948**
Financing activities			
Liquidity from warrants		-	510
Dividend		-14,516	-14,516
New debt	21	535,760	768,331
Amortization of leasing liabilities	3	-77,229	-
Amortization of debt	21	-500,000	-500,000
Cash flow from financing activities		**-55,985**	**254,325**
Cash flow for the year		**122,284**	**-258,576**
Liquid assets at start of year		384,155	642,801
Translation difference		-916	-70
Liquid assets at year-end	14	**505,523**	**384,155**

Parent company income statement

SEK thousands	NOTE	2019-01-01 - 2019-12-31	2018-01-01 - 2018-12-31
Operating income			
Net sales	1	19,058	16,119
Other operating income		209	405
Total operating income		**19,267**	**16,524**
Operating expenses			
Write-down of intra-Group receivables		-104,492	-7,337
Other external costs	2,3	-13,115	-15,601
Personnel costs	4	-20,148	-16,705
Total operating expenses		**-137,755**	**-39,643**
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**-118,488**	**-23,119**
Depreciation of tangible assets	9	-278	-285
Earnings before interest, taxes, and amortization (EBITA)		**-118,766**	**-23,404**
Amortization of intangible assets	8	-727	-653
Earnings before interest and tax (EBIT)		**-119,493**	**-24,057**
Profit/loss from financial items			
Income from shares in Group companies		88,380	30,000
Interest income and similar items		143,785	242,067
Interest expenses and similar items		-62,321	-73,004
Net financial income/expense	5	**169,844**	**199,063**
Profit/loss after financial items		**50,351**	**175,006**
Appropriations	6	56,814	-38,172
Profit/loss before tax		**107,165**	**136,834**
Tax on profit/loss for the year	7	-26,931	-25,780
Profit/loss for the year		**80,234**	**111,054**

Parent company statement of comprehensive income

SEK thousands	NOTE	2019-01-01 - 2019-12-31	2017-01-01 - 2017-12-31
Profit/loss for the year		**80,234**	**111,054**
Other comprehensive income		**-**	**-**
Comprehensive income for the year		**80,234**	**111,054**

Parent company balance sheet

SEK thousands	NOTE	2019-12-31	2018-12-31
Assets			
Fixed assets			
Intangible assets	8	2,364	2,060
Tangible assets	9	741	949
Financial assets			
Shares in Group companies	10	646,682	581,393
Receivables from Group companies	16	1,101,677	1,225,271
Total financial assets		**1,748,359**	**1,806,664**
Total fixed assets		**1,751,464**	**1,809,673**
Current assets			
Receivables from Group companies	16	160,879	766,753
Other current assets	16	649	5,785
Total current receivables		**161,528**	**772,538**
Cash and cash equivalents	11,16	280,009	144,552
Total current assets		**441,537**	**917,090**
Total assets		**2,193,001**	**2,726,763**

SEK thousands	NOTE	2019-12-31	2018-12-31
Equity and liabilities			
Equity			
Restricted equity			
Share capital		5,806	5,806
Statutory reserve		850	850
Total restricted equity		**6,656**	**6,656**
Non-restricted equity			
Share premium reserve		609,013	609,013
Retained earnings		382,105	316,388
Total non-restricted equity	18	**991,118**	**925,401**
Total equity		**997,774**	**932,057**
Untaxed reserves	6	**693**	**57,736**
Provisions	12,16	**-**	**25,706**
Non-current liabilities			
Bond loans	13,16	961,863	1,438,970
Other non-current liabilities	16	-	75,583
Total non-current liabilities		**961,863**	**1,514,553**
Current liabilities			
Accounts payable	16	2,461	2,295
Liabilities to Group companies	16	56,231	135,560
Current tax liability		37,839	17,712
Deferred tax liabilities		-	1,047
Other current liabilities	14,16	136,140	34,554
Provisions	12,16	-	5,543
Total current liabilities		**232,671**	**196,711**
Total equity and liabilities		**2,193,001**	**2,726,763**

Parent company changes in equity

		Restricted equity		Non-restricted equity			
SEK thousands	**Number of outstanding shares**	**Share capital**	**Statutory reserve**	**Share premium reserve**	**Fair value reserve**	**Retained earnings, incl. profit for the year**	**Total**
Equity 2017-12-31	**290,318,246**	**5,806**	**850**	**609,013**	**-**	**219,849**	**835,518**
Profit/loss for the year						**111,054**	**111,054**
Other comprehensive income							
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with owners							
Dividend						-14,516	-14,516
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-14,516**	**-14,516**
Equity 2018-12-31	**290,318,246**	**5,806**	**850**	**609,013**	**-**	**316,388**	**932,057**
Profit/loss for the year						**80,234**	**80,234**
Other comprehensive income							
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with owners							
Dividend						-14,516	-14,516
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-14,516**	**-14,516**
Equity 2019-12-31	**290,318,246**	**5,806**	**850**	**609,013**	**-**	**382,105**	**997,774**

Parent company cash flow statement

SEK thousands	NOTE	2019-01-01 - 2019-12-31	2018-01-01 - 2018-12-31
Earnings before interest and tax (EBIT)		-119,493	-24,057
Adjustment for non-cash flow items			
Depreciation/Amortization	8,9	1,005	938
Write-down of intra-Group receivables		104,492	-
Interest received		112,976	99,535
Interest paid		-51,843	-63,747
Income tax paid		-7,852	-19,570
Cash flow from operating activities before change in working capital		**39,285**	**-6,901**
Increase (-)/Decrease (+) in other receivables		612,912	-243,813
Increase (+)/Decrease (-) of current liabilities		-5,690	15,083
Change in working capital		**607,222**	**-228,729**
Cash flow from operating activities		**646,507**	**-235,630**
Investing activities			
Investments in subsidiaries		-	-50,865
Additional consideration paid		-24,244	-15,365
Investments in intangible assets	8	-1,032	-1,094
Investments in tangible assets	9	-71	-51
Cash flow from investing activities		**-25,347**	**-67,375**
Financing activities			
New debt	17	-	495,000
Amortization of debt	17	-500,000	-500,000
Dividend paid		-14,516	-14,516
Dividend received		30,000	-
Group contribution		-	31,900
Cash flow from financing activities		**-484,516**	**12,384**
Cash flow for the year		**136,644**	**-290,622**
Liquid assets at start of year		144,552	439,027
Translation difference		-1,187	-3,853
Liquid assets at year-end	11	**280,009**	**144,552**

Notes – Group

Note 1 Accounting principles

Compliance with standards and law

The Annual Report and consolidated financial statements were authorized for issue by the Board of Directors on April 22, 2020. The consolidated income statement, consolidated statement of financial position, and the parent company's income statement and balance sheet will be matters for approval at the Annual General Meeting on May 13, 2020.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the EU. The consolidated financial statements are furthermore prepared in accordance with the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary Accounting Rules for Groups".

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

The parent company applies the same accounting principles as the Group with those exceptions and additions stated in the Swedish Financial Reporting Board's recommendations RFR 2 "Accounting for Legal Entities". This means that IFRS is applied, except in those cases stated in the section "Parent company's accounting principles" in this note.

Some figures in this Report have been rounded which may result in some tables not appearing to add up correctly on account of rounding differences.

Changes in accounting principles

IFRS 16 "Leases" replaces IAS 17 "Leases" and applies from January 1, 2019. The parent company has chosen to apply the exemptions in RFR 2, which means that all leases will continue to be reported as operating leases.

IFRIC 23 is a new interpretation for uncertainties over income tax treatment within the context of IAS 12 "Income Tax" and applies from January 1, 2019. IFRIC 23 clarifies how deferred and current tax assets and liabilities should be recognised and valued when there is uncertainty over tax treatment. The interpretation has not affected the consolidated financial statements.

IFRS 16 "Leases"

IFRS 16 "Leases" applied from January 1, 2019 and replaced IAS 17 "Leases" and associated interpretations. IFRS 16 has had a significant impact on Opus' financial reports. The standard sets out that all leases, as a lessee, should be reported in the balance sheet as Right-of-Use assets and leasing liabilities, with the exception of short-term and low-value lease agreements. The leases where Opus serves as lessee consist primarily of property leases. Reporting as the lessor is essentially unchanged, which means that the lessor will continue to classify leases as financial or operating leases.

Implementation of the new standard has resulted in an increased balance sheet total as the present value of future lease payments is reported in the balance sheet as Right-of-Use assets and interest bearing liabilities (on separate lines as current and non-current leasing liabilities). The implementation also means that EBITDA is positively affected as expenses for leasing are reported as depreciation and interest expense instead of as operating expenses but only with a limited effect on EBITA and net result. In the cash flow statement, leasing payments are divided between interest paid in the cash flow from operating activities and amortization of leasing liabilities in the financing activities. This therefore has a positive effect on operating cash flow. Opus has applied the modified retroactive method in the transition to IFRS 16 which means that comparative figures are not restated. Leasing liabilities are valued at the present value of the remaining lease payments. The discount rate on calculation of the present value is based on the Group's borrowing rate, adjusted for differences in market interest rates between the country in which the loans are taken out and the country where the Right-of-Use asset exists. The terms of the leases are taken into account when setting market interest rates. The practical expedient that the Right-of-Use asset should correspond to the leasing liability, has been applied at the transition, and hence no transition effect is presented in equity. Operating leases with a remaining term of less than 12 months as at January 1, 2019 have been reported as current leases, which means that they have not been included in the balance sheet at the time of the transition. Low-value leases, primarily office equipment for Opus, has not been included in leasing liabilities but will continue to be expensed on a straight-line basis over the term of the lease. The practical expedient for definition of a lease, when making a transition to IFRS 16, has been applied, which means that all components of a lease, in accordance with IAS 17, have been considered to be lease components.

As at January 1, 2019, the Group's opening leasing liability and Right-of-Use asset balance amounted to SEK 303 million. The Group's average discount rate used when discounting future lease payments amounted to 8.6%. The table below shows the reconciliation between operating leases as at December 31, 2018 and leasing liabilities as at January 1, 2019.

Reconciliation from IAS 17 to IFRS 16

Obligations for operational leases as at December 31, 2018	442,269
Discount effect	-80,721
Short-term and low-value leases	-21,380
Reasonable certain to use extension options	8,587
Price and index adjustments	1,041
Agreements not covered by IFRS 16 [1]	-47,226
Leasing liability as at January 1, 2019	**302,569**

[1] *Refers to agreements that are reported in accordance with IFRIC 12 "Service Concession Arrangements".*

Since Opus has applied the modified retroactive method at the transition and has thus not restated comparative figures, the effects on the financial reports for the period from IFRS 16 are presented below to obtain comparability between the years.

Key ratios adjusted for the effects of IFRS 16	2019	Adjustment for IFRS 16 effects	2019 excluding IFRS 16
Earnings and margins			
EBITDA	607,866	-97,096	510,770
EBITDA margin	22.6%	-3.6%	19.0%
EBITA	342,438	-11,551	330,887
EBITA margin	12.7%	-0.4%	12.3%
Earnings before interest and tax (EBIT)	200,617	-11,551	189,066
EBIT margin	7.5%	-0.5%	7.0%
Profit/loss after financial items	14,249	8,316	22,565
Profit margin	0.5%	0.3%	0.8%
Profit/loss for the year	-37,793	6,147	-31,646
Cash flow			
Cash flow from operating activities	445,723	-77,229	368,494
Cash flow from financing activities	-55,985	77,229	21,244
Free cash flow	219,485	-77,229	142,256
Other			
Return On Capital Employed (ROCE)	11.0%	0.3%	11.3%
EBITDA growth	20.7%	-19.3%	1.4%
EBITA growth	-4.3%	-3.2%	-7.5%
Interest-bearing liabilities	2,343,641	-247,281	2,096,360
Net debt	1,838,118	-247,281	1,590,837
Equity ratio	23.2%	1.6%	24.8%

The Group's leasing agreements as a lessor relate to EaaS, where the customer rents test equipment including service, spare parts, consumables and future software updates. The agreements do not include any variable fees. Leasing agreements are classified as operating leases if the risks and benefits arising from the agreement are not transferred to the lessee. Leasing income from these agreements is recognized in connection with the monthly invoicing of the lease fee.

New and modified standards not yet in effect

No new or modified standards that have been issued, but have not yet entered into effect, are expected to have a significant impact on Opus' financial reports.

Evaluation bases applied when preparing the consolidated and parent company financial reports

The valuation of assets and liabilities are based on historic cost values, except for certain financial assets and liabilities that are valued at their fair value, such as additional considerations and derivatives.

Functional currency and reporting currency

Functional currency is the currency of the primary economic environment where the company operates its business. The parent company's functional currency is Swedish kronor (SEK), which is also the reporting currency for the company and for the Group. This means that the financial reports are presented in SEK.

Unless otherwise indicated, all amounts are rounded to the nearest thousand (SEK thousands).

Assessments and evaluations

To create the financial reports in accordance with IFRS, company management is required to make different assessments, evaluations and assumptions that affect the reported assets, liabilities, revenues, costs, contingent liabilities and contingent assets. These assessments, evaluations and assumptions are based on historical experience and other factors that could be considered reasonable in the prevailing conditions. Changes to assessments and evaluations are reported in the period the change was made if it only affects that period, or in the period the adjustment was made and future periods if the adjustment affects both the present and future periods. The following areas may be covered by assessments that may have a significant effect on the financial reports.

Valuation of goodwill

When assessing whether there is any indication of impairment for the carrying values of goodwill, assumptions are made for each cash-generating unit regarding expected future earnings and cash flow development, and a discount rate is defined. Four cash-generating units have been identified; Vehicle Inspection U.S, Vehicle Inspection Europe, Vehicle Inspection Argentina and Intelligent Vehicle Support. Note 9 contains a description of the material assumptions made in the impairment testing of goodwill, and a description of the effect of reasonably possible changes in the assumptions underlying the projections.

Provisions for additional considerations

Provisions are by their nature dependent on evaluation and assessment as to whether the criteria for reporting are fulfilled, and evaluations of the outcome and size of the potential cost. For calculation of the provision for additional considerations, assumptions are made of the forecast future cash flow and establishment of a discounting factor. See Note 17 for more information.

Customer contracts, customer relationships and other acquired intangible assets

In allocation of a purchase price for an acquisition, the paid purchase price must be attributed to identifiable assets and liabilities where these are valued at the fair value. Such allocations and establishment of useful lives require assessment by management. More detailed information is available in Note 9 and 23.

Classification

Fixed assets and non-current liabilities consist of amounts that are expected to be received or paid after more than twelve months calculated from the balance sheet date. Current assets and current liabilities consist of amounts that are expected to be received or paid within twelve months from the balance sheet date.

Consolidation principles

Subsidiaries

The Group contains the parent company Opus Group AB and those companies in which the parent company, directly or indirectly, has a controlling interest. Opus controls the company if Opus is exposed or has the right to variable returns from its involvement in the company and has the opportunity to influence the return through its influence in the company. Percentage of equity attributable to owners with non-controlling interests is reported as a separate item within equity separated from the parent company's holding of equity. Special information is submitted regarding this proportion of the profit/loss for the period. Changes to the holdings that do not result in a change of controlling interest are reported under equity.

Acquisitions
Acquisitions are reported according to the acquisition method and are part of the consolidated financial statements from the date of the acquisition to the date that the controlling interest stops. The acquisition value is established by a purchase price analysis in conjunction with the acquisition. The acquisition value is made up of the sum of the fair values for purchased assets, occurring or assumed liabilities and for issued equity instruments given in payment as exchange for the purchased net assets.

When the acquisition value exceeds the net of acquired assets and liabilities, according to the above, the difference is reported as goodwill. If the acquisition value is below the fair value of the acquired subsidiary's net assets, the difference is reported in the income statement.

The Group's transaction costs in conjunction with an acquisition, for example remuneration to an agent in a deal, fees for legal services, fees for company compliance and other fees for advice and consultancy services are reported as expenses when they occur.

Additional consideration
At initial recognition, contingent consideration is valued at fair value at the acquisition date. Subsequent changes in fair value are recognized in the income statement. Contingent consideration related to business acquisitions completed prior to 2009 is reported under the IFRS principles for 2008, where subsequent changes results in adjustments to goodwill.

Transactions eliminated on consolidation
Intra-Group receivables and liabilities, revenue or expenses and unrealized profits or losses arising from internal transactions between Group companies are eliminated in their entirety when the consolidated accounts are prepared.

Transactions with related parties

Lothar Geilen, CEO, is entitled to additional consideration in accordance with the acquisition agreement for Systech; see Note 17 and 20.

Brian Herron, President, Opus IVS, is entitled to additional consideration in accordance with the acquisition agreement for Drew Technologies; see Note 17.

Beyond this, there are no transactions with related parties.

Exchange rates

Transactions in foreign currencies
Transactions in foreign currencies are recalculated to the functional currency at the currency exchange rate that applied on the transaction date. Monetary assets and liabilities in foreign currency are recalculated to the functional currency at the exchange rate that applied on the balance sheet date. Translation differences are reported in the income statement except from translation of net investment in foreign operations when the exchange rate differences are recognized in other comprehensive income and accumulated in equity.

Non-monetary assets and liabilities in foreign currency that are reported at the historic acquisition cost are translated at the exchange rate at the transaction date.

Operational exchange rate differences from accounts receivable, accounts payable and other assets and liabilities are recognized as "Other operating income" and "Raw materials, supplies and merchandise". Exchange rate differences from financial assets and liabilities are recognized as net financial income/expense.

Translation of foreign operations
Assets and liabilities in foreign operations, including goodwill and other corporate fair value adjustments, are translated to the Group's reporting currency at the rate prevailing on the balance sheet date, while all items in the income statement are translated using an average rate for the year. The exchange rate differences that arise are recognized directly, via other comprehensive income, in equity as a translation reserve. On disposal of a foreign entity, the accumulated translation differences related to the entity are recognized in the consolidated income statement as part of the capital gain/loss.

Net investment in foreign operations
Monetary assets or liabilities to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the company's net investment in foreign operations. The exchange rate differences arising from this type of receivable is recognized under "Other comprehensive income" and is accumulated in a translation reserve in equity. On disposal of a foreign operation, the reported exchange rate differences for net investment are reclassified from equity to profit/loss for the year.

Applied exchange rates for translation of foreign operations
The following exchange rates were used when translating foreign operations:

	Average exchange rate		Rate on balance sheet date	
Currency	**2019**	**2018**	**2019**	**2018**
ARS	0.20	0.33	0.16	0.24
GBP	12.07	11.59	12.21	11.35
PKR	0.06	0.07	0.06	0.06
USD	9.46	8.69	9.32	8.97

Revenue recognition

Companies' contracts with customers establish a basis for revenue accounting in accordance with IFRS 15. Contractual assets (accounts receivable and accrued income) and contractual liabilities (advances from customers and prepaid income) arise in the financial statements. Opus' ordinary revenues comprise sales of goods or services and the rental of test equipment (EaaS). Revenues are recognized when the obligations are satisfied, i.e. when control is transferred to the customer. Revenue is valued to the fair value of what is received or will be received, after deductions for sales tax, returns, discounts or other similar deductions.

Revenue from the sale of goods is recognized at a point in time, which in most cases is in connection with delivery.

Revenue from vehicle inspections is recognized in the income statement in the period in which the inspection takes place. Advance payments received are recognized as prepaid income and are recognized in the period in which the inspection takes place. Revenues from service and support contracts are recognized on a straight-line basis over the period to which they relate, when the customer receives and consumes the benefits while the company provides the service/support. Revenue from other services is recognized in the income statement in the period they relate to.

In Autologic, there have been sales to end customers through finance companies where Autologic faces some risk should the end customer lack the ability to pay. When recognizing revenue for this type of sale, a provision is also reported as a decrease in revenue at an amount equivalent to the estimated credit risk.

Refer to the section "Vehicle inspection concession in Punjab, Pakistan" below in relation to revenue recognition of vehicle inspection operations in Punjab Pakistan. See Section "IFRS 16 "Leases"" in this note in relation to revenue recognition of rental operations for EaaS and other leasing. See Note 2 for distribution of revenues by revenue category, segment and geographical area.

Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Operating segments are reported in a manner that is in agreement with the internal reporting that is presented to the chief operating decision maker at Opus. The chief operating decision maker has been identified as the Group Management Team, which evaluates the results and allocates resources to the operating segments. For more information on operating segments, see Note 2.

Vehicle inspection concession in Punjab, Pakistan

The vehicle inspection concession in the Punjab province of Pakistan is a Build-Operate-Transfer (BOT) project in which Opus receives a concession from the government to finance, design, build and operate the facilities before they are transferred to the government authority after the contract period.

The vehicle inspection concession is reported in accordance with IFRIC 12 "Agreement for economic and social services" because the Government of Punjab Transport Department controls the services that Opus will provide (what type of services, at what price and to whom it should be supplied) and the inspection stations that Opus sets up are transferred to the authorities at the end of the contract.

In accordance with IFRIC 12, no fees that Opus has incurred for construction of the vehicle inspection station buildings are capitalized in the balance sheet. The remuneration that Opus receives for inspections performed is divided between construction services and administration services after the relative fair values for the relevant service. Opus reports a financial asset regarding the remuneration that will be received for construction activities as the authorities in Punjab guarantee that a specific percentage of vehicles will be inspected. The construction services are recognized over time and the administration services are recognized at a given time in accordance with IFRS 15 "Revenue from Contracts with Customers".

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has an existing legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pensions

The Group has both defined-contribution and defined-benefit pension plans. The Group's obligation to salaried employees in Sweden is secured through insurance with Alecta for both ITP 1 plans, defined-contribution obligations, and ITP 2 plans, defined-benefit plan obligations. At present, Alecta cannot divulge the necessary individual information for ITP 2 plans that would make it possible to report these as defined-benefit plans and they are thus instead reported as defined-contribution plans. Otherwise, the Group only has defined-contribution pension plans. Obligations regarding contributions to defined contribution plans are reported as a cost in the income statement when they occur. More information is available in Note 5. Within the Group, there is also a supplementary plan for three of Envirotest's former employees in North America; refer to Note 17 for more information.

Warrant programs

Through warrant programs, employees are offered warrants that give the individual the right to subscribe for shares in the company. The fair value of the allocated warrant is calculated according to the Black & Scholes model and reference is made to the terms and conditions that applied at the time of allocation.

In Sweden, a premium is paid by employee on the allocation date in an amount equal to the actual value of the warrant and is recognised directly in Other contributed capital. No benefit or remuneration is paid to the employee and therefore no personnel costs are reported in the income statement. In North America, employees do not pay a premium for the warrants. The fair value of allocated warrants are reported as a personnel cost with a corresponding increase in equity. The fair value is calculated at the time of allocation and distributed over the vesting period.

Received payment for shares, after deductions for any directly attributable transaction costs, is credited to the share capital (quota value) and other contributed capital when the warrants are exercised.

Financial income and expenses

Financial income consists of interest income, unrealized changes in the value of derivatives and exchange rate gains on financial receivables and liabilities.

Financial expenses consists primarily of interest expenses, unrealised changes in the value of derivatives, premiums for early repayment of bond loans and exchange rate losses on financial receivables and liabilities. Financial income and expenses are recognized in the period to which they relate.

Intangible assets

Goodwill

Goodwill represents the difference between the acquisition value and the fair value of the acquired net assets. Goodwill is recognized at acquisition cost less any impairment. Goodwill is allocated to cash-generating units and is tested for impairment annually or whenever circumstances indicate that the asset may be impaired. Goodwill is not amortized.

Customer contracts and relations

Customer contracts and relationships are valued as a part of the fair value of the acquired business and are amortized over a set useful life per customer contract and customer relationship and are reported in the income statement linearly over the useful life.

Capitalized development costs

Expenses for development work are capitalized if it is deemed that the product will generate economic advantages that will benefit Opus. Capitalized costs include external direct costs for material and services used to develop or acquire the asset, and wages and wage-related costs for employees directly associated with the project that have spent significant time on the project.

Capitalized development costs consist primarily of a proprietary IT system for the Swedish market, and a proprietary platform for diagnostic tools. Recognition is done at acquisition cost less accumulated amortization and any impairment. Amortization is recognized in the income statement on a straight-line basis over five years from the date the items are available for use.

Other research and development costs affect the earnings as they occur.

Trademarks
Trademarks with definable useful lives are reported at the acquisition cost less accumulated amortization and any impairment. Amortization is recognized in the income statement linearly over the useful life. The Autologic and Gordon-Darby trademarks are assumed to have a useful life of ten years. The Drew Technologies trademark, which was previously assumed to have an indefinite useful life, is assumed to have a useful life of 15 years from January 1, 2019. Other trademarks are assumed to have a useful life of five years.

Other intangible assets
Other intangible assets consist of capitalized costs for acquired patents, software, product rights, systems and other acquired intellectual property rights. These assets are recognized at acquisition cost less accumulated amortization and any impairment.

Amortization is based on the expected useful life of the relevant asset and is reported in the income statement linearly over the useful life from the date when they are available for use.

The following depreciation periods are applied:
- Capitalized development costs: 5 years
- Customer contracts and relations: 1-19 years
- Trademarks: 5-15 years
- Patents, software and systems: 5-10 years
- Product rights: 3-17 years

Tangible assets
Tangible assets are recognized at acquisition cost less accumulated depreciation and any impairment. Right-of-assets are recognized in accordance with IFRS 16 and are amortized over the term of the agreement, see section "IFRS 16 “Leases”" in this Note. Acquisition cost includes the purchase price and costs directly attributable to getting the asset to the location and condition necessary for use in accordance with its intended purpose. Gains and losses on disposal of tangible assets are determined by comparing income with the carrying amount and are recognized net in the income statement under “Other operating income” or “Other external costs”. Land is not depreciated. Depreciation is recognized in the income statement linearly based on the expected useful life from the date the asset is available for use.

The following depreciation periods are applied:
- Buildings: 12-30 years
- Furnishings, machinery and other technical equipment: 3-20 years

Impairment testing
At the end of each accounting period, an assessment is made to determine whether there is an indication for impairment testing of the reported values for the Group's assets. IAS 36 "Impairment" is applied for impairment testing in the Group for assets other than financial assets, deferred tax assets, assets occurring in accordance with IFRS 15 and inventory. For the excluded assets according to the above the valuation is tested according to the relevant standard. If there are indications for impairment testing, an asset's recoverable amount is calculated. For goodwill, impairment of the recoverable amount is tested at least annually or when there is an indication that there is a need for impairment. The test is carried out on the lowest cash-generating unit level or groups of cash-generating units in which these assets are checked and monitored for internal control. These cash-generating units are Vehicle Inspection U.S., Vehicle Inspection Europe, Vehicle Inspection Argentina and Intelligent Vehicle Support.

The recoverable amount is the higher of net realizable value and value in use. When establishing the value in use, the present value is calculated for the estimated future payments that the asset gives rise to. For the present value calculation, a discount rate before tax is used that reflects the current market rate and risk attributable to the asset.

Impairment is recognized if the carrying amount exceeds the recoverable amount. Any impairment loss and reversal of impairment loss are reported in the income statement.. No need for impairment in accordance with IAS 36 was identified in 2019.

Financial instruments
Recognition and initial valuation
Financial assets and liabilities are recognized when the Group becomes party to the contractual provisions of the instrument. Purchases and sales of financial assets are recognized on the trade date, which is the date that the Group contractually commits to acquiring or disposing of the asset. Accounts receivable are recognized when the invoices are issued for services performed. Liabilities are recognized when the other party has performed and there is a contractual obligation to pay. A financial asset is derecognized when the rights to receive cash flows from the financial instruments expire or are transferred and the Group essentially no longer has all the risks and rewards incidental to ownership. A financial liability is derecognized when the obligation specified in the contract is discharged or otherwise extinguished.

Financial instruments are initially recognized at acquisition cost corresponding to the instrument's fair value plus or minus transaction costs, except for liabilities that are valued to the fair value through profit or loss, for which transaction costs are expensed immediately. A financial asset and a financial liability are offset and recognized net in the balance sheet only when the legal right of offset exists and the intention is to either settle net or realize the asset and settle the liability simultaneously.

Classification and subsequent valuation of financial instruments
Financial assets are classified on the basis of the company's business model and the contractual cash flows from the asset. Opus has the following classification categories:
- Amortized cost - A financial asset is valued at amortized cost if it meets both of the following conditions and has not been identified as valued at fair value through profit or loss:
  – it is held within the scope of a business model for which the objective is to hold financial assets in order to collect contractual cash flows, and
  – the agreed terms for the financial asset give rise to cash flows at specific times which are solely payments of principal and interest on the outstanding principal amount.
  The amortized cost is determined based on the effective interest rate calculated when the asset was assumed. This means that over- and undervalues, as well as transaction costs, are allocated to periods over the duration of the asset. The expected maturity of accounts receivable is short, thus values are reported at nominal value without discounting.
- Fair value through profit or loss - All financial assets that are not classified as valued at amortized cost or fair value through other comprehensive income are valued at fair value through profit or loss.

Financial liabilities are classified as and valued at:

- Amortized cost - Subsequent valuation of other financial liabilities takes place at amortized cost using the effective rate method. The amortized cost is determined based on the effective interest rate calculated when the liability was assumed. This means that over- and undervalues, as well as transaction costs, are allocated to periods over the duration of the liability. Accounts payable and other current liabilities have short expected durations and are valued without discounting to nominal amounts.
- Fair value through profit or loss - A financial liability is valued at fair value through profit or loss if it is classified as holdings for trading purposes or as a derivative, or it has been identified as such at initial recognition. These liabilities are continuously valued at fair value with any changes to the value in profit/loss, except for the change in the value for the additional consideration for Systech reported against goodwill in accordance with applicable regulations per 2008, when the acquisition was made

The following table explains the valuation categories in accordance with IFRS 9 in each category of Group assets and financial liabilities as at December 31, 2019.

	Classification in accordance with IFRS 9
Financial assets	
Financial assets, Accounts receivable, Other current receivables and Liquid assets	At amortized cost
Financial liabilities	
Derivatives for hedging	Fair value through other comprehensive income
Additional consideration (provisions and liabilities)	Fair value through profit and loss
Bond loans, Liabilities to credit institutions, Leasing liabilities, Other non-current liabilities, Accounts payable and Other current liabilities	At amortized cost

Hedge accounting - cash flow hedging

Opus holds one financial derivative instrument for which hedge accounting is applied. The derivative instrument consists of an interest rate swap which is held in order to hedge the Group's interest rate exposure. See Note 25 Financial risks, section entitled Interest rate risk, for more detailed information on this instrument.

When a derivative is identified as a cash flow hedging instrument, the effective element of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. Ineffective parts of changes in the fair value of the derivative are recognized immediately in profit or loss.

Fair value hierarchy

Information on how fair value is determined for financial instruments measured at fair value in the statement of financial position is provided in Note 20. Each item is attributed to a suitable level in the fair value hierarchy:

- Level 1: Fair value is determined from the quoted price on an active market for identical assets and liabilities that the company has at the point of valuation.
- Level 2: Fair value is confirmed based on direct or indirect observable market data that is not included at Level 1.
- Level 3: Fair value is determined based on input data that is not observable on the market.

Provisions

A provision is recognized in the balance sheet when the Group has an existing legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are valued at the amount that is the best evaluation of what is required to settle the existing obligation and the provision is retested at the end of each report period. When the effect of the timing of the payment is of material significance, provisions are calculated by discounting the expected future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, where applicable, the risks specific to the liability. A provision is recognized for estimated credit risk on sale to end customer via a finance company, where Opus faces some risk in relation to the finance company if the end customer lacks the ability to pay. This provision is reported as reduced income. Additional considerations in the Group which comprise provisions are recognized at fair value; refer to the Financial instruments section. Other provisions relate to pensions, product warranties and provisions for building dilapidations.

Contingent liabilities

A contingent liability is recognized when there exists a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events that are not wholly within the company's control or when there exists an obligation that is not recognized as a liability or a provision due to the fact that it is not probable that an outflow of resources will be required or when the obligation cannot be measured with sufficient reliability.

Leases

See section "IFRS 16 "Leases"" in this Note.

Inventory

The inventory is valued at the lower of acquisition cost and net realizable value. The acquisition cost is calculated according to weighted average prices and includes fees that have occurred at the acquisition of the inventory assets and transport of them to their present location and condition.

The net realizable value is defined as the sale price reduced by costs of completion and sales costs. Adjustments to net realizable value also includes impairment because of technical and commercial obsolescence which is performed at the relevant group company.

Earnings per share

The calculation of earnings per share is based on the Group's profit/loss for the year attributable to the parent company shareholders and the weighted average number of outstanding shares. When calculating diluted earnings per share, the average number of shares is adjusted to take into account the effect of dilutive potential ordinary shares, which during the reporting periods stem from the warrants granted to employees.

Income tax

Income taxes consist of current and deferred tax. Income taxes are recognized in the income statement except when the underlying transaction is recognized in other comprehensive income or directly in equity, whereby the associated tax effect is also recognized there. Current tax is the tax to be paid or received for the current year, using tax rates enacted or substantially enacted at the balance sheet date. This also includes adjustment of current tax attributable to previous periods. Current tax assets and liabilities are reported net when a legal right of offset exists and the company intends to settle items with a net amount.

Deferred tax is calculated according to the balance sheet method with the basis in temporary differences between the reported and tax values of assets and liabilities. The valuation of deferred tax is based on how reported values of assets or liabilities are expected to be realized or settled. Deferred tax is calculated on the application of the tax rates and tax regulations that are enacted or substantially enacted at the balance sheet date.

Deferred tax assets pertaining to deductible temporary differences and tax-loss carry forwards are only reported to the degree that they are likely to be utilized. The value of deferred tax assets is reduced when it is deemed no longer likely that they can be used. Deferred tax assets and liabilities are reported net when there is a legal right to offset current tax assets against current tax liabilities and when the taxes are charged by a single tax authority and when the Group intends to pay the current tax assets and current tax with a net amount.

Cash flow statement

The cash flow statement shows incoming and outgoing payments during the period in which they occurred, classified into the following categories:

- Operating activities: The cash flows from operating activities are reported through application of the indirect method, whereby the operating profit/loss is adjusted for transactions not involving incoming and outgoing payments, and is then adjusted for interest received and paid, tax paid, and change in working capital.
- Investment activities: Acquisitions and disposals of fixed assets and other types of investments.
- Financing activities: Changes in the size and composition of equity and borrowings.

Parent company accounting principles

The parent company has prepared its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Financial Accounting Standards Council's recommendation RFR 2 "Accounting for Legal Entities". Under RFR 2, when preparing the annual report the parent company, as the legal entity, shall apply all EU-approved IFRS and interpretations to the greatest extent possible within the framework for the Annual Accounts Act and in consideration of the close tie between financial reporting and taxation. The recommendation specifies what exceptions from and additions to the IFRS are to be made.

The differences between the Group and the parent company's accounting principles are specified below.

Changes in accounting principles 2019

The parent company's accounting principles in 2019 have changed as indicated for the Group.

Classification and reporting formats

The parent company income statement and balance sheet have been prepared in accordance with the formats specified in the Annual Accounts Act. The difference compared to IAS 1 "Presentation of Financial Statements" that has been applied to the presentation of the consolidated financial statements mainly pertain to the presentation of equity and the presentation of provisions as a separate heading in the balance sheet.

Subsidiaries

Shares in subsidiaries are recognized in the parent company in accordance with the cost method. Acquisition costs are included as part of the cost. The book value is tested for impairment whenever there is an indication that the value may be impaired.

Taxes

In the parent company, untaxed reserves are reported in the balance sheet and income statement gross, including deferred tax liabilities.

Group contributions and shareholder contributions

Obtained and provided group contributions are reported as appropriation. Shareholder contributions are reported as an increase of holding in the Group company and are tested for impairment. Reversal of previous impairment of shareholder contributions is recognized as an increase in the shares in Group companies and financial income.

Impairment of intra-group receivables

In accordance with IFRS 9, a legal entity must also apply the forward-looking impairment model on intra-group loans. As the parent company in Opus has significant loan receivables from its subsidiaries, it means that expected customer losses on intra-group loans are reported in the parent company's financial statements. In the consolidated accounts, these customer losses, as well as the intra-group loans, are eliminated in their entirety.

Leases

"IFRS 16 Leases" is not applied in the parent company since it has chosen to apply the exemptions in RFR 2, which means that all leases will continue to be reported as operating leases.

Note 2 Segment and revenue recognition

Opus Group consists of the two divisions, Vehicle Inspection and Intelligent Vehicle Support. The Vehicle Inspection division is divided into three segments: Vehicle Inspection U.S. & Asia, Vehicle Inspection Europe and Vehicle Inspection Latin America.

Reporting to Group management, the Board of Directors and to the stock market and other external stakeholders is done in accordance with this structure.

The outcome measures reported per segment consist of earnings before depreciation (EBITDA) and earnings before amortization of intangible assets (EBITA), which are included in the internal reports reviewed by the chief operating decision maker. Inter-segment pricing is determined on an arm's length basis following applicable internal pricing rules and the accounting principles applied in the segment statements are the same as those applied by the Group (see Note 1).

Vehicle Inspection division

In the Vehicle Inspection division, Opus operates vehicle inspection programs for safety and emission testing and provides associated products and services. The division offers turnkey systems, services and products for authorities and helps to ensure compliance with safety and emissions regulations by means of advanced technology that increases the quality and efficiency of inspections.

Intelligent Vehicle Support division

The Intelligent Vehicle Support division helps automotive service technicians meet the challenges of ever-increasing vehicle complexity through a range of advanced diagnostic, programming and remote assistance services. The division provides advanced diagnostic and programming tools that help technicians at independent workshops to compete on a level footing with manufacturer-owned dealerships.

Fixed assets per geographic area

The geographic distribution of fixed assets is based on the country in which the asset is located and includes right-of-use assets. Goodwill has not been broken down geographically as it is distributed among cash-generating units; see Note 9.

	2019	2018
Sweden (Group's home country)	292,660	149,251
Europe, excluding Sweden	47,826	39,591
U.S.	1,205,467	1,181,851
Asia	30,976	32,051
Latin America	183,775	170,402
Other countries	73	34
Group eliminations	-22,342	-9,612
Total	**1,738,435**	**1,563,568**

Sales per geographic area

The geographic distribution of net sales is based on the country in which the customer is located.

	2019	2018
Sweden (Group's home country)	632,504	625,477
Europe, excluding Sweden	70,878	69,416
U.S.	1,812,096	1,631,527
Asia	14,049	41,274
Latin America	136,004	109,074
Other countries	25,642	20,559
Total	**2,691,173**	**2,497,327**

Information about customers

No revenue from transactions with an individual customer exceeded 10% of consolidated sales in 2019 or 2018.

	Vehicle Inspection						
2019	**U.S. & Asia**	**Europe**	**Latin America**	**Division elimination**	**Intelligent Vehicle Support**	**Group elimination and Group-wide costs**	**Group**
External net sales	1,622,185	629,464	135,244	-	304,280	-	2,691,173
Internal net sales (to other segments)	22,332	-	-	-22,332	12,373	-12,373	-
Net sales	**1,644,517**	**629,464**	**135,244**	**-22,332**	**316,653**	**-12,373**	**2,691,173**
Other external operating income	1,394	1,099	706	-	3,031	400	6,630
Total income	**1,645,911**	**630,563**	**135,950**	**-22,332**	**319,684**	**-11,973**	**2,697,803**
EBITDA	**460,278**	**143,355**	**14,312**	**-**	**2,762**	**-12,841**	**607,866**
Depreciation and impairment of tangible assets	-142,829	-61,632	-43,842	-	-16,409	-716	-265,428
EBITA	**317,449**	**81,723**	**-29,530**	**-**	**-13,647**	**-13,557**	**342,438**
Investments in fixed assets	**169,121**	**23,516**	**39,422**	**-**	**13,340**	**-13,340**	**232,059**

	Vehicle Inspection						
2018	**U.S. & Asia**	**Europe**	**Latin America**	**Division elimination**	**Intelligent Vehicle Support**	**Group elimination and Group-wide costs**	**Group**
External net sales	1,473,322	626,113	109,075	-	288,817	-	2,497,327
Internal net sales (to other segments)	23,003	-	-	-23,029	19,204	-19,178	-
Net sales	**1,496,325**	**626,113**	**109,075**	**-23,029**	**308,021**	**-19,178**	**2,497,327**
Other external operating income	10,990	577	262	-	3,089	479	15,397
Total income	**1,507,315**	**626,690**	**109,337**	**-23,029**	**311,110**	**-18,699**	**2,512,724**
EBITDA	**400,505**	**80,977**	**-9,057**	**-**	**47,325**	**-16,133**	**503,617**
Depreciation and impairment of tangible assets	-114,135	-17,461	-6,951	-	-7,425	21	-145,951
EBITA	**286,370**	**63,516**	**-16,008**	**-**	**39,900**	**-16,112**	**357,666**
Investments in fixed assets	**162,095**	**18,587**	**45,300**	**-**	**18,481**	**-3,386**	**241,077**

Distribution of revenues

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

Equipment sales includes the sale of inspection equipment to inspection stations and automotive repair shops. Service and support refers to service of sold equipment, support of sold software systems, and service to automotive repair shops within our decentralized programs. Equipment as a Service (EaaS) constitutes leasing income from Opus´ rental of inspection equipment, which includes maintenance, spare parts and software updates. The income category Other includes Remote Assist Programming (RAP), software sales, vehicle registration services, voluntary (non-statutory) inspection services, revenue from construction services in accordance with IFRIC 12 and fish and game licensing.

Distribution of revenues by revenue category, 2019	Vehicle Inspection U.S. & Asia	Vehicle Inspection Europe	Vehicle Inspection Latin America	Intelligent Vehicle Support	Group
Vehicle inspection	1,035,904	580,452	117,892	-	1,734,248
Equipment sales	52,725	-	9,660	89,674	152,059
Service and support	89,715	-	4,785	113,955	208,455
Equipment as a Service (EaaS)	309,580	-	-	1,358	310,938
Other	134,261	49,012	2,907	99,293	285,473
Total	**1,622,185**	**629,464**	**135,244**	**304,280**	**2,691,173**

Distribution of revenues by revenue category, 2018	Vehicle Inspection U.S. & Asia	Vehicle Inspection Europe	Vehicle Inspection Latin America	Intelligent Vehicle Support	Group
Vehicle inspection	944,040	594,720	82,649	-	1,621,408
Equipment sales	78,692	-	19,408	119,574	217,674
Service and support	92,165	-	3,182	100,040	195,387
Equipment as a Service (EaaS)	214,597	-	-	2,146	216,743
Other	143,828	31,393	3,836	67,057	246,114
Total	**1,473,322**	**626,113**	**109,074**	**288,818**	**2,497,327**

Net sales

Net sales by type of income	2019	2018
Sale of goods	152,678	218,445
Rendering of services	2,227,557	2,062,139
Leasing income (EaaS)	310,938	216,743
Total	**2,691,173**	**2,497,327**

Reported income for the vehicle inspection concession in Pakistan, regarding construction services in accordance with IFRIC 12, amounted to SEK 5.1 million (35.3) in 2019, with an EBITDA margin of 4.8% and a pre-tax profit of SEK 7.2 million (4.3).

Contract assets and contract liabilities

Contract assets and contract liabilities are recognized in accordance with IFRS 15 Revenue from Contracts, see Note 1 in the section “Revenue recognition”.

Opus contract assets are made up of accounts receivable.

Contract liabilities	2019	2018
Advances from customers (included in Other current liabilities)	42,082	40,237
Prepaid income (included in Other current liabilities)	30,685	53,474
Total	**72,766**	**93,711**
Opening balance	**93,711**	**105,813**
Advances from customers during the year	74,168	72,985
Advances from customers recognized as income during the year	-72,009	-84,246
Prepaid income during the year	26,925	45,355
Prepaid income recognized as income during the year	-53,477	-50,333
Exchange rate differences for the year	3,448	4,137
Carrying amount at year end [1)]	**72,767**	**93,711**

1) Of which SEK 60,207 thousand is expected to be recognized as income within one year.

Note 3 Leases

The effect of the transition to IFRS 16 on the Group's leases is described in Note 1. The transition method which the Group applied in the transition to IFRS 16 means that comparative figures have not been restated.

Right-of-use assets

	Right-of-use assets
Acquisition cost	
Opening balance on January 1, 2019	**302,569**
Additional rights-of-use	40,576
Modified leases	-11,770
Translation differences	-7,924
Closing balance on December 31, 2019	**323,450**
Depreciation	
Opening balance on January 1, 2019	**-**
Depreciation for the year	-85,545
Translation differences	1,735
Closing balance on December 31, 2019	**-83,810**
Reported values	
January 1, 2019	302,569
December 31, 2019	239,640

Leasing liabilities

Leasing liabilities at the end of the year amounted to SEK 247,281 thousand. See Note 25 for a maturity analysis of leasing liabilities.

Leasing costs and cash flow

Amount reported in the consolidated income statement	2019
Reported income from modified leases	424
Costs of short-term and low-value leases	-15,451
Variable lease payments [1]	-1,826
Amortization of right-of-use assets	-85,545
Interest on leasing liabilities	-19,867
Total	**-122,265**

[1] *Variable lease payments primarily consist of property tax.*

Amount reported in the consolidated statement of cash flows	2019
Short-term and low-value leases that are not included in leasing liabilities	-15,451
Variable lease payments that are not included in leasing liabilities	-1,826
Interest expenses relating to leasing liabilities	-19,867
Amortization of leasing liabilities [1]	-77,229
Total	**-114,373**

[1] *Includes prepayments.*

Note 4 Fees and expenses paid to auditors

2019	KPMG
Audit assignment	3,716
Audit-related assignment	583
Tax consulting	132
Total	**4,431**

2018	KPMG
Audit assignment	3,234
Audit-related assignment	697
Tax consulting	122
Total	**4,053**

Audit assignment refers to the examination of the annual report and financial accounting as well as the administration by the Board and Chief Executive Officer. Audit-related assignments are quality assurance services to be performed in accordance with statutes, articles of association, regulations or agreements. Tax consulting includes both tax advice and tax compliance services.

Note 5 Number of employees and personnel costs

Average number of employees:	2019		2018	
	Men	Women	Men	Women
Sweden	465	68	492	69
Argentina	151	40	149	37
Chile	99	31	70	22
Pakistan	166	10	152	10
United Kingdom	76	11	68	11
USA	1,090	357	1,009	340
Others	27	9	26	9
Total	**2,074**	**526**	**1,966**	**498**

Gender breakdown of the Board and Group management [1]	2019	2018
Number of board members (parent company),	7	7
of which women	3	3
Group Management	10	8
of which women	1	2

[1] *Relates to Board and Group management on the balance sheet date.*

Fees and remuneration

Personnel costs

Group total	2019	2018
Salaries and other remuneration	1,025,266	921,007
Social security expenses	165,347	161,105
of which pension costs	36,923	35,106

Principles for remuneration of Board and corporate management

The principles for remuneration for the Board and Group management are approved at the Annual General Meeting of the shareholders. The principles approved by the Annual General Meeting 2019 are described below. See the Directors' Report for the proposal to the 2020 Annual General Meeting with regard to guidelines for the remuneration of senior executives.

Remuneration of the Board

The fee to the Chairman of the Board shall amount to SEK 500 thousand per year and the fee to other Board members who are not employed by the Company shall amount to SEK 230 thousand per Board member and year. For Board member's work in the Board's audit committee, a total fee of SEK 220 thousand shall be paid. Of this SEK

90 thousand shall be paid to the audit committee chairman and SEK 65 thousand per member shall be paid to the other audit committee members.

Remuneration to executive officers 2019

The remuneration is made up of a fixed part and a variable part. The fixed part is made up of salary, pension contributions and other benefits, such as company cars. The variable part relates to bonuses. The variable part must be based on profits or other predefined, measurable targets. The variable part shall in principle be capped and shall not exceed 30 percent of the fixed remuneration. Issues related to remuneration to company management has been addressed by the HR committee, and reported to and decided on by the Board.

Termination notice period and severance pay

The CEO of Opus Group AB has a three-year contract that was entered into in early 2018 and runs through December 31, 2020. In case of termination by the company, severance pay corresponding to 12 months' normal compensation will be paid.

Other executive officers have at most a twelve-month notice period. No severance pay will normally be paid to other executive officers, regardless of which party initiates the termination. Normal salary will be paid during the termination notice period.

Remuneration and other benefits in 2019

	Salary [2]/ Board fee	Variable remuneration [3]	Other benefits	Pension costs	Other remuneration [4]	Total
Katarina Bonde, Chairman of the Board	500	-	-	-	-	500
Anne-Lie Lind, Board member	230	-	-	-	65	295
Friedrich Hecker, Board member	230	-	-	-	-	230
Håkan Erixon, Board member	230	-	-	-	90	320
Jimmy Tillotson, Board member [1]	-	-	-	-	-	-
Ödgärd Andersson, Board member	230	-	-	-	65	295
Magnus Greko, Board member [1]	-	-	-	-	-	-
Lothar Geilen, CEO	3,714	-	234	394	-	4,341
Linus Brandt, Vice President and CFO	2,196	31	113	1,047	-	3,387
Other Group Management	17,576	1,222	846	3,148	-	22,790
Total	**24,905**	**1,253**	**1,192**	**4,589**	**220**	**32,159**

[1] Is not paid any Board fee.

[2] Includes base salary, vacation pay and travel expenses.

[3] Variable remuneration includes any salary sacrifice of previous year's bonus.

[4] Other remuneration relates to fees for the audit committee.

Remuneration and other benefits in 2018

	Salary [4]/Board fee	Variable remuneration [5]	Other benefits	Pension costs	Other remuneration [6]	Total
Katarina Bonde, Chairman of the Board	493	-	-	-	-	493
Anders Lönnqvist, Board member [1]	83	-	-	-	23	106
Anne-Lie Lind, Board member	226	-	-	-	73	299
Friedrich Hecker, Board member	226	-	-	-	-	226
Håkan Erixon, Board member [2]	144	-	-	-	56	200
Jimmy Tillotson, Board member [2] [3]	-	-	-	-	-	-
Ödgärd Andersson, Board member	226	-	-	-	64	290
Magnus Greko, Board member [3]	-	-	-	-	-	-
Lothar Geilen, CEO	3,320	273	49	92	-	3,734
Linus Brandt, Vice President and CFO	1,917	225	85	552	-	2,779
Other Group Management	14,325	2,035	367	2,499	-	19,226
Total	**20,960**	**2,533**	**501**	**3,143**	**216**	**27,352**

[1] Resigned May 17, 2018.

[2] Elected May 17, 2018.

[3] Is not paid any Board fee.

[4] Includes base salary, vacation pay and travel expenses.

[5] Variable remuneration includes any salary sacrifice of previous year's bonus.

[6] Other remuneration relates to fees for the audit committee.

Pension obligations

For salaried employees in Sweden, the ITP 2 plan's defined-benefit pension obligations for retirement and/or family pension are secured through insurance in Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 "*Reporting pension plan ITP 2 which is financed through insurance from Alecta*", this is a defined-benefit plan that covers several employers. For financial year 2019, the Group has not had access to information in order to report its proportionate share of the plan's obligations, management assets and costs, which meant that it was not possible to report the plan as a defined-benefit plan. The pension plan is therefore reported as a defined contribution plan. The premium for the defined-benefit retirement and family pension is individually calculated based on factors such as salary, previously earned pension and expected remaining service time. Expected contributions for ITP 2 insurance with Alecta in the next reporting period amount to SEK 9.7 million. The Group's share of the total contributions to the plan and the Group's share of the total number of active members in the plan are 0.06 and 0.07 percent, respectively.

The collective funding ratio is made up of the market value of Alecta's assets as a percentage of insurance commitments calculated according to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. The collective consolidation level should normally be allowed to vary between 125 and 175 percent, with predetermined limits to be applied for the distribution of refunds. If the funding ratio is low, action can be taken to increase the contracted price for new policies and expand existing benefits. If the funding ratio is high, action can be taken to introduce premium reductions. At the end of 2019, Alecta's surplus in the form of the collective funding ratio was 148 percent (142 percent).

The Company also has a supplementary plan (Executive Retirement Plan "SERP") for three of Envirotest's former employees in North America. The plan gives each of these employees USD 30 thousand per year beginning at age 65 for a period of ten years, payable in equal monthly instalments. The plan is funded through general, non-restricted assets in the Company.

Other pensions in the Group are defined-contribution pension plans.

Warrant programs for employees

As per December 31, 2019, Opus had two outstanding warrant programs for executive officers and other employees in the Group (see below for information on the outstanding warrant programs). The dilution effect of Opus' warrant programs, if fully exercised, would not exceed 11,500,000 shares or 4.0 percent of the share capital and voting rights.

Warrant program specification (number of warrants)	**2016:1**	**2018**
CEO	-	-
Executive Vice President and CFO	400,000	400,000
Other members of Group management	663,971	1,750,000
Others	4,436,029	3,850,000
Total	**5,500,000**	**6,000,000**

Warrant program 2016:1

At the Annual General Meeting held on May 19, 2016 the Company resolved to issue 5,500,000 warrants (Warrant program 2016:1) entitling warrant holders to subscribe for a total of 5,500,000 shares at a subscription price of SEK 5.46 per share. The warrants were subscribed by Opus Services Sweden AB, a wholly-owned subsidiary, and with the right and obligation to offer warrants to executive officers and other employees in the Group. Of the 5,500,000 warrants, all warrants were transferred to the employees.

The fair value of the warrants was valued upon issue in accordance with the Black & Scholes warrant pricing model. The fair value amounted to SEK 0.14 per warrant. Input parameters in the pricing model were as follows:

- Share price of SEK 4.14, which was calculated on Opus Group AB's closing price on May 19, 2016.
- Risk-free interest rate of -0.4 percent, which was based on the Swedish government bonds with a maturity of 3.21 years, calculated by interpolation.
- Expected volatility of 25 percent, which was calculated on the average volatility of the Opus Group AB share compared with the volatility of comparable companies.
- Expected dividend of SEK 0.10 per share.
- An illiquidity discount of 40 percent because Opus' warrants are not listed for trade.

Opus completed the redemption of the warrant program 2016:1 in March 2020. A total of 1,255,955 new shares were subscribed. 15,840 of these shares were subscribed through exercise and 1,240,115 through a procedure when Opus repurchased warrants from the employees and where the proceeds were used to subscribe for new shares.

Opus paid costs for the repurchase of warrants in connection with warrant redemption which resulted in the Company paying SEK 2.7 million net for the redemption of the warrant program 2016:1 including proceeds from exercised shares. The dilution effect amounted to 0.43 percent compared with 1.86 percent if the warrant program had been fully exercised. The procedure for the repurchase of the warrants thereby resulted in less dilution for Opus Group AB's shareholders. The warrants that were repurchased by the Company and those that were not exercised have expired and will not result in any dilution.

Warrant program 2018

At the Annual General Meeting held on May 17, 2018 the Company resolved to issue 6,000,000 warrants (Warrant program 2018) entitling warrant holders to subscribe for a total of 6,000,000 shares at a subscription price of SEK 8.57 per share. The warrants were subscribed by Opus Services Sweden AB, a wholly-owned subsidiary, and with the right and obligation to offer warrants to executive officers and other employees in the Group. Of the 6,000,000 warrants, all warrants were transferred to the employees.

The fair value of the warrants was valued upon issue in accordance with the Black & Scholes warrant pricing model. The fair value amounted to SEK 0.33 per warrant. Input parameters in the pricing model were as follows:

- Share price of SEK 6.92, which was calculated on Opus Group AB's closing price on May 30, 2018.
- Risk-free interest rate of -0.3 percent, which was based on the Swedish government bonds with a maturity of 4 years, calculated by interpolation.
- Expected volatility of 25 percent, which was calculated on the average volatility of the Opus Group AB share compared with the volatility of comparable companies.
- Expected dividend yield of 2.5%.
- An illiquidity discount of 40 percent because Opus' warrants are not listed for trade.

Note 6 Net financial items

	2019	**2018**
Interest income and similar items		
Interest income		
- bank deposits	4,364	1,707
- receivables	7,551	3,163
Unrealized profits on currency derivatives	-	4,891
Total	**11,915**	**9,760**
Interest expenses and similar items		
Interest expenses		
- Financial liabilities valued at amortized cost	-98,038	-90,927
- leasing liabilities	-19,867	-
Premium early redemption bond loan	-11,875	-6,017
Unrealized losses on currency derivatives	-4,891	
Exchange rate differences	-63,451	-65,724
Other	-162	-2,261
Total	**-198,283**	**-164,929**
Net financial income/expense	**-186,368**	**-155,169**

Note 7 Income tax

	2019	2018
Current tax	-82,598	-63,214
Deferred tax	30,556	6,505
Total income tax	**-52,042**	**-56,708**
The tax expense for the year corresponds to an effective tax rate of	365%	112%
Reconciliation between reported tax and tax based on applicable tax rate, 21.4% (22)		
Reported profit/loss before tax	14,249	50,497
Tax effect of:		
Tax at the applicable tax rate, 21.4%	-3,049	-11,109
Difference in tax rates in foreign operations	9,609	9,848
Non-deductible expenses/non-taxable income and unrecognized taxable income/deductible expenses	-20,832	-23,664
Tax effect of prior years	-11,528	-2,933
Tax reduction [1]	16,019	1,392
Effect of changed tax rates	28	-479
Effects of loss carryforwards [2]	-42,562	-29,377
Other	272	-386
Total income tax	**-52,042**	**-56,708**

[1] Tax reduction mainly relates to tax credits in the U.S. that Opus is entitled to because the company employs workers from certain target groups that have significant barriers to employment.

[2] Effects of loss carryforwards include losses occurring during the year that have not been recognized as tax assets.

Note 8 Profit per share

	2019	2018
Earnings per share before dilution (SEK)	0.01	0.09
Earnings per share after dilution [1] (SEK)	0.01	0.09
The calculation of earnings per share attributable to parent company shareholders before and after dilution is based on the following information:		
Earnings attributable to parent company shareholders, SEK thousands	2,184	25,806
Weighted average number of shares before dilution	290,318,246	290,318,246
Weighted average number of shares after dilution [1]	295,818,246	295,818,246

[1] If the discounted exercise price for outstanding warrants is less than the average price for the Opus share, the warrants give rise to a dilution effect. The dilution effect with reference made to the warrant program is calculated according to the dilution that applied at the end of each period.

Earnings per share before dilution

Earnings per share before dilution is calculated by dividing the net profit for the year attributable to parent company shareholders by the average number of outstanding shares.

Earnings per share after dilution

Earnings per share after dilution is calculated by dividing the net profit for the year attributable to parent company shareholders by the adjusted average number of outstanding shares covering all potential dilution of shares.

Note 7 Cont.
Deferred tax

	Opening balance January 1, 2019	Subsidiary acquisition	Recognized in the income statement	Recognized in OCI	Translation differences	Closing balance on December 31, 2019
Untaxed reserves	-25,581	-	15,921	-	-	-9,660
Accounts receivable	1,888	-	195	-	70	2,153
Prepaid expenses	-86	-	-458	-	4	-541
Inventory	10,059	-	-697	-	399	9,761
Other current liabilities	26,622	-	-6,438	-	758	20,942
Other	-9,256	-	6,569	3,763	184	1,261
Intangible assets	-141,424	-	22,803	-	-4,866	-123,488
Tangible assets	-80,645	-	-13,375	-	376	-93,644
Tax losses	28,525	-	6,037	-	-2,800	31,761
Other non-current liabilities	-	-	-	-	-	-
Total	**-189,899**	**-**	**30,556**	**3,763**	**-5,877**	**-161,456**
Deferred tax assets	27,031					27,538
Deferred tax liabilities	-216,929					-188,994
Net	**-189,899**					**-161,456**

Tax reported directly to other comprehensive income amounts to SEK 3,763 thousand (787) and relates to cash flow hedging.

Maturity structure - deferred tax assets relating to loss carryforwards

	2019	2018
Due within one year	-	-
Due within 2-5 years	718	12,367
Due within 6-20 years	11,338	5,321
No maturity date	19,706	10,837
Total	**31,761**	**28,525**

Note 9 Intangible assets

	Capitalized develop-ment costs	Customer contracts and relations	Trademarks	Goodwill	Systems and software	Product rights	Other intangible assets	Total
Acquisition cost								
Opening balance on January 1, 2018	**45,943**	**358,341**	**141,821**	**1,044,500**	**80,722**	**39,548**	**185,605**	**1,896,480**
Investments	14,087	-	1,094	-	24	-	16	15,221
Acquisition of subsidiaries	-	209,642	20,159	334,418	18,921	-	-	583,140
Reclassification	2,463	-	-	-	-	-	-1,250	1,213
Translation differences	201	45,059	14,334	67,390	9,510	3,199	14,183	153,876
Closing balance on December 31, 2018	**62,694**	**613,042**	**177,408**	**1,446,308**	**109,177**	**42,747**	**198,554**	**2,649,930**
Investments	6,902	-	1,032	-	-	-	300	8,234
Acquisition of subsidiaries	-	-	-	17,825	-	-	-	17,825
Sales/disposals	-	-	-	-	-2,862	-	-	-2,862
Reclassification	-	-	-	-	4,301	-	34	4,335
Translation differences	329	16,817	7,310	29,132	4,013	1,848	6,567	66,016
Closing balance on December 31, 2019	**69,925**	**629,859**	**185,750**	**1,493,265**	**114,629**	**44,595**	**205,455**	**2,743,478**
Amortization								
Opening balance on January 1, 2018	**-23,371**	**-218,031**	**-20,616**	**-**	**-44,626**	**-7,026**	**-126,568**	**-440,238**
Amortization for the year	-8,615	-107,450	-4,217	-	-15,869	-4,066	-11,782	-151,999
Translation differences	-3	-22,118	-1,741	-	-4,322	-615	-9,018	-37,817
Closing balance on December 31, 2018	**-31,989**	**-347,599**	**-26,574**	**-**	**-64,817**	**-11,707**	**-147,368**	**-630,054**
Amortization for the year	-11,690	-80,205	-13,078	-	-16,539	-4,570	-12,877	-138,959
Impairment	-	-	-	-	-2,862	-	-	-2,862
Sales/disposals	-	-	-	-	2,862	-	-	2,862
Reclassification	-	-	-	-	-277	-	65	-212
Translation differences	-6	-11,606	-709	-	-2,215	-306	-3,049	-17,891
Closing balance on December 31, 2019	**-43,685**	**-439,410**	**-40,361**	**-**	**-83,848**	**-16,583**	**-163,229**	**-787,116**
Reported values								
December 31, 2018	30,705	265,443	150,834	1,446,308	44,360	31,040	51,186	2,019,876
December 31, 2019	26,240	190,449	145,389	1,493,265	30,781	28,012	42,226	1,956,362

Capitalized development costs consist primarily of a proprietary IT system for the Swedish vehicle inspection market, and IVS division´s platform for diagnostic tools (Drive). Of "Other intangible assets", licenses and patents account for SEK 9,317 thousand (10,317) and other intangible assets account for SEK 32,910 thousand (40,869). The acquired trademark Drew Technologies, which was previously assumed to have an indefinite useful life, is now assumed to have a useful life of 15 years, effective from January 2019, and is amortized over this period. Amortization of intangible assets is included in the income statement item "Amortization and impairment of intangible assets".

Impairment testing of goodwill

To assess whether impairment exists, goodwill is allocated to the lowest level of the Group's cash-generating units expected to benefit most from the asset and at which goodwill is monitored in internal management.

The following table shows the allocation of goodwill to the cash-generating units:

	2019	2018
Vehicle Inspection U.S. (vehicle inspection operations in the U.S.)	799,762	755,809
Vehicle Inspection Europe (the segment)	277,281	277,281
Vehicle Inspection Argentina (vehicle inspection operations in Argentina)	107,402	122,756
Intelligent Vehicle Support (the division)	308,820	290,462
Total	**1,493,265**	**1,446,308**

The cash-generating units Vehicle Inspection Europe and Intelligent Vehicle Support are made up of the segment and division with the same names. Vehicle Inspection U.S is made up of U.S. operations in the Vehicle Inspection U.S. & Asia segment and Vehicle Inspection Argentina is made up of Argentinian operations in the Vehicle Inspection Latin America segment.

The recoverable amount is made up of the calculated value in use of each cash-generating unit. The value in use has been calculated using the discounted cash flow. The discounted cash flow model uses cash flow forecasts based on the Group's budget and financial five-year plan as approved by the Board. For the cash-generating unit Vehicle Inspection U.S., the contract periods on which the financial five-year plan is based are taken into consideration. In cases where a contract held by Opus expires during the five years that constitute a cash flow forecast, the forecast has been adjusted based on the estimated probability of obtaining a contract extension or winning a new contract. The probability is estimated at 60-95% depending on the type of contract and whether it is an extension or a new contract. A final value is then applied to the cash flow after the end of the prognosis period with continuous growth.

The primary assumptions in the calculations are average future growth and discount rate before tax. EBITDA is an important key figure in determining the financial five-year plan and is in line with the Group's financial targets. Management believes that the growth rate used to extrapolate the cash flow forecast beyond the period covered by the financial five-year plan does not exceed the average growth rates for the relevant markets in which the cash-generating units operate. The discount rate consists of the weighted average cost of capital for borrowed capital and equity. The calculation of the cost of equity is based on the CAPM model (Capital Asset Pricing Model), where the median Beta for the industry adjusted for capital structure, local risk-free interest rates and the equity risk premium are applied.

No impairment requirement has been identified during 2019 or 2018.

The key assumptions used for calculation of the value in use are given below.

	Discount rate before tax		Average future growth rate	
	2019	2018	2019	2018
Vehicle Inspection U.S. (vehicle inspection operations in the U.S.)	7.7%	8.5%	0.0%	2.0%
Vehicle Inspection Europe (the segment)	5.9%	5.8%	2.0%	2.0%
Vehicle Inspection Argentina (vehicle inspection operations in Argentina)	31.8%	22.3%	2.0%	2.0%
Intelligent Vehicle Support (the division)	7.5%	7.9%	2.0%	2.0%

Sensitivity analysis

A number of sensitivity analyses have been conducted to evaluate whether reasonable adverse changes would lead to impairment of goodwill. The analyses have focused on a reduced average future growth rate and EBITDA margin, a deterioration of the five-year cash flow forecast and a higher discount rate. The sensitivity of the calculations made for each of the four cash-generating units has not shown any need for impairment.

Other impairment testing

Capitalized development projects that are not yet ready for use amount to SEK 1,258 thousand (4,950) and have been tested without any need for impairment being identified.

Note 10 Tangible assets (excluding rights-of-use, see Note 3)

	Construction in progress	Property and land	Furnishings, machinery and other technical equipment	Total
Acquisition cost				
Opening balance on January 1, 2018	**117,583**	**453,094**	**674,391**	**1,245,068**
Investments	42,757	19,516	165,445	227,718
Acquisition of subsidiaries	-	46,029	13,049	59,078
Sales/disposals	-	-2,212	-4,750	-6,962
Reclassification	-70,024	32,759	36,066	-1,199
Translation differences	-3,463	20,759	49,863	67,159
Closing balance on December 31, 2018	**86,853**	**569,945**	**934,064**	**1,590,862**
Investments	56,841	8,643	158,341	223,825
Sales/disposals	-	-1,930	-30,924	-32,854
Reclassification	-68,179	47,260	110,310	89,391
Translation differences	-1,769	-1,216	20,546	17,561
Closing balance on December 31, 2019	**73,746**	**622,702**	**1,192,337**	**1,888,785**
Depreciation				
Opening balance on January 1, 2018	**-**	**-79,669**	**-334,334**	**-414,003**
Depreciation for the year	-	-25,168	-120,783	-145,951
Sales/disposals	-	-	2,888	2,888
Reclassification	-	-1,573	1,573	-
Translation differences	-	-9,066	-34,730	-43,796
Closing balance on December 31, 2018	**-**	**-115,476**	**-485,386**	**-600,862**
Depreciation for the year	-	-32,908	-127,409	-160,317
Impairment	-	-19,566	-	-19,566
Sales/disposals	-	-	27,033	27,033
Reclassification	-	-9,939	-75,098	-85,037
Translation differences	-	861	-15,199	-14,338
Closing balance on December 31, 2019	**-**	**-177,028**	**-676,059**	**-853,087**
Reported values				
December 31, 2018	86,853	454,469	448,678	990,000
December 31, 2019	73,746	445,675	516,278	1,035,699

Note 11 Inventories

	2019	2018
Finished goods and merchandise	104,765	133,082
Other	1,180	249
Total	**105,945**	**133,331**

Write-downs of inventories, which are recognized as an expense in income statement item "Raw materials, supplies and merchandise", amounted to SEK 10,536 thousand (12,473) for the year.

Note 12 Accounts receivable

	2019	2018
Accounts receivable	141,570	157,480
Provision for doubtful debt	-14,890	-13,406
Accounts receivable, net	**126,680**	**144,074**

Accounts receivable are categorized as financial assets valued at amortized cost. The carrying value of accounts receivable approximates its fair value. The maximum exposure to credit risk at the balance sheet date is the carrying value of accounts receivable. Provision for credit losses on accounts receivable at the end of the reporting period is made in accordance with IFRS 9. See Note 25, Credit and counterparty risk section for more information.

	2019	2018
Age analysis of accounts receivable		
Not past due	30,880	39,988
Past due 1-90 days	88,479	96,340
Past due more than 90 days	22,212	21,152
Total accounts receivable	**141,570**	**157,480**
Provision for doubtful debt		
Opening balance on January 1	-13,406	-9,577
Provision during the year	-5,456	-8,761
Actual losses	4,551	4,619
Translation differences	-579	313
Closing balance on December 31	**-14,890**	**-13,406**

The provisions for the year and reversal of previous provisions are reported in the income statement under "Other external costs".

Note 13 Other current receivables

	2019	2018
Prepaid rent	14,950	14,592
Other current receivables	35,756	41,567
Other prepaid expenses	58,243	50,184
Total	**108,949**	**106,343**

Note 14 Liquid assets

Liquid assets consist of cash and cash equivalents amounting to SEK 505,523 thousand (384,155), of which SEK 45,288 thousand is only available to the Group for special purposes attributable to a contractual investment fund for one of the states in the United States.

Note 15 Equity disclosures

Share capital

	No. of shares	Share capital
Quantity/value December 31, 2019	290,318,246	5,806
Quantity/value December 31, 2018	290,318,246	5,806

The quota value for all shares is SEK 0.02. All shares are fully paid and have one (1) vote and equal rights to the corresponding share of the company's assets and profits.

Dividend is proposed by the Board in accordance with the provisions of the Companies Act and is approved by the Annual General Meeting.

Other contributed capital

Other contributed capital refers to capital contributed by the owners and includes premiums paid in connection with share issues and premiums for warrants.

Reserves

Consolidated equity includes certain reserves, which are described below:

Hedging reserve

Cash flow hedges comprise the effective share of the accumulated net change in fair value of a cash flow hedging instrument.

Translation reserve

The translation reserve comprises all exchange rate differences arising on translation of financial reports from foreign operations and translation of net investment in foreign operations.

Retained earnings

Retained earnings, including net income, include the previous year's earnings of the parent company and its Group companies.

Note 16 Interest-bearing liabilities

The Group's interest-bearing liabilities as per 31 December, 2019 consist of the following financial liabilities:

			2019	2018
Interest-bearing liabilities	**Due year**	**Nominal value**	**Carrying amount**	
Bond loan	2021	MSEK 500	-	496,158
Bond loan	2022	MSEK 500	496,602	495,196
Bond loan	2032	MUSD 50	463,973	446,163
Bond loan	2034	MUSD 60	556,477	-
Liabilities to credit institutions	2022	MUSD 60	557,637	537,195
Total bonds and loans			**2,074,689**	**1,974,712**
Leasing liabilities			247,281	-
Other interest-bearing liabilities			21,671	5,790
Total interest-bearing liabilities			**2,343,641**	**1,980,502**
Of which are current			71,822	-
Of which are non-current			2,271,819	1,980,502

Liabilities due within one year from the balance sheet date are recognized as a current liability.

The Group's borrowing takes place mainly through loans with long maturities, but with short fixed interest rate period. The fixed interest rate period is 3 months, except for the two bond loans in USD that have a fixed interest rate period of one week. The fair value is therefore judged to be consistent with the reported value.

Opus bond and loan agreements contain customary terms, conditions and obligations. The bond and loan agreements comprise financial covenants consisting of the financial key figures interest coverage ratio and net debt/EBITDA plus a minimum limit for liquid assets. Quarterly reporting of financial information and credit terms is required under the bond and loan agreements. See Note 25 for information on the Group's exposure to interest rate, exchange rate and liquidity risk.

For changed terms regarding Opus´ bond loans and liabilities to credit institutions during 2020, see Note 26.

Note 17 Provisions

	Additional consideration	Remuneration to employees	Product warranty	Other	Total
Opening balance January 1, 2019	**48,949**	**3,917**	**2,368**	**2,098**	**57,332**
Provisions for the year	-2,023	588	3,534	160	2,260
Utilized during the year	-15,042	-1,077	-3,802	-10	-19,932
Reclassified as debt	-24,766	-	-	-	-24,766
Translation differences	2,074	117	109	133	2,432
Closing balance December 31, 2019	**9,192**	**3,544**	**2,209**	**2,381**	**17,326**
Of which are current provisions	9,192	1,319	1,836	379	12,726
Of which are non-current provisions	-	2,225	373	2,002	4,601
Total	**9,192**	**3,544**	**2,209**	**2,381**	**17,326**

Additional consideration, Systech

In conjunction with the acquisition of Systech in 2008, a number of additional considerations were contracted with the sellers Lothar Geilen and Pradeep Tripathi, of which the following are still current.

- Additional consideration, limited to a maximum of USD 25 million will be paid for all new business that is generated within 15 years from the closing date of the acquisition and is based on the technology or the business concepts developed or planned by Systech before January 1, 2008. The additional consideration for such new business may, as a basic rule, amount to up to 35 percent of the net profit on the transaction and is payable annually within 60 days of the end of the calendar year. For certain eligible businesses with a low profit margin, an upward adjustment to a predefined margin must be done, in relation to revenues, before calculating the additional consideration.

Lothar Geilen, as a related party in his relationship to the company, can obtain a maximum of 25% (USD 6.25 million) of this USD 25 million in additional consideration for the sale of Systech.

In February 2018, Opus and Tripathi entered into a settlement agreement in which the parties agreed on a payment plan expressly replacing the 75% of the total additional consideration to which Tripathi would otherwise have been entitled as stated above. As a result, the part of the provision relating to the additional consideration to Tripathi was replaced by a liability during 2018.

A clause in the additional consideration agreement with Geilen was triggered in connection with Ograi's acquisition of the majority of Opus shares, which means that Geilen is entitled to immediate disbursement of the remaining balance of the additional consideration as agreed. As at December 31, 2019, Opus thus reported a liability to Geilen of SEK 36 million which replaces the previous provision and contingent liabilities. The difference between the discounted value of the liability and the provision has been adjusted directly against goodwill in accordance with the accounting principles described in Note 1.

Additional consideration, Drew Technologies

With the acquisition of Drew Technologies in 2015, an agreement was signed for additional consideration of a maximum of USD 4.4 million (SEK 40 million). As of December 31, 2019, disbursements have been made in an amount totalling USD 3.4 million. USD 0.7 million of the remaining additional consideration will be paid to the previous owners, including Brian Herron (President, Opus IVS), in 2020 and USD 0.3 million may be paid to Brian Herron contingent on the company achieving set performance targets.

Remuneration to employees

Remuneration to employees relates mainly to a supplemental plan (Executive Retirement Plan "SERP") for three of Envirotest's former employees. The plan gives each of these employees USD 30 thousand per year beginning at age 65 for a period of ten years, payable in equal monthly instalments. The plan is funded through general, non-restricted assets in the Company. The assumed discount rate is 3.22%. The cost for 2019 amounted to SEK 210 thousand.

Product warranty

Refers to provisions for warranty obligations that are recognized when the underlying products are sold. The provisions are based on historic warranty data.

Other

Other provisions mainly consist of a credit risk guarantee where a provision is reported for estimated credit risk on sale to end customer via a finance company, where Opus faces some risk in relation to the finance company if the end customer lacks the ability to pay.

Note 18 Other current liabilities

	2019	2018
Accrued payroll liability	31,868	47,177
Accrued vacation pay liability	51,199	48,247
Accrued social security contributions	19,832	23,546
Accrued interest expenses	2,348	10,075
Advances from customers	91,744	112,340
Other accrued expenses and deferred income	78,179	61,948
Additional considerations	125,723	22,960
Other current liabilities	122,751	113,937
Total	**523,644**	**440,230**

Note 19 Pledged assets and contingent liabilities

	2019	2018
Assets pledged for liabilities to credit institutions		
Pledged shares in subsidiaries	528,489	512,549
Total	**528,489**	**512,549**
Contingent liabilities		
Warranty obligations	5,942	5,942
Additional consideration [1]	-	8,777
Total	**5,942**	**14,719**

[1] Comparative figures for 2018 relate to the difference between the provision reported in the financial report and the total potential remaining additional consideration, concerning Lothar Geilen's share, from the acquisition of Systech. See Note 17 for more information.

Note 20 Financial instruments

2019	Financial assets valued at amortized cost	Financial assets valued at fair value through profit and loss	Derivatives for hedge accounting (fair value through other comprehensive income)	Financial liabilities valued at fair value through profit and loss	Financial liabilities valued at amortized cost	Total book value	Fair value
Financial assets per category							
Financial assets	67,703	-	-			67,703	67,703
Accounts receivable	126,680	-	-			126,680	126,680
Other current receivables	35,756	-	-			35,756	35,756
Cash and cash equivalents	505,523	-	-			505,523	505,523
Carrying amount	**735,662**	**-**	**-**			**735,662**	**,**
Financial liabilities per category							
Provisions			-	9,192	758	9,950	9,950
Bond loans			-	-	1,517,052	1,517,052	1,517,052
Liabilities to credit institutions			-	-	557,637	557,637	557,637
Derivatives			18,215	-	-	18,215	18,215
Non-current leasing liabilities			-	-	175,459	175,459	175,459
Other non-current liabilities			-	-	7,968	7,968	7,968
Accounts payable			-	-	71,170	71,170	71,170
Current leasing liabilities			-	-	71,822	71,822	71,822
Other current liabilities			-	125,723	306,178	431,901	431,901
Carrying amount			**18,215**	**134,915**	**2,708,044**	**2,861,174**	

2018	Financial assets valued at amortized cost	Financial assets valued at fair value through profit and loss	Derivatives for hedge accounting (fair value through other comprehensive income)	Financial liabilities valued at fair value through profit and loss	Financial liabilities valued at amortized cost	Total book value	Fair value
Financial assets per category							
Financial assets	57,960	-	-			57,960	57,960
Accounts receivable	144,074	-	-			144,074	144,074
Other current receivables	31,986	-	-			31,986	31,986
Derivatives	-	4,891	-			4,891	4,891
Cash and cash equivalents	384,155	-	-			384,155	384,155
Carrying amount	**618,175**	**4,891**	**-**			**623,065**	**,**
Financial liabilities per category							
Provisions			-	48,949	1,340	50,289	50,289
Bond loans			-	-	1,437,516	1,437,516	1,437,516
Liabilities to credit institutions			-	-	537,195	537,195	537,195
Derivatives			2,915	-	-	2,915	2,915
Other non-current liabilities			-	75,583	7,318	82,901	82,901
Accounts payable			-	-	77,003	77,003	77,003
Other current liabilities			-	22,960	304,544	327,504	327,504
Carrying amount			**2,915**	**147,492**	**2,364,916**	**2,515,323**	

Financial instruments that are valued to fair value are classified according to the hierarchy for fair value in one of the following valuation levels:

- Level 1: according to prices noted on an active market for the same instrument.
- Level 2: based on directly or indirectly observable market data that is not included in level 1.
- Level 3: based on input data that is not observable on the market.

Derivatives

Derivatives relate to an interest rate swap and are attributable to level 2 of the fair value hierarchy. The fair value of the interest rate swap is calculated as the current value of calculated future cash flow according to the contract terms and due dates and based on the market interest rate for similar instruments on the balance sheet date.

Additional considerations

Opus' financial liabilities valued at fair value through the income statement comprise additional considerations. Agreements for additional considerations have been concluded in connection with the acquisition of Systech in 2008 and the acquisition of Drew in 2015. For more information, see Note 17. Valuation of additional considerations is attributable to level 3 of the fair value hierarchy.

Clauses in the additional consideration agreement relating to the acquisition which Opus had with Geilen, the Group CEO, and with Pradeep Tripathi in his role as a previous owner of Systech, were triggered in connection with Ograi's acquisition of the majority of Opus shares. According to these clauses, Geilen is entitled to the immediate disbursement of the remaining additional consideration as agreed and scheduled disbursements to Tripathi are accelerated to immediate payment of the outstanding amount in accordance with the settlement agreement reached by Opus and Tripathi in February 2018.

The value of additional considerations of SEK 135 million (147), of which SEK 0 million (110) is long-term, is calculated based on future forecast or defined cash flows of principal discounted at the current market interest rate of 1.68% (2.56%).

The effect of valuing the Systech additional consideration at fair value is not recognized in profit or loss, but is rather recognized against the goodwill in accordance with accounting regulation from 2008, when the agreement was entered into. The effect on goodwill for the year amounts to SEK 15 million (15) and includes the revaluation triggered as a result of Ograi's acquisition of the majority of Opus' shares. The effect of the fair value valuation of the additional consideration associated with Drew Tech is deemed to be insignificant and therefore not recognized. For information on changes in provisions valued at Level 3, see Note 17 in the "Additional consideration" column.

The carrying amount of accounts receivable, other receivables, financial assets, liquid assets, accounts payable, and other current liabilities is a reasonable approximation of the fair value. For other financial liabilities, excluding the additional considerations described above, the reported values are deemed to be a good approximation of the fair values since the term and/or fixed interest term is maximum three months, which means that discounting based on current market conditions is not expected to lead to any significant effect.

See Note 25 for information on the Group's exposure to interest rate, exchange rate and liquidity risk.

Note 21 Change in liabilities and cash flows arising from financing activities *

	Bond loans	Liabilities to credit institutions	Other liabilities arising from financing activities	Total
Opening balance January 1, 2019	**1,437,516**	**537,195**	**4,524**	**1,979,235**
New (including capitalized transaction costs)	536,269	-766	257	535,760
Amortization	-500,000	-	-	-500,000
Total changes in financial cash flow	**36,269**	**-766**	**257**	**35,760**
Depreciation of capitalized transaction costs	6,229	479	-	6,708
Exchange rate differences	37,038	20,729	-823	56,944
Total of changes not affecting cash flow	**43,267**	**21,208**	**-823**	**63,652**
Closing balance December 31, 2019	**1,517,052**	**557,637**	**3,958**	**2,078,647**

* *For cash flow attributable to leasing liabilities, see Note 3.*

Note 22 Group companies

Company	Company registration number	Seat	Holding (%)
Autologic Diagnostics Holdings Ltd. [2]	7079844	Oxford, UK	100
Autologic Diagnostics Ltd [2]	6814180	Oxford, UK	100
Diagnos Ltd. [2]	3856565	Oxford, UK	100
Autologic Diagnostics International Ltd. [2]	7293162	Oxford, UK	100
Autologic Diagnostics Inc.	-	New York, US	100
Autologic Diagnostics Pty Ltd.	159111949	Melbourne, AU	100
Autologic GmbH	HRB208754	Hannover, DE	100
Inspecentro SA	30-71539399-5	Buenos Aires, AR	49.9 [1]
Opus Bilprovning AB	556865-1342	Vällingby, SE	100
Opus Inspection, Inc.	-	Delaware, US	100
Drew Technologies Inc.	-	Ann Arbor, US	100
Diagnostic Network LLC	-	Ann Arbor, US	100
Envirotest Corp.	-	Delaware, US	100
Etest Corp.	-	Delaware, US	100
FastLign LLC	-	Delaware, US	50.1
Gordon-Darby Holdings Inc	-	Delaware, US	100
Gordon-Darby Systems Inc	-	Kentucky, US	100
Gordon-Darby NHOST System Inc	-	New Hampshire, US	100
Gordon-Darby Inc	-	Kentucky, US	100
Gordon-Darby Arizona Testing Inc	-	Kentucky, US	100
Opus Inspection India Pvt Ltd	-	Guragon, IN	100
Opus Inspection Philippines Corp.	-	Pasig City, PH	100
Opus Inspection SA	30-71456552-0	Buenos Aires, AR	100
Opus Inspection SA De CV	ES-9208031C7	Ciudad de Mexico, MX	100
Opus Inspection VICS Sindh (Pvt) Ltd.	109865	Sindh, PK	68
Opus RS Europe S.L.	B-27784800	Madrid, ES	60
Opus VTR Inc	-	Delaware, US	100
Systech Chile Ltda	76062494-2	Santiago, CL	99
Systech Peruana SRL	20523596196	Lima, PE	99.9
VTV Norte SA	30-68520007-0	Buenos Aires, AR	100
VTV Metropolitana SA	30-71499500-2	Buenos Aires, AR	100
Opus Inspection (Pvt) Ltd.	89700	Lahore, PK	99.99
Opus Inspection SA	155620218	Panama City, PA	100
Opus Services Sweden AB	556445-5383	Mölndal, SE	100
Opus Prodox Cyprus Limited	222034	Nicosia, CY	100
Opus Technology Solutions AB	556929-7848	Vällingby, SE	100

[1] *The company is fully consolidated in the Opus Group.*

[2] *The Group has a number of subsidiaries that are incorporated in the UK and are entitled to an exemption from audit under Section 479 A of the Companies Act 2006, United Kingdom (comparable to the Swedish Companies Act) for financial year 2019.*

Opus has applied this exception to the following subsidiaries:

- *Autologic Diagnostics Holdings Limited - 7079844*
- *Autologic Diagnostics Limited - 06814180*
- *Diagnos Limited - 03856565*
- *Autologic Diagnostics International Limited - 07293162*

The ultimate parent company Opus Group AB (publ) holds 100% of the regular shares in the above subsidiaries.

The Board of Directors of Opus recognizes its responsibility to comply with the requirements of the Companies Act 2006, United Kingdom with regard to accounting and reporting. All outstanding liabilities in the subsidiaries listed above are ultimately guaranteed by Opus Group Ab, but no liability is expected to arise under the guarantee.

Note 23 Acquisition of operations

2019

Acquisition of BlueLink

In August 2019, Drew Technologies, Inc., part the IVS division of Opus Group AB (publ), acquired BlueLink Diagnostic Solutions, a leading vehicle diagnostics provider.

Drew Technologies, Inc. acquired the BlueLink technology and operating assets under an asset purchase agreement, for approximately SEK 2.8 million. BlueLink's technology and operations have been integrated into the North American product offerings marketed by the Opus IVS division Existing products offered under the well-respected BlueLink brand will be supported and further developed by Opus' IVS division.

2018

Acquisition of Gordon-Darby

In January 2018, Opus Inspection Inc., a 100% subsidiary of Opus Group AB (publ), acquired 100% of the shares of Gordon-Darby Inc. The purchase price amounted to approximately USD 55 million (around SEK 434 million) on a cash-free and debt-free basis. Gordon-Darby has been consolidated into Opus accounts as of January 1, 2018.

Gordon-Darby is a leading U.S.-based government services company specializing in vehicle inspection and fish and game licensing. The company is headquartered in Louisville, Kentucky and operates in Arizona, New Hampshire and Texas. Gordon-Darby was founded in 1982 and over the years has earned a reputation as a quality-minded 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, with the overwhelming majority coming from vehicle inspection programs. The acquisition strengthens Opus' position in the U.S. and offers management and technology synergies that benefit the shared customer base across the globe. The acquisition was financed through a five-year USD denominated credit facility from Swedbank. Gordon-Darby is part of Opus' Vehicle Inspection division within the segment U.S. & Asia.

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

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

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

Acquisition of VTV

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

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

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

The acquisition contributed SEK 45 million to the Group's net sales and SEK 13 million to the Group's EBITDA. If the acquisition had been completed on January 1, 2018, Opus estimates that the VTV companies would have contributed approximately SEK 81 million to the Group's net sales and approximately SEK 19 million to EBITDA for the full year 2018.

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

Net assets acquired	Fair value
Customer contracts and relations	24,231
Systems and software	479
Property and land	40,294
Machinery and equipment	7,628
Deferred tax assets	3,616
Accounts receivable	2,633
Other current assets	17,028
Deferred tax liabilities	-21,908
Current non-interest bearing liabilities	-16,590
Net assets acquired	**57,411**
Goodwill	68,514
Purchase price	**125,925**
Less:	
Acquired liquid assets	16,194
Impact on the Group's liquid assets	**-109,731**

Acquired customer contracts and relations are amortized over an estimated useful life of 1.5-8.5 years, which corresponds to the remaining contract period. The surplus value of buildings is depreciated over an estimated useful life of 20 years.

Note 24 Transactions with related parties

A clause in the additional consideration agreement relating to the acquisition of Systech in 2008 which Opus had with Lothar Geilen, the Group CEO, in his role as previous owner, was triggered in connection with Ograi's acquisition of the majority of Opus' shares. The clause means that Lothar Geilen is entitled to immediate disbursement of the remaining balance of the additional consideration as agreed. As at December 31, 2019, Opus reported a liability to Lothar Geilen of SEK 36 million which replaces the previous provision and contingent liabilities. For more information, see Note 17 and 20.

In April 2019, Opus fulfilled the remaining obligations the company had in accordance with the settlement agreement with Hickok, Inc. from 2016 (see "Legal proceedings" under Director's Report in the Opus 2017 Annual Report for more information). The 1.4 million shares in Opus Group AB which Lothar Geilen pledged as collateral against the risks related to the settlement agreement have therefore been released.

Brian Herron, President, Intelligent Vehicle Support, is entitled to additional consideration in accordance with the acquisition agreement for Drew Technologies Inc. For more information, see Note 17.

Remuneration to Board members and executive officers is specified in Note 5.

Note 25 Financial risks

Opus' finance policy defines the risk exposure with which operations are conducted and specifies the framework for how different types of financial risk should be managed. Risk management is aimed at identifying, quantifying, and reducing or eliminating risks. The primary objective is to strive for a low risk profile at a reasonable cost. Opus Group AB (Parent Company) has the overall responsibility for the Group's financial issues. Through centralization and coordination, significant economies of scale are achieved concerning the terms of financial transactions and financing.

Currency risk

Opus is exposed to translation risk, primarily from the U.S. dollar (USD), which affects profit/loss for the year and other comprehensive income. Exchange rate fluctuations affect the profit for the year when Group companies have assets and liabilities in currencies other than the entity's functional currency, as well as when the subsidiaries' net income in foreign currencies is translated to SEK. Exchange rate fluctuations affect other comprehensive income when the subsidiaries' net assets in foreign currency are translated to SEK and when intra-Group loans classified as net investment in foreign operations, in foreign currency, are translated to SEK.

As a result of Opus Group AB being significantly financed in SEK and lending to its subsidiaries in USD, there is a currency exchange risk that the Company has chosen not to hedge with derivative instruments. Natural cash flow hedging is taken into account to the extent possible. As at December 31, 2019, the parent company's net exposure of loans and liquid assets in USD amounted to USD 71 million, of which net exposure of loans restated in the income statement, i.e. excluding net investment in foreign operations, amounted to USD 3 million.

A 5% weaker/stronger SEK against the USD would have a positive/negative effect on profit before tax in the amount of SEK 1 million in relation to translation of loans and liquid assets in USD. Translation of loans in USD would also affect other comprehensive income positively/negatively in the amount of SEK 32 million in relation to net investment in foreign operations, and would also have a tax effect on net income in the amount of SEK -/+7 million.

A 5% weaker/stronger SEK against the GBP would have a positive/negative effect on other comprehensive income in the amount of SEK 4 million in relation to translation of loans in GBP and a tax effect of SEK -/+ 1 million.

Interest rate risk

Interest rate risk is defined as a decrease in earnings caused by a change in market interest rates. Opus' borrowings currently have a variable interest period, which means that Opus is exposed to interest rate risk. Higher market interest rates would have a negative impact on Opus' financial position and earnings. As of December 31, 2019, the Company's interest-bearing liabilities, excluding leasing liabilities, amounted to SEK 2,096 million (1,981).

The Group manages a portion of the interest rate risk in borrowing through hedging in the form of an interest rate swap that converts variable interest rates to fixed interest rates. This entails an agreement between Opus and a credit institution to exchange the difference between interest amounts according to a fixed rate contract and the variable interest amount on a quarterly basis, regarding a loan with an underlying nominal amount of USD 60 million (approximately SEK 559 million). Hedge accounting of this cash flow hedge is applied, which means that the effect of changed market interest rates has been recognized in other comprehensive income and accumulated in the hedging reserve in equity. The effectiveness of the hedge is deemed to be very high, as the nominal amount of the interest rate swap, base rate, interest rate conversion days and maturity date correspond to the hedged item. The fair value of the interest rate swap at the end of 2019 was SEK 18 million (other non-current liabilities) with a deferred tax asset of SEK 5 million and SEK -14 million in equity via other comprehensive income. See the section Financing and liquidity risk for undiscounted future cash flows for the hedging instrument.

If market rates were to rise by 1 percentage point as of January 1, 2020, the interest expense for the year as a whole would increase by SEK 15 million. See Note 16 "Interest-bearing liabilities" for information on, inter alia, maturities of liabilities.

Financing and liquidity risk

Financing and liquidity risk is the risk that financing opportunities will be limited when there is a need for new loans or loan roll-over, and the risk of being unable to meet payment obligations due to insufficient liquidity. Opus' finance policy prescribes that the Group must maintain a well-balanced maturity structure for its debts and use different sources of funding in order to manage the financing risk. The risk of insufficient liquidity is minimized through good liquidity planning supported by cash flow forecasts. Any excess liquidity is invested in bank deposits, where liquidity risk is low.

Existing bond and loan agreements include customary financial terms in the form of a number of key figures (covenants). The risk that Opus may violate these terms in the future due to factors such as the general economy or disruptions in the capital and credit markets means that the Company may be forced to renegotiate or raise new financing.

The Company continuously monitors these financial key figures and takes the measures deemed necessary for the covenants to be fulfilled.

The following table shows the agreed repayment periods for the Group's financial liabilities. The tables have been prepared based on undiscounted cash flows from financial liabilities and are based on the date that the Group will pay in accordance with agreements in force on December 31, 2019. The table includes both interest and the repayment of a principal amount. Future repayments and interest payments are calculated on the basis of exchange rates and interest rates on the balance sheet date. For more information on interest-bearing liabilities, see Note 16.

2019	< 1 year	2-5 years	> 5 years	Total
Bond loans	54,748	670,553	1,330,313	2,055,614
Liabilities to credit institutions	25,126	608,231	-	633,357
Accounts payable	71,170	-	-	71,170
Leasing liabilities	71,822	127,846	47,613	247,281
Other current liabilities	431,901	-	-	431,901
Additional consideration	134,915	-	-	134,915
Derivative interest rate swap	4,407	8,597	-	13,004
Total	**794,089**	**1,415,227**	**1,377,926**	**3,587,242**

2018	< 1 year	2-5 years	> 5 years	Total
Bond loans	57,979	1,143,775	601,225	1,802,978
Liabilities to credit institutions	12,819	576,431	-	589,249
Accounts payable	77,003	-	-	77,003
Other current liabilities	327,504	-	-	327,504
Additional consideration	31,886	123,128	-	155,015
Derivative interest rate swap	2,359	5,006	-	7,364
Total	**509,549**	**1,848,339**	**601,225**	**2,959,114**

For changed terms regarding Opus´ bond loans and liabilities to credit institutions during 2020, see Note 26.

Credit and counterparty risk

Credit and counterparty risk refers to the risk that the counterparty will not fulfill its obligations, which could negatively impact the Group's operations, earnings and financial position. The Group's maximum exposure to credit risk amounted to SEK 736 million (623) as of the balance sheet date. This exposure was based on the book value of all financial assets. The Opus Group has no significant outstanding financial guarantees that can increase the credit risk or any holdings of pledged assets that can reduce the credit risk as of the balance sheet date.

Credit risk	2019	2018
Financial assets	67,703	57,960
Accounts receivable	126,680	144,074
Other current receivables	35,756	36,877
Cash and cash equivalents	505,523	384,155
Total	**735,662**	**623,065**

The Group has significant customer exposure involving government authorities and well-reputed companies where credit risks are low. Opus' finance policy defines guidelines for the handling of credit and counterparty risk, which describes, among other things, the credit checks to be carried out on the Group's customers and how credit limits are to be determined. If the counterparty's ability to pay is deemed inadequate or if there is insufficient information on the ability to pay, security or advance payment may be required. Each subsidiary is responsible for monitoring and controlling credit risk with customers, within specified frameworks.

The credit risk of financial assets is minimized by, among other things, limiting investments to interest-bearing paper with low risk and high liquidity, as well as by placing limitations both on the maximum amounts to be invested with a certain counterparty and in relation to their credit rating.

Impairment of financial assets

All financial assets valued at amortized cost fall under the impairment model in IFRS 9. Identified impairment losses on these assets are deemed to be insignificant, with the exception of accounts receivable, the impairment of which is presented below.

Accounts receivable

Opus uses the simplified method for calculating the expected credit loss, which means that the reserve consists of the life-long expected credit loss.

To be able to calculate the expected credit loss, accounts receivable have been grouped according to common features and whether the receivable has fallen due for payment, and if so the number of days by which it is overdue. Loss level percentages are based on actual credit losses over the last three years. These percentages are adjusted to reflect current and future macroeconomic conditions that affect customers' ability to regulate their obligations.

Below is a summary of the credit risk exposure and anticipated credit losses for accounts receivable as at December 31, 2019.

2019	Loss level	Carrying amount, gross	Loss reserve
Not past due	2.1%	30,880	-638
Past due 1-30 days	3.2%	69,163	-2,226
Past due 31-60 days	6.7%	13,300	-892
Past due 61-90 days	15.4%	6,016	-924
Past due >90 days	46.0%	22,211	-10,210
Total		**141,570**	**-14,890**

See Note 12 for changes in reserves for doubtful debt.

Note 26 Events after the balance sheet date

Opus acquired AutoEnginuity

On January 2, 2020, Drew Technologies Inc., an Opus IVS division company, acquired US-based AutoEnginuity, LLC for a purchase price of approximately USD 20 million (approximately SEK 187 million) on a cash-free and debt-free basis. AutoEnginuity, founded in 2003 and headquartered in Mesa, Arizona, has developed into a leader in advanced aftermarket automotive diagnostics software and associated vehicle make/model coverage. The combined Opus IVS companies serve an existing customer base of 50,000 automotive repair shops globally, by providing market leading vehicle diagnostics and vehicle communication offerings to address the trend of increased vehicle digitalization and automation.

In 2019, AutoEnginuity generated revenue of approximately USD 4 million (approximately SEK 37 million) with EBITDA (adjusted for non-recurring items) of approximately USD 2.3 million (approximately SEK 22 million). In 2020, the AutoEnginuity acquisition is estimated to increase Opus' EBITA by >5%. Cash flow in 2020 will be negatively affected by approximately SEK 70 million.

The purchase price allocation is still preliminary and is therefore not presented. Fixed assets have not yet been market valued and intangible assets remain to be identified and valued.

Ograi's offer to the shareholders of Opus was declared unconditional and Opus convened an extraordinary general meeting

On January 16, 2020, Ograi announced that it now controlled shares in Opus corresponding to approximately 79.4 percent of the shares and votes in Opus and declared the Offer unconditional. The Board of Directors of Opus received a request from Ograi to convene an extraordinary general meeting, to be held on February 20, 2020, in order to consider an election of new members to the Opus Board.

Change of control clauses actualized for Opus´ bond loans and liabilities to credit institutions

With Ograi BidCo's acquisition of 79.4% of the shares in Opus on January 16, 2020, clauses regarding ownership control have been actualized in all of Opus´ bond loans and liabilities to credit institutions. This means that the creditors have the right to terminate existing agreements. Opus has requested and obtained waivers from the relevant creditors. Opus has thus received respite with repayment until September 30, 2020, with the exception of the "SEK 500 million 2018/2022 bonds" for which the bondholders have a put option.

Opus requests utilization under its financing agreement with Ares Management and refinances all outstanding loans

At the start of 2020 Opus entered into a new financing agreement with funds managed or advised by Ares Management Limited and its affiliates which provides for facilities of USD 250 million (approximately SEK 2,500 million) and approximately SEK 646 million. Further, the financing agreement also provides for a Revolving Facility of SEK 200 million.

Opus requested utilization and, on April 2, 2020, received a facility of USD 250 million and approximately SEK 646 million under the financing agreement. The duration of the loans is seven years and the interest rate is variable and determined on various financial key ratios.

The purpose of the new financing is to refinance all of Opus outstanding loans, including repurchase/redemption of Opus outstanding 2016/2022 500 MSEK Bonds. The refinancing is expected to be executed and finalised during April 2020.

COVID-19 pandemic (coronavirus)

The first quarter of 2020 saw the outbreak of the COVID-19 pandemic which has had a cataclysmic effect across the world. In some countries or regions where Opus is present, government authorities have introduced measures resulting in a material reduction of inspection volumes, including the temporary suspension of vehicle inspection programs. Opus has introduced cost reduction measures to partially mitigate such volume reduction. Overall, management believes there is a considerable risk that this will have a material negative effect on Opus financials, while due to uncertainties not possible to adequately assess.

Notes – Parent company

Note 1 Net sales

	2019	2018
Net sales		
Invoiced management fees within the Group	19,058	16,119
Total	**19,058**	**16,119**

The parent company has invoiced management fees to the subsidiaries as compensation for Group services performed.

Note 2 Leases

	2019	2018
Operating lease		
During the year, the company's lease payments amounted to	1,027	1,017
Future lease payments for non-cancellable leases are payable as follows:		
Within 1 year	938	866
Within 2 to 5 years	1,218	2,012
Total	**2,156**	**2,878**

Leasing costs for assets under operating leases primarily relate to premises and are reported in "Other external costs".

Note 3 Fees and expenses paid to auditors

KPMG	2019	2018
Audit assignment	630	653
Audit-related assignment	94	253
Tax consulting	-	17
Total	**724**	**923**

Audit assignment refers to the examination of the annual report and financial accounting as well as the administration by the Board and Chief Executive Officer. Audit-related assignments are quality assurance services to be performed in accordance with statutes, articles of association, regulations or agreements. Tax consulting includes both tax advice and tax compliance services.

Note 4 Number of employees and personnel costs

Average number of employees	2019	2018
Men	5	4
Women	2	2
Total	**7**	**6**

All employees are stationed in Sweden.

Salaries, remuneration, social security expenses and pension costs were paid at the following amounts:

Other executive officers, 4 persons (3)	2019	2018
Salary	6,929	5,257
Bonus [1]	399	171
Pension costs	2,959	2,119
Other remuneration	89	33
Total	**10,376**	**7,580**
Other employees		
Salaries and other remuneration	2,777	2,606
Pension costs	343	374
Total	**3,120**	**2,980**

Social security expenses	4,226	5,705
of which pension costs	3,302	2,545

[1] *Includes any salary sacrifice of previous year's bonus.*

For more information on remuneration to executive officers and the Board, see Note 5 to the consolidated financial statements.

Note 5 Net financial items

	2019	2018
Income from shares in Group companies		
Dividend received	151,000	30,000
Impairment of shares in subsidiaries	-62,620	-
Total	**88,380**	**30,000**
Interest income and similar items		
External interest income	370	149
Intra-Group interest income	102,514	135,513
Derivatives, unrealized change	-	4,891
Exchange rate differences	40,901	101,514
Total	**143,785**	**242,067**
Interest expenses and similar items		
Interest expenses		
- financial liabilities at amortized cost	-44,887	-65,999
Premium, early redemption bond loan	-11,875	-6,017
Derivatives, unrealized change	-4,891	-
Other	-668	-988
Total	**-62,321**	**-73,004**
Net financial income/expense	**169,844**	**199,063**

Note 6 Appropriations and untaxed reserves

	2019	2018
Appropriations		
Group contribution paid	-229	-1,105
Provision for tax allocation reserve	-	-37,000
Reversal from tax allocation reserve	57,072	
Change in accumulated excess depreciation	-29	-67
Total	**56,814**	**-38,172**
Untaxed reserves		
Tax allocation reserves	-	57,072
Accumulated excess depreciation	693	664
Total	**693**	**57,736**

Note 7 Tax on profit/loss for the year

	2019	2018
Current income tax	-27,978	-24,734
Deferred tax	1,047	-1,046
Total	**-26,931**	**-25,780**
Reconciliation between reported tax and tax based on applicable tax rate, 21.4% (22)		
Reported profit/loss before tax	107,165	136,834
Tax effect of:		
Tax at the applicable tax rate, 21.4%	-22,933	-30,103
Adjustment for prior years	-	564
Income from shares in Group companies	18,913	6,600
Non-taxable income	-	52
Non-deductible expenses	-22,500	-2,489
Other	-411	-404
Total tax on profit/loss for the year	**-26,931**	**-25,780**

Note 8 Intangible assets

	Intangible assets
Acquisition cost	
Opening balance on January 1, 2018	**3,031**
Investments	1,094
Closing balance on December 31, 2018	**4,125**
Investments	1,032
Closing balance on December 31, 2019	**5,157**
Amortization	
Opening balance on January 1, 2018	**-1,412**
Amortization for the year	-653
Closing balance on December 31, 2018	**-2,065**
Amortization for the year	-727
Closing balance on December 31, 2019	**-2,792**
Reported values	
December 31, 2018	2,060
December 31, 2019	2,364

Amortization is included in the income statement item " Amortization of intangible assets".

Note 9 Tangible assets

	Machinery and equipment
Acquisition cost	
Opening balance on January 1, 2018	**1,660**
Investments	51
Closing balance on December 31, 2018	**1,711**
Investments	71
Closing balance on December 31, 2019	**1,782**
Depreciation	
Opening balance on January 1, 2018	**-477**
Depreciation for the year	-285
Closing balance on December 31, 2018	**-762**
Depreciation for the year	-278
Closing balance on December 31, 2019	**-1,040**
Reported values	
December 31, 2018	949
December 31, 2019	741

Depreciation is included in the income statement item "Depreciation of tangible assets".

Note 10 Shares in Group companies

Company	Company registration number	Seat	No. of shares	Percentage (%)	Book value 2019
Opus Bilprovning AB	556865-1342	Vällingby, Sweden	50,000	100	372,604
Opus Services Sweden AB	556445-5383	Mölndal, Sweden	1,000	100	17,952
Opus Technology Solutions AB	556929-7848	Vällingby, Sweden	500	100	15,050
Autologic Diagnostics Holdings Ltd.	7079844	Oxford, UK	46,874,969	100	51,115
Inspecentro SA	30-71539399-5	Buenos Aires, Argentina	998,000	49.9	0
Opus Inspection (Pvt.) Ltd.	89700	Lahore, Pakistan	99,999	99.99	62
Opus Inspection India Pvt Ltd.	-	Guragon, India	10,000	10	15
Opus Inspection S.A.	30-71456552-0	Buenos Aires, Argentina	3,676,615	10	1,112
Opus Inspection SA	155620218	Panama City, Panama	10,000	99.99	0
Opus Inspection, Inc.	-	Delaware, USA	1,000	100	137,918
Systech Chile Ltda.	76062494-2	Santiago, Chile	N/A	1	4
VTV Metropolitana SA	30-71499500-2	Buenos Aires, Argentina	1,600,000	16	11,671
VTV Norte SA	30-68520007-0	Buenos Aires, Argentina	3,516,626	40	39,179

Note 11 Cash and cash equivalents

Cash and cash equivalents consist of liquid assets amounting to SEK 280,009 thousand (144,552).

Note 12 Provisions

	Additional consider-ation
Opening balance on January 1, 2019	31,249
Provisions for the year	-2,023
Utilized during the year	-5,709
Reclassified as debt	-24,766
Translation differences	1,249
Closing balance on December 31, 2019	**-**
Of which are current provisions	-
Of which are non-current provisions	-
Total	**-**

For additional information, see Notes 17 and 20 for the Group.

Note 13 Interest-bearing liabilities

Interest-bearing liabilities	Due year	Nominal value	Carrying amount 2019	Carrying amount 2018
Bond loan	2021	MSEK 500	-	496,158
Bond loan	2022	MSEK 500	496,602	495,196
Bond loan	2032	MUSD 50	465,261	447,617
Total bond loans			**961,863**	**1,438,971**
Other interest-bearing liabilities			-	-
Total interest-bearing liabilities			**961,863**	**1,438,971**
Of which are current			-	-
Of which are non-current			961,863	1,438,971

For changed terms regarding Opus´ bond loans during 2020, see Note 26 for the Group.

Note 14 Other current liabilities

	2019	2018
Accrued payroll liability	1,639	1,313
Accrued vacation pay liability	1,770	1,311
Accrued social security contributions	2,791	1,800
Accrued interest expenses	2,270	6,428
Other accrued expenses and deferred income	1,695	562
Additional considerations	125,723	22,960
Other current liabilities	252	180
Total	**136,140**	**34,554**

Note 15 Pledged assets and contingent liabilities

	2019	2018
Assets pledged for liabilities to credit institutions		
Pledged shares in subsidiaries	528,489	512,549
Total	**528,489**	**512,549**
Contingent liabilities		
Guarantees on behalf of Group companies	1,132,143	540,108
Warranty obligations for Group companies	5,942	5,942
Additional consideration	-	8,777
Total	**1,138,085**	**554,827**

For additional information, see Note 19 for the Group.

Note 16 Financial instruments

2019	Financial assets at amortized cost	Financial assets valued at fair value through profit and loss	Financial liabilities valued at fair value through profit and loss	Financial liabilities at amortized cost	Total book value	Fair value
Financial assets per category						
Receivables from Group companies	1,262,557	-			1,262,557	1,262,557
Other current receivables	649	-			649	649
Cash and cash equivalents	280,009	-			280,009	280,009
Carrying amount	**1,543,216**	**-**			**1,543,216**	
Financial liabilities per category						
Bond loans			-	961,863	961,863	961,863
Accounts payable			-	2,461	2,461	2,461
Liabilities to Group companies			-	56,231	56,231	56,231
Other current liabilities			125,723	10,417	136,140	136,140
Carrying amount			**125,723**	**1,030,972**	**1,156,695**	

2018	Financial assets at amortized cost	Financial assets valued at fair value through profit and loss	Financial liabilities valued at fair value through profit and loss	Financial liabilities at amortized cost	Total book value	Fair value
Financial assets per category						
Receivables from Group companies	1,992,024	-			1,992,024	1,992,024
Other current receivables	894	-			894	894
Derivatives	-	4,891			4,891	4,891
Cash and cash equivalents	144,552	-			144,552	144,552
Carrying amount	**2,137,470**	**4,891**			**2,142,361**	
Financial liabilities per category						
Provisions, additional considerations			31,249	-	31,249	31,249
Other non-current liabilities			75,583	-	75,583	75,583
Bond loans			-	1,438,970	1,438,970	1,438,970
Accounts payable			-	2,295	2,295	2,295
Liabilities to Group companies			-	135,560	135,560	135,560
Other current liabilities			22,960	11,594	34,554	34,554
Carrying amount			**129,792**	**1,588,419**	**1,718,211**	

Financial instruments that are valued at fair value are classified according to the hierarchy for fair value in one of the following valuation levels:

- Level 1: according to prices noted on an active market for the same instrument.
- Level 2: based on directly or indirectly observable market data that is not included in level 1.
- Level 3: based on input data that is not observable on the market.

Derivatives

The 2018 derivative instrument relates to a foreign currency forward contract and is attributable to level 2. The fair value is calculated using the difference between the exchange rate on the balance sheet date and the contractually agreed upon exchange rate. The derivative is recognized in the item "Other current receivables" in the parent company balance sheet.

Additional consideration

In conjunction with the Systech acquisition in 2008, an agreement was signed for additional consideration on obtaining new contracts for vehicle inspection programs. The value of the additional consideration amounts to SEK 126 million (130), of which SEK 0 (101) million is non-current (financial instrument category financial debt valued at fair value through profit or loss). For additional information, see Note 20 for the Group.

Receivables from Group companies

Receivables from Group companies amount to SEK 1,263 million, of which SEK 712 thousand is classified as net investment in foreign operations since settlement of these receivables is unlikely in the foreseeable future.

Note 17 Change in liabilities and cash flows arising from financing activities

	Bond loans
Opening balance on January 1, 2019	**1,438,970**
New (including capitalized transaction costs)	-
Amortization	-500,000
Total changes in financial cash flow	**-500,000**
Depreciation of capitalized transaction costs	5,588
Exchange rate differences	17,305
Total of changes not affecting cash flow	**22,893**
Closing balance on December 31, 2019	**961,863**

Note 18 Proposal for distribution of profits

Number of shares at the end of the year amounted to 290,318,246.

1,255,955 new shares were subscribed in March 2020 through the warrant program 2016:1. For more information, see Note 5 for the Group. Consequently, the number of shares at the time of the 2020 Annual General Meeting will be 291,574,201. The quota value for all shares is SEK 0.02.

The following profits are at the disposal of the Annual General Meeting:

	SEK
Share premium reserve	609,012,598
Retained earnings	301,871,630
Profit/loss for the year	80,233,645
Total	**991,117,873**

The Board has decided to propose to the Annual General Meeting that no dividend be paid out for the 2019 financial year (SEK 0.05).

The Board recommends that the Company's distributable funds be appropriated as follows:

	SEK
To be carried forward	991,117,873
Total	**991,117,873**

Reconciliation between IFRS and key ratios

Organic growth

SEK thousands	2019
Net sales 2018	2,691,173
- Net currency effects	-109,173
- Acquisitions/sales	-23,091
Comparable net sales	**2,558,909**
Net sales 2018	**2,497,327**
Revenue growth	**7.8%**
Organic growth	**2.5%**

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

Return on capital employed, total assets and equity

SEK thousands	2019	2018	2017	2016	2015
EBITA (earnings before interest, taxes, and amortization)	342,438	357,666	187,971	224,748	182,715
Average working capital	-156,942	-114,593	-72,177	-63,273	-52,117
Average value, tangible and intangible assets	3,256,041	2,837,270	2,206,328	2,011,227	1,884,430
Average capital employed	**3,099,099**	**2,722,677**	**2,134,151**	**1,947,954**	**1,832,313**
Return on capital employed	**11.0%**	**13.1%**	**8.8%**	**11.5%**	**10.0%**
Average total assets	4,186,926	3,728,976	3,115,983	2,812,897	2,556,640
Return on total assets	**8.2%**	**9.6%**	**6.0%**	**8.0%**	**7.1%**
Profit/loss for the year - attributable to parent company's shareholders	2,184	25,806	81,157	87,051	66,451
Average equity - attributable to parent company's shareholders	1,020,473	988,193	957,187	935,000	833,932
Return on equity	**0.2%**	**2.6%**	**8.5%**	**9.3%**	**8.0%**

Interest coverage ratio and Net debt/EBITDA

SEK thousands	2019	2018	2017	2016	2015
Earnings before interest, taxes, depreciation and amortization (EBITDA)	607,866	503,617	308,106	332,018	274,641
IFRS 16 effects on EBITDA	-97,096	-	-	-	-
EBITDA for pro forma accounts from acquired businesses	-	7,440	10,736	-	15,824
EBITDA excluding IFRS 16 effects and adjusted for pro forma accounts from acquired businesses	**510,770**	**511,057**	**318,842**	**332,018**	**290,465**
Net financial income/expense	-186,368	-155,170	-104,035	-3,930	-28,516
- IFRS 16 effects on net financial income/expense	-19,867	-	-	-	-
- Fx gains and losses	-63,451	-65,724	-39,026	53,436	26,103
Net financial items excluding IFRS 16 effects and Fx gains and losses	**-103,050**	**-89,446**	**-65,009**	**-57,366**	**-54,619**
Interest coverage ratio	**5.0**	**5.7**	**4.9**	**5.8**	**5.3**
Net debt	1,838,118	1,596,346	965,638	684,768	704,060
- Leasing liabilities	247,281	-	-	-	-
Net debt excluding IFRS 16 effects	**1,590,837**	**1,596,346**	**965,638**	**684,768**	**704,060**
Net debt/EBITDA	**3.1**	**3.1**	**3.0**	**2.1**	**2.4**

Acid test ratio

SEK thousands	2019	2018	2017	2016	2015
Current receivables	245,082	253,805	210,800	224,145	261,975
Liquid assets	505,523	384,155	642,801	507,300	256,214
Total	**750,605**	**637,960**	**853,601**	**731,445**	**518,189**
Current liabilities and provisions	741,723	562,981	998,303	596,472	695,162
Proposed dividend	-	14,516	14,516	34,838	28,871
Total	**741,723**	**577,497**	**1,012,819**	**631,310**	**724,033**
Acid test ratio	**101.2%**	**110.5%**	**84.3%**	**115.9%**	**71.6%**

Board declaration

The Board of Directors and the CEO hereby certify that the consolidated financial statements and the annual accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards and generally accepted accounting principles and give a true and fair view of the Group's and the parent company's financial position and performance.

The Directors' Report for the Group and the parent company gives a true and fair view of the Group's and the parent company's operations, financial position and performance, and describes significant risks and uncertainties that the parent company and the companies making up the Group face.

Gothenburg on April 22, 2020

François Dekker
Chairman of the Board

Katarina Bonde
Board Member

Friedrich Hecker
Board Member

Oliver Haarmann
Board Member

Jonathan Laloum
Board Member

Lothar Geilen
Board Member
and CEO

Our audit report was submitted on April 22, 2020
KPMG AB

Jan Malm
Authorized Public Accountant

Auditor´s report

Translation from the Swedish original

To the general meeting of the shareholders of Opus Group AB (publ), corp. id 556390-6063

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Opus Group AB (publ) for the year 2019, except for the corporate governance statement on pages 34-39 and the sustainability report on pages 15-17. The annual accounts and consolidated accounts of the company are included on pages 26-77 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 34-39 and sustainability report on pages 15-17. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition of service contracts

See disclosure 2 and accounting principles on page 51 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Revenue from service contracts for 2019 amount to SEK 2,228 million. Revenue is mostly attributable to a larger amount of vehicle inspections with different content and scope. In some cases discounts are included, for example combined offers and/or promotions.

Revenues including discounts from vehicle inspections is recognized in the same period that the service is provided. Obtained advance payments is recognized in the period that the inspection is performed.

Due to the large amount of vehicle inspections with low individual values, but with different content and scope the company´s IT-system is critical to ensure completeness and fair revenue recognition.

Response in the audit

We have assessed the design of the company´s controls attributable to revenue recognition of different inspections, including both fixed and floating fees including discounts and advance payments and how the controls are implemented.

We have through samples tested that the services provided correspond with the information in the subsystem. We also verified the accuracy in the IT-system and existing of controls between the subsystem and financial accounting to ensure revenue is recorded, discounts and advance payments taken into account , in the same period as the service was provided in.

Valuation of goodwill (Group) and valuation of shares in Group companies (parent company)

See disclosure 9 and accounting principles on pages 52-53 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The value of goodwill in the consolidated group financial statements per 31 December 2019 is SEK 1,493 million, which represents 36% of total assets. Goodwill shall be subject to impairment testing at least annually, a process which is inherently complex and involves significant levels of judgment made by Group Management. An impairment test must be carried out for each cash-generating unit, which for the Group are four business areas;

Vehicle Inspection Europe, Vehicle Inspection U.S., Vehicle Inspection Argentina and Intelligent Vehicle Support.

The value of the shares in subsidiaries in the parent company amounts to SEK 647 million, which shall be subject to the same impairment testing, with the same prescribed method and input values, as for the goodwill in consolidated group accounts.

According to current regulations, the prescribed method for carrying out impairment tests involves management making forecasts for how internal as well as external conditions and plans may impact the future of the organization. Examples of such forecasts include future cash in-and outflows, which in turn require assumptions to be made about future market conditions and thereby indirectly also about the future plans of competitors. Another important assumption to evaluate is which discount rate to use in order to correctly reflect the time value of money of forecast future cash in-flows, which carry a certain level of risk and therefore are less valuable than liquid resources that are readily available to the Group.

The complexity of the model carries a certain level of risk for a possible overstatement in assets. Every adjustment of the value effects the result of the group/parent company.

Response in the audit

We have inspected the results of the company's impairment tests in order to assess whether they have been carried out in accordance with the prescribed method. Moreover, we have considered the reasonableness of the predicted future cash in-and outflows as well as the discount rate and growth rate used. We have also challenged the company´s assumptions of growth rate by comparing the actual outcome with the company´s forecast from previous periods in order to evaluate the company´s precision ability.

We have involved our internal valuation specialists in the audit team in order to ensure reasonableness in using risk-adjusted discount rates which includes valuations of financial and industry specific forecasts where it´s applicable.

We have selected samples for testing that the company´s mathematical calculation is correctly executed.

We have applied professional judgment in our work when evaluating the forecasts by testing how key assumptions may impact the valuation through sensitivity analysis.

Furthermore, we have considered the completeness of the notes to the Financial Statements and evaluated whether the information provided is sufficiently detailed to understand management's assessment and the prescribed methods.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-14, 18-25 and 83-84. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Opus Group AB (publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 34-39 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 15-17, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

KPMG AB, Box 11908, 404 39 , Göteborg, was appointed auditor of Opus Group AB (publ) by the general meeting of the shareholders on May 16, 2019. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2014.

Gothenburg on April 22, 2020
KPMG AB

Jan Malm
Authorized Public Accountant

Glossary

ADAS
Advanced Driver Assist Systems

Inspection
The individual service of testing a vehicle.

BEV
Battery Electric Vehicle, the term for a vehicle that runs entirely on electricity, i.e. only using an electric motor for propulsion.

Vehicle Inspection
The general name for operations related to vehicle emission and safety testing.

Centralized vehicle inspection
Centralized vehicle inspection means that the government authorities run vehicle inspection programs under their own auspices or that the government authorities authorize a vehicle inspection provider to perform all vehicle inspection testing and to create necessary databases for parameters such as notices and records management. In a centralized system, vehicle inspection is performed at a station with its own staff, measures to correct any faults are handled by an external workshop.

CITA
International Motor Vehicle Inspection Committee

Decentralized vehicle inspection
Under decentralized vehicle inspection, independent workshops seek accreditation to carry out safety and emission testing. The government authorities normally contract a main provider, who takes responsibility for running the vehicle inspection program. The main provider is normally responsible for implementing an IT system, equipment sales/delivery, training and certification of inspection personnel and continual auditing and monitoring of operations.

EaaS (Equipment-as-a-Service)
A business model in which new equipment is offered through ongoing EaaS agreements, which cover delivery, installation, spare parts and consumables, software updates and a service warranty.

FASTLIGN®
FASTLIGN® is a patented laser-based technology that instantly measures wheel alignment of cars and trucks as they drive into service shops.

LIDAR
LIght Detection And Ranging; a type of laser scanning instrument that measures the distance to an object by lighting it up with a pulsing laser light and measuring the reflected light pulses using a sensor

OBD
Abbreviation for On Board Diagnostics, which refers to the diagnosis of a vehicle's functionality via computers integrated in the vehicle. Thanks to standardized communication protocols, OBD today can provide a quick status check of all a vehicle's systems.

RAP Service (Remote Assistance Programming)
Developed by Drew Technologies, RAP is a convenient plug-in solution for automotive service shops who need to reprogram vehicles after a breakdown, accident or collision. Once RAP has been attached to the vehicle, our experts provide remote assistance to help technicians complete the task, without the need for any extra kit or specialist knowledge.

Remote Sensing
The RSD is a roadside device for analyzing vehicle emissions. The devices collect emission data as vehicles drive past, avoiding the need for them to stop. Use of RSD is often called Remote Sensing.

Remote Sensing Device (RSD)
Remote Sensing equipment measures vehicle emissions from the roadside while a camera photographs the vehicle's license plate. Remote Sensing Devices (RSDs) are specially designed emissions analyzers that are placed at fixed locations or in mobile units to measure specific vehicle emissions using low-intensity infrared and ultraviolet beams.

TIC companies
A TIC company is a company that operates in the areas of testing, inspection and certification.

VID
Abbreviation for Vehicle Inspection Database. This is a software system that coordinates data from vehicle inspections and can be used to compile reports, analyses, data management and notices.

Definitions

Calculation of average values

When calculating key ratios in which average capital values are set in relation to an income statement measure, the average capital values are calculated on the opening balance of each period plus all quarterly balances during the period.

Return on equity
Earnings for the year divided by average equity.

Return On Capital Employed (ROCE)
EBITA (earnings before interest, taxes and amortization) divided by average capital employed.

Return on total assets
EBITA (earnings before interest, taxes and amortization) divided by average total capital.

CAGR
Compounded annual growth rate, i.e. geometric average annual growth rate.

EBITA margin (operating margin before depreciation and amortization of intangible assets)
EBITA (earnings before interest, taxes and amortization) divided by net sales.

EBITDA margin (earnings before interest, taxes, depreciation and amortization) divided by total income
EBITDA (earnings before interest, taxes, depreciation and amortization) divided by net sales.

EBITDA per employee
EBITDA (earnings before interest, taxes, depreciation and amortization) divided by average number of employees.

Equity per share
Equity divided by number of shares at period end.

Free cash flow
Cash flow from operating activities minus investments in tangible and intangible assets.

Value added per employee
Earnings before interest, taxes, depreciation and amortization (EBITDA) plus personal expenses divided by average number of employees.

Asset turnover ratio
Net sales divided by average operating capital.

Cash flow from operating activities per share
Cash flow from operating activities, divided by the average number of shares.

Acid test ratio
Current receivables plus liquid assets, divided by current liabilities plus proposed divided.

Liquid assets
Cash and cash equivalents, excluding available and unutilized bank credit facilities.

Net debt
Interest-bearing liabilities minus liquid assets.

Net debt/EBITDA
Net debt divided by EBITDA (earnings before interest, taxes, depreciation and amortization) excluding effects from accounting in accordance with IFRS 16 and adjusted for pro forma accounts for acquired businesses.

Sales per employee
Net sales divided by average number of employees.

Revenue growth
Net turnover for the year divided by net turnover for the previous year.

Operating capital
Equity plus net debt

Pro forma accounts for acquired businesses
EBITDA (earnings before interest, taxes, depreciation and amortization) for the year for acquired businesses, before the acquired business was consolidated in Opus

Interest coverage ratio
EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for pro forma accounts for acquired businesses divided by net financial items excluding Fx gains and losses, excluding effects from accounting in accordance with IFRS 16.

Working capital
Inventory plus current non-interest bearing receivables excluding current tax receivable minus current non-interest bearing liabilities excluding current tax payable.

Operating profit margin (EBIT margin)
EBIT (operating margin) divided by total income.

Equity ratio
Group: Equity divided by total assets.
Parent company: Equity plus 78% of untaxed reserves, divided by total assets.

Capital employed
Working capital plus tangible assets and intangible assets.

Dividend per share
Divided for the period divided by number of outstanding shares at time of divided.

Profit per share
Earnings for the year divided by average number of shares.

Profit margin
Profit after financial items divided by total income.

OPUS GROUP AB (PUBL) ▪ BASARGATAN 10 ▪ SE-411 10 GOTHENBURG, SWEDEN
TEL. +46 (0) 31 748 34 00 ▪ WWW.OPUS.GLOBAL