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# A GLOBAL GROWTH COMPANY

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IN THE VEHICLE SAFETY AND  
ENVIRONMENTAL TESTING SECTOR

OPUS GROUP ANNUAL REPORT 2012

# OPUS IN BRIEF

Opus Group was founded in 1990 and is one of the leading global providers in the vehicle inspection sector. The company has 863 employees. Opus Group AB's share is listed on Nasdaq OMX First North Premier. The company is planning a launch of Opus Group AB on Nasdaq OMX Stockholm in 2013. In 2012, the Group had a turnover of approximately SEK 469 with strong cash flows and good operative profitability. The Group has its own production facilities in Sweden, the US and China. It is headquartered in Gothenburg, Sweden and has eleven regional offices in the US.

Opus Group operates vehicle inspection programs and develops, produces and sells equipment and IT systems for the vehicle inspection industry. The company operates in two different business areas – Vehicle Inspection and Equipment.

Business area Vehicle Inspection makes up about 85 percent of Opus Group's turnover. The vehicle inspection division consists of two segments. Vehicle Inspection International operates vehicle inspection programs and offers emission control equipment sales and servicing to the North American and South American markets. Vehicle Inspection Sweden consists of Opus Bilprovning, with 70 vehicle inspection stations. The majority of sales for business area Vehicle Inspection are in Sweden and the US.

Business area Equipment makes up about 15 percent of Opus Group's turnover and primarily offers vehicle inspection and vehicle workshop equipment that is sold globally in about 50 countries. Opus Group also offers vehicle inspection equipment servicing.

# 1990

OPUS FOUNDED

# 863

NUMBER OF EMPLOYEES

# 469

SEK MILLION IN TURNOVER 2012

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# THE YEAR IN BRIEF

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## Q1

- Opus concludes acquisition of ESP in the US.
- Opus acquires service operations in Alfa Maskinteknik AB.

## Q3

- Opus signs acquisition agreement for acquisition of one-third of the company Bilprovningen.
- The vehicle inspection contract in Wisconsin is implemented.
- ESP wins an equipment and servicing contract in Mexico.
- Systech is awarded a vehicle inspection contract by the state of Louisiana.

## Q2

- Systech signs a vehicle inspection contract with the state of North Carolina.
- Jan Åke Jonsson and Anders Lönnqvist are elected to the company board.

## Q4

- Opus executes a rights issue that is fully subscribed.
- Opus concludes acquisition of one-third of Bilprovningen.
- Per Rosén is named new President of Opus Bilprovning.
- Annica Lindström is named new CFO of Opus Group.

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## SIGNIFICANT EVENTS AFTER YEAR-END

### ORDER FROM BMW

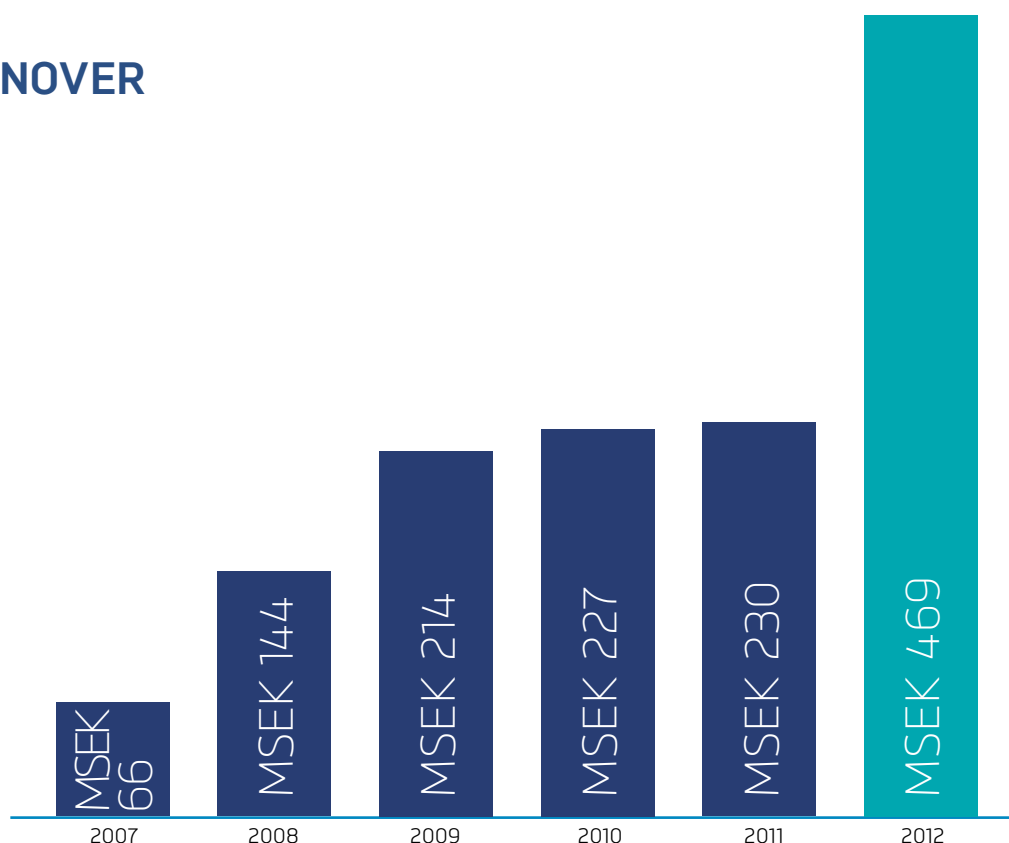
Opus Equipment receives an order for Triplog mileage log trackers from BMW. The order amounts to about one million Euro.

### WON LARGEST VEHICLE INSPECTION CONTRACT IN THE US

Opus subsidiary Systech International wins the bidding for a vehicle inspection contract in New York State. This is the largest vehicle inspection program in the US, comprising 10,000 inspection stations and over 11 million vehicle inspections per year.

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## TURNOVER



## ECONOMIC SUMMARY

	2012	2011	2010
Net turnover	469,989	229,988	227,047
Earnings before interest, taxes, depreciation and amortization (EBITDA)	29,991	28,591	29,825
EBITDA margin	6.4	12.3	13
Earnings before interest and tax (EBIT)	-5,813	-3,585	-6,185
Net loss for the year	-2,261	-5,156	-9,983
Total assets	925,743	326,279	333,404
Cash flow from operations	55,536	35,238	23,656
Net loss per share after dilution	-0.01	-0.03	-0.05

## Depreciation

In conjunction with the Systech acquisition in April 2008, Opus Group acquired intellectual property rights (IP) totaling USD 12.3 million. These include patents, software applications and systems and are depreciated over five (5) years, which affects the consolidated earnings after tax. These intellectual property rights will be fully depreciated in April 2013. In addition, the Group is depreciating customer contracts and relationships over the assessed utilization period, which also affects the consolidated net earnings. Based on this, the company uses EBITDA, which excludes factors such as these depreciations, as key indicators for the Group's profitability.



STRICTER ENVIRONMENTAL AND  
STATUTORY REQUIREMENTS

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CLEAR  
DRIVING FORCES

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MSEK  
> 1,000

IN ORDER/CONTRACT VALUE  
FOR VEHICLE INSPECTION  
CONTRACTS IN THE US



# A GLOBAL GROWTH COMPANY IN THE VEHICLE SAFETY AND EMISSION TESTING SECTOR

Opus Group is a comprehensive supplier of services and products with a focus on vehicle emission and safety testing.

**Clear driving forces**

The market for vehicle emission and safety testing has existed for many years, but is growing globally in many countries. Several emerging and developing countries have not yet introduced vehicle inspection. There are clear driving forces internationally, with stricter environmental and statutory requirements, a larger number of vehicles and increased safety awareness when it comes to road safety, particularly in emerging economies.

**Operations with strong cash flows**

Service supplier operations for vehicle inspection are stable and noncyclical with good cash flows. Operations in the US show strong growth, with Opus Group winning several contracts over the last two years, including New York State – the largest vehicle inspection contract in the US. The Group is focusing on further organic growth in the service division by winning new contracts both in North America and in new markets internationally.

**Limited risk**

Opus Group considers service operations for vehicle inspection to be insensitive to market fluctuations thanks to statutory vehicle inspection in the US and Sweden, where Opus Group has strong market shares. The Opus Group subsidiary Systech has long-term vehicle inspection contracts in the US and an order book for services at a value exceeding SEK 1,000 million.

**Stable finances**

Opus Group works conscientiously to maintain a strong financial position, based on strong cash flows, which in turns enables amortizations at a high rate and acquisition-driven growth.

**Clear goals**

Opus Group has a clear objective to become a global leader in emission and safety testing of vehicles.


The financial targets are judged to be realistically set and in turn provide the conditions for the objective of providing continuous dividend payments and good yield without jeopardizing growth.

**Listing on Nasdaq OMX Stockholm**

Opus Group intends to apply to list on Nasdaq OMX Stockholm in 2013.

**Employees with expertise**

The Group has several executive officers with a high level of industry expertise, based on vast experience from the vehicle emission and safety testing industry.

A professional headshot of Magnus Greko, a middle-aged man with light brown hair, a goatee, and glasses. He is wearing a dark grey suit jacket, a light blue dress shirt, and a bright red tie. He is looking directly at the camera with a slight smile. The background is a plain, light-colored wall.

"In 2012, business grew

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BY AN AMAZING  
104 PERCENT"

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– Magnus Greko, President and CEO

## A WORD FROM THE CEO

# Strong organic growth in the US and the acquisition of one-third of Bilprovningen in Sweden paves the way for continued growth in 2013

We are continuing to develop Opus Group as a company with dedicated industry focus and with the clear objective of becoming a global leader in vehicle emission and safety testing. Looking back at the year 2012, I note a positive trend in the business area, with several new vehicle inspection contracts and three company acquisitions.

In 2012, the Group as a whole had earnings before interest, taxes, depreciation and amortization (EBITDA) of SEK 30 million. Minus nonrecurring costs for the acquisition of Opus Bilprovning, the Group as a whole had an EBITDA of about SEK 49.8 million for 2012, which corresponds to a margin of about ten percent. For 2013, we expect continued growth combined with improved profitability thanks to the new vehicle inspection contracts in the US and the acquisition of Opus Bilprovning, which leads to an increased share in new service operations with a higher margin. In addition, the IP rights acquired in conjunction with the Systech acquisition in 2008 will be fully depreciated in 2013, which will also have a positive effect on net earnings.

## The vehicle inspection division is growing, with awarded contracts and acquisitions

International operations in business unit Vehicle Inspection (previously called North America) continues to deliver strong organic growth thanks to two new vehicle inspection contracts (Wisconsin and North Carolina) that were implemented in 2012. The acquisition of ESP in January 2012 also contributed with acquisition-driven growth in the segment during the year. Opus Group is now the largest provider in the decentralized vehicle inspection program in the US and the third-largest provider on the entire American vehicle inspection market. Winning the New York State contract, which is the largest vehicle inspection contract in the US in relation to number of inspections, is proof that we are now large enough to win major contracts in the US. 2013 will see even more procurements at the government level, making it another exciting year for international vehicle inspection operations.

The new Swedish segment "Vehicle Inspection Sweden" consists of Opus Bilprovning AB, which was acquired from AB Svensk Bilprovning on November 5. Integration was successful and business is doing well. We have also recruited Per Rosén as the new President of Opus Bilprovning and look forward to offering more innovative services to the Swedish vehicle inspection market.

In total, the Opus Vehicle Inspection business unit is

responsible for 14 million inspections per year, of which two million are in Sweden. With the new contract in New York State, which is expected to start in December 2013, we will be responsible for a total of 25.5 million inspections annually.

## Focus on better profitability with Equipment

Opus Group's business unit Equipment (previously called Europe & Asia) had a tough year in 2012, with a major reduction in volume (approx. 17%) related to the general state of the market and the macroeconomic situation in Europe. Thanks to strict cost control and successful service operations, the segment nonetheless delivers a weakly positive EBITDA result for the year as a whole. The equipment market in Europe is not expected to improve in the near future, but we expect some of our product areas to show better performance than last year. We are also working to streamline operations to further improve profitability.

## Positive view of the future

Opus Group is a profitable, growth-oriented company that is continuing to grow both organically and through strategic acquisition. In 2012, business grew by an amazing 104 percent. Swedish and American vehicle inspection operations, with their long-term contracts, form a stable, cash-generating foundation. Cash flow from operations amounted to SEK 55 million in 2012 and cash and cash equivalents at year-end totaled SEK 97 million. Thanks to stable operations and the strong cash flows, we are able to amortize our debts. We are convinced that this creates conditions for good value growth for our shareholders.

## Dividend

For 2012, the Board proposes a dividend of SEK 0.02 per share, which is in line with dividends from last year.

*Gothenburg, April 2013*

**Magnus Greko**

*President and CEO*

# MISSION, VISION, STRATEGY AND GOALS

Opus Group's mission is to develop, produce and sell products and services within the vehicle emission and safety testing sector for the global market.

## **Mission, vision, strategy and goals**

### *Mission*

Opus Group's mission is to develop, produce and sell products and services within the vehicle emission and safety testing sector for the global market.

### *Vision*

Opus Group's vision is to be a world leader in innovative technology for vehicle emission and safety testing and to create opportunities for industrialized and emerging countries to improve their environment through optimal utilization of the latest and most cost-effective technology.

- Opus Group's products and services will be unique through a combination of quality, price, technology and innovation.
- Opus Group's products and services will supplement and support each other to achieve synergies.
- Opus Group's growth will be partly organic through the establishment of Group products and services in new markets and the development of new products to offer to existing customers. Growth will also be partly driven by acquisition.

## **Strategies**

### *Main strategy*

Opus Group will build a company with two clear business directions within the vehicle emission and safety testing sector:

- Vehicle inspection provider
- Testing equipment and service for vehicle inspection stations and workshops

Opus Group will deliver total solutions for vehicle inspection. This includes vehicle inspection equipment, testing software and advanced IT and database solutions for performing and registering tests. Opus Group will also offer services as total vehicle inspection provider.

### *Product strategy*

Opus Group will act as supplier of total equipment solutions for emission and safety testing. The Group's products and services will therefore supplement and support each other to achieve synergies.

Competitive advantages are achieved through our own product development of select key products combined with cost-effective production. The products must be of high-grade quality with a long service life.

### *Growth strategy*

Opus Group's objective for the vehicle inspection sector is to be a market leader in Sweden and the US. Opus Group will expand by selling uniform products and services to existing markets and to new geographic areas. Opus Group's growth will be partly organic through the establishment of Group products and service in new markets and development of new products to offer to existing customers. Growth will also be partly driven by acquisition.

### *Strategy for business area Vehicle Inspection*

In the business area Vehicle Inspection, the vehicle will continue developing its operations in North America, Sweden and new markets. Opus Group will cement its position as the leading player in vehicle inspection with a large customer focus. Innovative product development and leading database development technology combined with cost consciousness will create competitive advantages that will generate growth in the US, Sweden and several other countries.

### Strategy for business area Equipment

Design and technology development will take place in Sweden. Production will take place in our own facilities in China or via cost-effective subcontractors.

Sales will be through independent distributors or distributors with franchise agreements acting under the Opus brand. In important markets, operations will be run through wholly or partially owned subsidiaries.

### Goals

#### Financial targets

- An average annual revenue growth rate (CAGR) of minimum 10 percent over a five-year period.
- EBITDA margin of at least 10 percent
- Interest-bearing net debt in relation to earnings interest, taxes, depreciation and amortization (EBITDA) must not exceed 3.0.

The Board has decided to clarify the financial target for annual revenue growth. Since annual growth can vary due to factors such as consolidation of operations, the revenue target will be based on an annual average over a five-year period.

### Results

We have far exceeded our revenue target and achieved our other financial targets. Revenue growth for 2012 was 103.9 percent and the EBITDA margin, adjusted for acquisition-related costs, amounted to 10.6 percent. The interest-bearing net debt relative to EBITDA, adjusted for acquisition, was 2.5 times.

In 2008, the company adopted a financial group target of achieving a turnover of SEK 500 million by 2012. Our 2012 turnover amounted to SEK 469 million, which means we achieved 94 percent of the target. The total revenue growth for the period 2008 to 2012 was 606 percent.

### Business goals

#### Vehicle inspection

After increasing its position in the American vehicle inspection market in 2012, the company will continue to participate in upcoming tendering for the vehicle inspection program in the US and other markets. Contracts of this type have proven to create good long-term profitability and good cash flows.

### Equipment

Opus Group will reposition itself in the value chain to create greater control and better profitability. This will be done through key account management (KAM), direct contracts with major customers and the establishment of wholly or partially owned subsidiaries in important markets. Operations will be less sensitive to changes in the market through a focus on expanding service operations.

### Divided policy

The Board of Opus Group has adopted the following dividend policy:

- Opus' dividend policy is to distribute 10-20% of the profit on EBITDA level, provided that the company meets the financial target for net debt.\*
- For 2012, The Board will propose a dividend of SEK 0.02 (SEK 0.02) per share.

# 10%

GOAL MIN. 10 PERCENT AVERAGE ANNUAL REVENUE GROWTH OVER A FIVE-YEAR PERIOD

# 10%

GOAL MIN. 10 PERCENT ANNUAL EBITDA MARGIN

\* Until the promissory note from AB Svensk Bilprovning is finally amortized, there is a dividend limit specifying that the dividend amount must not exceed SEK 5 million.



Opus Group has a unique position as a global supplier of total vehicle inspection solutions, with its own products and systems



# ENVIRONMENT AND SAFETY DRIVE THE MARKET

The global vehicle inspection market is experiencing a period of growth. Vehicle inspection has been in existence a long time in Europe and North America, but is still in its infancy in several regions of the world. Several developing countries have shown strong growth in recent years. People have achieved a higher standard of living, but cannot afford to purchase new cars. Instead, a large number of older cars are exported from industrialized countries to developing countries. These cars often inferior in terms of safety and have high exhaust emissions. This leads to a higher number of traffic accidents and higher levels of air pollution. Several developing countries are now focusing on these problems and consider vehicle inspection programs as part of the solution when it comes to increasing traffic safety and reducing emissions. Here, vehicle inspection plays an important role in the future development of these countries.

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## VEHICLE INSPECTION

Vehicle inspection is performed differently in different regions of the world. In Europe, the focus is on both emission and safety testing. Harmonization is underway within the EU, where vehicle inspection requirements of different countries are being made more uniform. There are more stringent requirements to inspect more types of vehicles and the vehicle inspection intervals are being made stricter. Vehicle inspection in the US differs from Europe in that periodic vehicle checks in the US focus on emission control. The safety aspect is handled through stringent safety requirements when new car models are introduced and safety checks performed by police during roadside inspections. In some programs, safety-related systems and components are checked visually during the annual periodic check.

Government authorities, particularly in Europe, generally have a different approach to the safety aspect, viewing it as equally important as the environmental aspect as regards authority monitoring.

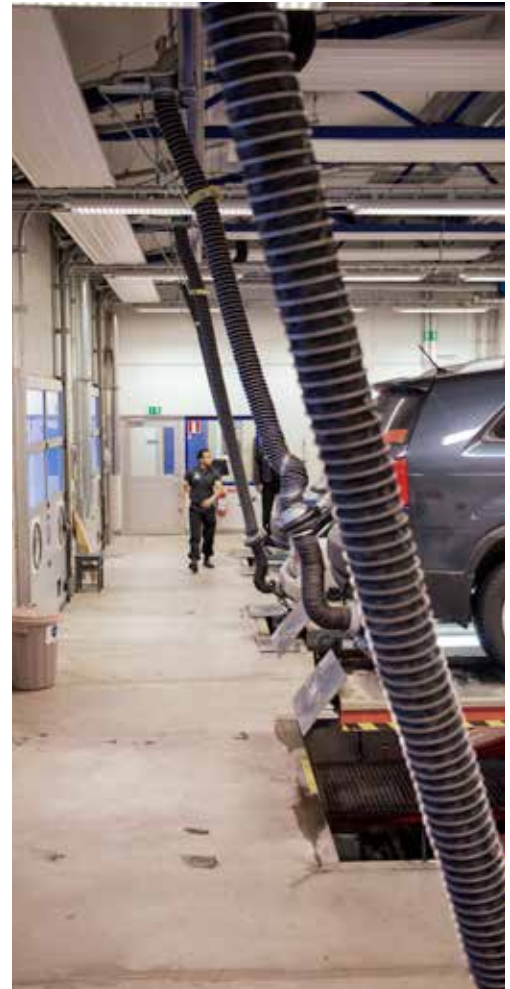
### Swedish vehicle inspection market

#### *Decentralization*

The Swedish market for vehicle inspections is in a state of change. Beginning in 1964, AB Svensk Bilprovning had sole right to perform periodic vehicle inspections. With the December 17, 2009 parliamentary decision regarding decentralization of the Swedish vehicle inspection market (which went into effect on July 1, 2010), Bilprovningen lost its monopoly. Freedom of establishment and unrestricted pricing were introduced in conjunction with the decentralization.

After decentralization, few companies chose to establish themselves on the Swedish market due to the relatively high entrance barriers in the form of major time and cost investments related to becoming accredited, certifying personnel and gaining access to approved premises and equipment. On August 17, 2011 approval was given for Bilprovningen's owners to enter an agreement for the preparation of parts of the station network for sale to stimulate growth of a well-functioning market with good competition. The purpose was to pave the way for new players to acquire existing vehicle inspection stations. On December 20, 2011 approval was granted for two-thirds of Bilprovningen to be sold.

The station network was divided into three groups:



On November 5, 2012 about one-third of AB Svensk Bilprovning was sold to Opus Group. This consisted of 70 vehicle inspection stations located in Stockholm, Mälardalen, Dalarna, Värmland, Skaraborg, Småland, Blekinge and the Norrland coast up to Kiruna. Operations are now run under the brand Opus Bilprovning.

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# OPUS BILPROVNING

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national group, northeastern group and southwestern group. On January 27, 2012, Bilprovningen held an extraordinary general meeting, where the decision was made to offer the northeastern and southwestern groups for sale. On November 5, 2012, about one-third of the operations were sold to Opus Group, consisting of 70 vehicle inspection stations situated in Stockholm, Mälardalen, Dalarna, Värmland, Skaraborg, Småland, Blekinge and the Norrland coast up to Kiruna. Operations are now run under the brand Opus Bilprovning. The former minority owner of AB Svensk Bilprovning, which was organized into the common holding company FBYB Holding AB, acquired the southwestern group. FBYB Holding took over operation beginning March 18, 2013 and contracted with the industrial company Volati to handle operation of the station network with 56 stations. The operations will be run under the name Besikta Bilprovning.

#### Regulation

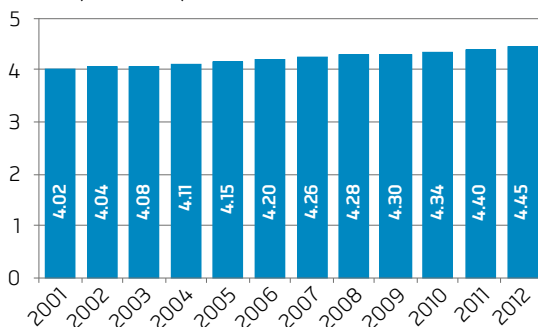
In Sweden, All motor vehicles operated on public roads must undergo regular inspection to ensure compliance with safety and environmental requirements. In Sweden, light vehicles must undergo their first periodic vehicle inspection three years after a new vehicle is put into use, the second two years later and then every year thereafter (3, 2, 1 and so on). This is stricter than the EU's minimum requirement of 4, 2 and 2. Motorcycles, travel trailers and light trailers must be inspected following the 4, 2, 2 plan and heavy trucks, heavy buses and heavy trailers must be inspected every year.

Swedish regulations generally follow development at the EU level. In July 2012, the EU Commission published recommendations for introducing new regulations. For Sweden, the proposed regulations would require implementation of mandatory periodic inspection of mopeds, annual inspection of older motorcycles and scooters and mandatory inspection of electronic control systems.

#### Size and age structure of vehicle fleet

#### Development of the Swedish passenger car fleet

Number of Swedish passenger cars in traffic (in millions)



Source: Statistics Sweden

The size of the vehicle fleet is primarily driven by the size of the population and its total level of wealth. In Sweden, the number of passenger cars in traffic (the largest vehicle character based on number of inspections) has grown at an average rate of 0.9 percent annually over the past ten years.

The age structure of the vehicles impacts how often vehicle owners must have their vehicles inspected. The age structure for Swedish passenger cars in traffic has been relatively stable and there have been no major changes between 2007 and 2011. At the end of 2011, about 60 percent of the passenger car fleet was older than six years and must therefore be inspected each year.

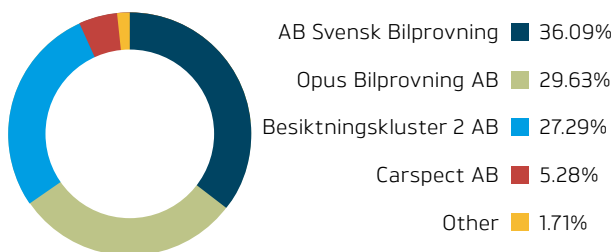
#### Market size

Opus Group estimates the Swedish vehicle inspection market in Sweden at about SEK 1.7 billion for 2012.

#### Competition

AB Svensk Bilprovning has about a 35 percent share of the Swedish vehicle inspection market. Opus Bilprovning has about a 30 percent market share after acquisition of the northwestern group. Besikta Bilprovning has about a 28 percent market share. In addition to these three major players, A-Katsastus has established itself in Sweden under the brand Carspect with about 40 stations. Other players on the Swedish market are Dekra, Clear Car AB, Ystad Bilbesiktning with one station and Fordonsprovarna i Väst with one station. Except for Fordonsprovarna i Väst, all of these players focus on inspections of light vehicles and passenger cars.

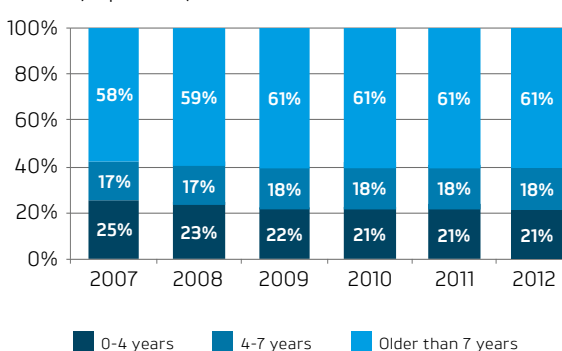
#### Market shares of the Swedish vehicle inspection market, November 2012



Source: Swedish Transport Agency

#### Age structure for Swedish passenger cars

Number of Swedish passenger cars in traffic (in percent)



Source: Statistics Sweden



### **The vehicle inspection market in the US**

#### *Decentralized and centralized vehicle inspection*

Vehicle inspection in the US is conducted in various forms in decentralized and centralized programs.

Decentralized vehicle inspection is when emission testing is done at existing vehicle workshops with certified equipment and certified staff conducting the tests. For the Opus Group, this type of contract means that the company is responsible for IT systems, test equipment, training test personnel, workshop audits and call center service bookings.

Centralized vehicle inspection involves emission testing being carried out at dedicated vehicle inspection stations specialized for this purpose. This applies in a number of states.

The term decentralized open market refers to markets where the state authorities or a private player manages the program with the vehicle inspection stations themselves choosing the test equipment supplier. It is on these markets (eight states in total) that Opus Group is the market leader of certified testing equipment. Opus Group believes the US market will move toward more decentralized programs as they allow greater availability and generally a lower cost for the vehicle owner.

Environmental focus is driven by air pollution, which is a major problem in large cities. California is at the forefront of legislation and regulations governing emission control of motor vehicles. Legislation involving emissions is

intensifying and the US Environmental Protection Agency (EPA) has proposed stricter requirements for smog measured via ground-level ozone. Opus Group expects the vehicle inspection market to grow if these requirements become more stringent.

Emission testing is performed in about 35 US states. Of these states, only about twelve also perform safety testing on vehicles. Emission testing only takes place in states where air quality is below the limits allowed for smog via ground-level ozone. The government agencies are responsible for ensuring that vehicle inspections are performed and purchase services from private businesses, which are normally long-term contracted for periods of 5-7 years. These contracts are normally extended 2-6 years, after which a new procurement process starts. There are about 3-4 new procurements every year in the US. The amount of each individual procurement is between SEK 0.1 and 1 billion over a period of 5-10 years.

#### *1.7 billion in annual market value*

As things stand currently, Opus estimates the size of the American vehicle inspection market in the branch in which it operates as vehicle inspection provider to be about USD 250 million per year (approximately SEK 1.7 billion).

#### *New technology*

Since 1996, legislature in the US has demanded light vehicles be equipped with on-board diagnostics (OBDII)

so that checks can be carried out during annual periodic vehicle inspections or police spot-checks, for example. Legislature has meant that the US market has moved towards automatic systems in lieu of measuring vehicle exhaust directly.

According to Opus Group, there is already new technology available for emission control: Opus Group's "Remote OBD". Opus Group's "Remote OBD" is a new technology for wireless vehicle emission testing directly in traffic, making it possible to test emissions without the driver having to visit an inspection station. "Remote OBD" means that the car is equipped with an OBD reader (which reads the vehicle's fault codes) connected to a wireless transmitter, which transmits the data (fault codes). Vehicles with acceptable test results are granted an exemption and do not have to undergo the annually recurring check.

#### *Competition*

Opus Group faces competition from a number of players on the US market: Parsons Engineering, Envirotec (ESHC), Verizon, SGS Testcom, Gordon Darby, Applus+ and a number of other minor players. However, Verizon has declared they will be exiting the market.

There are also a number of players acting internationally. Among them are both the German TÜV and Dekra. The Swiss group SGS is established in North America (SGS Testcom) as well as globally. Spanish Applus+ is active in vehicle inspection and certification globally in a number of countries (including Sweden and the US). French-owned Bureau Veritas has a broad offering of technical inspection and certification services spanning eight sectors, including In-Service Inspection & Verification, which includes vehicle inspection.

All of the organizations above are engaged in a number of different activities and vehicle inspection is only a part of their operations.

#### **Driving forces for vehicle inspection**

The market for the Opus Group's products and services is driven mainly by new and stricter environmental legislation. Pollution in major cities has gradually increased around the globe and emission control has proven to be an efficient tool for reducing emission levels. An understanding of the impact exhaust emissions have on the increasing greenhouse effect has led to an awareness of the need to reduce emissions, which consequently leads to a bigger market for emission controls and associated equipment and services. Stricter legislation concerning emission control is a driving force that increases the rate of investment in the Group's products.

The increasing number of vehicles is a strong driving force that is particularly prominent in developing countries such as China and India at present. Conditions for market growth exist primarily in developing markets, where emission control is inferior or nonexistent. Within the upcoming five-year period, Opus Group expects strong market growth in Asia, the Middle East and South America. Opus Group has seen success with several projects in these markets. Growth may also be driven by intensification of current legislation.

Development in more mature markets is moving toward favoring suppliers with a complete range of products. Vehicle inspection is being increasingly outsourced, a method of business currently being used in the US, where suppliers handle the complete vehicle inspection operation and receive payment for each test (called pay-per-test). This business model provides more stable and long-term revenue streams and also higher margins for the supplier through more extensive and complete customer commitment than for product deliveries alone. The trend is also moving toward new and more user-friendly technology, where the vehicle owner takes a more active role in exchange for increased flexibility in vehicle testing. The Opus Group has several products in this respect that are at the forefront of development, such as unmanned vehicle inspection stations and wireless vehicle testing (Remote OBD).

# MSEK 6,000

The company estimates the Opus Group's European market for workshop equipment for the automotive industry at SEK six billion



## EQUIPMENT

### European equipment market

#### *Investment requirements*

European legislation regarding periodic vehicle inspections is extensive and demands more test equipment than US legislation, for example. Among other things, this equipment includes IT systems, vehicle hoists, brake testers, headlamp measuring and exhaust checks. The need for investment in equipment is driven mainly by new legislation and the replacement of old equipment.

If the EU implements the EU commission's recommended legislation, it would mean increased investment in diagnostic equipment for inspecting OBD systems (diagnosis of the vehicle performance via on-board computers) and replacement equipment. Several European countries are also planning stricter legislation regarding computerized testing to counteract corruption and safeguard vehicle inspection quality.

Every country in Western Europe introduced stricter legislation for aftermarket vehicle inspection during the 1990s. Test stations and vehicle workshops then invested in new equipment, which is now getting old and unprofitable to repair. The cost of investing in new and improved equipment is today lower than it was ten years ago, which further increases the chances of repurchase. Opus Group therefore expects the repurchase market in Europe to grow in the next five to ten years.

#### *Market size*

The Opus Group estimates the European market for workshop equipment in the vehicle industry to be around SEK nine million and the market for equipment in which the Opus Group competes to be around SEK six billion.

#### *Competition*

In Europe, the Opus Group meets competition from a number of players with either a broad range of offerings or who are more specialized. Among them are global players such as Bosch (Germany), SPX (USA), Snap-on (USA), Actia (France), Werther (Italy), Maha (Germany) and Nussbaum (Germany). In Europe are Hella-Gutmann (Germany), Omitec (England), AVL Ditest (Austria), VTEQ (Spain), BM Autoteknik (Denmark), Texa (Italy), Brain Bee (Italy) and Launch (China).

# CLEAR INDUSTRY FOCUS

Opus Group's operations are based on offering and enabling emission and safety testing of vehicles in a rational and efficient manner. The company operates in the entire value chain, from development, production and sales of equipment for testing, to performing emission and safety testing as a service supplier.

## Business area Vehicle Inspection

The Vehicle Inspection business area is divided into two segments: Vehicle Inspection Sweden and Vehicle Inspection International. The Vehicle Inspection Sweden business area comprises the subsidiary Opus Bilprovning. The Vehicle Inspection International business area comprises the operations conducted in subsidiaries Systech and ESP. The Systech subsidiary operates vehicle inspection programs on contract in North and South America and other places. ESP works with the sale and servicing of emission control equipment. ESP operates in North America and Mexico.

### Vehicle Inspection Sweden

The Opus Group completed the acquisition of around one third of AB Svensk Bilprovning on November 5, 2012. Operations are conducted under the brand name Opus Bilprovning and comprise 70 inspection stations located in Stockholm, Mälardalen, Dalarna, Värmland, Skaraborg, Småland, Blekinge and the Norrland coast up to Kiruna. Opus Bilprovning has around 540 employees with its headquarters in Stockholm.

### Opus Bilprovning

Opus Bilprovning has a competitive position, with a 30 percent market share in Sweden. Operations comprise 70 inspection stations with 243 test lines, of which 186 are intended for light vehicles and 57 for heavy vehicles. It has around 540 employees and conducts approximately two million vehicle inspections per year. The main activity of the 70 inspection stations is to inspect vehicles and make sure they are roadworthy. The services offered include periodic vehicle inspections, re-inspections and registration inspections of both heavy and light vehicles as well as several voluntary services. Operations were consolidated in Opus Group accounts as per November 5, 2012. Operation turnover was around SEK 543 million in 2011.

Opus Bilprovning inspection stations are principally located mainly close to densely populated areas. They are geographically focused on Stockholm and Mälardalen but can also be found along the east coast and the northern part of Sweden and in certain areas of southwest Sweden. Opus Bilprovning has a strong market presence in the geographical areas in which the inspection stations are located.




"Opus Bilprovning has a competitive position, with a 30 percent market share in Sweden."

### Products and services

Opus Bilprovning has a broad range comprising mandatory and optional services in emission and safety testing aimed at both light and heavy vehicles.

The mandatory services comprise all regulated vehicle inspections specified by the Swedish Transport Agency. Optional, non-regulated services are also available and include inspection-related testing and quality control services as well as customized services. Opus Bilprovning can also offer E-diagnosis to customers with passenger cars of model year 2002 and later. These services include examination of the vehicle's electronics – everything from brakes to power windows and ACC – and are sold to private individuals as a supplement to the periodic vehicle inspection.



Opus Bilprovning performs approximately  
two million vehicle  
inspections per year,  
which is 30% of all inspections in Sweden.

Vehicles subject to periodic vehicle inspections are automobiles, motorcycles, trucks, trailers, buses and travel trailers. The total number of mandatory vehicle inspections amounted to around 1,823,000 in 2012, accounting for about 96 percent of turnover.

#### *Customers*

Opus Bilprovning's customers are private individuals, businesses and government agencies that own vehicles registered in Sweden or vehicles registered abroad that must undergo registration inspection. Mandatory and optional service and products are sold to the owners of most types of vehicle. The most common vehicle category is passenger cars, which account for around 79 percent of all periodic vehicle inspections. Other vehicle categories are motorcycles, light and heavy trucks, light and heavy trailers, buses, and travel trailers and motorhomes.

#### *Accreditation*

In order to establish an inspection station, the inspection companies must be accredited for vehicle inspection by the Swedac agency. Swedac places high demands on companies wishing to perform vehicle inspections. Inspection companies must possess the correct technical abilities, equipment and quality management systems, and must be independent. Anyone wishing to perform vehicle inspections may not be engaged in vehicle sales or repair.

Swedac also accredits certification bodies that certify inspection personnel. Due to the stringent demands on accreditation of inspection personnel, the staff at Opus Bilprovning are its most valuable asset. Employees can be divided into two main groups: inspection technicians and inspection engineers. Inspection technicians carry out most inspection services except registration inspections, while inspection engineers also carry out registration inspections.

#### **Vehicle Inspection International**

The business area Vehicle Inspection International offers vehicle inspections on contract plus the sale and service of emission control equipment to vehicle inspection programs on the North and South American markets. Through the vehicle inspection programs, Opus Group acts as a service supplier that, under contract, chiefly conducts statutory emission testing on vehicles and is responsible for equipment, IT systems, training, service, bookings and marketing. The offer varies depending on whether it is a centralized, decentralized or open market system. Operations within Vehicle Inspection International are conducted through the subsidiaries Systech and ESP.

#### *Systech*

Systech, headquartered in Utah, offers turnkey systems and services for emission and safety testing. Systech's range of products and services includes system solutions and conducting vehicle inspections on contract. System solutions include in-house IT systems, customized for vehicle inspections, that integrate management systems and databases. Comprehensive solutions also include hardware in the form of advanced emission control and safety systems. Systech's offering is bound by contract and covers operation and maintenance of vehicle inspection programs for emission testing of vehicles. Systech has vehicle inspection contracts with government agencies on the US market as well as operations in Bermuda and Peru.

#### *ESP*

ESP develops, manufactures, sells and services test systems for emission control. ESP, with headquarters and assembly plant in Connecticut, USA, has around 13,000 customers in eight states in the US that perform vehicle inspections. There are also subsidiaries in Mexico. Product sales account for around 20 percent of ESP's turnover, and service for around 80 percent. Opus Group's acquisition of

In March 2013, the Opus Group subsidiary Systech won the bid for the New York Vehicle Inspection Program contract

Over 11 million vehicle inspections per year

ESP, which was completed in January 2012, was strategically important for the Group for it to become a larger player on the decentralized vehicle inspection market in the US and to become established in more US states. ESP has its own sales organization comprising a head of sales and regional reps who work with customers in the eight states in which ESP is active.

#### **Procurement in the US**

The Opus Group's subsidiary Systech has a team within its vehicle inspection contracts that is specifically focused on working with tenders for public contracts. The team, led by Systech CEO Lothar Geilen, includes resources within engineering, business development, operations and quotations.

The contracts Systech enters into with state authorities in the US are primarily long-term contracts with an estimated duration of 5-10 years, including contract extensions.

The US procurement process is governed by US law. Private players tender a bid describing how they plan to conduct vehicle inspections primarily through documentation and oral presentations. Tenders are scored based on several criteria, including price, customer references, technology, financial stability, size, leadership and competence. Once the state authorities have reviewed the bids, a notice of award is submitted to the player who best meets with the review criteria. Bidders who are not awarded the contract have the option to appeal the decision by filing a protest during a specified period. It is only after the state authority has reviewed any protests that they can make a final decision and contracts can be finalized. The contract is confidential up until it is completed. The Opus Group follows all legislation regarding procurement in accordance with US law and practice. The Group can therefore only inform the market of a successful contract once the final contract has been signed.

Normally there are 3-4 contracts available on the US market. None of the contracts coming to tender during 2013 are possessed by Opus Groups, which means there are opportunities for organic growth in the Opus Group.

#### *Successful procurement in New York state*

In March, 2013, Opus Group's subsidiary Systech won the procurement of vehicle inspection contracts for the State of New York, which is the largest vehicle inspection program in the US. Systech has signed an exclusive contract with the New York State Department of Motor Vehicles (DMV) to carry out the inspection program statewide. This program covers 10,000 vehicle inspection stations and more than 11 million yearly vehicle inspections. The vehicle inspection program includes the development, installation and management of a new IT system developed in-house by Systech with a communications network for connecting to more than 10,000 vehicle inspection stations. The contract also means Systech will sell emission control equipment to all vehicle inspection stations within the state and provide continuous maintenance of the equipment. Systech will also offer training and support to around 60,000 certified inspection technicians and provide vehicle inspection stations, repair technicians and inspection technicians with support through call centers.

The vehicle inspection program in New York runs for a term of seven years from the date the system is adjudged to be in operation and can be extended by the DMV for up to another two years. The system is estimated to be in operation as of December 1, 2013. The contract is expected to generate revenue during 2013 with the delivery of vehicle testing equipment to the inspection stations.



"The Opus Group  
is responsible for  
nearly 25,500,000  
inspections every  
year"



### Products and services

The Opus Group offers a wide range of products and services in North America comprising the entire value chain for vehicle inspection. Through its subsidiary Systech, the Opus Group offers services for operating centralized and decentralized vehicle inspection programs. In most cases, this means the Opus Group offers customers a total solution in vehicle inspection stations. This includes everything from the design, construction and operation of vehicle inspection stations, to the development and implementation of IT systems, test lines for safety testing, training, program reviews, and accreditation certification of stations. Furthermore, through its subsidiary ESP, the Opus Group offers emission control equipment used to check vehicle exhaust emissions.

Through its subsidiary Systech, the Opus Group offers very modern IT systems (Vehicle Inspection Databases (VID)) for vehicle inspection programs. VID stores all the data from a vehicle inspection station, checks the vehicle inspection program and the vehicle inspection station's parameters and analyzes all aspects concerning the results. The Opus Group develops VIDs for both centralized and decentralized vehicle inspection programs.

Systech's inspection program also offers wireless vehicle inspections (Remote OBD) that enable vehicle inspections without visiting a workshop through the connection of a small box to the vehicle's OBD socket. When the vehicle passes a receiver antenna, any fault codes will be transmitted to the agency's database.

### Customers

Customers in the business area Vehicle Inspection International are primarily government agencies that have contracted Opus Group to provide vehicle inspection services. Sales and service of emission control equipment is primarily offered to inspection stations in decentralized programs.

Opus Group currently has 13 contracted vehicle inspection programs in North America. Eight of these programs are for vehicle inspection programs in which Systech is responsible for operating activities. Two of the contracts are centralized (Nashville, Tennessee and New York City Taxi Program) and six are decentralized. The remaining programs are for installation of an IT system (VID). In total, Systech is responsible for about 23.5 million inspections per year. The centralized contract in Nashville involves responsibility for six stations and about 600,000 inspections per year. Systech's decentralized vehicle inspection contracts involve responsibility for about 15,000 vehicle inspection stations. In addition, Systech has international establishments with vehicle inspection programs in Bermuda and Peru, involving both emission and safety testing of vehicles.

The Opus Group subsidiary ESP operates in eight states in the US, with decentralized vehicle inspection contracts in which ESP sells equipment and performs equipment servicing. The number of workshops in these states is about 13,000. ESP also has contracts on the Mexican market involving equipment sales and service.

## References of Vehicle Inspection International

Here is a summary of Systech and ESP contracts:

- **Centralized programs:**

Nashville, Tennessee, Portland and Medford, Oregon, New York Taxi and Limousine Commission, Ica, Peru and Bermuda.

- **Decentralized programs where vehicle inspections are carried out:**

New York, Connecticut (EDBMS Database System), Idaho, Louisiana, Missouri, North Carolina, Rhode Island and Wisconsin.

- **Decentralized programs for equipment and service:**

California, Delaware, Georgia, New Jersey, Mexico, North Carolina, Pennsylvania, Texas, Utah, Virginia and Ontario.

## Business area Equipment

The Equipment business area develops, manufactures and sells equipment for emission and safety testing, including after-sales service and support, and provides vehicle workshops with equipment via reseller agreements with third parties. The goal is to be able to offer comprehensive solutions to test stations or workshops. Operations in the Equipment segment are run mainly through subsidiaries Opus Equipment and J&B Maskinteknik.

With headquarter in Gothenburg, Opus Equipment develops in-house, manufactures and sells test equipment with a focus on vehicle inspection equipment internationally to around 50 countries. Products developed and manufactured in-house include electronic test equipment such as exhaust gas meters, brake testers and test lines. Opus Equipment also engages sub-contracting manufacturers to supply sub-components and products. The offered range also comprises equipment from other producers. Opus Equipment has assembly plants in Gothenburg, Sweden, and Foshan, China, through its own subsidiary.

As of April 1, 2013, operations previously performed by Opus Bima have been integrated into Opus Equipment. The integrated business comprises sales of workshop equipment and consumables to the Nordic vehicle market. Within these operations, Opus Equipment is a leading supplier to Svensk Volvohandel, VW, BMW, Toyota, etc. Comprehensive solutions are on offer together with strategic collaboration. Service and installation are offered through the subsidiary J&B Maskinteknik.

With headquarters in Gothenburg, J&B Maskinteknik installs and performs servicing on equipment for vehicle inspection facilities and vehicle workshops in Sweden. Through J&B Maskinteknik, Opus Group has built up a nationwide service organization that also conducts accredited calibration for vehicle inspection stations and workshops that rectify faults and clear inspection remarks.

Sales in the Equipment business area are mainly via distributors. The products are presented at expos, customer visits, on websites and in catalogs, and customer accounts are managed by Area Sales Managers and Key Accounts Managers. Opus Equipment has around 50 distributors worldwide that sell the products under their own name or under the Opus Group brand via franchise agreements.

### Products and services

Opus Equipment's own products and services can be divided into three main product areas: Vehicle Inspection, Fleet Management and Workshop Equipment.

#### *Vehicle Inspection*

Vehicle Inspection includes emission and safety testing equipment such as exhaust gas meters, wireless vehicle testing (remote OBD), brake testers and Automatic Test Lines (ATL). The Opus Group manufactures a number of exhaust gas meter models used in emission testing to measure and analyze exhaust emissions from gas, diesel or LPG powered vehicles. Brake testers are used to test the effectiveness of a vehicle's brakes and can separately test each individual wheel. Automatic Test Lines is a name for how you can construct test lines for emission and safety testing of vehicles. An ATL comprises one or more test instruments that are linked, typically around a PC and/or a network. The test equipment is compiled according to workshop needs.

#### *Workshop Equipment*

Workshop equipment includes a wide range of products for the workshop industry such as diagnosis equipment, compressed air equipment, tire and wheel equipment, hoists and consumables,

#### *Fleet Management*

Fleet Management includes products for fleet management such as breathalyzers, ignition-interlock devices (IID) and electronic driver logs. Electronic driver logs simplify the administration of company vehicles. Driving data from the car, such as its starting and stopping positions and mileage can be stored. An electronic driver log can then be created automatically in the computer system. Opus Group's breathalyzers and IID use new fuel cell technology to detect alcohol in the breath. The IID can also be combined with electronic driver logs to provide a comprehensive solution.



THE GOAL IS TO OFFER

# COMPREHENSIVE SOLUTIONS

for test stations or vehicle workshops

## Customers

Opus Group's customers in the Equipment business area are mainly vehicle inspection firms (government and private), vehicle workshops authorized to conduct vehicle inspections, brand auto workshops and independent auto workshops. Most customers can be found in Sweden and elsewhere in Europe.

## References Equipment

A sampling of business area Equipment's successful deliveries in vehicle inspection:

- Test lines to Sweden, Norway and Great Britain.
- OBD test equipment to France and Poland.
- Exhaust gas meters to Great Britain, the Philippines and New Zealand.
- Complete vehicle inspection stations to Peru and Mongolia.
- Agreements to supply the majority of test equipment to Finnish A-Katsastus Group.
- Exhaust gas metering equipment and a large number of brake testers to Bilprovningen.
- Complete facilities to Carspect vehicle inspection stations in Sweden.
- Sales of electronic driver logs to BMW.

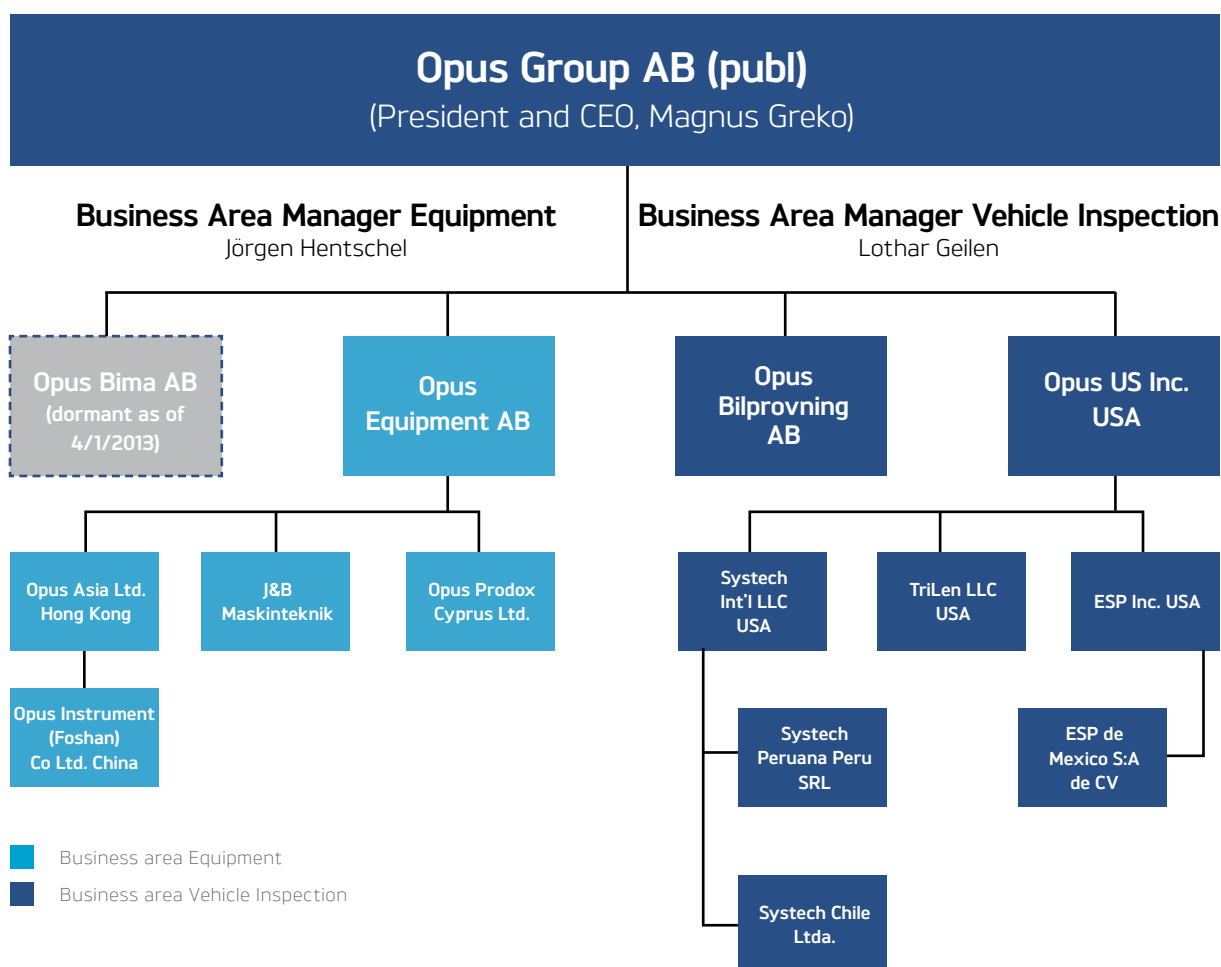
# ORGANIZATIONAL STRUCTURE

In 2012, three acquisitions were completed and consolidated in the Opus Group. These were ESP Inc., Alfa Maskinteknik AB and Besiktningskluster 1 AB (name changed to Opus Bilprovning AB). The company was restructured in April 2012 when the parent company's operations were moved to a new subsidiary, Opus Equipment. This restructuring was part of the company's process of refining Group functions and freeing up resources in Group management for control and future growth. A further restructuring was completed as of April 1, 2013, when the Opus Bima subsidiary's operations were transferred to Opus Equipment. Opus Bima is now dormant while its operations have been integrated into Opus Equipment. J&B Maskinteknik is now a subsidiary of Opus Equipment. This restructuring was performed in order to gain a more efficient equipment organization and to take advantage of the synergies between the different companies. After restructuring, the Group comprises the parent company Opus Group, based in Gothenburg, and 14 subsidiaries.

Vehicle inspection operations are handled through Opus Bilprovning AB and holding company Opus US Inc., with subsidiaries ESP Inc., ESP de Mexico S.A. de CV, Systech International LLC, Systech Peruana SRL and Systech Chile Ltda, and Trilen LLC. The company Systech Chile Ltda is currently inactive. TriLen LLC is a holding company for Opus US Inc.'s real estate connected with its North American activities.

The Equipment business area operates mainly through subsidiaries Opus Equipment, Opus Asia Ltd., Opus Instrument Co. Ltd., and J&B Maskinteknik AB. Opus Cyprus Ltd is also included in this business area and is a holding company for the company's intangible assets. As of April 1, 2013, Opus Bima AB is a dormant company.

Opus Group's corporate structure comprises a number of subsidiaries with their own organizational structures. Approximately 863 people are employed by the Group (including acquisitions). Refer to the organizational chart below for Group structure.



# THE SHARE

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

Opus Group AB's shares have been listed on Aktietorget since April 18, 2006 and on Nasdaq OMX First North since September 4, 2006. Since September 22, 2010, company shares have been listed on First North Premier. Opus Group's Certified Adviser is Thenberg & Kinde Fondkom-

mission AB. The short name is OPUS and the ISIN code is SE0001696683. There have been no public share offerings to Opus shareholders during the current or previous financial year.

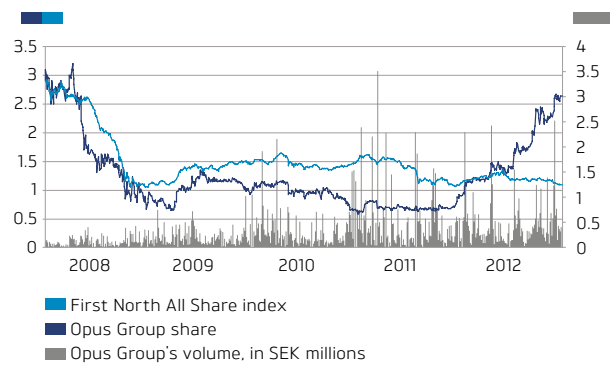
The share capital in Opus Group AB amounts to SEK 4,633,489.10 and the number of shares amounts to 231,674,455, with a nominal value of SEK 0.02 each. All shares have one (1) vote each and equal rights to the company's assets and profits. Opus Group's market capitalization amounted to SEK 609 million as of December 28, 2012.

## SHAREHOLDING AS PER DECEMBER 31, 2012

Based on data from Euroclear. The number of shareholders amounted to approximately 2,100. Shareholding in Opus Group is shown in the table below.

Shareholder	No. of shares	Share of capital and votes, %
Magnus Greko and Jörgen Hentschel, privately and via AB Kommandoran	35,171,812	15.2
Lothar Geilen	20,768,072	9.0
Second AP Fund	10,999,999	4.7
Henrik Wagner Jörgensen	10,887,516	4.7
Pradeep Tripathi	10,870,238	4.7
AMF Aktiefond Småbolag	10,003,007	4.3
Nordea Småbolagsfond	9,883,976	4.3
Insurance company Avanza Pension	9,814,883	4.2
Länsförsäkringar Småbolagsfond	8,307,044	3.6
BP2S PARIS/NO CONVENTION	6,508,724	2.8
Lubea Förvaltning	5,499,999	2.4
Göran Nordlund, privately and via Fore C Investment sprl	5,127,309	2.2
Nordnet Pensionsförsäkring AB	4,723,071	2.0
Vision Invest Sprl	3,379,921	1.5
Jan Löngårdh	3,358,800	1.4
KL Capital AB	2,418,117	1.0
Per Hamberg	2,000,000	0.9
Anders Björkman	1,375,273	0.6
Jonas Eixmann	1,200,000	0.5
Hven Fyr Förvaltning AB	1,160,000	0.5
<b>Subtotal</b>	<b>163,457,761</b>	<b>70.6</b>
Other shareholders	68,216,694	29.4
<b>Total</b>	<b>231,674,455</b>	<b>100.0</b>

## PRICE DEVELOPMENT OF THE OPUS GROUP SHARE, 2008-2012



## PRICE DEVELOPMENT AND TURNOVER OF OPUS SHARE, 2012



DATA PER SHARE	2012	2011	2010 <sup>1)</sup>	2009 <sup>1)</sup>	2008
Number of shares at period end, in thousands	231,674	193,062	193,062	193,062	193,062
Average number of shares during the period, in thousands	201,070	193,062	193,062	193,062	143,783
Nominal value, SEK	0.02	0.02	0.02	0.02	0.02
Equity per share, SEK	1.30	1.24	1.25	1.36	1.55
Profit per share, SEK	-0.01	-0.03	-0.05	-0.02	0.04
Dividend per share, SEK	0.02	-	-	-	-
Cash flow per share, SEK	0.37	0.14	0.14	0.14	0.14
Market value Dec 28, SEK	2.63	0.91	0.63	0.98	0.80
P/E ratio	neg.	neg.	neg.	neg.	22.00
Yield, percent	0.76	2.20	N/A	N/A	N/A

1) Financial data for the preceding year has been adjusted; see note 27.

Data per share has been recalculated to take into consideration the effect of rights issues and splits. Outstanding share options have a dilutive impact, as the discounted strike price for the 2010:1 and 2011:1 option programs exceed the average price for the shares during the period. All data per share figures are based on number of shares outstanding after dilution. The share price is the average price for the actual day.

## 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	-	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	-	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 list exchange from Aktietorget to First North	60,000	1,096,914	3,000,000	54,845,679
2007	Non-cash issue directed to the 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 issue directed to the 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	422,250	2,105,881	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

## SPECIFICATION OF SHAREHOLDING PER DECEMBER 28, 2012

No. of shares	No. of shareholders	as % of all shareholders	No. of shares owned together	as % of all shares
Under 501	191	8.91%	46,599	0.02%
501-1,000	139	6.49%	117,924	0.05%
1,001-2,000	208	9.71%	320,953	0.14%
2,001-5,000	369	17.22%	1,312,157	0.57%
5,001-10,000	298	13.91%	2,329,940	1.01%
10,001-20,000	357	16.66%	5,035,343	2.17%
20,001-50,000	310	14.47%	9,917,549	4.28%
50,001-100,000	104	4.86%	7,212,881	3.11%
100,001-500,000	121	5.66%	24,834,770	10.72%
500,001-1,000,000	21	0.98%	15,253,147	6.58%
1,000,001-5,000,000	10	0.47%	21,721,360	9.38%
5,000,001-10,000,000	6	0.28%	45,139,521	19.48%
Over 10,000,000	6	0.28%	98,432,311	42.49%
<b>Total</b>	<b>2,143</b>	<b>100.00%</b>	<b>231,674,455</b>	<b>100.00%</b>

Based on data from Euroclear, of the total number of shares, approx. 29 percent is owned by foreign shareholders.

## FIVE-YEAR OVERVIEW

Consolidated income statement	2012	2011	2010	2009	2008
SEK thousands					
Net turnover	468,989	229,988	227,047	214,131	143,522
<b>Total income</b>	<b>470,933</b>	<b>231,550</b>	<b>228,886</b>	<b>223,092</b>	<b>144,536</b>
Operating expenses	-440,942	-202,959	-199,061	-194,892	-124,686
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>29,991</b>	<b>28,591</b>	<b>29,825</b>	<b>28,200</b>	<b>19,850</b>
Depreciation	-35,804	-32,176	-36,010	-24,857	-15,826
Earnings before interest and tax (EBIT)	-5,813	-3,585	-6,185	3,343	4,024
Net financial income/expense	-5,069	-1,034	-3,817	-5,221	-93
Profit/loss after financial items	-10,882	-4,619	-10,002	-1,878	3,931
Current tax/deferred tax	8,621	-537	19	-2,664	1,297
<b>Profit/loss for the period</b>	<b>-2,261</b>	<b>-5,156</b>	<b>-9,983</b>	<b>-4,542</b>	<b>5,228</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2012	2011	2010	2009	2008
SEK thousands					
<i>Assets</i>					
Intangible assets	483,266	169,476	194,022	234,423	292,399
Tangible assets	135,653	43,052	44,950	45,430	53,164
Financial assets	3807	7	7	7	299
Deferred tax assets	35,467	5,765	6,681	5,218	1,331
<b>Total fixed assets</b>	<b>658,193</b>	<b>218,300</b>	<b>245,660</b>	<b>285,078</b>	<b>347,193</b>
Inventory	68,585	44,525	38,308	41,880	34,799
Current receivables	102,001	40,533	34,147	26,586	31,252
Liquid assets	96,964	22,921	15,289	15,246	5,893
<b>Total current assets</b>	<b>267,550</b>	<b>107,979</b>	<b>87,744</b>	<b>83,712</b>	<b>71,944</b>
<b>Total assets</b>	<b>925,743</b>	<b>326,279</b>	<b>333,404</b>	<b>368,790</b>	<b>419,137</b>
<i>Equity and liabilities</i>					
Equity	262,135	239,379	241,669	261,787	300,016
Interest-bearing liabilities	414,226	42,333	57,059	74,827	90,376
Non-interest bearing debt and provisions	249,382	44,567	34,676	32,176	28,745
<b>Total equity and liabilities</b>	<b>925,743</b>	<b>326,279</b>	<b>333,404</b>	<b>368,790</b>	<b>419,137</b>

CONSOLIDATED CASH FLOW STATEMENT	2012	2011	2010	2009	2008
SEK thousands					
Cash flow from operations	55,536	35,238	23,656	22,446	6,094
Cash flow from investment activities	-232,448	-3,586	-8,328	-668	-242,970
Cash flow from financing activities	251,665	-24,698	-14,558	-10,491	238,758
<b>Cash flow for the period</b>	<b>74,753</b>	<b>6,954</b>	<b>770</b>	<b>11,287</b>	<b>1,882</b>
Liquid assets at start of period	22,921	15,289	15,246	5,893	4,011
Translation difference	-710	678	-727	-1,934	-
Cash flow for the period	74,753	6,954	770	11,287	1,882
<b>Liquid assets at end of period</b>	<b>96,964</b>	<b>22,921</b>	<b>15,289</b>	<b>15,246</b>	<b>5,893</b>

KEY FIGURES	2012	2011	2010	2009	2008
<b>Return on capital</b>					
Return on operating capital, percent	neg	neg	neg	0.9	1.9
Return on total assets, percent	neg	neg	neg	2.2	4
Return on equity, percent	neg	neg	neg	neg	3.1
<b>Profitability</b>					
EBITDA margin, percent	6.4	12.3	13	12.6	13.7
Operating profit margin (EBIT), percent	neg	neg	neg	1.5	2.8
Profit margin, percent	neg	neg	neg	neg	2.7
<b>Labor and capital intensity</b>					
Revenue growth, percent	103.9	1.3	6	49.2	116
Turnover per employee, SEK thousands	1,104	1,361	1,343	1,322	1,248
Value added per employee, SEK thousands	525	591	582	615	548
EBITDA per employee, SEK thousands	71	169	173	174	173
Capital turnover rate, times	0.7	0.9	0.7	0.6	0.7
<b>Financial indicators</b>					
Net debt, SEK thousands	317,262	19,412	41,770	59,581	84,483
Net debt/equity ratio, times	1.2	0.1	0.2	0.2	0.3
Interest coverage ratio, times	neg	neg	neg	0.8	1.7
Equity ratio, percent	28.3	73.4	72.5	72.2	71.6
Acid test ratio, percent	70.1	86.4	96.3	81.1	82.4
Average number of employees	425	169	172	162	115
Average number of employees at year-end	863	170	168	150	152
<b>Data per share</b>					
Number of shares at period end, before dilution	231,674,455	193,062,046	193,062,046	193,062,046	193,062,046
Number of shares at period end, after dilution	235,478,955	193,062,046	193,062,046	193,062,046	193,062,046
Average number of share, before dilution	201,070,364	193,062,046	193,062,046	193,062,046	143,783,163
Average number of share, after dilution	204,874,864	193,062,046	193,062,046	193,062,046	143,783,163
Equity per share, before dilution, SEK	1.30	1.24	1.25	1.36	1.55
Equity per share, after dilution, SEK	1.28	1.24	1.25	1.36	1.55
Profit per share, before dilution, SEK	-0.01	-0.03	-0.05	-0.02	0.04
Profit per share, after dilution, SEK	-0.01	-0.03	-0.05	-0.02	0.04
Dividend per share, before dilution, SEK	0.02	0.02	-	-	-
Dividend per share, after dilution, SEK	0.02	0.02	-	-	-
Cash flow per share, before dilution, SEK	0.37	0.04	0.14	0.14	0.1
Cash flow per share, after dilution, SEK	0.36	0.04	0.14	0.14	0.1

As of December 31, 2010, Opus has decided to report depreciation under "Capitalized development costs" within "Depreciation and amortization", unlike previous periods, where such depreciation was reported in the item "Operating expenses". This change is because these have become material and to improve transparency to investors. Previous periods have been adjusted for this to enable comparison. The adjustment affects the financial figures for the Group, for Opus Group AB (parent company) and business unit Europe.

Data per share has been recalculated to take into consideration the effect of rights issues and splits. Outstanding share options are considered not to have any dilutive impact as the discounted strike price for the options exceeds the average price for the shares during the period.

## QUARTERLY OVERVIEW

### Quarterly consolidated income statement

	2012				2011			
SEK thousands	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net turnover	176,639	103,491	100,284	88,574	61,772	48,972	57,948	61,296
<b>Total income</b>	<b>176,780</b>	<b>104,117</b>	<b>100,785</b>	<b>89,250</b>	<b>62,313</b>	<b>49,341</b>	<b>58,245</b>	<b>61,653</b>
Operating expenses	-171,093	-91,882	-97,287	-80,682	-59,742	-40,847	-49,829	-52,545
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>5,687</b>	<b>12,235</b>	<b>3,498</b>	<b>8,570</b>	<b>2,571</b>	<b>8,494</b>	<b>8,416</b>	<b>9,108</b>
Depreciation	-10,375	-8,753	-8,461	-8,216	-8,229	-7,828	-7,937	-8,181
Earnings before interest and tax (EBIT)	-4,688	3,482	-4,963	354	-5,658	666	479	927
Net financial income/expense	-3,310	-860	-72	-825	-36	-45	-507	-445
Profit/loss after financial items	-7,998	2,622	-5,035	-471	-5,694	621	-28	482
Current tax/deferred tax	1,982	-2,385	11,573	-2,549	4	-139	-199	-203
<b>Profit/loss for the period</b>	<b>-6,016</b>	<b>237</b>	<b>6,538</b>	<b>-3,020</b>	<b>-5,690</b>	<b>482</b>	<b>-227</b>	<b>279</b>

### Quarterly consolidated statement of financial position

	2012				2011			
SEK thousands	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Assets</b>								
Intangible assets	483,266	181,242	198,238	187,564	169,476	174,199	168,135	174,608
Tangible assets	135,653	47,235	51,722	44,727	43,052	43,281	40,668	42,012
Financial assets	3,807	4,272	3,660	3,410	7	7	7	7
Deferred tax assets	35,467	43,164	30,602	20,558	5,765	8,469	7,320	6,755
<b>Total fixed assets</b>	<b>658,193</b>	<b>275,913</b>	<b>284,222</b>	<b>256,259</b>	<b>218,300</b>	<b>225,956</b>	<b>216,130</b>	<b>223,382</b>
Inventory	68,585	73,641	80,289	83,414	44,525	37,961	36,193	36,610
Current receivables	102,001	110,371	65,500	58,299	40,533	35,347	32,763	39,654
Liquid assets	96,964	19,660	21,208	27,433	22,921	19,347	16,144	14,759
<b>Total current assets</b>	<b>267,550</b>	<b>203,672</b>	<b>166,997</b>	<b>169,146</b>	<b>107,979</b>	<b>92,655</b>	<b>85,100</b>	<b>91,023</b>
<b>Total assets</b>	<b>925,743</b>	<b>479,585</b>	<b>451,219</b>	<b>425,405</b>	<b>326,279</b>	<b>318,611</b>	<b>301,230</b>	<b>314,405</b>
<b>Equity and liabilities</b>								
Equity	262,135	271,439	240,894	228,008	239,379	243,826	226,975	227,745
Interest-bearing liabilities	414,226	93,253	105,565	107,103	42,333	41,980	42,244	50,762
Non-interest bearing debt and provisions	249,382	114,893	104,760	90,294	44,567	32,805	32,011	35,898
<b>Total equity and liabilities</b>	<b>925,743</b>	<b>479,585</b>	<b>451,219</b>	<b>425,405</b>	<b>326,279</b>	<b>318,611</b>	<b>301,230</b>	<b>314,405</b>

### Quarterly consolidated cash flow statement

	2012				2011			
SEK thousands	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operations	31,094	10,242	8,577	5,623	15,155	4,639	10,779	4,665
Cash flow from investment activities	-155,155	-1,924	-8,290	-67,079	-1,440	-342	-816	-988
Cash flow from financing activities	200,759	-8,007	-7,944	66,857	-10,307	-2,537	-8,577	-3,277
<b>Cash flow for the period</b>	<b>76,698</b>	<b>311</b>	<b>-7,657</b>	<b>5,401</b>	<b>3,408</b>	<b>1,760</b>	<b>1,386</b>	<b>400</b>
Liquid assets at start of period	19,660	21,208	27,433	22,921	19,347	16,144	14,759	15,289
Translation difference	606	-1,859	1,432	-889	166	1,443	-1	-930
Cash flow for the period	76,698	311	-7,657	5,401	3,408	1,760	1,386	400
<b>Liquid assets at end of period</b>	<b>96,964</b>	<b>19,660</b>	<b>21,208</b>	<b>27,433</b>	<b>22,921</b>	<b>19,347</b>	<b>16,144</b>	<b>14,759</b>

## BOARD



Göran Nordlund



Lothar Geilen



Eva-Lotta Kraft



Jan Åke Jonsson



Anders Lönnqvist

### Göran Nordlund, Chairman of the Board

Born in 1958. Board member since 2002. Chairman of the Board since 2004.

**Experience:** Several years of experience as an entrepreneur, among other within the telecommunications industry, and active owner and board member in a number of companies within a wide range of industries. Nordlund has previously been a board member in Viking Telecom AB (publ), listed on the Stockholm Stock Exchange, a company which Nordlund co-founded.

**Current assignments:** CEO and board member in own companies Fore C Investment AB and Fore C Fund Management AB. Chairman of the board in Online Brands Nordic AB (publ), Hexatronic Scandinavia AB (publ), Amago Capital AB (publ), Silverbullet Film AB, Add – TV AB and OF Intressenter AB. Board member in West International AB (publ) and Fore C Fund Management AB. Deputy board member in Urologix AB.  
**Education:** M.Sc. in Electrical Engineering at Chalmers University of Technology and studies in Business Administration at University of Gothenburg.

Shares in Opus: 5,127,309 (privately and via Fore C Investment sprl).

Share options in Opus: 0.

*Independent of the Company, its management and major shareholders.*

### Lothar Geilen

Born in 1961. Board member since 2008. Division Manager Vehicle Inspection

**Experience:** CEO of ESP Inc. since 2012; CEO of Opus US Inc. since 2008; President of subsidiary Systech International, LLC (USA) since 2000; CEO of Sensors, Inc. (USA) 1997-2000 and Managing Director of Sensors Europe (Germany) 1987-1997.

**Current assignments:** Board member in Nextennis, LLC.

**Education:** Dipl.-Kfm. (equivalent to MBA in Germany) at Ludwig-Maximilian University in Munich, Germany.

Shares in Opus: 20,768,072.

Share options in Opus: 50,000 (share option program 2010:1), 50,000 (share option program 2011:1) and 50,000 (share option program 2012:1).

*Independent of the Company and its management.*

### Eva-Lotta Kraft

Born in 1951. Board member since 2011.

**Experience:** Department Manager Strategy and Marketing at the Swedish Defense Research Agency (FOI) during the period 2004-2007, Division Manager/Vice President in Siemens-Elma AB 2000-2004 and executive positions within Alfa Laval AB 1989-2000.

**Current assignments:** Board member in NIBE Industrier AB, ÅF AB, Boule Diagnostics AB, XANO Industri AB and Eva-Lotta Kraft Affärs-konsult AB.

**Education:** M.Sc. in Chemical Engineering from KTH Royal Institute of Technology and MBA from Uppsala University.

Shares: 0.

Share options: 0.

*Independent of the Company, its management and major shareholders.*

### Jan Åke Jonsson

Born in 1951. Board member since 2012.

**Experience:** Former CEO Saab Automobile AB and operative management positions at Saab Automobile and General Motors.

**Current assignments:** Chairman of the board in Polstiernan Industri AB, Bythjul i Norden AB, Väst kustens Affärsänglar AB and Datachassi AB plus Board member in Vattenfall AB and Castellum AB.

**Education:** Data Processing and Business Administration at Högskola Tekniska Läroverket i Linköping and Uppsala University.

Shares: 0.

Share options in Opus: 0.

*Independent of the Company, its management and major shareholders.*

### Anders Lönnqvist

Born in 1958. Board member since 2012.

**Experience:** Chairman of the board in and owner of the investment company Servisen. Solid international experience from investment companies and other listed companies, including company acquisition, management and strategy issues.

**Current assignments:** Chairman of the board in Stronghold Invest AB (Newsec AB), Servisen Group AB and its subsidiaries. Board member in SSRS Holding AB (Elite Hotels of Sweden AB), Northern Light AB, AB Novestra and Nouvago Capital AB.

**Education:** Among other studies, Economy at Stockholm University.

Shares: 1,413,600 including family.

Share options: 0.

*Independent of the Company, its management and major shareholders.*

# MANAGEMENT

## Magnus Greko



Born 1963. President and CEO since 2006.

**Background:** Founded the Company in 1990 together with the Company's Vice President, Jörgen Hentschel. Active in the industry since 1984.

**Current assignments:** Board member in AB Kommandoran, Opus Bima AB, J & B Maskinteknik AB and Opus Equipment AB.

**Education:** Engineering degree from Polhemsgymnasiet in Gothenburg.

Shares: 540,000 privately and 17,585,906 shares through AB Kommandoran (owned equally by Magnus Greko and Jörgen Hentschel).

Share options: 50,000 (share option program 2010:1), 50,000 (share option program 2011:1) and 50,000 (share option program 2012:1).

## Annica Lindström



Born in 1965. CFO since 2012.

**Background:** Group Accounting Manager at Papyrus and Plastal Group. Accounting Manager at Saab Automobile.

**Current assignments:** No other assignments.  
**Education:** B.Sc. in Accounting from School of Business, Economics and Law at University of Gothenburg.

Shares in Opus: 0.  
Share options in Opus: 50,000

## Bernice Wellsted



Born in 1978. Group Accounting Manager since 2009. CFO 2011-2012.

**Background:** Group Accounting Manager of the Company 2009-2011. Prior to this Manager Group IFRS at Plastal, Group Accountant at SKF and Auditor at Ernst & Young (Aouth Africa) and Deloitte (the Netherlands).

**Current assignments:** Deputy board member in Opus Equipment AB.

**Education:** B.Sc. in Accounting (UN ISA), USA CPA Exam.

Shares in Opus: 0.  
Share options: 42,500 (share option program 2010:1), 50,000 (share option program 2011:1) and 50,000 (share option program 2012:1).

## Peter Stenström



Born in 1978. Investor Relations Officer since 2012.

**Background:** Project Manager in Corporate Finance at Thenberg & Kinde Fondkommission AB 2004-2012.

**Current assignments:** No other assignments.  
**Education:** M.Sc. in Industrial and Financial Economics from School of Business, Economics and Law at University of Gothenburg. B.A. in Business Economics at University of Brussels.

Shares in Opus: 50,000.  
Share options: 50,000 (share option program 2012:1).

## Jörgen Hentschel



Born in 1963. President of Opus Equipment AB and Division Manager Equipment since 2012. Vice President since 2006.

**Background:** Founded the Company in 1990 together with the Company's President and CEO, Magnus Greko. Active in the industry since 1986.

**Current assignments:** President of Opus Equipment AB. Deputy board member in AB Kommandoran, Opus Bima AB and J & B Maskinteknik AB.

**Education:** Engineering degree from Polhemsgymnasiet in Gothenburg.

Shares in Opus: 35,198 privately (through family) and 17,585,906 shares through AB Kommandoran (owned equally by Jörgen Hentschel and Magnus Greko).

Share options: 50,000 (share option program 2010:1), 50,000 (share option program 2011:1) and 50,000 (share option program 2012:1).

## Lothar Geilen

Born in 1961. Business Unit Manager for North America since 2008. See Board.

## Henrik Wagner Jörgensen



Born in 1961. Sales Manager in Opus Equipment for vehicle inspection equipment since 2012.

**Background:** Former Manager of the segment Europe. President of EWJ Teknik A/S, EWJ Svenska AB and Autek A/S. Former owner and chairman of the board for EWJ Teknik A/S, Autek A/S and EWJ Svenska AB.

**Current assignments:** President of Avenir ApS.  
**Education:** Four-year program as electronics technician.

Shares in Opus: 10,887,516  
Share options in Opus: 50,000 (share option program 2010:1), 50,000 (share option program 2011:1) and 50,000 (share option program 2012:1).

**The office address of the Board members and executive officers is:**  
**Opus Group AB (publ), Bäckstengatan 11D, SE-431 49 Mölndal, Sweden**

## AUDITOR

### Harald Jagner, Authorized Public Accountant

Born 1971. Authorized Public Accountant at Deloitte AB and member of FAR SRS (Professional Association of Accountants and Advisers in Sweden). Auditor of Opus since 2011.

Other clients: Among others HIGAB, Jeppesen Systems, Skeppshypotekskassan, KVD Kvarndammen Gruppen, Surahammars Bruk.

**Note: Shareholdings and options as per December 31, 2012. Information on shareholding includes those of family and those owned through companies.**

## DIRECTORS' REPORT

The Board and CEO hereby submit the annual report and consolidated financial statements for Opus Group AB (name change during the year from Opus Prodox AB) (publ) 556390-6063, based in Gothenburg, Sweden, for the financial year January 1, 2012 to December 31, 2012.

### Business

Opus Group is a leading company in vehicle inspection technology and operation of inspection stations. Opus Group operates vehicle inspection programs and develops, produces and sells equipment and IT system to the vehicle inspection industry. Emission and safety testing of vehicles are statutory requirements in most countries and something government authorities require of all vehicle owners, regardless of the economic climate. The Group operates in two business areas – Vehicle Inspection and Equipment.

Business area Vehicle Inspection makes up about 74% of the Group's turnover. The vehicle inspection division consists of two segments. Vehicle Inspection International runs vehicle inspection programs and offers emission control equipment sales and servicing to the North American and South American market. Vehicle Inspection Sweden consists of Opus Bilprovning, with 70 vehicle inspection stations. The majority of sales for business area Vehicle Inspection are in Sweden and the US.

Business area Equipment makes up about 26% of the Group's turnover and primarily offers testing and vehicle workshop equipment, which is sold on the global market in about 50 countries. Sales in this business area are primarily in Sweden and the rest of Europe.

At year-end, the Group had about 863 employees. Opus Group's shares are listed on Nasdaq OMX First North Premier.

### Ownership

The number of shareholders totaled approximately 2,100 at year-end. At the end of the financial year, the largest shareholders were Magnus Greko and Jörgen Hentschel (President/CEO and Vice President, respectively) via AB Kommandoran, with 15.2 percent of the votes, followed by Lothar Geilen (Business Unit Manager Vehicle Inspection), with 9.0 percent of the votes, and Andra AP-fonden with 4.7 percent of the votes.

### Earnings trend during the year

Turnover amounted to SEK 469.0 million (230.0).

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to SEK 30.0 million (28.6). The EBITDA margin amounted to 6.4 percent (12.3). Cash flow from operating activities before changes in working capital amounted to SEK 24.5 million (26.9) and after changes in working capital amounted to SEK 55.5 million (35.2).

Loss after tax totaled SEK -2.3 million (-5.2).

EBITDA to net earnings bridge 1/1/2012 to 12/31/2012	SEK thousands	SEK per share
EBITDA	29,991	0.13
Amortization of Systech IP (ends April 30, 2013)	-16,790	-0.07
Amortization of customer contracts and relationships	-10,565	-0.05
Other depreciation and amortization	-8,449	-0.04
Interest	-5,378	-0.02
Exchange rate differences on internal loans (see also note 9)	309	-0.00
Current/deferred taxes	8,621	0.04
<b>Profit/loss for the period</b>	<b>-2,261</b>	<b>-0.01</b>

In conjunction with the Systech acquisition in April 2008, Opus Group acquired intellectual property rights (IP) totaling USD 12.3 million (approx. SEK 74 million). These include patents, software applications and systems and are depreciated over five (5) years, which affects the consolidated earnings after tax. In addition, the Group is depreciating customer contracts and relationships over the assessed utilization period, which also affects the consolidated net earnings. Based on this, the company uses EBITDA, which excludes factors such as these depreciations, as key indicators for the Group's profitability.

Earnings per share after dilution amounted to SEK -0.01 (-0.03).

The Board will propose a dividend in SEK 0.02 per share be paid out for 2012 (SEK 0.02).

The organic growth in Vehicle Inspection International (formerly called North America) amounted to 33 percent (-7). EBITDA totaled SEK 39.6 million (18.8), which is an equivalent to an increase of about 111 percent. The change in earnings is primarily related to the acquisition of ESP and the new vehicle inspection contracts in Wisconsin and North Carolina, which began generating revenue in 2012. The EBITDA margin amounted to 14.4 percent (23.3).

The organic growth in the Equipment segment (formerly called Europe & Asia) was negative during the year and amounted to -17 percent (14)\*. EBITDA amounted to SEK 0.5 million (9.7).

### Significant events during the year

- In January, the Opus Group subsidiary Opus US Inc. acquired 100 percent of the shares in Environmental Systems Products Inc. (ESP) from Envirotec Systems Holdings Corp. The acquisition comprised all of ESP's operations in the US, Mexico and Canada. The total purchase price amounted to USD 9.7 million, of which cash and cash equivalents were USD 0.3 million.
- In April 2012, the Opus Group subsidiary Systech International LLC entered into an agreement with North Carolina Department of Transportation (NCDOT) for development of the "Motor Vehicle Inspection and Law Enforcement System (MILES)" system. The contract started in July 2012 and comprised design, development, implementation and maintenance of a data manage-

\*For comparable units and in local currency.

**RESULT AND FINANCIAL POSITION**

	GROUP					PARENT COMPANY				
SEK thousands	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
Net turnover	468,989	229,988	227,047	214,131	143,522	17,374	57,288	58,169	42,134	43,284
EBITDA	29,991	28,591	29,825	28,200	19,850	-172	256	33	-2,191	-1,765
Profit/loss after financial items	-10,882	-4,619	-10,002	-1,878	3,931	-1,768	-541	-4,144	-5,143	356
Profit/loss for the period	-2,261	-5,156	-9,983	-4,542	5,228	644	-671	-3,520	-4,218	2,956
Total assets	925,743	326,279	333,404	368,790	419,137	701,545	290,069	290,150	258,153	259,644
Equity ratio	28.3	73.4	72.5	72.2	71.6	38.8	80.8	80.9	91.4	95.2
Average number of employees	425	169	172	162	115	7	19	23	21	19

ment system for the entire state to provide a real-time connection to over 6,000 private inspection stations, which perform 7.7 million inspections per year.

- On July 6, 2012, Opus Group signed an agreement to acquire Besiktningskluster 1 AB from AB Svensk Bilprovning. The acquisition consisted of 70 inspection stations with a geographic focus on Stockholm, Mälardalen and northward, corresponding to one-third of Bilprovningen's turnover in 2011. The acquisition was completed on November 5, 2012 after Opus Group fulfilled the conditions in the transfer agreement for the acquisition of Besiktningskluster 1 AB, which then changed name to Opus Bilprovning AB.
- In October 2012, Opus Group executed a rights issue for SEK 50.2 million as part of the financing for Besiktningskluster 1 AB.
- In September 2012, the Opus Group subsidiary ESP de Mexico SA de CV was selected by the state Tlaxcala, Mexico as exclusive test equipment supplier and equipment servicing provider for Tlaxcala's inspection program. Opus Group estimates that the program will generate about USD 300,000 in revenue for the company.
- In September 2012, Systech signed an agreement with the Louisiana Department of Environmental Quality (LDEQ) that consists of continuing to provide on-site support and contributing with central services to Louisiana's inspection program for emission and safety testing. The contract began immediately after it was awarded and was a continuation of the support Systech has been offering 190 inspection stations since 2009. The new contract applies for an initial period of one year, with the possibility of extension up to five years. This is a small contract as regards turnover, but is strategically important.
- In December 2012, Opus Group hired Annica Lindström as new CFO.

**Business units**

Opus Group operations consist of two business units and three segments. The business units are Vehicle Inspection and Equipment. Business unit Vehicle Inspection consists of two segments: Vehicle Inspection Sweden and Vehicle Inspection International. The business unit and segment Equipment was formerly called Europe & Asia and the segment Vehicle Inspection International was formerly called North America. Vehicle Inspection Sweden is a new segment created in conjunction with the acquisition of Opus Bilprovning. Reporting to Group management, the Board and to the stock market and other external stakeholders is done in accordance with this structure.

**Organization**

The overriding objective of the Group's work with respect to personnel issues is to recruit, develop, and retain competent and motivated employees. Annual performance reviews are an important part of this work. The Group also strives to attract a greater number of women when recruiting new employees, even though Opus' sector is traditionally male-dominated. The Group has an equal opportunities policy. The average number of employees amounted to 425 (169).

**Changes in the Board and Group management**

The Board of Opus Group comprises Göran Nordlund (Chairman), Lothar Geilen (business unit Vehicle Inspection), Eva-Lotta Kraft, Anders Lönnqvist and Jan Åke Jonsson. During the year, the composition of the Board changed through the resignation of Jan-Christer Persson and Bertil Engman and the appointment of Anders Lönnqvist and Jan Åke Jonsson as ordinary Board members in May 2012.

The Opus Group management team comprises Magnus Greko (President and CEO), Annica Lindström (CFO), Bernice Wellsted (Group Accounting Manager), Peter Stenström (Investor Relations/M&A), Lothar Geilen (Business Unit Manager Vehicle Inspection), Jörgen Hentschel (Vice President and Business Unit Manager Equipment) and Henrik Wagner Jørgensen (Sales Manager within Opus Equipment for vehicle inspection equipment).

**The Board's recommendations for guidelines for remuneration to executive officers**

The Board's recommendations for guidelines for remuneration to executive officers for 2012 state primarily that remuneration to executive officers shall be at an acceptable rate for the market. The remuneration shall be in the form of a fixed and a variable component. The fixed component will be made up of salary, pension allocations and other benefits (e.g. car benefit). The variable component relates to bonuses. In other words, the variable component will be based on profit development or other established measurable targets. As a general rule, the variable component will be capped and will not exceed 50 percent of the fixed component. Matters related to remuneration to executive officers will be handled by the remuneration committee and reported and decided on by the Board. The Board retains the right to deviate from the guidelines should special conditions so require.

*Severance pay*

According to the terms of the current agreement, the President and CEO in Sweden has a notice period of no more than 12 months. The President and CEO is entitled to normal salary during the notice period. No other remuneration will be paid. Other executive officers have a notice period of no more than 12 months, except for Lothar Geilen, who is employed on a three-year contract. This contract, which expires on December 31, 2014, is renewed when it expires.

*Pension obligations*

Pension terms and conditions for executive officers are in line with those for other employees within the Group. The company pays premiums for occupational pension insurance for other executive officers at the agreed amount.

**Product development and development expenses**

Further development of existing products and development of new technologies and equipment constitute a priority area for Opus Group, as well as an important component in the Group achieving its growth and profitability objectives. The development of new technologies and equipment is, for the most part, connected to specific customer projects, in which the customer places an order for an agreed-upon amount of units and where Opus Group is then responsible for developing the necessary technology and equipment. During 2012, the Group's total costs for research and development work amounted to SEK 8.5 million, of which capitalized development work amounted to SEK 1.8 million. These investments are used to further develop existing products, for example, to adapt the product to specific customer requirements, improve the cost structure, expand the area of use, and to improve performance. The investments are also used for the development of new technologies.

**Investments in tangible assets**

Tangible assets consist primarily of fixtures, machinery and equipment. The need for investment depends partly on new vehicle inspection contracts won and partly on the type of contract. Centralized contracts often require investment in inspection plants and sometimes land while the decentralized contracts only require investment in equipment. Investments in tangible assets amounted to SEK 8.8 million (1.7) for the year.

**Legal processes**

Apart from what is reported below, Opus Group is not involved in any legal processes or arbitration that has, or recently has had, any significant effect on the company's financial position or profitability. The Board is not aware either of any circumstances that might lead to the occurrence of any such legal procedures or arbitration.

In 2007, Hickok, Inc filed suit against SysTech in American court, claiming patent infringement relating to the company's EVAP tester and gas cap tester. The risk associated with this law suit, as well as any possible future claims from third parties, has been regulated in the sale and purchase agreement between Opus Group and the sellers of SysTech. The sellers of SysTech have assumed the responsibility for covering any possible damages exceeding USD 70,000 that might arise as the

result of the alleged infringement, as well as responsibility for third-party damages. SysTech denies patent infringement. The amount of USD 70,000 has not been reserved in the financial statements.

**Environment**

Opus Group works actively with environmental issues and the environmental work is always performed in compliance with applicable legislation, local requirements, ISO 14001:2004, company requirements, and specific customer requirements. Important elements in the ongoing environmental efforts comprise energy-saving initiatives, safer handling of chemical products, as well as measures to increase recycling and to minimize waste. Opus Group does not run any operations subject to mandatory registration or permitting. Opus Group has an environmental policy in place.

**Quality**

An element in Opus Group's mission statement is that the Group shall manufacture user-friendly products with high quality. The quality system at Opus Group shall support the development of the company and its employees. It shall be characterized by a high level of competence, personal responsibility and a high degree of commitment. 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 shall be met. The work of Opus Group shall always lead to the customer retaining confidence in the company as a supplier. 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. Opus Group's quality work is done in accordance with ISO 9001:2008 and the parent company has been certified in accordance with this standard since 2010. Opus has a quality policy in place.

**Cash flows, investments and financial position**

Cash flow from operating activities amounted to SEK 55.5 million (35.2), of which the acquisition of Opus Bilprovning is responsible for SEK 19.1 million. Working capital increased by SEK 31 million (8.3) during the year, of which Opus Bilprovning is responsible for SEK 21.3 million. Investments for the full year amounted to SEK 232.5 million (3.6) and divestments amounted to SEK 0.0 million (0.1). At the end of the period, Opus Group had liquid assets totaling SEK 97.0 million (22.9) and unused credit facilities of SEK 4.1 million (6.2), which means that the Group had a total of SEK 101.1 million (29.1) at its disposal on December 31, 2012. The equity ratio was 28.3 at year-end, compared to 73.4 percent at the beginning of the year.

The negative translation differences on translation of foreign subsidiaries as recognized in Other comprehensive income for the Group are primarily due to a weaker Dollar at the end of 2012 compared to the previous year.

Unlike last year, the Group has valued deferred tax assets for the entire tax deficit in the US as it now believes that these deficits can be offset against future generated profits in this part of the Group's operations. This has had a positive impact on the tax for the year.

### Dividend policy and financial targets

- An average annual revenue growth rate (CAGR) of minimum 10 percent over a five-year period.
- EBITDA margin of at least 10 percent.
- Interest-bearing net debt in relation to earnings interest, taxes, depreciation and amortization (EBITDA) must not exceed 3.0.

Opus Group's dividend policy is to distribute 10-20% of the profit on EBITDA level, provided that it meets the financial target for net debt.

### Interim reports

The Board has decided on the following dates for financial reporting in 2013:

- May 23, 2013, Interim report (January-March 2013)
- August 23, 2013, Interim report (January-June 2013)
- November 22, 2013, Interim report (January-September 2013)

### Risks

Through their operations, Opus Group AB (publ) and the companies within the Opus Group are exposed to both financial and operational risks that the companies themselves can influence to a greater or lesser extent. Within the companies, continuously ongoing processes are in place to identify risks and assess how they should be dealt with.

### Financial risks

For more information on financial risks to which Opus is exposed, see note 23.

### Operational and sector-related risks

#### *Sensitivity to the economic conditions*

Opus Group is affected by changes in the global economic situation, which has an impact on level of investments within the various business areas of the company. A weak economic situation in Sweden or internationally may lead to lower-than-expected market growth for Opus Group's products and services. Consequentially, there is a risk of Opus Group's sales and earnings being negatively impacted by a downward turn in the economic situation. Demand patterns are influenced by a number of general factors beyond Opus Group's control, such as interest rates, currency exchange rates, inflation and deflation levels, taxes, public sector finances and investment plans, local market conditions, other economic factors, investment plans in other sectors, and uncertainties regarding the future economic outlook. The influence of economic conditions may be reduced to a certain extent by the fact that Opus Group's sales are divided over a number of different customer groups within both the private industry and the public sector, as well as in several geographic markets. Furthermore, the Group's long-term vehicle inspection contracts in the United States are a stabilizing factor for the Group, as well as the fact that vehicle inspection in many countries is a legislated requirement. There are no guarantees that the Group will be able to maintain its historic turnover or its current profitability level if the economic situation changes.

Opus Group operates in a competitive market. Opus Group's long-term growth and profitability is dependent

on its ability to continue to develop products and services that are competitive from both a quality and a price perspective. If Opus does not succeed in continuing to develop and market competitive products and services, then the Group's profitability and its financial position could be negatively impacted. Today, Opus is exposed to considerable competition, in both the Swedish and international markets. The main competitors are Swedish, American, Finnish, German, British, Italian, French, Spanish, Danish, Austrian and Swiss companies.

Some of Opus Group's current or future competitors may have greater resources than Opus Group and may use these resources to increase their market shares through aggressive pricing strategies. This could force Opus Group to lower its prices to be able to compete and not lose market shares. If Opus Group is exposed to increased price competition or loses market shares, this could negatively impact its operations, earnings and financial position. To manage this risk, Opus Group works to both reduce costs and increase value for the customer by developing new products and technologies.

#### *International business*

Opus Group operates in more than 50 countries, of which several are undergoing rapid development and transition toward a market economy. As a result, Opus is exposed to risks that go along with international business operations, such as trade policy decisions in the form of introduction of or increases to custom duties in Opus Group's markets, which could have a strong disruptive impact on Opus Group. Moreover, there are regulatory framework differences between various countries, limited legal protection for intellectual property rights in certain countries, different reporting standards and taxation systems, variable payment terms and conditions between various countries and risk of political instability. Each of these risks could have a negative impact on Opus Group's operations, earnings and financial position. Opus Group keeps itself up-to-date on the political situation and regulations in the countries in which it operates to be able to manage this risk.

#### *Dependence on the development of new markets*

Opus Group operates in markets that are expected to show significant growth in the coming years, such as Asia, the Middle East and South America. Market growth that is slower than the company expects may negatively impact Opus Group's sales and earnings trends.

#### *Size of the underlying market*

Demand for Opus Group's global product and service offering in the inspection market is largely governed by the vehicle fleet in the local market. A significant decrease in the vehicle fleets in markets where Opus Group operates, for example due to a reduction in direct imports and new sales of vehicles along with increased deregistration of vehicles, could negatively impact Opus Group's operations, earnings and financial position.

#### *Political decisions*

Demand for Opus Group's products and services is to some extent dependent on the continued political desire to

perform vehicle emission and safety testing. It is possible that for one reason or another this desire could change in some markets, e.g. due to new EU directives or changes to national laws and regulations. In addition, it is possible that local governments in some regions may strive for a purely domestic or state-owned control of products and services on the inspection market. Opus Group may also be affected by political decisions generally affecting the market, such as subsidies which benefit competing technologies. Thus, there is no guarantee that Opus Group can maintain its historic turnover in the future.

#### *Prices and availability of input materials*

Opus Group's operations are dependent on certain inputs such as electronic circuitry and high-complexity system components. Although Opus is making efforts to improve its purchasing, it cannot control all factors that impact on the price of the input materials that Opus Group is dependent on. Furthermore, Opus Group cannot guarantee that Opus Group will at any particular point in time have access to the quantity of input materials needed to complete the manufacturing that Opus Group has been contracted to perform.

#### *New Technology*

For products related to vehicle emission control, there is a risk that the market may decline as the control functions integrated in the vehicles become more advanced. If the need for checking exhaust emissions declines, this will negatively impact the need for measuring equipment at inspection stations and vehicle workshops. Opus Group is aware of this risk and has therefore invested in new technology for wireless vehicle inspection (called Remote OBD). In the long term, current engine technologies may be replaced by new technology (such as fuel cells) that minimizes exhaust emissions. Such a development could lead to reduced demand for Opus Group's products and services for emission testing of vehicles. In time, the automotive industry may integrate electronic driving logs into vehicle trip computers. Such a development could have a negative impact on Opus Group's sales and earnings.

#### *Acquisition*

An important part of Opus Group's strategy is to work actively with the acquisition of companies and businesses. Strategic acquisitions will continue to be part of our growth strategy into the future. However, there is no guarantee that Opus Group will be able to identify suitable acquisition targets or that Opus Group will be able to integrate acquired businesses. In addition, there is no guarantee that the necessary funding for future acquisition candidates will be available to Opus Group at acceptable terms. This could negatively impact Opus Group's growth rate and profitability.

#### *Key individuals*

Opus Group has a number of key individuals in executive management positions. These individuals contribute a high level of expertise and vast experience, which are important for the development of Opus Group's operations. If one or more of these key individuals were to leave Opus Group, this could negatively impact its operations, earnings and financial position.

Several employees of Opus Group are directly or indirectly involved in the development of new services and products. If Opus Group were to fail to recruit and/or retain qualified employees, this could adversely affect its operations, earnings and financial position.

Inspection technicians in the acquired business are certified to perform vehicle inspections and meet the requirements set by the Swedish Board for Accreditation and Conformity Assessment ("Swedac"). Certified inspection technicians are essential to retaining Swedac accreditation to conduct vehicle inspections. If Opus Group were to fail to recruit, train and/or retain certified inspection technicians, this could adversely affect the Group's operations, earnings and financial position.

Opus Group strives to create an attractive and stimulating work environment, with development opportunities for its employees as one means of being able to retain key individuals in the Group.

#### *Dependence on a small number of projects and customers*

At present, Opus Group has contracts with about ten major customers in the North American market. These contracts are long term and termination brings with it both direct and indirect costs to the customer. If Opus Group were to nonetheless lose one or more of these contracts, this could negatively impact the Group. Opus Group is mitigating this risk by gradually participating in new tendering processes to increase the number of vehicle inspection contracts.

#### *IT infrastructure*

Opus Group is dependent on an effective IT infrastructure for its operations. Difficulties in maintaining, upgrading and integrating such systems could hurt our reputation among customers, increase costs and reduce profitability for Opus Group.

#### *Relationship with unions*

Parts of Opus Group's workforce is connected to and represented by various trade unions. The company is continuously working to maintain and improve relationships with employees and trade unions. Although the company has and has had a good relationship with employees and trade unions, it is possible that problems could arise in the future. If such problems result in strike or lockout, this could cause a stop in our product and service offering, which could have a significant negative impact on Opus Group's operations, earnings and financial position.

#### *Production disruptions*

Damage to production facilities, caused by fire for example, as well as interruptions or disturbances in any part of the production process, such as breakdowns, weather conditions, labor disputes, acts of terrorism and natural disasters, could have negative consequences in the form of direct damage to property as well as in the form of interruptions that make it more difficult to live up to commitments to customers. Such consequences could cause customers to choose other suppliers. Such interruptions or disturbances could therefore negatively impact Opus Group's operations, earnings and financial position. Opus Group is working to mitigate these risks through various insurance policies.

*Warranty obligations*

Opus Group has warranty obligations to its customers. There is a possibility that the provisions made in the present management for such obligations may prove insufficient. If so, it could have a negative impact on Opus Group's earnings and financial position.

*Insurance risks*

Opus Group has a coordinated program for insurance in the Group. It is possible that the insurance policies taken out by the company may prove insufficient. If so, it could have a negative impact on Opus Group's earnings and financial position. This risk is managed by working with external experts to develop a policy for which insurance to take out, amounts and distribution of risk between the parent company and the subsidiaries.

**Specific risks linked to Swedish vehicle inspection operations***Deregulated market*

The Swedish vehicle inspection business is operating in a newly deregulated market that is in a state of change. It is not possible to fully assess the long-term impact of deregulation on factors such as competition and price pressing. If Opus Group is exposed to increased price competition or loses market shares, this could negatively impact its operations, earnings and financial position. To manage this risk, Opus Group is working to take advantage of synergies within the Group and to increase the value to the customer by developing and offering new services and technologies in vehicle inspection.

*Competition with existing customers*

With Opus Group's acquisition of Bilprovningen's subsidiary, which is now called Opus Bilprovning AB, the company will compete with existing equipment customers on the Swedish vehicle inspection market. It is possible that this competition situation may affect future contractual relationships between the company and its equipment customers. If Opus Group were to lose one or more contracts, this could negatively impact Opus Group's operations, profitability and financial position. Opus Group has established close dialogs with its equipment customers to maintain good customer relationships into the future.

*Accreditation for vehicle inspection*

Vehicle inspection accreditation by Swedac is required in order to establish and run vehicle inspection operations on the Swedish market. Swedac sets stringent requirements for companies wishing to conduct vehicle inspections and perform regular, independent review of skills and work practices of the inspection companies holding accreditation. The Opus Group subsidiary Opus Bilprovning holds accreditation from Swedac to perform vehicle inspections. Although Opus Bilprovning is accredited, there is no guarantee that accreditation will be maintained in the future. If Opus Bilprovning were to lose its accreditation, this could have a negative impact on Opus Group's operations, profitability and financial position. Opus Group is working proactively to keep itself informed about the rules and requirements set by Swedac to ensure compliance and maintain accreditation.

*Previous business with state majority owner*

Operations now conducted by Opus Bilprovning were previously part of Bilprovningen, of which the Swedish government has 52 percent ownership. Operations that were previously part of the public sector are seldom the subject of media scrutiny and attention. Incidents that occur in operations previously owned in whole or in part by the state, such as the acquisition of vehicle inspection operations, may receive considerable media attention. Such attention could result in negative publicity for the company. Negative publicity could have a negative impact on the company's brand and reputation, which could affect the company's ability to win contracts and obtain larger contracts and could cause the company's existing customers to lose confidence in the company. This, in turn, could have a negative impact on the company's growth, earnings and financial position. Opus Group is actively working with public relations to create awareness of the Opus Bilprovning brand and offer the best possible range of services, quality and experience to customers.

*Integration*

The Opus Bilprovning operations acquired from Bilprovningen requires work to integrate it in the new Group. Difficulties in combining the operations include the need to retain employees and to coordinate geographically dispersed operations, systems and installations from an operational, financial and legal perspective. Opus Bilprovning and Bilprovningen have entered into certain agreements, such as a transition agreement that stipulates that Bilprovningen shall provide Opus Bilprovning with certain IT solutions, including IT solutions linked to Opus Bilprovning's inspection activities. Any delays or difficulties encountered in connection with the integration of the acquired operations from Bilprovningen and the agreements with Bilprovningen could negatively impact Opus Group's operations, profitability and financial position. Opus Group will use the vehicle inspection knowledge and experience within the Group to create synergies in the integration, for example by installing IT systems developed in-house by Opus Group at Opus Bilprovning.

**Legal risks***Legislation and regulation*

Opus Group's main markets are subject to extensive regulation. Opus Group closely follows applicable laws, regulations and ordinances in the respective market and works to quickly adapt operations to identified future changes in this area. However, Opus Group's operations could be affected by changes in regulations, customs duties and other trade barriers, price and currency controls and public law regulations and restrictions in the countries where Opus Group operates.

*Intellectual property rights*

Opus Group strives to protect its technological innovations to ensure the return on the investments Opus Group is making in research and development. Patent infringement and plagiarism are risks to which Opus Group is exposed. Opus Group protects its technological innovations with patents in cases where it is deemed appropriate. Thus, not all products are protected by

patents. In cases where Opus Group believes it to be justified, Opus Group protects its intellectual property rights through legal processes. There is no guarantee that Opus Group will be able to protect its patents, trademarks and other intellectual property rights or that submitted applications for registration will be granted. Further, the sectors in which Opus Group operates are subject to rapid technological development. Thus, there is a risk of new technologies and products being developed that circumvent or replace Opus Group's intellectual property. Opus Group is of the opinion that the company does not currently infringe on any other company's intellectual property rights.

However, Opus Group cannot guarantee that the company will not be considered to infringe on intellectual property rights. Disputes concerning infringement, as with litigation in general, can be costly and time consuming and could therefore negatively impact Opus Group's operations.

#### *Environment*

Certain companies within the Opus Group conduct operations that affect the environment. Opus Group has established an environmental policy that company subsidiaries are to follow in order to prevent pollution and limit the burden on nature and the environment as much as possible. Opus Group complies with current environmental legislation. Opus Group's basic requirement is that the applicable legal requirements are met and that the company shall work with a focus on prevention. The company will also focus on their actual environmental impact. Any more stringent environmental requirements could result in increased costs or additional investments for the companies within the Group that are subject to such regulation.

#### *Tax risks*

Opus Group's operations, including transactions between Group companies, are conducted in accordance with the company's interpretation of current tax laws and the requirements of tax authorities.

The acquisition of Systech in 2008 was carried out in two steps, where the intellectual property rights were placed in a company in Cyprus and the rest of the operations in a company registered in the US. When Opus Group utilizes the intellectual property rights, the profits of such will be taxed in Cyprus. Opus Group has conducted the necessary investigations to ensure to the greatest extent possible that this is in line with the respective country's tax laws.

In the valuation of the option program, Opus Group used the Black & Scholes valuation model. Opus Group has conducted the necessary investigations to ensure to the greatest extent possible that this is in line with the respective country's tax laws.

In general, it is possible that mistakes may be made in the company's interpretation of applicable laws and regulations, in relevant authorities' interpretation of such or in administrative practice. It is also possible that such regulations may be changed, possibly with retroactive effect. Companies in the Group could be subject to a tax audit. Through a tax authority decision, Opus Group's previous or current tax situation could deteriorate, which

could adversely affect Opus Group's operations, earnings and financial position.

#### **Annual General Meeting**

The Annual General Meeting will be held Thursday May 23, 2013 at 7:00 pm at Elite Park Avenue Hotel (Taube room), Kungssportsavenyn 36-38, SE-400 15 Gothenburg. Registration for the meeting takes place between 6:00 and 6:45 pm.

#### **Parent company**

Opus Group AB (publ) is engaged in the management and monitoring of the Group's subsidiaries. The parent company is tasked with providing the subsidiaries Group-wide functions in areas such as management issues and financial management, such as business development, acquisition, financing, management and analysis as well as the ownership and some financing of the subsidiaries. During financial year 2012, the parent company invoiced the subsidiaries compensation for services performed. Compensation for services performed amounted to SEK 7.9 million (4.4) for the year.

The parent company had an average of 7 (19) employees. Net turnover for the full year amounted to SEK 17.4 million (57.3). Profit after tax for the full year amounted to SEK 0.6 million (-0.7). Investments in tangible assets amounted to SEK 0.1 million (0.1). Liquid assets at the end of the period amounted to SEK 0.0 million (0.4) and unused credit facilities amounted to SEK 7.8 million (0.7). Thus, the parent company had a total of SEK 7.8 million (1.1) at its disposal on December 31, 2012.

In 2012, the parent company received group contribution of SEK 3.0 million (2.3).

During the year, the parent company's previous business activities were transferred to the subsidiary Opus Equipment AB.

#### **Proposed appropriation of the company's profits**

##### *Parent company*

The following funds are available for the Annual General Meeting's appropriation:

	SEK
Share premium reserve	269,436,086
Fair value reserve	1,245,330
Retained earnings	-5,563,203
Net loss for the year	644,220
<b>Total</b>	<b>265,762,433</b>

The Board has decided to propose to the AGM that a dividend of SEK 0.02 per share be paid out (SEK 0.02).

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

	SEK
To be distributed to shareholders (231,674,455 shares at 0.02 each)	4,633,489
To be carried forward	261,128,944
<b>Total</b>	<b>265,762,433</b>

With reference to what is stated in this annual report and consolidated accounts, and whatever else has come to the knowledge of the Board, it is the Board's overall assessment of the parent company and consolidated financial

position, that the dividend is justifiable in relation to the requirements that the nature, scope and risks place on the size of the company's and Group's equity, as well as the company's and Group's consolidation requirements, liquidity and overall financial position.

### Outlook

In the business unit Vehicle Inspection International (formerly called North America), the company sees great opportunities in 2013 since a number of government contracts in the US vehicle inspection market are scheduled to be open to tendering. There are also a number of interesting new markets outside the United States, where demand for emission and safety testing of vehicles increases. Opus has a well established position in the North American vehicle inspection market. With the acquisition of one-third of Bilprovningen, Opus will create a strong position in the Swedish market as one of the top three players. Long-term, Opus Group aims to expand its vehicle inspection operations into other markets internationally. There are several emerging and developing countries where vehicle inspection is slated for introduction.

In the near future, Opus Group will focus on integrating the Swedish vehicle inspection part of our company group and exploit synergies between the companies within the Group. Opus sees synergies between Systech and Opus Bilprovning in areas such as Systech's proprietary IT system as well as the opportunity to offer an expanded range of services to the Swedish vehicle inspection market. Opus grew rapidly in 2012 thanks to both organic and acquisition-driven growth.

The Equipment division will focus on streamlining operations in 2013 in order to further improve profitability. On April 1, 2013, Opus Group merged operations within the Swedish equipment division.

The restructuring was undertaken to streamline the Swedish equipment operations and to take advantage of synergies between the different companies. Focus will also be on increasing turnover in the various product segments. There are several government-run programs where vehicle inspection equipment must be updated in upcoming years, creating good opportunities. Our organization, with its own products, developed in Europe and the US and thanks to production in Europe, the US and China creates a competitive advantage that we will utilize internationally.

In addition, we continue to look for acquisition opportunities that strengthen our Group strategically. Opus Group makes no predictions.

### Events occurring after year-end

#### *Order from BMW*

Opus Equipment AB has received an order for Triplog mileage log trackers from BMW. The order amounts to about one million Euro.

#### *Won largest vehicle inspection contract in the US*

Opus subsidiary Systech International wins the bidding for a vehicle inspection contract in New York State. This is the largest vehicle inspection program in the US, comprising 10,000 inspection stations and over 11 million vehicle inspections per year. The vehicle inspection program in

New York runs for a term of seven years from the date the system is adjudged to be in operation and can be extended by the state for up to another two years. The system is estimated to be in operation as of December 1, 2013. The contract is expected to generate revenue during 2013 with the delivery of vehicle testing equipment to the inspection stations.

#### *Merge of operations*

Merge of operations in the Swedish equipment division. On April 1, 2013, Opus Group merged operations within the Swedish equipment division. On April 1, 2013, the Opus Group subsidiary Opus Bima AB became part of Opus Equipment AB. At the same time, the Opus Group subsidiary J&B Maskinteknik AB became a wholly-owned subsidiary of Opus Equipment AB. The restructuring was done to streamline the Swedish equipment operations and to take advantage of synergies between the various companies.

#### *Systech International and Environmental Systems Products (ESP) merge to form Opus Inspection*

Systech International and ESP are entering the final phase of a highly successful merger that began in 2012. The companies will become a legal entity with a single brand that reflects the company's combined status as the only company in the vehicle inspection industry that is completely vertically integrated – Opus Inspection Inc. While both companies begin to operate under the brand name Opus Inspection in May 2013, the will merger of Systech and ESP will not be legally implemented until the end of 2013.

## CONSOLIDATED INCOME STATEMENT

		2012-01-01 - 2012-12-31	2011-01-01 - 2011-12-31
SEK thousands	NOTE		
<i>Operating income</i>			
Net turnover	4	468,989	229,988
Other operating income	3.5	1,944	1,562
<b>Total operating income</b>		<b>470,933</b>	<b>231,550</b>
<i>Operating expenses</i>			
Raw materials, supplies and merchandise	14	-136,599	-93,036
Other external costs	6,7,15	-111,259	-38,669
Personnel costs	8	-193,084	-71,254
Total operating expenses		-440,942	-202,959
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>29,991</b>	<b>28,591</b>
Depreciation	12,13	-35,804	-32,176
<b>Earnings before interest and tax (EBIT)</b>		<b>-5,813</b>	<b>-3,585</b>
<i>Profit/loss from financial items</i>			
Interest income and similar items		4,808	2,548
Interest expenses and similar items		-9,877	-3,582
Net financial income/expense	9	-5,069	-1,034
<b>Profit/loss after financial items</b>		<b>-10,882</b>	<b>-4,619</b>
Current tax/deferred tax	10	8,621	-537
<b>Net loss for the year</b>		<b>-2,261</b>	<b>-5,156</b>
<i>Attributable to:</i>			
Parent company shareholders		-2,261	-5,156
<b>Earnings per share</b>			
Average number of share, before dilution		201,070,364	193,062,046
Average number of share, after dilution		204,874,864	193,062,046
Earnings per share before dilution (SEK)	11	-0.01	-0.03
Earnings per share after dilution (SEK)	11	-0.01	-0.03

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK thousands	NOTE	2012-01-01 - 2012-12-31	2011-01-01 - 2011-12-31
Net loss for the year		-2,261	-5,156
<i>Other comprehensive income for the year</i>			
Translation differences on foreign operations		-12,148	2,710
Cash flow hedge		98	247
Tax effect of cash flow hedge		-39	-99
<b>Total other comprehensive income for the year</b>		<b>-12,089</b>	<b>2,858</b>
<b>Comprehensive income for the year</b>		<b>-14,350</b>	<b>-2,298</b>
<i>Attributable to:</i>		<b>-14,350</b>	<b>-2,298</b>
Parent company shareholders		<b>-14,350</b>	<b>-2,298</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		2012-12-31	2011-12-31
SEK thousands	NOTE		
<b>ASSETS</b>			
<i>Fixed assets</i>			
<i>Intangible assets</i>			
Capitalized product development expenses		6,372	5,707
Other intangible assets		60,218	61,938
Goodwill		416,676	101,831
Total intangible assets	12	483,266	169,476
<i>Tangible assets</i>			
Property and land		29,039	31,332
Furnishings, machinery and other technical equipment		106,614	11,720
Total tangible assets	13	135,653	43,052
Other financial assets		3,807	7
Total financial assets		3,807	7
Deferred tax assets	10	35,467	5,765
<b>Total fixed assets</b>		<b>658,193</b>	<b>218,300</b>
<i>Current assets</i>			
Inventory	14	68,585	44,525
<i>Current receivables</i>			
Accounts receivable	15	49,515	31,569
Tax receivables		6,588	41
Other current receivables	16	45,898	8,923
Total current receivables		102,001	40,533
Liquid assets	17	96,964	22,921
<b>Total current assets</b>		<b>267,550</b>	<b>107,979</b>
<b>TOTAL ASSETS</b>		<b>925,743</b>	<b>326,279</b>

		2012-12-31	2011-12-31
SEK thousands	NOTE		
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital	18	4,633	3,861
Other contributed capital		269,435	229,250
Reserves		16,970	29,067
Retained earnings, including profit for the year		-28,903	-22,799
<b>Total equity</b>		<b>262,135</b>	<b>239,379</b>
<i>Provisions</i>			
Provisions	19	29,995	-
<i>Non-current liabilities</i>			
Deferred tax liabilities	10	27,394	153
Bank overdraft facilities	20	20,937	12,522
Other non-current liabilities		160,862	-
Liabilities to credit institutions	20	142,398	473
<b>Total non-current liabilities</b>		<b>351,591</b>	<b>13,148</b>
<i>Current liabilities</i>			
Liabilities to credit institutions	20	90,029	29,338
Accounts payable		43,099	15,280
Tax liabilities		9,609	1,760
Other current liabilities	21	136,910	27,029
Provisions	19	2,375	345
<b>Total current liabilities</b>		<b>282,022</b>	<b>73,752</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>925,743</b>	<b>326,279</b>
<i>Memorandum items</i>			
Pledged assets	22	711,180	230,163
Guarantees	22	60,704	31,104
Contingent liabilities	22	130,799	162,424

## 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
<b>Equity 12-31-2010</b>	<b>3,861</b>	<b>229,250</b>	<b>-207</b>	<b>26,408</b>	<b>-17,643</b>	<b>241,669</b>
Net loss for the year					-5,156	-5,156
<i>Other comprehensive income</i>						
Translation differences on foreign operations				2,710		2,710
Cash flow hedge			247			247
Tax effect of cash flow hedge			-99			-99
Total comprehensive income for the year	-	-	148	2,710	-	2,866
<i>Transactions with owners</i>						
Subscription options					8	8
<b>Equity 12-31-2011</b>	<b>3,861</b>	<b>229,250</b>	<b>-59</b>	<b>29,118</b>	<b>-22,791</b>	<b>239,379</b>
<b>Equity 01-01-2012</b>	<b>3,861</b>	<b>229,250</b>	<b>-59</b>	<b>29,118</b>	<b>-22,791</b>	<b>239,379</b>
Net loss for the year					-2,261	-2,261
<i>Other comprehensive income</i>						
Translation differences on foreign operations				-12,148		-12,148
Cash flow hedge			98			98
Tax effect of cash flow hedge			-39			-39
Total comprehensive income for the year	-	-	59	-12,148	-	-12,089
<i>Transactions with owners</i>						
New issue	772	40,185				40,957
Subscription options					10	10
Dividend					-3,861	-3,861
<b>Equity 12-31-2012</b>	<b>4,633</b>	<b>269,435</b>	<b>-</b>	<b>16,970</b>	<b>-28,903</b>	<b>262,135</b>

For more information on share capital, number of shares and earnings per share, see note 11.

## CONSOLIDATED STATEMENT OF CASH FLOWS

		2012-01-01 - 2012-12-31	2011-01-01 - 2011-12-31
SEK thousands	NOTE		
Earnings before interest and tax (EBIT)		-5,813	-3,585
<i>Adjustment for non-cash flow items</i>			
Depreciation	12,13	35,804	32,176
Other		4,232	219
Interest received		1,816	307
Interest paid		-6,264	-1,703
Income tax paid		-5,274	-486
Cash flow from operations before binding in working capital		24,501	26,928
Increase (-)/Decrease (+) in inventory		10,178	-5,775
Increase (-)/Decrease (+) in accounts receivable		22,747	-7,831
Increase (-)/Decrease (+) in other receivables		-828	1,124
Increase (+)/Decrease (-) of current liabilities		-1,062	20,792
<b>Change in working capital</b>		<b>31,035</b>	<b>8,310</b>
<b>Cash flow from operations</b>		<b>55,536</b>	<b>35,238</b>
<i>Investing activities</i>			
Subsidiary acquisition, net after acquired cash and cash equivalents		-219,740	-
Capitalized development costs	12	-1,770	-2,048
Acquisition of tangible assets	13	-8,668	-1,714
Acquisition of intangible assets		-1,341	-
Sale of tangible assets		-	176
Other		-929	-
<b>Cash flow from investment activities</b>		<b>-232,448</b>	<b>-3,586</b>
<i>Financing activities</i>			
Liquidity from subscription options		10	8
Dividend		- 3,861	-
New issue		40,957	-
New debt		267,033	-
Net change in bank overdraft facilities		8,415	245
Amortization of liabilities to credit institutions		-60,889	-24,951
<b>Cash flow from financing activities</b>		<b>251,665</b>	<b>-24,698</b>
<b>Cash flow for the year</b>		<b>74,753</b>	<b>6,954</b>
Liquid assets at start of year		22,921	15,289
Translation difference		-710	678
<b>Liquid assets at year-end</b>	17	<b>96,964</b>	<b>22,921</b>

## PARENT COMPANY INCOME STATEMENT

		2012-01-01 - 2012-12-31	2011-01-01 - 2011-12-31
<b>OPERATING INCOME</b>	<b>NOTE</b>		
Net turnover	1.2	17,374	57,288
Other operating income	3	737	665
<b>Total operating income</b>		<b>18,111</b>	<b>57,953</b>
<i>Operating expenses</i>			
Raw materials, supplies and merchandise	2.12	-5,723	-35,305
Other external costs	4,5.13	-5,659	-8,811
Personnel costs	6	-6,901	-13,581
Total operating expenses		-18,283	-57,697
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>-172</b>	<b>256</b>
Depreciation	9.10	-636	-2,899
<b>Earnings before interest and tax (EBIT)</b>		<b>-808</b>	<b>-2,643</b>
<i>Profit/loss from financial items</i>			
Income from shares in subsidiaries		3,000	2,285
Interest income and similar items		605	771
Interest expenses and similar items		-4,565	-954
Net financial income/expense	7	-960	2,102
<b>Profit/loss after financial items</b>		<b>-1,768</b>	<b>-541</b>
<b>Profit/loss before tax</b>		<b>-1,768</b>	<b>-541</b>
Tax for the year	8	2,412	-130
<b>Net loss for the year</b>		<b>644</b>	<b>-671</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

		2012-01-01 - 2012-12-31	2011-01-01 - 2011-12-31
<b>SEK thousands</b>	<b>Note</b>		
<b>Net loss for the year</b>		<b>644</b>	<b>-671</b>
<i>Other comprehensive income for the year</i>			
Translation of net investment		-995	295
<b>Total other comprehensive income for the year</b>		<b>-995</b>	<b>295</b>
<b>Comprehensive income for the year</b>		<b>-351</b>	<b>-376</b>

## PARENT COMPANY BALANCE SHEET

		2012-12-31	2011-12-31
SEK thousands	Note		
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Capitalized product development expenses		-	5,707
Goodwill		-	6,054
Total intangible assets	9	-	11,761
<i>Tangible assets</i>			
Furnishings, machinery and other technical equipment		171	507
Total tangible assets	10	171	507
<i>Financial assets</i>			
Shares in Group companies	11	622,898	218,463
Receivables from Group companies		16,798	20,833
Deferred tax assets	8	2,412	-
Total financial assets		642,108	239,296
<b>Total fixed assets</b>		<b>642,279</b>	<b>251,564</b>
<i>Current assets</i>			
Inventory	12	-	17,908
<i>Current receivables</i>			
Accounts receivable	13	1,112	8,808
Receivables from Group companies		53,954	8,868
Tax receivables		253	364
Other current assets	14	571	2,142
Total current receivables		58,890	20,182
Liquid assets	15	69	415
<b>Total current assets</b>		<b>55,959</b>	<b>38,505</b>
<b>TOTAL ASSETS</b>		<b>698,238</b>	<b>290,069</b>

		2012-12-31	2011-12-31
SEK thousands	NOTE		
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital (231,674,455 shares)		4,633	3,861
Statutory reserve		850	850
Total restricted equity		5,483	4,711
<i>Non-restricted equity</i>			
Share premium reserve		269,436	229,251
Fair value reserve		1,245	2,240
Retained earnings		-4,920	-1,703
Total non-restricted equity		265,762	229,788
<b>Total equity</b>		<b>271,245</b>	<b>234,499</b>
<i>Provisions</i>			
Provisions	17	29,995	-
<i>Non-current liabilities</i>			
Liabilities to Group companies*		33,606	33,606
Bank overdraft facilities	16	17,229	9,064
Other non-current liabilities		160,711	-
Liabilities to credit institutions	16	112,860	375
<b>Total non-current liabilities</b>		<b>324,406</b>	<b>43,045</b>
<i>Current liabilities</i>			
Liabilities to credit institutions	16	58,833	1,426
Accounts payable		4,287	4,693
Liabilities to Group companies		2,036	1 270
Other current liabilities	18	5,330	5,136
Provisions	17	2,106	-
<b>Total current liabilities</b>		<b>72,592</b>	<b>12,525</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>698,238</b>	<b>290,069</b>
<i>Memorandum items</i>			
Pledged assets	19	634,901	151,347
Guarantees	19	60,704	31,104
Contingent liabilities	19	130,799	162,424

\* Due within 2-5 years

## PARENT COMPANY CHANGES IN EQUITY

SEK thousands	Number of outstanding shares	Restricted equity		Non-restricted equity			Total
		Share capital	Statutory reserve	Share premium reserve	Fair value reserve	Retained earnings, incl. profit for the year	
<b>Equity 12-31-2010</b>	<b>193,062,046</b>	<b>3,861</b>	<b>850</b>	<b>229,251</b>	<b>1,945</b>	<b>-1,032</b>	<b>234,875</b>
Net loss for the year						-671	-671
<i>Other comprehensive income</i>							
Translation of net investment					295		295
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>295</b>	<b>-</b>	<b>295</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>295</b>	<b>-671</b>	<b>-376</b>
<b>Equity 12-31-2011</b>	<b>193,062,046</b>	<b>3,861</b>	<b>850</b>	<b>229,251</b>	<b>2,240</b>	<b>-1,703</b>	<b>234,499</b>
Net loss for the year						644	644
<i>Other comprehensive income</i>							
Translation of net investment					-995		-995
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-995</b>	<b>-</b>	<b>-995</b>
New issue	38,612,409	772		40,185			40,957
Dividend						-3,861	-3,861
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-995</b>	<b>- 3217</b>	<b>-4,212</b>
<b>Equity 12-31-2012</b>	<b>231,674,455</b>	<b>4,633</b>	<b>850</b>	<b>269,436</b>	<b>1,245</b>	<b>-4,920</b>	<b>271,245</b>

## PARENT COMPANY CASH FLOW STATEMENT

		2012-01-01 - 2012-12-31	2011-01-01 - 2011-12-31
SEK thousands	Note		
Earnings before interest and tax (EBIT)		-808	-2,643
<i>Adjustment for non-cash flow items</i>			
Depreciation	9, 10	636	2,899
Interest received		605	89
Interest paid		-4,566	-478
Income tax paid		110	62
Cash flow from operations before binding in working capital		-4,023	-71
Increase (-)/Decrease (+) in inventory		17,908	-186
Increase (-)/Decrease (+) in accounts receivable		7,696	659
Increase (-)/Decrease (+) in other receivables		-5,542	1,348
Increase (+)/Decrease (-) of current liabilities		-441	2,418
<b>Change in working capital</b>		<b>19,619</b>	<b>4,239</b>
<b>Cash flow from operations</b>		<b>15,596</b>	<b>4,168</b>
<i>Investing activities</i>			
Subsidiary acquisition		-242,738	-
Capitalized development costs	9	-677	-2,048
Sale of intangible assets	9	11,874	-
Acquisition of tangible assets	10	-171	-61
Sale of tangible assets	10	435	-
<b>Cash flow from investment activities</b>		<b>-231,277</b>	<b>-2,109</b>
<i>Financing activities</i>			
New debt		171,500	-
Amortization of debt		-1,426	-2,950
Net change in bank overdraft facilities		8,165	825
New issue		40,957	-
Dividend		-3,861	-
<b>Cash flow from financing activities</b>		<b>215,335</b>	<b>-2,125</b>
<b>Cash flow for the year</b>		<b>-346</b>	<b>-66</b>
Liquid assets at start of year		415	312
Translation difference		-	168
<b>Liquid assets at year-end</b>	<b>15</b>	<b>69</b>	<b>415</b>

## NOTES – GROUP

### NOTE 1 ACCOUNTING PRINCIPLES

#### *Compliance with standards and legislation*

The Annual Report and consolidated financial statements were authorized for issue by the Board of Directors and the Chief Executive Officer on May 9, 2013. The income statements and balance sheets of both the parent company and the Group are subject to adoption at the Annual General Meeting on May 23, 2013.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS/IAS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the EU. The consolidated financial statements are furthermore prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Groups) as well as their interpretations (UFR).

The parent company applies the same accounting principles as the Group with the exception of that which is specified under "Parent company accounting principles". The differences between the principles applied by the parent company and the Group are due to limitations in the possibilities of applying IFRS to the parent company due to the Annual Reports Act and the Pension Obligations Vesting Act as well as tax reasons.

#### *Changes in accounting principles*

None of the new standards, amendments to standards and interpretations effective as from January 1, 2012 has had a significant impact on the Group's financial result and position.

- Changes in IFRS 7 Financial instruments: More stringent disclosure requirements regarding the transfer of financial assets. These changes are intended to provide greater transparency regarding risk exposure of a financial asset that is transferred to a third party but in which the company retains some exposure. The changes also require disclosure when the transfer of financial assets is not distributed evenly over the period.
- The amendment to IAS 12 Income Taxes entails an exception to the general principle in IAS 12 that the valuation of deferred tax liabilities and deferred tax assets should be based on how the company expects to recover or settle the carrying amount of the corresponding asset or liability. The exemption applies to investment properties measured at fair value under IAS 40 Investment Properties, where the valuation of deferred tax should be based on an assumption that the carrying value of the investment property will be recovered through sale rather than through use.

#### *New standards and interpretations not yet in effect*

The following standards, interpretations and amendments to standards have been issued, but are not yet in force as of December 31, 2012. The effect on the consolidated financial statements has not yet been determined.

- IFRS 10 "Consolidated Financial Statements" reaffirms the concept of control as a key factor in determining whether a company will be consolidated in the consolidated financial statements (2013)\*.
- IFRS 11 "Joint Arrangements" describes the accounting for arrangements in which there is joint control. Proportionate consolidation is not permitted for joint ventures (according to new definition) (2013)\*.
- IFRS 12 "Disclosure of Interests in Other Entities" standardizes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose entities and other entities that are not consolidated (2013)\*.
- IFRS 13 "Fair Value Measurement" provides a precise definition of fair value and a single standard for fair value measurement and related disclosure requirements (2013)\*.
- IAS 19 "Employee Benefits" requires the immediate recognition of actuarial gains and losses. Additionally, it aligns the expected return on plan assets to the discount rate and adds more disclosures for defined benefit plans (2013)\*.
- IAS 1 "Presentation of Financial Statements" requires that companies present items within other comprehensive income that may be reclassified to the income statement (2013)\*.
- IFRS 9 "Financial instruments- Classification and Measurement" simplifies accounting for financial assets by requiring a single approach to determine whether a financial asset is measured at cost or fair value. For financial liabilities, classification and measurement have been moved from IAS 39 to IFRS 9. The main difference is the "Fair Value Option" rule for financial liabilities, which requires that if a company chooses to measure a liability at fair value the portion of the change in its fair value due to changes in the company's credit rating is recognized in other comprehensive income rather than within the income statement (2015)\*.
- IAS 27 "Separate Financial Statements" (revised 2011)\* IAS 27 has been amended on the issuance of IFRS 10, but retains the current guidance on separate financial statements (2013)\*.
- IAS 28 "Investments in Associates and Joint Ventures" (revised 2011)\* IAS 28 has been amended for conforming changes after issuance of IFRS 10 and IFRS 11 (2013)\*.

#### **Valuation criteria applied when preparing the parent company and consolidated financial statements**

Assets and liabilities are reported at historical cost, except for certain financial assets and liabilities measured

\* These standards/interpretations had not been adopted by the EU at the time this Annual Report was published. The indicated date of application may thus be subject to change due to decisions made during the EU approval process.

at fair value. Financial assets and liabilities measured at fair value consist of derivatives. Non-current assets and disposal groups held for sale are carried at the lower of their previous carrying amount and fair value less selling expenses.

#### **Functional currency and reporting currency**

The parent company's functional currency is the Swedish Krona (SEK), which is also the reporting currency for the parent company and the Group. This means that the financial statements are presented in SEK.

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

#### **Critical accounting judgments and key sources of estimation uncertainty**

When preparing the Opus Group consolidated financial statements, the Board and CEO have been required to make critical estimates and accounting judgments that have a significant impact on the reported amounts. These relate to the following areas:

##### *Valuation of goodwill*

When assessing whether there is an indication of impairment of the value of goodwill, assumptions are made about future results and cash flow development at the lowest cash-generating unit level. Note 12 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. As of December 31, 2012, the carrying amount of goodwill in the Group amounted to SEK 416,676,000.

##### *Deferred tax related to loss carryforward*

Deferred tax assets and liabilities are reported for temporary differences and unutilized carryforwards. The valuation of tax loss carryforwards and the Group's ability to utilize tax loss carryforwards are based on management estimates of future taxable income in different tax jurisdictions.

The largest loss carryforwards relate to the US, where any unused loss carryforwards expire in early 2028. More detailed information can be found in Note 10. On December 31, 2012, the value of deferred tax assets attributable to unutilized tax loss carryforwards amounted to SEK 20,220,000.

##### *Credit risks in accounts receivable*

When valuing the credit risks in account receivable, individual assessments are made based on payment history and other information in general. The total provisions for doubtful receivables amounted to SEK 3,389,000 on December 31, 2012.

##### *Customer contracts and relationships and other acquired intangible assets, including goodwill*

In connection with the initial recognition and subsequent revaluations, management makes estimates of key assumptions and indicators of impairment. In the allocation of the purchase price for each acquisition, the actual purchase price is attributed to identifiable assets, liabilities and contingent liabilities, where the assets are

measured at fair value. Such allocations and useful lives require management's judgment as well as the definition of cash-generating units for impairment testing. Estimates may differ from actual outcomes and can therefore affect the cost of depreciation in the income statement and the valuation of assets. More detailed information can be found in Note 12.

#### **Classification**

Fixed assets and non-current liabilities in the parent company and the Group consist primarily of amounts that are expected to be recovered or settled more than twelve months after the balance sheet date. Current assets and current liabilities in the parent company and the Group consist primarily of the amounts that are expected to be recovered or settled within twelve months from the balance sheet date.

#### **Consolidation principles**

##### *Subsidiaries*

The Group includes the parent company, Opus Group AB, and the companies in which the parent company holds (directly or indirectly) more than 50 percent of the voting rights or otherwise has a controlling interest. Controlling interest is the power that Opus Group AB has to formulate strategies for the Group company in order to obtain financial benefits.

##### *Acquisitions*

All acquisitions are accounted for using the purchase method and are included in the consolidated financial statements from the acquisition date until the date that control ceases. The acquisition cost is determined by means of a purchase price analysis in connection with the acquisition. The cost is the sum of the fair values of the assets acquired, liabilities assumed and equity instruments issued as consideration in exchange for the net assets acquired. If the cost exceeds the net of the acquired assets and liabilities, as described above, the difference is recognized as goodwill. If the cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognized directly in the income statement. In a situation where a subsidiary is acquired in several stages, a purchase price analysis is performed for each acquisition transaction that occurs before controlling interest is obtained. The carrying value of goodwill is the sum of the goodwill values calculated for each sub-acquisition. The Group's transaction costs in connection with an acquisition, such as compensation to the entity that executed a transaction, legal fees, fees for due diligence and other fees for advisory and consulting services, are expensed as incurred.

##### *Additional consideration*

When recognizing additional considerations, the Group applies IFRS 3.

Contingent consideration is measured at initial recognition at fair value at the acquisition date. Subsequent changes in fair value are recognized in net income. Contingent consideration related to business acquisitions completed prior to 2009 is reported under the previous IFRS 3, where subsequent changes resulted 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

Board member Lothar Geilen is entitled to any additional payment under a contract for the acquisition of Systech; see Note 22. Beyond that, there are no significant contractual relationships.

### Exchange rates

#### Transactions in foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing on the transaction date. Functional currency is the currency of the primary economic environment in which the company operates. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the rate prevailing on the balance sheet date. Exchange rate differences arising from translations are recognized in the income statement. Non-monetary assets and liabilities recognized at historical cost are translated at the exchange rate prevailing at the time of the transaction. Non-monetary assets and liabilities recognized at fair value are translated to the functional currency at the rate prevailing at the time the fair value was established.

#### Translation of foreign operations

Assets and liabilities in foreign operations, including goodwill and other corporate fair value adjustments, are translated to Swedish kronor 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. Translation differences that arise are recognized directly in equity as a translation reserve. The translation reserve includes the translation differences accumulated from the date of transition to IFRS. On disposal of a foreign entity, the accumulated translation differences related to the entity are recognized in the consolidated income statement.

#### Net investment in foreign operations

Monetary non-current assets or non-current 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. An exchange difference arising on a monetary non-current asset or monetary long-term liability is recognized in other comprehensive income and accumulated in a separate component of equity, called the translation reserve. On disposal of a foreign operation, the cumulative exchange differences attributable to monetary non-current assets or non-current liabilities are included in the cumulative translation differences that are reclassified from the fair value reserve in 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:

Country	Currency	Average exchange rate		Rate on balance sheet date	
		2012	2011	2012	2011
USA, Cyprus, Peru, Chile	USD	6.78	6.50	6.52	6.92
Hong Kong	HKD	0.87	0.83	0.84	0.89
China	CNY	1.07	1.01	1.05	1.10

### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of sales taxes, goods returned, discounts or other similar deductions. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, which in most cases is associated with delivery. Revenue is only recognized if it is probable that the economic benefits will flow to the Group, if the revenue, associated costs and risk of goods return can be estimated reliably and the seller retains no continued managerial involvement usually associated with ownership of the goods.

Revenue from services is recognized in the income statement based on the stage of completion of the transaction at the balance sheet date. The stage of completion is determined based on surveys of work performed.

### Other operating income

Other operating income comprises income of a secondary nature in relation to the Group's operations (see Note 5).

### 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.

### 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's pension obligations are classified as defined-contribution plans. The plans comprise mainly a retirement pension, disability and survivor benefits. Obligations for contributions to defined-contribution plans are recognized as an expense in the income statement as they arise. The Group's commitments for salaried employees in Sweden are secured through insurance with Alecta. In accordance with a statement from the Swedish Financial Accounting

Standards Council's Emerging Issues Task Force (UFR 3), this is a defined-benefit plan that comprises several employers. At present, Alecta is unable to provide such information that would make it possible to recognize this plan as a defined-benefit plan. Accordingly, the ITP occupational pension plan that is secured through a policy with Alecta is recognized as a defined-contribution plan.

#### **Option program**

An option program allows employees to acquire shares in the company. The fair value of the options granted is estimated using the Black-Scholes model, taking into account the terms and conditions applicable at the time of allotment. In Sweden, a premium equal to the fair value of warrants paid by the employee at grant date and recognized directly in Other contributed capital. Thus, no benefit or compensation is given to the employee and therefore no personnel cost is recognized in the income statement. Payment from employees is based on the market price, as determined by the Black-Scholes valuation model. In North America, the fair value of allotted options is recognized as an employee expense with a corresponding increase in equity. The fair value is measured at allotment date and spread over the vesting period. The amount recognized as an expense is adjusted to reflect the actual number of vested options. Payments received for the shares, net of any directly attributable transaction costs, are credited to share capital (nominal value) and other contributed capital when the options are exercised.

#### **Government grants**

Government grants are recognized at fair value when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attached to them. Government grants that relate to expected costs are deferred and reported as deferred income. Grants are recognized in the same period as the related costs they are intended to compensate. Grants for the acquisition of tangible assets reduce the carrying value of the asset.

#### **Financial income and expenses**

Financial income consists of interest income on bank balances, receivables and interest-bearing securities, dividend income, income from options, exchange rate differences on long-term receivables and liabilities, unrealized and realized gains on financial investments and gains on hedging instruments that are recognized in the income statement. Interest income on financial instruments is recognized according to the effective interest method. Dividend income is recognized when the right to receive payment has been established. The gain or loss from the sale of financial instruments is recognized when the economic risks and rewards associated with ownership have been transferred to the purchaser and the Group no longer has control over the instruments.

Financial expenses consist of interest expenses of loans, exchange rate differences on long-term receivables and liabilities, unrealized and realized losses on financial investments and derivatives used in financial activities. Interest expenses on liabilities are calculated using the effective method.

The effective interest rate is the rate that discounts the future estimated receipts and payments through the expected fixed interest term to the net carrying amount of the receivable or liability. The calculation includes all accrued transaction costs and any discounts, premiums and other differences between the initial carrying amount of the receivable or liability and the amount paid at maturity.

#### **Capitalized product development expenses**

Research and development costs are recognized in accordance with IAS 38 "Intangible Assets". This means that the costs for the development of products for sale or for internal use are capitalized from the time when it is expected that the product will be technically and economically viable until it is ready for sale or use in the company. These capitalized costs are mainly generated internally and include direct costs for time expended and directly attributable shares of indirect costs. Amortization of capitalized development costs are recognized in the income statement linearly over five years from market introduction. Other research and development costs are charged to earnings as incurred.

#### **Intangible assets**

##### *Goodwill*

Goodwill represents the difference between the acquisition cost and the fair value of the acquired assets, liabilities and contingent liabilities. Goodwill is recognized at acquisition cost less accumulated impairment losses. 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.

##### *Other intangible assets*

Other intangible assets acquired by the Group are stated at cost less accumulated amortization and accumulated impairment losses. Other intangible assets include capitalized costs of acquired trademarks, patents, software products and systems, development costs, acquired intellectual property rights and customer contracts and relationships.

Customer contracts and relationships are amortized over the estimated useful life per customer contract/relationship and are recognized in the income statement linearly over the period of use.

Amortization of other intangible assets is based on the estimated useful lives of the respective assets, unless such lives are indefinite. Amortization is recognized in the income statement linearly over the period of use from the date they are available for use. The following amortization periods are applied:

- Capitalized product development expenses: 5 years
- Patents: 5 years

#### **Tangible assets**

Tangible assets are recognized at acquisition cost less accumulated depreciation and accumulated impairment losses. Acquisition cost includes the purchase price and costs directly attributable to the asset to put it in the place and condition to be used in accordance with its intended purpose. Borrowing costs are not included in the acquisition cost.

tion cost of self-produced fixed assets. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognized net in the income statement under "Other operating income" or "Other external expenses". Land is not depreciated. Depreciation is recognized in the income statement linearly based on the expected useful lives from the date that they are available for use. The following depreciation periods are applied:

- Buildings: 27.5 years
- Furnishings, machinery and other technical equipment: 3-20 years

#### **Impairment testing**

At each balance sheet date, an assessment is made to determine whether there is any indication of impairment of the carrying amounts of the Group's assets. IAS 36 "Impairment of Assets" is applied to test for impairment in the Group for assets other than financial assets, deferred tax assets and inventories. If there are any indications of impairment, the asset's recoverable amount is calculated. The exceptions stated above are tested according to the relevant standard. For goodwill and other intangible assets that have an indefinite useful life, impairment testing is performed at a minimum annually as well as when there are indicators of impairment. The impairment test is performed on the lowest cash-generating unit (or group of cash-generating units) at which these assets are monitored for internal management purposes. Impairment loss is recognized at the amount that the carrying amount exceeds the recoverable amount. Impairment of assets attributable to a cash-generating unit (group of units) is primarily allocated to goodwill. It is then allocated proportionally to the other assets in the unit (group of units). Reversals of impairment losses are made if there has been a change in the estimates used to calculate the recoverable amount. Impairment of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, where applicable, if no impairment loss been recognized. Impairment losses and reversals of impairment losses are recognized in the income statement.

The recoverable amount is the higher of an asset's fair value less selling expenses and value in use. In assessing value in use, the present value is calculated for the estimated future payments that the asset is expected to generate over its useful life through use of a discount rate before tax that reflects the current market rate and the risk attributable to the asset. If the recoverable amount is less than the carrying amount, then there is impairment of the asset to its recoverable amount.

#### **Financial instruments**

Financial instruments that are recognized in the balance sheet include accounts receivable, financial investments, liquid assets, accounts payable, borrowings and derivatives. 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 transaction 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. 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 transaction costs, except for derivatives, 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. The financial instruments are classified as follows:

#### *Loans and accounts receivable*

Financial assets categorized as loans and accounts receivable are non-derivative financial assets with set payments that are not listed on an active market. After the time point of acquisition, these assets are recognized at amortized acquisition cost using the effective interest method. Accounts receivable are recognized at the amount expected to be received after deductions for doubtful receivables assessed individually. A provision for impairment of accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The expected maturity of accounts receivable is short, thus values are reported at nominal value without discounting. Impairment of accounts receivable is recognized in "Other external expenses".

#### *Other receivables*

Other receivables are recognized at the amount expected to be received.

#### *Liquid assets*

Liquid assets consist of cash and cash equivalents, immediately available balances with banks and similar institutions and short-term liquid investments with original maturity of three months or less, which are only subject to an insignificant risk of changes in value. Unutilized bank overdraft facilities are not included.

#### *Financial liabilities at amortized acquisition cost*

Accounts payable and borrowings are classified as other financial liabilities. Accounts payable have a short expected maturity and are valued at nominal value without discounting. Borrowings are classified as other financial liabilities, which means that they are recognized at amortized cost using the effective interest method calculated when the liability was incurred. This means that the premiums, discounts and direct issue costs are amortized over the term of the liability. Non-current liabilities have an expected term of more than one year, while current liabilities have a term of less than one year.

#### *Derivatives*

Derivatives are measured at fair value and changes in value are recognized continuously against the net financial

income with the exception of outstanding derivatives designated as hedging instruments. In a hedging relationship in which the underlying balance sheet item is related to operations, the derivative's changes in values are recognized against the operating profit/loss. Changes in value attributable to a derivative hedging instruments in a cash flow hedge are recognized in other comprehensive income and are accumulated in equity and recognized against financial or operating profit/loss at the time that the underlying exposure affects earnings. Interest derivatives are acquired to hedge the risk of uncertainty of future interest flows for variable rate loans. Interest rate derivatives are measured at fair value and the effects attributable to changes in value are recognized in other comprehensive income and accumulated in the hedging reserve in equity for cash flow hedges. The net of accrued interest income and interest expenses is deferred and recognized as income over the term of the derivative. Derivatives that are not part of a hedging relationship are measured at fair value and the change in value is recognized directly against net financial income. Opus has no derivative instruments used to hedge net investments in foreign operations.

#### Provisions

A provision is recognized in the balance sheet when the Group has a present 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. 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.

#### Contingent liabilities (guarantees)

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 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.

#### Leases

Leases are classified as financial leases when the terms of the lease essentially transfer the risks and benefits associated with ownership to the Group. All other leases are classified as operating leases. The Group reports all leases as operating leases since they do not fill the criteria to be reported as financial leases. Operating lease payments are recognized in the income statement linearly over the leasing period.

#### Inventory

Inventory is valued at the lower of acquisition cost and net realizable value. Acquisition cost is determined using weighted average cost and includes expenses incurred in acquiring the inventories and bringing them to their current location and condition. Net realizable value is

defined as the selling price less costs of completion and selling expenses. Net realizable value includes impairment losses due to technical and commercial obsolescence made in each Group company.

#### Earnings per share

The calculation of earnings per share is based on profit/loss for the year attributable to the parent company shareholders and the weighted average number of shares outstanding during the year. 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 options granted to employees.

#### Taxes

Income taxes consist of current and deferred tax. Income taxes are recognized in the income statement except when the underlying transaction is recognized directly in equity, whereby the associated tax effect is recognized in equity. 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.

Deferred tax is calculated using the balance sheet method, based on temporary differences between the carrying amounts and the tax bases of assets and liabilities. The valuation of deferred tax is based on how recognized values of assets or liabilities are expected to be realized or settled. Deferred tax is calculated using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets for deductible temporary differences and tax-loss carryforwards are recognized only to the extent that it is probable that they will be utilized. The value of deferred tax assets is reduced when it is no longer probable that they can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the taxes are charged by the same tax authority and the Group intends to pay the current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities attributable to the Swedish companies in the Group have been restated as the result of the new income tax in Sweden as of 2013, which is 22% instead of the previous 26.3%.

#### Cash flow statement

Cash flow is reported using the indirect method, whereby net profit adjusted for transactions that do not result in cash payments during the period and for any income or expense associated with investing or financing cash flows.

#### 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.

#### *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 financial income and expenses, fixed assets, equity and the presentation of provisions as a separate heading in the balance sheet.

#### *Changes in accounting principles 2012*

Unless otherwise indicated below, changes to the parent company's accounting principles for 2012 follow that which has been indicated for the Group.

#### *Financial guarantees*

The parent company's financial guarantee contracts consist primarily of guarantees for the benefit of its subsidiaries. Financial guarantees require the company to reimburse the holder of a debt instrument for losses the latter incurs from a stipulated debtor failing to make payment when due. For reporting of financial guarantee contracts, the parent company applies one of the exemption rules allowed by the Swedish Financial Reporting Board, compared with the rules in IAS 39. This exemption rule applies to financial guarantee contracts issued for the benefit of subsidiaries. The parent company reports financial guarantee contracts as provisions in the balance sheet when the company has a commitment for which payment is likely to be required to settle the obligation.

#### *Subsidiaries and associated companies*

Shares in subsidiaries and associated companies are recognized in the parent company in accordance with the cost method.

Revenue recognized includes only received dividends on condition that these are attributable to profits earned after the acquisition. Dividends exceeding these earned profits are regarded as repayment of the investment and reduce the carrying amount of the shares.

#### *Sales of goods and rendering of services*

In the parent company's accounts, services are recognized upon completion of the service in accordance with the Annual Accounts Act. Until completion, services in progress for another party are recognized at the lower of the acquisition cost and net realizable value on the balance sheet date.

#### *Financial instruments*

The parent company does not apply the provisions of IAS 39 "Financial Instruments: Recognition and Measurement".

#### *Owned assets*

Tangible assets in the parent company are reported at acquisition cost less accumulated depreciation and any impairment losses, the same way as in the consolidated financial statements, but increased by any revaluation.

#### *Taxes*

The parent company reports untaxed reserves, including deferred tax liabilities. In the consolidated financial statements, however, the untaxed reserves are allocated to deferred taxes and equity.

#### *Group and shareholder contributions for legal entities*

The parent company reports Group contribution received following the same principle as ordinary dividends, i.e. as financial income. Group contributions paid are reported as financial expense. Shareholder contributions are recognized directly against equity at the recipient and are capitalized in shares and participations at the contributor, to the extent that impairment is not required.

#### *Additional consideration*

When recognizing additional considerations, the Group applies IFRS 3.

Contingent consideration is measured at initial recognition at fair value at the acquisition date. Subsequent changes in fair value are recognized in net income. Contingent consideration related to business acquisitions completed prior to 2009 is reported under the previous IFRS 3, where subsequent changes resulted in adjustments to goodwill.

### **NOTE 2 REPORTING PER SEGMENT**

As of Q4 2012, Opus Group has changed its segments compared to the previous year. Opus Group's operations consist of two business units and three reportable segments. The business units are Vehicle Inspection and Equipment. Business unit Vehicle Inspection consists of two segments: Vehicle Inspection Sweden and Vehicle Inspection International. The business unit and segment Equipment was formerly called Europe & Asia and the segment Vehicle Inspection International was formerly called North America. Vehicle Inspection Sweden is a new segment created in conjunction with the acquisition of Opus Bilprovning.

Reporting to Group management, the Board and to the stock market and other external stakeholders is done in accordance with this division. Reporting to Group management and the Board is done in accordance with the new structure. Previously published figures for North America are used for comparison with the new segment Vehicle Inspection International. Previously published figures for Europe & Asia are used for comparison with the new segment Equipment.

#### **Business unit Vehicle Inspection**

Opus Group provides systems, services and equipment to the vehicle inspection market. Opus Group's offering includes both emission and safety testing of vehicles. In practice, this means that Opus Group supplies test equipment, systems and databases for vehicle inspection along with services in the form of either full operation or assistance with program management, maintenance and training.

**Business unit Equipment**

Opus Group offers a complete range of professional equipment both for vehicle inspection and service and repair workshops. Opus Group's products and technology are well known for quality and flexibility and are used for emission and safety testing around the world.

Information on the Group's segments is presented below. Performance as reported per segment is based on earnings before interest, tax, depreciation and amortization (EBITDA), as included in the internal reports that are 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).

## 2012

	Vehicle inspection					
	Equipment	Sweden	International	Total	Group eliminations	Group
External net turnover	121,497	72,221	275,271	468,989	-	468,989
Internal net turnover (to other segments)	2,621	-	-	2,621	-2,621	-
<b>Net turnover</b>	<b>124,118</b>	<b>72,221</b>	<b>275,271</b>	<b>471,610</b>	<b>-2,621</b>	<b>468,989</b>
Other external operating income	1,581	25	337	1,943	-	1,943
<b>Total income</b>	<b>125,699</b>	<b>72,246</b>	<b>275,608</b>	<b>473,553</b>	<b>-142</b>	<b>470,932</b>
<b>EBITDA</b>	<b>484</b>	<b>- 10,174</b>	<b>39,640</b>	<b>29,950</b>	<b>41</b>	<b>29,991</b>
Depreciation	-2,868	-1,861	-31,157	-35,886	82	-35,805
Net financial income/expense	-2,989	371	-2,453	-5,071	-	-5,071
<b>Profit/loss after financial items</b>	<b>-5,373</b>	<b>-11,663</b>	<b>6,031</b>	<b>-11,005</b>	<b>123</b>	<b>-10,882</b>
Current tax/deferred tax	2,382	1,738	4,501	8,621	-	8,621
<b>Profit/loss for the period</b>	<b>-2,991</b>	<b>-9,925</b>	<b>10,532</b>	<b>-2,384</b>	<b>123</b>	<b>- 2,261</b>
Investments in fixed assets	3,145	377,883	85,426	466,454	-	466,454
Assets	744,034	141,568	412,855	1,298,457	- 372,714	925,743
Liabilities	466,994	115,221	235,695	817,911	-152,035	665,875

## 2011

	Vehicle inspection					
	Equipment	Sweden	International	Total	Group eliminations	Group
External net turnover	149,478	-	80 510	229,988	-	229,988
Internal net turnover (to other segments)	142	-	-	142	-142	-
<b>Net turnover</b>	<b>149 620</b>	<b>-</b>	<b>80 510</b>	<b>230,130</b>	<b>-142</b>	<b>229,988</b>
Other external operating income	1,556	-	6	1,562	-	1,562
<b>Total income</b>	<b>151,176</b>	<b>-</b>	<b>80,516</b>	<b>231,692</b>	<b>-142</b>	<b>231,550</b>
<b>EBITDA</b>	<b>9 749</b>	<b>-</b>	<b>18 793</b>	<b>28,542</b>	<b>49</b>	<b>28,591</b>
Depreciation	-2,848	-	-29,407	-32,255	79	-32,176
Net financial income/expense	737	-	-1,771	-1,034	-	-1,034
<b>Profit/loss after financial items</b>	<b>7,638</b>	<b>-</b>	<b>-12,385</b>	<b>-4,747</b>	<b>128</b>	<b>-4,619</b>
Current tax/deferred tax	-2,377	-	1,840	-537	-	-537
<b>Profit/loss for the period</b>	<b>5,261</b>	<b>-</b>	<b>-10,545</b>	<b>-5,284</b>	<b>128</b>	<b>-5,156</b>
Investments in fixed assets	3,457	-	305	3,762	-	3,762
Assets	323,869	-	275,187	599,056	-272,777	326,279
Liabilities	80,426	-	96,896	177,322	-90,420	86,902

## Geographic information

The geographic distribution of net turnover is based on the country where the customer is located and the geographic distribution of segment assets is based on the country where the asset is located.

	2012	2011
<i>Net turnover</i>		
Sweden (Group's home country)	163,931	105,553
Europe, excl. Sweden	26,021	38,836
USA	273,878	79,520
Asia		2,277
Other countries	5,159	3,802
<b>Total</b>	<b>468,989</b>	<b>229,988</b>
<i>Tangible and intangible assets</i>		
Sweden (Group's home country)	387,368	19,520
USA	225,663	167,184
Cyprus	5,422	22,916
Other countries	495	3,676
Group eliminations	-29	-768
<b>Total</b>	<b>618,919</b>	<b>212,528</b>

## Information about customers

No revenue from transactions with a customer exceeded 10% of consolidated turnover in 2012 or 2011.

## NOTE 3 ACQUISITION

## 2012

During the year, Opus Group has made three acquisitions – Alfa Maskinteknik, ESP Inc and Opus Bilprovning AB.

## Acquisition of Alfa Maskinteknik

On March 1, 2012, JB Maskinteknik AB acquired the operations of Alfa Maskinteknik through asset acquisition. Operations include installation, service and accredited calibration of brake testers (with accessories) in the Swedish market. In conjunction with the acquisition, J&B took over existing service agreements, customer base, inventory and equipment, etc. The purchase price was SEK 2.1 million, which was paid in cash. The total value of the acquired assets amounted to SEK 0.7 million, which resulted in goodwill of SEK 1.4 million.

#### Acquisition of ESP Inc.

On January 21, 2012, Opus US Inc acquired 100% of the shares in Environmental Systems Products, Inc. ("ESP") from Envirotech Systems Holdings Corp. The acquisition includes all of ESP's operations in the US, Mexico and Canada. The acquisition is strategic and strengthens Opus subsidiary Systech International in the US vehicle inspection market. ESP's dominant position on the market for sales of emission control equipment complements Systech's position as leader in management contracts for decentralized vehicle inspection. ESP's emission control products fit perfectly with Systech's innovative equipment and database technology used in vehicle inspection contracts. The acquisition combines the strengths of both Systech and ESP, adding valuable human resources, technology and infrastructure. This will pave the way for new business and future growth. In 2011, ESP generated approximately USD 27 million in revenue and approximately USD 3 million in EBITDA. At the time of acquisition, the company had about 160 employees.

The total purchase price amounted to USD 9.7 million (equivalent to approx. SEK 67.6 million), including accompanying cash of USD 0.3 million (equivalent to SEK 2.3 million). The acquisition was financed via equity and bank loans. Direct acquisition costs amounted to SEK 2.5 million and were charged to "Other external costs" in the consolidated income statement in 2011.

	Fair value
<i>Net assets acquired</i>	
Customer relationships	25,416
Trademarks	2,228
Tangible fixed assets	3,899
Deferred tax assets	12,777
Other fixed assets	4,860
Current assets	65,614
Non-current liabilities	-543
Deferred tax liabilities	-11,058
Current liabilities	-46,988
Total net assets required	56,205
Goodwill	11,350
Purchase price	67,555
Less:	
Acquired liquid assets	-2,277
Impact on the Group's liquid assets from acquisition	65,278

Customer relations in connection with the acquisition of ESP are amortized over the expected life of 7 years, whereas the Group has determined that trademarks have an indefinite life. Identified goodwill, which is not deductible for tax purposes, is attributable to future synergies resulting from the combined operations. From the acquisition date, ESP Inc. has contributed SEK 23.0 million to EBITDA and SEK 168.7 million in revenues.

During the second quarter, the acquisition analysis was established, which resulted in amortization of identifiable intangible assets and acquisition-related adjustments to revenue to affect the results. Quarterly information is updated for this.

#### Acquisition of Opus Bilprovning AB

On November 5, 2012, Opus Group AB acquired 100% of the shares in Besiktningskluster 1 AB from AB Svensk

Bilprovning. Besiktningskluster 1 AB changed its name to Opus Bilprovning AB. The acquisition comprises 70 inspection stations located in Stockholm, Mälardalen, Dalarna, Värmland, Skaraborg, Småland, Blekinge and the Norrland coast all the way up to Kiruna. The acquisition is important from both an economic and a strategic perspective. Having a large market share in Opus Group's home market of Sweden creates a strong platform for future expansion, both in Sweden and internationally.

The acquisition of the 70 inspection stations is an essential step in Opus Group's growth strategy to grow through acquisitions and expand its geographical presence in the vehicle inspection market. Opus Group is already one of the leading vehicle inspection providers in North America. The acquisition also makes Opus Group one of the leading players in Sweden in emission and safety testing of vehicles.

Opus Group's experience and expertise from the inspection market coupled with the well-developed vehicle inspection services of the acquired operations creates significant competitive advantages and opportunities for future expansion in vehicle inspection in Sweden and internationally. Opus Group and the acquired operations are complementary and are expected to achieve both economies of scale and increased volume.

The acquisition will result in synergies and cost savings, primarily by combining the market position, collective expertise, service offerings and technical solutions of the two companies.

The acquired operations had a turnover of SEK 543 million in 2011, with an EBITDA of about SEK 88 million. At the time of acquisition, the company had about 540 employees.

The total purchase price amounted to SEK 365.7 million, including accompanying cash of SEK 56.6 million. The acquisition was financed via equity, promissory note and bank loans. Direct acquisition costs amounted to SEK 6.4 million and were charged to "Other external costs" in the consolidated income statement in 2012.

	Fair value
<i>Net assets acquired</i>	
Tangible assets	90,902
Current assets	47,499
Deferred tax liabilities	-14,085
Current liabilities	-92,448
Total net assets required	31,868
Goodwill	277,281
Purchase price	309,149
Less:	
Acquired liquid assets	-56,611
Promissory note	-160,711
Impact on the Group's liquid assets from acquisition	205,049

The surplus values of tangible assets are amortized over an expected life of 3-20 years. Identified goodwill is mainly attributable to the geographic location of the acquired stations that provide an opportunity to reach out to potential customers. From the acquisition date, Opus Bilprovning AB contributed SEK -10.2 million to EBITDA and SEK 72.2 million in revenues.

*Impact of completed acquisitions on Group income in 2012*

If the aforementioned acquisitions of ESP and Bilprovningen had been included in the consolidated financial statements for 2012 as if they were completed on January 1, 2012, the total revenues for Opus Group would have amounted to SEK 933.1 million. Earnings before interest, tax, depreciation and amortization (EBITDA) would have amounted to SEK 92.3 million, earnings before interest and tax (EBIT) would have amounted to SEK 41.8 million and net income attributable to parent company shareholders would have amounted to SEK 22.6 million.

The Board and the CEO believe that these pro forma calculations provide a reasonable estimate of the performance of the combined Opus Group combines for the full year 2012 and that such information constitutes a reference point for future comparisons.

The following adjustments were made when preparing the pro forma data:

- Adjustments based on unaudited internal income statements from ESP and Bilprovningen.
- Adjustments for estimated operating expenses, depreciation and tax based on assessments.
- Adjustments for calculated loan costs and tax.
- Adjustments for amortization of surplus value and tax.

**2011**

In December 2011, there was an asset acquisition with Volvo Personbilar Sverige AB to take over the part of the operations related to the sale of hand tools and consumables to e.g. the Swedish Volvo dealerships. The fair values of the acquired net assets (inventories only) amounted to SEK 3.1 million.

**NOTE 4 NET TURNOVER**

	2012	2011
<i>Net turnover by type of income</i>		
Sale of goods	351,990	140,539
Rendering of services	116,999	89,449
<b>Total</b>	<b>468,989</b>	<b>229,988</b>

**NOTE 5 OTHER OPERATING INCOME**

	2012	2011
<i>Other operating income by type of income</i>		
Exchange rate differences on assets and liabilities of an operating nature	926	1,031
Warranty compensation	60	371
Other operating income	958	160
<b>Total</b>	<b>1,944</b>	<b>1,562</b>

Exchange rate differences on assets and liabilities of an operating nature are also included in "Raw materials, supplies and merchandise" and amounted to SEK -682,000 (-1,482,000).

**NOTE 6 LEASES**

	2012	2011
<i>Operating leases</i> During the year, the company's lease payments amounted to	19,146	6,092
Future lease payments for noncancellable leases are payable as follows:		
Within 1 year	43,974	5,974
Within 2 to 5 years	99,959	5,326
More than 5 years	22,595	748
<b>Total</b>	<b>166,528</b>	<b>12,048</b>

Leasing costs for assets under operating leases, such as cars, rental premises, machinery and major computer and office equipment, are included in "Other external expenses". The increase in operating lease commitments compared to the previous year is mainly attributable to the acquisition of Opus Bilprovning AB.

**NOTE 7 FEES AND EXPENSES PAID TO AUDITORS**

2012	Deloitte	BDO	Other	Total
Audit assignment	1,784	-	547	2,331
Audit-related assignment	273	-	-	273
Tax consulting	-	-	-	-
Non-audit services	1,634	-	17	1,651
<b>Total</b>	<b>3,691</b>	<b>-</b>	<b>564</b>	<b>4,255</b>

**2011**

	Deloitte	BDO	Other	Total
Audit assignment	539	65	283	887
Audit-related assignment	180	137	-	317
Tax consulting	-	54	167	221
Non-audit services	-	30	-	30
<b>Total</b>	<b>719</b>	<b>286</b>	<b>450</b>	<b>1,455</b>

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. The amount includes, among other things, the interim report. Tax consulting includes both advice and tax compliance services. Non-audit services refers to other assignments.

## NOTE 8 EMPLOYEES AND PERSONNEL COSTS

Average number of employees	2012		2011	
	Men	Women	Men	Women
Sweden	143	19	54	5
China	12	2	9	2
USA	187	50	63	23
Peru	10	2	11	2
<b>Total</b>	<b>352</b>	<b>73</b>	<b>137</b>	<b>32</b>

Gender distribution in executive management	2012	2011
Number of board members (parent company), of which women	5 1	5 1
Number of other senior executives excl. CEO (Group management), of which women	6 2	4 1

## Fees and remuneration

Remuneration and other benefits to Board members in 2012

	Board fee	Remuneration, consulting services	Fee, audit committee	Total
Göran Nordlund	155	75		230
Eva-Lotta Kraft	103		20	123
Lothar Geilen *				0
Bertil Engman	33			33
Jan-Christer Persson	33			33
Jan Åke Jonsson	70		20	90
Anders Lönnqvist	70			70
<b>Total</b>	<b>464</b>	<b>75</b>	<b>40</b>	<b>579</b>

\* Lothar Geilen does not receive any remuneration for his role as Board member

Remuneration and other benefits to Board members in 2011

	Board fee	Remuneration, consulting services	Total
Göran Nordlund	120	115	235
Bertil Engman	80		80
Jan-Christer Persson	80		80
Märtha Josefsson	33		33
Eva-Lotta Kraft	47		47
Lothar Geilen *			0
<b>Total</b>	<b>360</b>	<b>115</b>	<b>475</b>

\* Lothar Geilen does not receive any remuneration for his role as Board member

Remuneration and other benefits to other executive officers in 2012

	Base salary	Variable remuneration	Other benefits	Pension costs	Total
CEO, Magnus Greko	960	0	43	248	1,251
Other executive officers	4,717	908	141	616	6,382
<b>Total</b>	<b>5,677</b>	<b>908</b>	<b>184</b>	<b>864</b>	<b>7,633</b>

Company management 2012 (excl. President/CEO): Jörgen Hentschel (Vice President), Annica Lindström (CFO), Lothar Geilen (Business Unit Manager Vehicle Inspection), Henrik Wagner Jörgensen (Sales Manager, Opus Equipment), Peter Stenström (Investor Relations), Bernice Wellsted (Group Accounting Manager).

Remuneration and other benefits to other executive officers in 2011

	Base salary	Variable remuneration	Other benefits	Pension costs	Total
CEO, Magnus Greko	900	291	33	184	1,408
Other executive officers	4,588	1,076	197	662	6,523
<b>Total</b>	<b>5,488</b>	<b>1,367</b>	<b>230</b>	<b>846</b>	<b>7,931</b>

Company management 2011 (excl. President/CEO): Jörgen Hentschel (Vice President), Bernice Wellsted (CFO), Lothar Geilen (Business Unit Manager Vehicle Inspection), Henrik Wagner Jörgensen (Sales Manager, Opus Equipment).

2012	Parent company	Subsidiaries				
	Sweden	Sweden	China	USA	Peru	Total
Other employees						
Salaries and other remuneration	1,061	53,735	634	84,463	880	140,773
Pension costs	24	3,823	-	1,288	-	5,135
<b>Total</b>	<b>1,085</b>	<b>57,558</b>	<b>634</b>	<b>85,751</b>	<b>880</b>	<b>145,908</b>
Social security expenses	1,537	17,417	90	6,269	140	25,453
<b>Total</b>	<b>2,622</b>	<b>74,975</b>	<b>724</b>	<b>92,020</b>	<b>1,020</b>	<b>171,361</b>

2011	Parent company	Subsidiaries				
	Sweden	Sweden	China	USA	Peru	Total
Other employees						
Salaries and other remuneration	5,306	16,058	602	24,416	748	47,130
Pension costs	428	895	-	312	-	1,635
<b>Total</b>	<b>5,734</b>	<b>16,953</b>	<b>602</b>	<b>24,728</b>	<b>748</b>	<b>48,765</b>
Social security expenses	3,120	5,551	43	5,094	300	14,108
<b>Total</b>	<b>8,854</b>	<b>22,504</b>	<b>645</b>	<b>29,822</b>	<b>1,048</b>	<b>62,873</b>

*Remuneration to executive officers*

Remuneration shall be in the form of a fixed and a variable component. The fixed component will be made up of salary, pension allocations and other benefits (e.g. car benefit). The variable component relates to bonuses. In other words, the variable component will be based on profit development or other established measurable targets. As a general rule, the variable component will be capped and will not exceed 50 percent of the fixed component. However, the division manager for Bilprovning has a bonus agreement that is not limited to 50 percent of base salary. The bonus agreement provides the division manager a percentage of the annual profit (EBIT) for new contracts won or contract extensions obtained. Matters related to remuneration to company management are handled by the remuneration committee and reported and decided on by the Board.

*Severance pay*

According to the terms of the current agreement, the President and CEO in Sweden has a notice period of no more than 12 months. The President and CEO is entitled to normal salary during the notice period. No other remuneration will be paid.

Other executive officers have a notice period of no more than 12 months, except for Lothar Geilen, who is employed on a three-year contract. This contract, which expires on December 31, 2014, is renewed when it expires.

*Pension obligations*

All employees in Sweden are covered by the Alecta ITP supplementary occupational pension plan, which is a defined-benefit plan but is recognized as a defined-contribution plan in accordance with a statement from the Swedish Financial Reporting Board (URF 3). At the end of December 2012, Alecta's surplus in the form of the collective funding ratio amounted to 129 percent (113). The collective funding ratio comprises the market value of Alecta's assets as a percentage of insurance commitments according to Alecta's actuarial calculation methods, which is not consistent with IAS 19. Pensions in North America are defined-contribution pension plans. Pension expenses for the year amounted to SEK 5,999,000 (2,481,000).

*Subscription option program for employees*

As of December 2012, Opus Group has three option programs for executive officers and other employees in the company (see below for information on each option program). Upon full exercise of Opus Group's option program, the dilution effect is maximum 5,706,648 shares or 2.46 percent of the share capital and number of votes. Under the terms of the option programs, the number of shares that each option entitles the holder to and the issue price will be adjusted to reflect Opus Group's rights issue in October 2012.

*Option program 2010:1*

At the Annual General Meeting on May 26, 2010, the company decided to issue 1,750,000 subscription options (Option program 2010:1), which entitle the bearers to subscribe for a total of 1,750,000 shares at a price of SEK 1.50 per share. The subscription options were taken out by Opus Bima, a wholly owned subsidiary of the Group, with the right and obligation to offer the subscription options to key individuals and other employees of the Group. Subscription for new shares may take place between July 1, 2013 and August 15, 2013. The Board retains the right to extend the subscription period by a maximum of six months. Of the 1,750,000 subscription options, all subscription options have been made available to employees.

Upon full exercise of the subscription options, the company's share capital will be increased by SEK 35,000. The terms and conditions of option program 2010:1 were recalculated based on the rights issue implemented by Opus Group in October 2012. The adjusted subscription price amounts to SEK 1.38 per share. Each subscription option entitles the bearer to subscribe for 1.087 shares.

The fair value of the options was valued upon issue in accordance with the Black & Scholes option pricing model. The fair value amounted to SEK 0.01 per subscription option. Input parameters in the pricing model were as follows:

Share price of SEK 0.88, which was calculated on the Opus Group's closing price on October 24, 2010.

Risk-free interest rate of 1.99 percent, which was based on the five-year Swedish government bonds.

Expected volatility of 20 percent, which was calculated on the average volatility of the Stockholm Stock Exchange (OMX Nordic list) over the past year.

Expected dividend of SEK 0 per share (no historical or future expected dividend upon issuance of the subscription options).

A small-company risk premium of 30 percent since Opus Group's shares are listed on Nasdaq OMX First North, which is a list with limited liquidity.

*Option program 2011:1*

At the Annual General Meeting on May 25, 2011, the company decided to issue 1,750,000 subscription options (Option program 2011:1), which entitle the bearers to subscribe for a total of 1,750,000 shares at a price of SEK 1.28 per share. The subscription options were taken out by Opus Bima, a wholly owned subsidiary of the Group, with the right and obligation to offer the subscription options to key individuals and other employees of the Group. Subscription for new shares may take place between July 1, 2014 and August 15, 2014. The Board retains the right to extend the subscription period by a maximum of six months. Of the 1,750,000 subscription options, all subscription options have been made available to employees. Upon full exercise of the proposed option program, the company's share capital will be increased by SEK 35,000. The terms and conditions of option program 2011:1 were recalculated based on the rights issue implemented by Opus Group in October 2012. The adjusted subscription price amounts to SEK 1.1776 per share. Each subscription option entitles the bearer to subscribe for 1.087 shares.

The fair value of the options was valued upon issue in accordance with the Black & Scholes option pricing model. The fair value amounted to SEK 0.01 per subscription option. Input parameters in the pricing model were as follows:

Share price of SEK 0.74, which was calculated on the Opus Group's closing price on May 25, 2011.

Risk-free interest rate of 2.61 percent, which was based on the three-year Swedish government bonds.

Expected volatility of 20 percent, which was calculated on the average volatility of the Stockholm Stock Exchange (OMX Nordic list) over the past year.

Expected dividend of SEK 0 per share (no historical or future expected dividend upon issuance of the subscription options).

A small-company risk premium of 30 percent since Opus Group's shares are listed on Nasdaq OMX First North, which is a list with limited liquidity.

*Option program 2012:1*

At the Annual General Meeting on May 24, 2012, the company decided to issue 1,750,000 subscription options (Option program 2012:1), which entitle the bearers to subscribe for a total of 1,750,000 shares at a price of

SEK 2.42 per share. The subscription options were taken out by Opus Bima, a wholly owned subsidiary of the Group, with the right and obligation to offer the subscription options to key individuals and other employees of the Group. Each subscription option entitles the bearer to subscribe for one new share in the company. Subscription for new shares may take place between July 1, 2015 and August 15, 2015. The Board retains the right to extend the subscription period by a maximum of six months. Of the 1,750,000 subscription options, all subscription options have been made available to employees. Upon full exercise of the subscription options, the company's share capital will be increased by SEK 35,000. The terms and conditions of option program 2012:1 were recalculated based on the rights issue implemented by Opus Group in October 2012. The adjusted subscription price amounts to SEK 2.2263 per share. Each subscription option entitles the bearer to subscribe for 1.087 shares.

The fair value of the options was valued upon issue in accordance with the Black & Scholes option pricing model. The fair value amounted to SEK 0.01 per subscription option. Input parameters in the pricing model were as follows:

Share price of SEK 1.40, which was calculated on the Opus Group's closing price on May 24, 2012.

Risk-free interest rate of 0.86 percent, which was based on the two-year Swedish government bonds. No three-year government bonds were issued at the time of valuation.

Expected volatility of 20 percent, which was calculated on the average volatility of the Stockholm Stock Exchange (OMX Nordic list) over the past year.

Expected dividend of SEK 0.04 per share.

A small-company risk premium of 30 percent since Opus Group's shares are listed on Nasdaq OMX First North, which is a list with limited liquidity.

Specification of option program	2012:1	2011:1	2010:1
CEO	50,000	50,000	50,000
Other executive officers (4 persons)	300,000	200,000	200,000
Other	1,400,000	1,500,000	1,500,000
At year-end	1,750,000	1,750,000	1,750,000

## NOTE 9 NET FINANCIAL ITEMS

	2012	2011
<i>Interest income and similar items</i>		
Interest income – bank holdings	554	221
Exchange rate differences	3,056	2,317
Other	1,198	10
<b>Total</b>	<b>4,808</b>	<b>2,548</b>
<i>Interest expenses and similar items</i>		
Interest expenses		
- financial liabilities at amortized acquisition cost	- 6,103	-1,314
- derivatives used for hedging	-17	-267
Exchange rate differences	-3,365	-1,972
Other	-392	-29
<b>Total</b>	<b>-9,877</b>	<b>-3,582</b>
Net financial income/expense	-5,069	-1,034

## NOTE 10 TAX ON PROFIT/LOSS FOR THE YEAR

	2012	2011
Current tax	5,875	-2,684
Deferred tax	14,496	2,147
Total current/deferred tax	8,621	-537

	2012	2011
<i>Reconciliation of the statutory tax and current tax in Sweden</i>		
Reported profit/loss before tax	-10,882	-4,619
<i>Tax effect of:</i>		
Tax at the applicable tax rate 26.3%	2,862	1,215
Difference in tax rates in foreign operations	-2,173	1,709
Non-deductible expenses	-237	-290
Tax effect of tax losses not previously valued	9,514	-3,751
Other permanent differences	-1,683	-
Other	338	580
Total current/deferred tax	8,621	-537

	Opening balance in Jan 2012	Subsidiary acquisition	Recognized in the income statement	Translation differences	Closing balance on December 31, 2012
Untaxed reserves	-154	-	-3,409	-308	-3,871
Accounts receivable	47	1,488	-609	115	1,042
Prepaid expenses	-526	0	-379	46	-860
Inventory	2,079	8,698	-1,019	471	10,229
Other current liabilities	1,089	1,464	79	26	2,658
Other		-386	1,023	-68	566
Intangible assets	2,255	-9,725	-2,701	641	-9,531
Tangible assets	-606	-13,905	1,970	156	-12,380
Tax losses	1,428	0	19,541	-748	20,220
<b>Total</b>	<b>5,612</b>	<b>-12,366</b>	<b>14,496</b>	<b>331</b>	<b>8,073</b>
Deferred tax assets	5,765				35,467
Deferred tax liabilities	-153				-27,394
Net	5,612				8,073

Taxes recognized directly against other comprehensive income amount to SEK -39,000 (-99,000) related to cash flow hedges. The tax effect of tax losses totaled SEK 20,220,000 (30,744,000), as it is considered probable that the taxable profits will be available in the future, against which these losses can be offset. Of these, SEK 17,201,000 (30,744,000) relates to the US operations and SEK 3,019,000 (0) relates to operations in Sweden. Any unutilized tax losses in the US are due at the beginning of 2028. For the remaining tax losses, there is no maturity date.

#### NOTE 11 EARNINGS PER SHARE

	2012	2011
Earnings per share before dilution (SEK)	0,01	-0,03
Earnings per share after dilution (SEK)	0,01	-0,03
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	-2,261	-5,156
Weighted average number of ordinary shares before dilution	201,070,364	193,062,046
Weighted average number of ordinary shares after dilution	204,874,864	193,062,046

##### Earnings per share before dilution

Earnings per share is calculated by dividing the net profit attributable to shareholders by the average number of shares.

##### Net loss per share after dilution

Earnings per share after dilution is calculated by adjusting the average number of shares outstanding to assume conversion of all dilutive potential shares.

Outstanding subscription options have a dilutive effect when the discounted strike price for the options exceeds the average market price of ordinary shares during the period. Historical earnings per share have been restated with respect to the stock dividend element of the rights issues and stock splits.

#### NOTE 12 INTANGIBLE ASSETS

	Internally generated intangible assets Capitalized expenses for product development	Other intangible assets	Goodwill	Total
<i>Acquisition cost</i>				
<b>Opening balance on January 1, 2011</b>	<b>14,573</b>	<b>163,210</b>	<b>100,256</b>	<b>278,039</b>
Investments	2,048	-	-	2,048
Translation differences	-	3,186	1,575	4,761
<b>Closing balance on December 31, 2011</b>	<b>16,621</b>	<b>166,396</b>	<b>101,831</b>	<b>284,848</b>
Investments	2,447	664	-	3,111
<i>Subsidiary acquisition</i>		26,898	321,863	348,761
Translation differences	-	-10,826	- 7,017	-17,844
<b>Closing balance on December 31, 2012</b>	<b>19,068</b>	<b>183,132</b>	<b>416,677</b>	<b>618,876</b>
<i>Depreciation and amortization</i>				
<b>Opening balance on January 1, 2011</b>	<b>-9,190</b>	<b>-74,827</b>	<b>-</b>	<b>-84,017</b>
Depreciation/amortization for the year	-1,724	-26,297	-	-28,021
Translation differences	-	-3,334	-	-3,334
<b>Closing balance on December 31, 2011</b>	<b>-10,914</b>	<b>-104,458</b>	<b>-</b>	<b>-115,372</b>
Depreciation/amortization for the year	-1,782	-25,573	-	-27,355
Translation differences	-	7,117	-	7,117
<b>Closing balance on December 31, 2012</b>	<b>-12,696</b>	<b>-122,914</b>	<b>-</b>	<b>-135,610</b>
<i>Reported values</i>				
December 31, 2011	5,707	61,938	101,831	169,476
December 31, 2012	6,372	60,218	416,676	483,266

In Other intangible assets, SEK 5,413,000 (22,919,000) is for patents, software and systems, SEK 52,720,000 (39,019,000) is for customer contracts and relationships and SEK 2,085,000 (0) is for trademarks. Apart from goodwill and trademarks, there are currently no intangible assets with indefinite useful lives. Amortization of capitalized product development expenses and Other intangible assets are included in line item Depreciation in the income statement.

##### Goodwill

For impairment testing, goodwill is allocated to the Group segment that represents the lowest level within the Group at which goodwill is monitored for internal management.

Goodwill is allocated to the Group's cash-generating units, identified by business unit.

	2012	2011
Vehicle Inspection in Sweden	277,281	-
Vehicle Inspection International	126,978	90,191
Equipment	12,417	11,640
<b>Total</b>	<b>416,676</b>	<b>101,831</b>

The recoverable amount of the cash-generating units was determined using value in use. Value in use was calculated using discounted cash flows. Key assumptions for the calculation of value in use were sales growth, EBITDA margin development, discount rate and terminal growth rate of free cash flow.

The model for discounted cash flows uses cash flow projections based on financial five-year plans approved by the Board. A final value is then applied to the cash flow after the forecast period, with continuous growth of 2.0% (2.0) in Vehicle Inspection International and 2.0% (3.5) in Equipment. It is management's opinion that the growth of free cash flow does not exceed the average growth rates for the relevant markets in which the cash-generating units operate.

A pretax discount rate was used to determine the recoverable amount of the cash-generating units. The discount rate was based on the weighted average cost of capital, including risk premiums. The pretax discount rate for the cash-generating units was 10.0% (15.7) for equipment and 12.7% (10.2) of Vehicle Inspection International. No impairment was identified in 2012 or 2011.

#### Sensitivity analysis

A number of sensitivity analyses were performed to evaluate whether feasible adverse changes would lead to impairment. The analysis focused on the deterioration of the terminal growth rate of free cash flow and a discount rate increased by 1 percentage point. The value in use for Equipment amounts to SEK 86,850,000. No indicators of impairment existed in Equipment. For Vehicle Inspection International, the analyses indicated that the value in use would be less than the carrying value, resulting in a possible impairment. The value in use for Vehicle Inspection International amounts to SEK 510,655,000. No indicators of impairment existed in Vehicle Inspection International. For the newly acquired segment Vehicle Inspection Sweden, impairment testing was performed at December 31, 2012 with moderate assumptions, such as no increase in growth in cash flow and a pretax discount rate of 10%. No indicators of impairment existed in Vehicle Inspection Sweden.

SEK thousands	+1 %	-1 %
<i>Vehicle Inspection International</i>		
Impact on value in use upon changed growth rate	81,571	-58,028
Impact on value in use upon changed discount rate	-50,861	63,938
<i>Equipment</i>		
Impact on value in use upon changed growth rate	16,636	-11,772
Impact on value in use upon changed discount rate	-10,343	13,189

## NOTE 13 TANGIBLE ASSETS

	Property and land	Furnishings, machinery and other technical equipment	Total
<i>Acquisition cost</i>			
<b>Opening balance on January 1, 2011</b>	<b>33,916</b>	<b>26,674</b>	<b>60,590</b>
Investments	-	1,714	1,714
Reclassification	-1,796	1,796	-
Sales/disposals	-	-173	-173
Translation differences	579	599	1,178
<b>Closing balance December 31, 2011</b>	<b>32,699</b>	<b>30,610</b>	<b>63,309</b>
Investments	-	8,807	8,807
Subsidiary acquisition	-	94,714	94,714
Translation differences	-1,923	-1,881	-3,804
<b>Closing balance December 31, 2012</b>	<b>30,776</b>	<b>132,250</b>	<b>163,026</b>
<i>Depreciation</i>			
<b>Opening balance on January 1, 2011</b>	<b>-921</b>	<b>-14,719</b>	<b>-15,640</b>
Sales/disposals	-	11	11
Depreciation/amortization for the year	-434	-3,721	-4,155
Reclassification	42	-42	-
Translation differences	-54	-419	-473
<b>Closing balance December 31, 2011</b>	<b>-1,367</b>	<b>-18,890</b>	<b>-20,257</b>
Sales/disposals	-	206	206
Depreciation/amortization for the year	-466	-7,955	-8,421
Translation differences	96	1,003	1,099
<b>Closing balance December 31, 2012</b>	<b>-1,737</b>	<b>-25,636</b>	<b>-27,373</b>
<i>Reported values</i>			
December 31, 2011	31,332	11,720	43,052
December 31, 2012	29,039	106,614	135,653

## NOTE 14 INVENTORIES

	2012	2011
Raw materials and supplies	16,033	18,388
Work in progress	1,816	1,686
Finished goods and merchandise	49,645	22,238
Goods in transit	861	1,974
<b>Total</b>	<b>68,355</b>	<b>44,286</b>
Advances to suppliers	230	239
<b>Total</b>	<b>68,585</b>	<b>44,525</b>

Write-downs of inventories, which are recognized as an expense in income statement item "Raw materials, supplies and merchandise", amounted to SEK 5,770,000 (194,000) for the year.

**NOTE 15 ACCOUNTS RECEIVABLE**

	2012	2011
Accounts receivable before provision	52,904	31,638
Provision for doubtful debt	-3,389	-69
<b>Total</b>	<b>49,515</b>	<b>31,569</b>

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 receivables mentioned above. For accounts receivable (see aging analysis below) that are past due at the reporting period end, individual assessments are performed to determine whether need for provision exists.

	2012	2011
<i>Age analysis of accounts receivable</i>		
Not past due, no provision made	36,319	22,453
Past due 1-90 days	10,511	7,168
Past due more than 91 days	2,685	1,948
Total accounts receivable, no provision made	49,515	31,569
Impaired accounts receivable	3,389	69
Total accounts receivable before provision	52,904	31,638
<i>Activities related to provisions for doubtful receivables</i>		
Opening balance on January 1	-69	-69
Provisions for doubtful receivables in acquired subsidiary during the year	-4,556	-
Actual losses	1,112	-
Translation differences	124	-
Closing balance on December 31	-3,389	-69

Net provisions and reversals of previous provisions have been included in the income statement as part of "Other external expenses". Actual bad debt losses recorded directly in net income amounted to SEK 0 (168,000).

**NOTE 16 OTHER CURRENT RECEIVABLES**

	2012	2011
Prepaid rent	8,840	768
Prepaid leases	191	341
Other current receivables	21,681	4,384
Other prepaid expenses	15,186	3,430
<b>Total</b>	<b>45,898</b>	<b>8,923</b>

**NOTE 17 LIQUID ASSETS**

Liquid assets comprise cash and cash equivalents amounting to SEK 96,964,000 (22,921,000). The carrying value of liquid assets approximates the fair value.

**NOTE 18 INFORMATION ON SHARE CAPITAL**

	No. of shares	Share capital
Quantity/value December 31, 2011	193,062,046	3,861
Quantity/value December 31, 2012	231,674,455	4,633

The nominal 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.

*Retained earnings*

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

*Reserves*

Consolidated equity includes certain reserves, which are described below:

*Hedging reserve*

Cash flow hedges comprise the effective portion of the cumulative net change in fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

*Translation reserve*

The translation reserve comprises all exchange rate differences arising from the translation of financial statements of foreign operations.

**NOTE 19 PROVISIONS**

Opening balance on January 1, 2012	345
Provisions for the year	32,370
Utilized during the year	-345
Closing balance on December 31, 2012	32,370
Of which are current provisions	2,375
Of which are non-current provisions	29,995
<b>Total</b>	<b>32,370</b>

Provisions for warranty obligations are recognized when the underlying products are sold. The provisions are based on historic warranty data. The provisions that are classified as non-current provisions are expected to result in an outflow of resources within two years, which by the end of 2012 is SEK 0,000 (0,000).

In conjunction with the acquisition of Systech in 2008, an agreement was entered into for additional consideration upon the winning of new contracts for major vehicle inspection programs. The programs in Wisconsin and North Carolina qualify for the additional consideration, thus a provision of SEK 32,101,000 (0) has been recognized.

**NOTE 20 INTEREST-BEARING LIABILITIES**

	2012	2011
<i>Non-current liabilities</i>		
Non-current liabilities to credit institutions	142,398	375
Other non-current liabilities	160,862	-
Derivatives – Interest rate swap	-	98
Bank overdraft facilities	20,937	12,522
<b>Total</b>	<b>324,197</b>	<b>12,995</b>
<i>Current liabilities</i>		
Current liabilities to credit institutions	90,029	29,338
<b>Total</b>	<b>414,226</b>	<b>42,333</b>

All non-current interest-bearing liabilities are due for payment within five years from the balance sheet date. The liabilities due within one year from the balance sheet date are recognized as a current liability.

#### *Group's interest-bearing liabilities*

The Group's interest-bearing liabilities consist primarily of the following financial liabilities:

Loan of USD 2.3 million, which matured on December 31, 2011 at Nordea, was refinanced with Swedbank with a maturity of December 31, 2013. The loan carries a variable rate, USD LIBOR 3 months, and is paid quarterly. The margin on the loan is 1.5%. The loan is repaid with USD 288,000 per quarter.

An acquisition loan for the acquisition of Environmental Systems Products Inc. was taken on January 1, 2012 for USD 10 million from Swedbank. The loan expires on December 31, 2014 and is amortized quarterly with a straight-line amortization over the term. As of December 31, 2012, the loan amounted to USD 7.8 million (approximately SEK 51 million) and carries a variable rate, USD LIBOR 3 months. The margin on the acquisition loan was 2.5% at inception of the loan but is adjusted down every six months by 0.2% to reach the level of 1.5% at the final maturity of the loan.

TriLen LLC has a property loan of approximately USD 1.5 million at Swedbank (approximately SEK 10 million). The loan matures on December 31, 2017 and carries a variable rate, USD LIBOR 3 months. The margin on the loan is 1%. Interest is paid quarterly. The loan is repaid with USD 75,000 per quarter.

In connection with the acquisition of Opus Bilprovning AB, an acquisition loan was taken out with Swedbank at SEK 175 million. The loan carries a variable rate, STIBOR 3 months, and is paid quarterly. The margin on the loan ranges between 3.0 and 3.75% depending on the size of the Opus Group's net gearing. The loan is repaid with SEK 15 million per quarter. In 2015, there may be an additional amortization corresponding to 50% of free cash flow after interest, fees and amortizations in 2014.

In addition to the acquisition loan at Swedbank, Opus Group has a promissory note with AB Svensk Bilprovning AB at SEK 160.7 million. The promissory note, which matures on June 30, 2017, has a fixed interest rate for 38 months (i.e. until December 31, 2015) and thereafter at a higher fixed interest rate for the remaining 18 months. The promissory note can be redeemed prematurely at any time during the term.

Borrowing is limited by financial commitments in the loan agreement in the form of credit terms and conditions. These consist of the financial key indicators of gearing, interest coverage ratio, debt service ratio and Opus Group's liquidity. It also requires quarterly reporting of accounts and covenants.

#### *Bank overdraft facilities*

Bank overdraft facilities comprise credit granted to Opus Group AB, Opus Equipment AB, J&B Maskinteknik AB and Opus Bima AB.

	2012	2011
Granted bank overdraft facilities	25,000	18,728
Utilized bank overdraft facilities	20,937	12,522
Unutilized bank overdraft facilities	4,063	6,206

#### NOTE 21 OTHER CURRENT LIABILITIES

	2012	2011
Accrued payroll liability	10,367	4,122
Accrued vacation pay liability	28,887	3,359
Accrued social security contributions	13,402	3,168
Accrued interest expenses	-	79
Advances from customers	59,222	4,000
Other accrued expenses and deferred income	9,406	9,093
Other current liabilities	15,626	3,208
<b>Total</b>	<b>136,910</b>	<b>27,029</b>

#### NOTE 22 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	2012	2011
<i>Assets pledged for liabilities to credit institutions</i>		
Chattel mortgages	22,000	22,000
Property mortgages	22,661	25,198
Pledged accounts receivable (factoring)	-	1,426
Pledged shares in subsidiaries	666,519	181,539
<b>Total</b>	<b>711,180</b>	<b>230,163</b>
<i>Guarantees</i>		
Guarantees on behalf of Group companies	60,704	31,104
<b>Total</b>	<b>60,704</b>	<b>31,104</b>
<i>Contingent liabilities</i>		
Additional consideration	130,799	162,424
<b>Total</b>	<b>130,799</b>	<b>162,424</b>

#### **Additional consideration, Systech**

In conjunction with the acquisition of Systech, a number of additional considerations were contracted with the sellers, of which the following are still current.

- Additional consideration, limited to maximum USD 25 million (approximately SEK 162.9 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 start at about 35 percent of the net profit on the transaction and is payable annually within 60 days of the end of the calendar year.
- Additional consideration will be paid for US sales of wireless vehicle inspection systems (called Remote OBD) on the number of units sold beyond 205,000 units within 15 years from the closing date of the acquisition. This additional consideration amounts to 7.5 percent of the sale value of the unit that exceed 205,000 units and is payable annually within 60 days of the end of the calendar year.

Lothar Geilen, as a related party in his relationship to the company, can obtain maximum 25% of the USD 25 million (SEK 162.9 million) in additional consideration for the sale of Systech.

As per December 31, 2012, Opus Group AB has made a provision of SEK 32.1 million based on the profit of the contracts for Wisconsin and North Carolina.

After the end of the reporting period, Opus Group also

won the vehicle inspection contract for New York State, resulting in further additional consideration of SEK 43.7 million. Following Opus Group's accounting principle based on the probability of winning a contract, a provision is made only when the contract is signed. Thus this provision will be reported in the interim report for the first quarter of 2013. Payment is expected during the next 10-year period.

The difference between the provision reported in the financial report and the potential additional consideration is recognized as a contingent liability in the line of SEK 130.8 million.

If the majority of Systech, Systech's assets or its operations are directly or indirectly sold, transferred or liquidated, the entire additional consideration will be immediately due for payment.

The acquisition of Systech was executed in 2008. Hence Opus Group follows the framework for IFRS 2008 as regards the additional consideration.

### Systech IP rights

The acquisition of Systech in 2008 was carried out in two steps, where the intellectual property rights were placed in a company in Cyprus and the rest of the operations in a company registered in the US. When Opus Group utilizes the intellectual property rights, the profits of such will be taxed in Cyprus. Opus Group has conducted the necessary investigations to ensure to the greatest extent possible that this is in line with the respective country's tax laws.

In general, it is possible that mistakes may be made in the company's interpretation of applicable laws and regulations, in relevant authorities' interpretation of such or in administrative practice. It is also possible that such regulations may be changed, possibly with retroactive effect.

## NOTE 23 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### Financial risks

#### Financial risk management

In Opus Group's financial policy, the Board has established various terms of reference and has specified which risks should be taken. Risk management is aimed at identifying, quantifying and reducing or eliminating risks. Opus Group's financial policy sets terms of reference for how various types of financial risks shall be managed and defines the level of risk exposure that shall be taken in the operations. The primary directive 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 exchange risks

Opus is exposed to currency exchange risks primarily through export sales (transaction risk) in Europe and certain other countries and in the conversion of net profits and net assets from foreign subsidiaries in the US (USD) and Asia (HKD and CNY) (translation risk). According to Opus Group's financial policy, decisions regarding the hedging of translation risk are made by the Board. At the time of net investments in foreign currencies, the translation risks must be considered.

In connection with the acquisition of Systech and ESP,

the exposure in US dollars, and thus the translation risk for the Group, increased. As a step in minimizing the exposure, a portion of the acquisition financing was raised in US dollars. In total, external loans in USD at the close of 2012 amounted to USD 9.3 million (2.3). The Group has not taken any additional hedging actions during the year, through, for example, futures and/or options, to reduce this translation exposure.

Opus Group has transaction risk in foreign currencies as it has a net exposure in SEK, EUR, USD, DKK, GBP, HKD and CNY. In certain cases, Opus can take measures to reduce the transaction risk, if the risk is deemed to be significant and the cost in limiting it is deemed to be reasonable. The most commonly applicable instrument for limiting the currency risk is by using currency clauses and by selling/purchasing foreign currency on the futures market (foreign currency contracts). These measures can be used in combination. There was no currency hedging during the year.

#### Interest risks

Interest risk is defined as a decrease in earnings caused by a change in market interest rates. Opus Group's financing sources are primarily equity, cash flow from operating activities and borrowings.

Opus Group's borrowings, except for promissory notes, at present are mainly at a variable rate, which means that Opus Group is exposed to interest risk. As of December 31, 2012, the company's interest-bearing net debt amounted to approximately SEK 317 million. Higher interest rates would have a negative impact on Opus Group's financial position and earnings.

The Group's interest risk arises from its borrowings. The Group attempts to manage interest risk in borrowing by certain interest rate hedges. Interest risk is managed primarily through the use of interest rate swaps that convert variable rates to fixed rates. With interest rate swaps, Opus Group reaches agreements with other parties (credit institutions), usually on a quarterly basis, to exchange the difference between the interest amount under fixed rate contracts and the variable interest amount.

#### Sensitivity analysis

The sensitivity analysis below shows the effect on the Opus Group's profit/loss before tax for 2012 by changing a number of factors:

Parameter	Change	Effect on profit/ loss before tax, SEK millions	Effect on equity, SEK millions**
USD/SEK	+/- 10 %	+/- 1.1	+/- 17.6
LIBOR/STI-BOR*	+/- 100 bps	-/+ 0.9	-/+ 0.9

\* The change in LIBOR/STIBOR is calculated as the full year effect based on interest-bearing liability at year-end with regard to derivative instruments.

\*\* Including profit/loss for the year.

#### Financing and liquidity risks

Financing risk is defined as the risk that financing is difficult and/or costly to obtain. Liquidity risk means that Opus Group, due to liquid assets, cannot fully meet its payment obligations when they fall due or can only do so

at very unfavorable terms. In order to facilitate acquisitions or to otherwise achieve strategic objectives, Opus Group may in the future require additional financial resources. Opus Group's ability to meet future capital requirements are highly dependent on the successful sale of Opus Group's products and services. There is no guarantee that the Opus Group will be able to raise the necessary capital. In this regard, the general trend of the capital and credit markets is also of great importance. If Opus Group fails to raise the necessary capital in the future, Opus Group's continued operation cannot be guaranteed.

Existing credit facilities and financial loans that Opus Group has taken out include customary financial obligations. It cannot be ruled out that the Opus Group may in the future breach such obligations due to factors such as general economic conditions or disruptions in the capital and credit markets. Such factors could have a negative impact on Opus Group's financial position and earnings.

Loan financing depends on a number of key indicators, covenants, being fulfilled. Thus, there is a risk that the company may be forced to renegotiate its financing if fulfillment is not possible. The company monitors these key indicators continuously and takes the measures deemed necessary for them to be fulfilled.

The risk of liquidity deficiency is minimized through good liquidity planning and a good relationship with the Group's main bank. However, since the general banking crisis of 2008, continuous access to loan financing from banks has become more difficult and more uncertain. Furthermore, liquidity planning has become more difficult and more uncertain since customers' payment behavior has changed as the result of the current economic climate.

#### *Credit risks and counterparty risks*

Credit and counterparty risks refer to the risks that the counterparty will fail to fulfill the agreed-upon obligation, resulting in a loss for

Opus Group. This risk is limited, particularly in the case of major deals, by checking the counterparty's ability to pay and, if necessary, requiring collateral or prepayment. The Group has considerable customer exposure involving government authorities and reputable companies, where the credit risk is considered low. However, it cannot be ruled out that some of the Opus Group's counterparties may fail to fulfill their obligations to Opus Group, which could have a material adverse effect on the Opus Group's operations, earnings and financial condition.

The credit risk regarding financial assets is regulated by the financial policy. The risk is minimized somewhat by limiting investments to interest-bearing paper with low risk and high liquidity, as well as by placing limitations on both the maximum amounts to be invested with a certain counterparty and their credit rating.

Over the past two years, several of Opus Group's customers have negotiated longer credit periods as a result of the current economic climate. In such circumstances, Opus Group must strike a balance between credit risk, liquidity risk and order risk. Opus Group has established a credit policy for how customer credit is to be

handled, including decision-making levels for setting credit limits. Each subsidiary is responsible for monitoring and control of credit risk with customers within a given framework.

#### *Management of capital risk*

Capital is defined as total equity. The Group's capital-related objective is to safeguard the Group's ability to continue its operations in the long term, so that it can continue to generate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Board makes decisions regarding adjustment of capital based on what is deemed to provide maximum long-term returns to shareholders.

The Board has also reviewed and approved new financial targets and a new dividend policy for the Group.

Opus Group's financial targets, over a business cycle, are:

- An average annual revenue growth rate (CAGR) of minimum 10 percent over a five-year period.
- EBITDA margin of at least 10 percent
- Interest-bearing net debt in relation to earnings interest, taxes, depreciation and amortization (EBITDA) must not exceed 3.0.

Opus Group's dividend policy is to distribute 10-20% of the profit at the EBITDA level, provided that it meets the financial target for net debt. Until the promissory note is fully paid, there is a dividend restriction that the dividend amount cannot exceed SEK 5 million.

The tables below provide information on determining fair value of financial instruments measured at fair value in the statement of financial position.

Fair value determination is based on the following three levels:

Level 1: according to prices quoted in an active market for the same instrument. Opus has no financial instruments at this level.

Level 2: based on direct or indirect observable market data that is not included in Level 1. Level 2 includes derivatives used for hedge accounting.

Level 3: based on input data that is not observable in the market. Opus has no financial instruments at this level.

2012	Loans and accounts receivable	Other finan- cial liabilities	Derivatives used in hedge accounting	Total	Fair value	Non-financial assets and liabilities	Balance sheet total
<i>Assets in the balance sheet</i>							
Other financial assets	3,807			3,807	3,807		3,807
Trade Receivables	49,515			49,515	49,515		49,515
Other current receivables	21,681			21,681	21,681	24,217	45,898
Liquid assets	96,964			96,964	96,964		96,964
<b>Total</b>	<b>171,967</b>			<b>171,967</b>	<b>171,967</b>	<b>24,217</b>	<b>196,184</b>
<i>Liabilities in the balance sheet</i>							
Bank overdraft facilities		20,937		20,937	20,937		20,937
Other non-current liabilities		160,862		160,862	160,862		160,862
Liabilities to credit institutions		232,427		232,427	232,427		232,427
Accounts payable		43,099		43,099	43,099		43,099
Other current liabilities		15,626		15,626	15,626	121,284	136,910
<b>Total</b>		<b>472,951</b>		<b>472,951</b>	<b>472,951</b>	<b>121,284</b>	<b>594,235</b>

2011	Loans and accounts receivable	Other finan- cial liabilities	Derivatives used in hedge accounting	Total	Fair value	Non-financial assets and liabilities	Balance sheet total
<i>Assets in the balance sheet</i>							
Other financial assets	7			7	7		7
Accounts receivable	31,569			31,569	31,569		31,569
Other current receivables	4,384			4,384	4,384	4,539	8,923
Liquid assets	22,921			22,921	22,921		22,921
<b>Total</b>	<b>58,881</b>			<b>58,881</b>	<b>58,881</b>	<b>4,539</b>	<b>63,420</b>
<i>Liabilities in the balance sheet</i>							
Bank overdraft facilities		12,522		12,522	12,522		12,522
Liabilities to credit institutions		29,713	98	29,811	29,811		29,811
Accounts payable		15,280		15,280	15,280		15,280
Other current liabilities		3,208		3,208	3,208	23,821	27,029
<b>Total</b>		<b>60,723</b>	<b>98</b>	<b>60,821</b>	<b>60,821</b>	<b>23,821</b>	<b>84,642</b>

For other financial assets and financial liabilities, the reported values are deemed to be a good approximation of the fair values since the term and/or fixed interest term is less than three months, which means that discounting based on current market conditions is not expected to lead to any significant effect.

#### *Repayment plan for financial liabilities*

The following table shows the Group's remaining contracted terms for financial liabilities with set repayment periods. The tables were created based on undiscounted cash flows of financial liabilities based on the earliest date the Group may be required to pay. The table includes both interest and capital cash flows. Amortization and interest on the promissory note in connection with the acquisition of Bilprovningen in 2012 are not included in the table below. Future amortization and interest payments are calculated on the basis of exchange rates and interest rates on the balance sheet date.

	2012			2011		
	2013	2014	Total	2012	2013	Total
Liabilities to credit institutions	99,916	146,031	245,947	26,517	3,268	29,785
<b>Total</b>	<b>99,916</b>	<b>146,031</b>	<b>245,947</b>	<b>41,797</b>	<b>3,268</b>	<b>45,065</b>

**NOTE 24 GROUP COMPANIES**

Company	Company reg. no.	Seat	Holding (%)
Opus Asia Ltd.	1077601	Hong Kong	100
Opus Instrument (Foshan) Co. Limited	440600400000987	Foshan, China	100
Opus Bima AB	556445-5383	Mölnadal, Sweden	100
Opus Prodox Cyprus Limited	222034	Nicosia, Cyprus	100
J&B Maskinteknik AB	556490-2996	Mölnadal, Sweden	100
Opus Equipment	556884-6504	Mölnadal, Sweden	100
Opus Bilprovning AB	556865-1342	Vällingby, Sweden	100
Opus US Inc	-	Delaware, USA	100
TriLen LLC	-	Florida, USA	100
Systech International, LLC	-	Florida, USA	100
Systech Chile Ltda	-	Santiago, Chile	99,0
Systech Peruana SRL	-	Lima, Peru	99,9
Environmental Systems Products, Inc	-	Hartford, Connecticut, USA	100

The company registration number has been omitted for companies where it is considered to be sensitive information.

**NOTE 25 TRANSACTIONS WITH RELATED PARTIES**

Board member Lothar Geilen is entitled to any additional payment under a contract for the acquisition of Systech; see Note 22.

Remuneration to Board members and executive officers is specified in Note 8. Beyond that, there are no significant contractual relationships.

**NOTE 26 EVENTS AFTER THE END OF THE PERIOD**

*Opus Group subsidiary Opus Equipment obtains order from BMW*

Opus Equipment AB has received an order for Triplog mileage log trackers from BMW. The order amounts to about EUR 1 million.

*Won largest vehicle inspection contract in the US*

Opus subsidiary Systech International wins the bidding for a vehicle inspection contract in New York State. This is the largest vehicle inspection program in the US, comprising 10,000 inspection stations and over 11 million vehicle inspections per year. The vehicle inspection program in New York runs for a term of seven years from the date the system is adjudged to be in operation and can be extended by the state for up to another two years. The system is estimated to be in operation as of December 1, 2013. The contract is expected to generate revenue during 2013 with the delivery of vehicle testing equipment to the inspection stations.

*Merge of operations in the Swedish equipment division*

On April 1, 2013, Opus Group merged operations within the

Swedish equipment division. On April 1, 2013, the Opus Group subsidiary Opus Bima AB became part of Opus Equipment AB. At the same time, the Opus Group subsidiary J&B Maskinteknik AB became a wholly-owned subsidiary of Opus Equipment AB. The restructuring was done to streamline the Swedish equipment operations and to take advantage of synergies between the various companies.

*Systech International and Environmental Systems Products (ESP) merge to form Opus Inspection*

Systech International and ESP are entering the final phase of a highly successful merger that began in 2012. The companies will become a legal entity with a single brand that reflects the company's combined status as the only company in the vehicle inspection industry that is completely vertically integrated – Opus Inspection Inc. While both companies begin to operate under the brand name Opus Inspection in May 2013, the will merger of Systech and ESP will not be legally implemented until the end of 2013.

## NOTES – PARENT COMPANY

### NOTE 1 NET TURNOVER

	2012	2011
<i>Net turnover by type of income</i>		
Sale of goods	7,135	46,255
Rendering of services	-	-
Sales to subsidiaries/Group companies	2,131	6,677
Invoiced management fees within the Group	8,108	4,356
<b>Total</b>	<b>17,374</b>	<b>57,288</b>

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

### NOTE 2 PARENT COMPANY'S PURCHASES AND SALES BETWEEN GROUP COMPANIES

	2012	2011
Purchases from Group companies	1,196	6,529
Sales to Group companies	2,131	6,677

### NOTE 3 OTHER OPERATING INCOME

	2012	2011
<i>Other operating income by type of income</i>		
Exchange rate differences	151	656
Other operating income	586	9
<b>Total</b>	<b>737</b>	<b>665</b>

Exchange rate differences on assets and liabilities of an operating nature are also included in "Raw materials, supplies and merchandise" and amounted to SEK -498,000 (-1,212,000).

### NOTE 4 LEASES

	2012	2011
<i>Operational lease</i>		
During the year, the company's lease payments amounted to	1,143	813
Future lease payments for noncancellable leases are payable as follows:		
Within 1 year	1,330	850
Within 2 to 5 years	634	898
<b>Total</b>	<b>1,964</b>	<b>1,748</b>

Leasing costs for assets under operating leases, such as rental premises, machinery and major computer and office equipment, are included in "Other external expenses".

### NOTE 5 FEES AND EXPENSES PAID TO AUDITORS

	Deloitte	BDO	Total
<b>2012</b>			
Audit assignment	661	-	661
Audit-related assignment	273	-	273
Tax consulting	-	-	-
Non-audit services	1,609	-	1,609
<b>Total</b>	<b>2,543</b>	<b>-</b>	<b>2,543</b>
<b>2011</b>			
Audit assignment	396	23	419
Audit-related assignment	26	137	163
Tax consulting	-	50	50
Non-audit services	-	15	15
<b>Total</b>	<b>422</b>	<b>225</b>	<b>647</b>

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. The amount includes, among other things, the interim report. Tax consulting includes both advice and tax compliance services. Non-audit services refers to other assignments.

### NOTE 6 EMPLOYEES AND PERSONNEL COSTS

Average number of employees	2012	2011
Men	5	15
Women	2	4
<b>Total</b>	<b>7</b>	<b>19</b>

All employees are stationed in Sweden.

Gender distribution in executive management	2012	2011
Number of other senior executives excl. President,		
of which women	2	4
	1	1

Remuneration and other benefits to other executive officers in 2012

	Base salary	Variable remuneration	Other benefits	Pension costs	Total
CEO, Magnus Greko	960	0	43	248	1,251
Other executive officers	1,532	0	44	225	1,801
<b>Total</b>	<b>2,492</b>	<b>0</b>	<b>87</b>	<b>473</b>	<b>3,052</b>

*Remuneration and other benefits to other executive officers in 2011*

	Base salary	Variable remuneration	Other benefits	Pension costs	Total
CEO, Magnus Greko	900	291	33	184	1,408
Other executive officers	2,142	552	91	478	3,263
	<b>3,042</b>	<b>843</b>	<b>124</b>	<b>662</b>	<b>4,671</b>

**NOTE 7 NET FINANCIAL ITEMS**

	2012	2011
<i>Income from shares in Group companies</i>		
Group contribution received	3,000	2,285
<b>Total</b>	<b>3,000</b>	<b>2,285</b>
<i>Interest income and similar items</i>		
External interest	144	13
Internal interest	65	77
Exchange rate differences	396	681
<b>Total</b>	<b>605</b>	<b>771</b>
<i>Interest expenses and similar items</i>		
External interest	-3,880	-420
Exchange rate differences	-482	-476
Other	-203	-58
<b>Total</b>	<b>-4,565</b>	<b>-954</b>
Net financial income/expense	-960	2,102

**NOTE 8 TAX ON PROFIT/LOSS FOR THE YEAR**

	2012	2011
<i>Current tax</i>		
Current tax	-	-
Total current tax expense	-	-
<i>Deferred tax</i>		
Deferred tax expense related to tax losses	2,412	-130
Total deferred tax	2,412	-130
Total current/deferred tax	2,412	-130
	<b>2012</b>	<b>2011</b>
<i>Reconciliation of the statutory tax and current tax in Sweden</i>		
Reported profit/loss before tax	-1,768	-541
<i>Tax effect of:</i>		
Tax at the applicable tax rate 26.3%	465	142
Non-deductible expenses	-89	-73
New issue	2,225	-
Amortization of goodwill	-189	-199
Total current/deferred tax	2,412	-130

The tax effect on tax losses totals SEK 2,412,000 (0).

**NOTE 9 INTANGIBLE ASSETS**

	Internally generated intangible assets Capitalized expenses for product development	Goodwill	Total
<i>Acquisition cost</i>			
Opening balance on January 1, 2011	14,554	7,567	22,121
Investments	2,048	-	2,048
Closing balance on December 31, 2011	16,602	7,567	24,169
Investments	677	-	677
Disposals	-14,196	-7,567	-21,763
Closing balance on December 31, 2012	3,083	0	3,083
<i>Depreciation</i>			
Opening balance on January 1, 2011	-9,171	-757	-9,928
Depreciation/amortization for the year	-1,725	-756	-2,481
Closing balance on December 31, 2011	-10,896	-1,513	-12,409
Depreciation/amortization for the year	-374	-189	-563
Disposals	8,187	1,702	9,889
Closing balance on December 31, 2012	-3,083	0	-3,083
<i>Reported values</i>			
December 31, 2011	5,707	6,054	11,760
December 31, 2012	0	0	0

During the year, the parent company's intangible assets were sold to the subsidiary Opus Equipment AB.

**NOTE 10 TANGIBLE ASSETS**

	Furnishings, machinery and other technical equipment
<i>Acquisition cost</i>	
Opening balance on January 1, 2011	3,024
Investments	61
Closing balance on December 31, 2011	3,085
Investments	171
Disposals	- 3,085
Closing balance on December 31, 2012	171
<i>Depreciation and amortization</i>	
Opening balance on January 1, 2011	-2,160
Depreciation/amortization for the year	-418
Closing balance on December 31, 2011	-2,578
Depreciation/amortization for the year	-73
Disposals	2,651
Closing balance on December 31, 2012	0
<i>Reported values</i>	
December 31, 2011	507
December 31, 2012	171

Depreciation is included in income statement item "Depreciation". The majority of the parent company's tangible assets were sold during the year to its subsidiary Opus Equipment AB.

**NOTE 11 SHARES IN GROUP COMPANIES**

Company	Company reg. no.	Seat	No. of shares	Percentage (%)	Book value 2012
Opus Asia Ltd.	1077601	Hong Kong	1	100	-
Opus Bima AB	556445-5383	Mölnadal, Sweden	1,000	100	76,412
Opus Equipment AB	556884-6504	Mölnadal, Sweden	1,000	100	32,999
J&B Maskinteknik AB	556490-2996	Mölnadal, Sweden	1,000	100	4,130
Opus Bilprovning AB	556865-1342	Vällingby, Sweden	1,000	100	371,436
Opus US Inc	-	Delaware, USA	1,000	100	137,917
Systech Chile Ltda	-	Santiago, Chile	N/A	1	4
<b>Total</b>					<b>622,898</b>

The company registration number has been omitted for companies where it is considered to be sensitive information.

**NOTE 12 INVENTORIES**

	2012	2011
Raw materials and supplies	-	6,985
Work in progress	-	1,673
Finished goods and merchandise	-	8,206
Goods in transit	-	937
<b>Total</b>	<b>-</b>	<b>17,801</b>
Advances to suppliers	-	107
<b>Total</b>	<b>-</b>	<b>17,908</b>

Write-downs of inventories, which are recognized as an expense in income statement item "Raw materials, supplies and merchandise", amounted to SEK 0 (261,000) for the year.

In 2012, the parent company's inventory was transferred to the subsidiary Opus Equipment AB.

**NOTE 13 ACCOUNTS RECEIVABLE**

	2012	2011
Accounts receivable before provision	1,112	8,808
Provision for doubtful debt	-	-
<b>Total</b>	<b>1,112</b>	<b>8,808</b>
<i>Age analysis of accounts receivable</i>		
Not past due	-	6,753
Past due 1-90 days	-	1,521
Past due 91-180 days	-	534
Past due more than 180 days	1,112	-
<b>Total</b>	<b>1,112</b>	<b>8,808</b>
Accounts receivable with provision	-	-
<b>Total accounts receivable before provision</b>	<b>1,112</b>	<b>8,808</b>
<i>Activities related to provisions for doubtful receivables</i>		
Opening balance on January 1	-	-1
Actual losses	-	1
<b>Closing balance on December 31</b>	<b>-</b>	<b>-</b>

Bad debt losses recorded directly in net income for the year amounted to SEK 0 (4,000).

**NOTE 14 OTHER CURRENT RECEIVABLES AND PREPAID EXPENSES**

	2012	2011
Prepaid rent	191	183
Other current receivables	242	1,607
Other prepaid expenses	139	352
<b>Total</b>	<b>571</b>	<b>2,142</b>

**NOTE 15 LIQUID ASSETS**

Liquid assets consist of cash and cash equivalents totaling SEK 69,000 (415,000).

**NOTE 16 PARENT COMPANY'S INTEREST-BEARING LIABILITIES**

	2012	2011
<i>Non-current liabilities</i>		
Non-current liabilities to credit institutions	121,860	375
Other non-current liabilities	160,711	-
Bank overdraft facilities	17,229	9,064
<b>Total</b>	<b>290,800</b>	<b>9,439</b>
<i>Current liabilities</i>		
Current liabilities to credit institutions	58,833	1,426
<b>Total</b>	<b>58,833</b>	<b>10,865</b>

	2012	2011
Granted bank overdraft facilities	25,000	9,728
Utilized bank overdraft facilities	17,229	9,064
Unutilized bank overdraft facilities	7,771	664

**NOTE 17 PROVISIONS**

	2012	2011
Additional consideration	29,995	-
<b>Total</b>	<b>29,995</b>	<b>-</b>

For additional information, see Note 19 for the Group.

**NOTE 18 OTHER CURRENT LIABILITIES**

	2012	2011
Accrued payroll liability	324	1,038
Accrued vacation pay liability	330	1,135
Accrued social security contributions	735	1,447
Accrued interest expenses	-	79
Other accrued expenses and deferred income	1,757	1,186
Other current liabilities	2,184	251
<b>Total</b>	<b>5,330</b>	<b>5,136</b>

**NOTE 19 PLEDGED ASSETS AND CONTINGENT LIABILITIES**

	2012	2011
<i>Assets pledged for liabilities to credit institutions</i>		
Chattel mortgages	12,000	12,000
Pledged accounts receivable (factoring)	-	1,426
Pledged shares in subsidiaries	622,901	137,921
<b>Total</b>	<b>634,901</b>	<b>151,347</b>
<i>Guarantees</i>		
Guarantees on behalf of Group companies	60,704	31,104
<b>Total</b>	<b>60,704</b>	<b>31,104</b>
<i>Contingent liabilities</i>		
Additional consideration	130,799	162,424
<b>Total</b>	<b>130,799</b>	<b>162,424</b>

For additional information, see Note 22 for the Group.

## BOARD DECLARATION

### Board declaration

The Board of Directors and the CEO hereby certify that the parent company financial statements have been prepared in accordance with the Annual Accounts Act and RFR 2 and give a true and fair view of the company's financial position and performance and the directors' report gives a true and fair view of the Group's operations, financial position and performance and describes significant risks and uncertainties that the company faces.

The Board of Directors and the CEO hereby certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and give a true and fair view of the Group's financial position and performance and the directors' report for the Group gives a true and fair view of the Group's operations, financial position and performance and describes significant risks and uncertainties that the company faces.

Gothenburg, May 8, 2013

Göran Nordlund  
*Chairman of the Board*

Lothar Geilen  
*Board member*

Eva-Lotta Kraft  
*Board member*

Jan Åke Jonsson  
*Board member*

Anders Lönnqvist  
*Board member*

Magnus Greko  
*President and CEO*

Our audit report was submitted on May 8, 2013  
Deloitte AB

Harald Jagner  
*Authorized Public Accountant*

# AUDIT REPORT

## To the annual general meeting of Opus Group AB (publ) Company registration number 556390-6063

### Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Opus Group AB (publ) for financial year January 1, 2012 to December 31, 2012. The annual accounts and consolidated accounts are included in the printed version of this document on pages 32-75.

#### *Responsibility of the Board of Directors and the CEO for the annual accounts and consolidated accounts*

The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO 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.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the managing director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Opinions*

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 2012 and of its financial performance and its cash flows 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 2012 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The directors' report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual general meeting of shareholders adopt the income statement and balance sheet for the parent company and the Group.

### Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and CEO of Opus Group AB (publ) for the financial year January 1, 2012 to December 31, 2012.

#### *Responsibility of the Board of Directors and the CEO*

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the managing director are responsible for administration under the Swedish Companies Act.

#### *Auditor's responsibility*

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit.

As 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.

As basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Opinions*

We recommend to the annual general meeting of shareholders that the profit be appropriated in accordance with the proposal in the directors' report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Gothenburg, May 8, 2013  
Deloitte AB

Harald Jagner  
Authorized Public Accountant

# CORPORATE GOVERNANCE

## Corporate governance in Opus Group AB 2012

Corporate governance in Opus Group is based on Swedish legislation, particularly the Swedish Companies Act, the Swedish Code of Corporate Governance (the "Code"), NASDAQ OMX Stockholm's listing requirements, as specified in the "Rules for Issuers" and the internal instructions and policies established and adopted by the company.

As the Company's shares thus far have been admitted to trading on NASDAQ OMX First North, the Company has not been required to apply the Code. The company intends to apply the Code once the company's shares upon admission to trading on NASDAQ OMX Stockholm. Under the "comply or explain" principle, it is possible for companies to deviate from the Code and select other solutions that are judged more responsive to the circumstances of the individual case, provided that the company openly declares any such deviation, describe the chosen solution and states the reasons.

## ANNUAL GENERAL MEETING

Shareholders' right to make decisions on the company's affairs is exercised at the Annual General Meeting (or, where applicable, at the Extraordinary General Meeting), which is Opus Group's highest decision-making body. The AGM is usually held in April or May in Gothenburg. The AGM appoints the members and chairman of the Board, appoints the auditor, adopts the parent company and the consolidated income statements and balance sheets, decides on the allocation of the company's profit, decides on the issue of liability of the Board members and the CEO, makes decisions regarding Board and auditor remuneration, etc.

Notice of an annual general meeting or extraordinary general meeting in which amendment of the Articles of Association is on the agenda must be issued no earlier than six weeks but no later than four weeks before the meeting. For a company whose shares are admitted for trading on a regulated market, notice of an extraordinary general meeting must be issued no earlier than six weeks but no later than three weeks before the meeting. Notice of a general meeting must be posted in Post- och Inrikes Tidningar and on the company's website. An announcement that notice of a general meeting has been given must be published in Dagens Industri.

Presented at the AGM on May 24, 2012 were proposals for decision on normal duties, such as disposition of the company's loss, adoption of Board and auditor remuneration, number of Board members, the election of Board members and Board chair and the adoption of a procedure for appointing the nomination committee. In addition, the Board proposed guidelines for remuneration to executive officers and proposed authorization of the Board to decide on the new issue of shares. Refer to the section "The share, share capital and ownership structure" for more information on the authorization.

## NOMINATION COMMITTEE

Opus Group's 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, Board chair, chairman of the AGM, decisions on election nominations and, where applicable, selection of auditors.

The nomination committee shall consist of at least five members. The nomination committee is formed after the Chairman of the Board has identified the four largest shareholders in Opus Group AB, as determined by number of votes. The identification shall be based on the share register and nominee list administrated by Euroclear Sweden AB (formerly VPC AB) and shall include those who are registered under their own name or as part of an owner group as per the last workday in September. Any shareholders whose shares are held in custody at a foreign institution must therefore reregister their shares in their own name, so that it is clear during the identification process that the shareholder is entitled to participate in the nomination process. The Chairman of the Board will then, as soon as reasonably possible, contact the four identified shareholders in a suitable manner and request that they submit in writing the name of the person that shareholder wishes to appoint as a member of the nomination committee within a reasonable time, which must not exceed 30 days.

The Code stipulates that no more than one member of the nomination committee be dependent in relation to the company and its management. Opus Group deviates from the Code in this respect as Lothar Geilen and Jörgen Hentschel are dependent in relation to company management.

Board members can be part of the committee, but shall not constitute a majority of the committee members. The nomination committee shall appoint a chairman. However, neither the Chairman of the Board nor any other Board member may serve as the chairman of the nomination committee. If more than one Board member is included in the nomination committee, no more than one of them may be dependent in relation to the company's major shareholders as specified by the Code.

Instead of appointing a member to the nomination committee, a shareholder may commission a nomination committee member appointed by another shareholder to represent the shareholder in the committee. In such cases, the member undertaking such a task in the application of these provisions is counted as a member representing several shareholders.

If a shareholder exercises his/her right to commission a nomination committee member appointed by another shareholder to represent the shareholder as specified in the preceding paragraph, if the shareholder waives his/her right to appoint a member or the shareholder does not appoint a member within the specified time, then the right to appoint a member of the nomination committee shall transfer to the next larger shareholder (as determined by number of votes) who has not already appointed or does not already have the right to appoint a member of the nomination committee. The Chairman of the Board shall as soon as possible convene the first meeting and shall serve as the fifth member of the nomination committee. The composition of the nomination committee shall be published on the company's website as soon as the members have been appointed but no later than six months before the Annual General Meeting.

If a member leaves the nomination committee before its work is complete, if deemed necessary a substitute shall be appointed by the shareholder represented by the resigning member or, if this shareholder is no longer among the largest shareholders (as determined by number of votes), by the new shareholder that is part of this group. If during the mandate period of the nomination committee one or more shareholders represented by members of the nomination committee are no longer part of the group of owners with the largest shareholding, then the members representing such shareholders shall vacate their position and the shareholders who are now among the owners with the largest shareholding shall appoint their own representatives. Unless there are special circumstances, there shall be no change to the composition of the nomination committee as the result of only marginal changes in shareholdings or if the change occurs less than two months prior to an Annual General Meeting at which a proposal from the nomination committee will be discussed.

The nomination committee for the 2013 AGM consists of Martin Jonasson, representing Andra AP-fonden, Jörgen Hentschel, representing AB Kommandoran, Lothar Geilen, representing himself, Bengt Belfrage, representing Nordea Fonder and Göran Nordlund, in his capacity as Chairman of the Board.

#### *The Board and its work*

In accordance with the Articles of Association, the Opus Group Board shall consist of no less than four but no more than six members, with no more than five deputy members. Board members are appointed for a term of no more than one year at a time. The CEO of the company is not a member of the Board. The Opus Group Board consists of five members. Board member Lothar Geilen is Division Manager of the Vehicle Inspection division and is therefore, in accordance with the Code, not to be considered independent in relation to the company and its management. Other Board members are independent in relation to the company, its management and the company's major shareholders. The CFO, Annica Lindström, has been appointed Board secretary.

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 a formal work plan for the Board and instructions for the CEO. The Board is also responsible for making decisions on modifications to an approved formal work plan for the Board and instructions for the CEO.

In 2011 and 2012, the Board discussed matters related to various investments, operations, financing and other current accounting and corporate matters. Particular focus has been placed on issues of investment for the acquisition of ESP and Besiktningsskylster 1 AB (renamed Opus Bilprovning AB) and on issues based on Opus Group's decision to initiate a process for listing the company's shares on NASDAQ OMX Stockholm.

Under the current formal work plan, after the post-election Board meeting following the AGM, the Board shall meet on at least five scheduled occasions during the financial year. In 2012, the Board met 18 times, including the post-election Board meeting. Attendance at these Board meetings was extremely high.

The Board has established two committees – the remuneration committee and the audit committee.

#### *Remuneration committee*

The remuneration committee shall prepare matters regarding remuneration and other terms of employment for the company's CEO and executive officers. It consists of Göran Nordlund and Anders Lönnqvist. The remuneration committee's tasks include, in particular, addressing issues concerning remuneration principles, remuneration and other terms of employment for company management prior to Board decision and monitoring and evaluating programs for variable remuneration to company management that are ongoing or have been concluded during the year. The committee shall also monitor and evaluate the implementation of guidelines for remuneration to executive officers that the AGM, by law, shall decide on as well as remuneration structures and remuneration levels in the company. The rules of procedure for the remuneration committee are available in their entirety on the company's website.

#### *Audit committee*

The audit committee is responsible for preparing the Board's work to ensure the quality of the company's financial reporting, internal control and risk management. In addition, the audit committee shall keep informed about the audit of the annual accounts and consolidated accounts, meet regularly with the company auditor, review the impartiality of the auditor, evaluate the audit work and assist the nomination committee in preparing recommendations of auditor and remuneration to the auditor. Opus Group's audit committee consists of Eva-Lotta Kraft and Jan Åke Jonsson.

#### **PRESIDENT/CEO**

The CEO is accountable to the Board and shall manage and develop the company. The CEO is responsible for the daily management of the company's affairs. Within the framework of the Companies Act and the Board's established business plan, budget and instructions for the CEO and other guidelines and instructions issued by the Board, he shall make the decisions necessary for the development of operations. The CEO shall take the measures necessary to ensure that the company's accounts are kept in compliance with the law and that financial management is handled in a satisfactory manner. The CEO and the Board of Opus Group have prepared instructions relating to the CEO's duties and reporting obligation. The instructions for the CEO are adopted annually at the Board meeting immediately following each Annual General Meeting.

#### **VICE PRESIDENT**

The Vice President is Jörgen Hentschel, who also serves as Head of the Equipment Division and President of Opus Equipment AB. The instructions for the CEO also apply to the Vice President when he performs duties normally handled by the President/CEO.

#### **POLICIES**

In order to clarify and codify the company's internal policies and guidelines in relation to shareholders and other external stakeholders, a number of policies have been drafted on a range of important areas. Some of the key policies are specified below. All policies have been adopted by the Board, which is also responsible for ensuring that the content of the policies is updated as necessary.

#### *Information policy*

Opus Group has adopted an information policy containing rules for meeting disclosure requirements imposed by NASDAQ OMX Stockholm for issuers. The information policy, which is intended to support Opus Group management, corporate communication managers and other employees in their communication work, provides procedures for how and

when information shall be submitted to the share market and by which spokespersons. Requirements regarding the company's disclosures is mostly governed by NASDAQ OMX Stockholm's rules and the information must always be accurate, relevant and clear. The information policy also contains procedures for e.g. handling of insider information, logbook, insider trading and reporting obligation.

#### *Environmental policy*

Opus Group has adopted a policy for the company's environmental work, which aims to limit its impact to the greatest extent possible. Opus Group is committed to preventing pollution and to limiting the burden that the Group's daily operations place on nature and the environment as far as possible. The company complies with applicable environmental legislation. Opus Group's fundamental requirements are that applicable legal requirements are fulfilled and that the company works with a focus on prevention. The company shall also focus on its actual environmental impact. Opus Group shall play a prominent part in working to minimize the impact that vehicle traffic has on the environment and climate by increasing society's awareness of greenhouse gas emissions and the environmental impact of vehicle traffic. Opus Group shall also strive to improve emission and emission testing of vehicles. Opus Group's own environmental work and the company's environmental management system serve to develop the company through continuous improvements and through continuous follow-up. Opus Group's goal is to raise awareness of environmental issues among all employees and to encourage them to think about our environment when performing their daily work.

#### *Other policies*

Opus Group has also adopted a financial handbook, an IT policy and a manual of ethical guidelines. The financial handbook consists of rules and procedures established by executive management or the Board. The rules shall, among other things, support management in its work to perform accurate financial reporting based on accurate accounting and scrutinized procedures, provide information on financial rules, provide support in daily work, describe measures for financial control, clarify the division of responsibilities within the company and describe the systems and procedures employed by the company.

The IT policy shall provide guidelines for making decisions on IT issues in Opus Group and ensure that the systems work satisfactorily in terms of operational reliability, functionality, risk management and security procedures. The IT policy affects the choice of systems, data protection, purchasing procedures and user service. The policy establishes requirements within these areas and provides guidelines and instructions for how operations are to be run to meet the requirements.

The manual of ethical guidelines describes how Opus Group works with equal opportunity issues, human rights and sustainability.

### **INTERNAL CONTROL**

The Board's responsibility for internal control is regulated in the Swedish Companies Act and in the Code, which requires annual external disclosure about how internal control over financial reporting is organized. Opus Group's internal control is designed to provide reasonable assurance that the company's assets are protected and that the financial reporting is reliable and in accordance with generally accepted accounting principles, laws and regulations.

The Board and CEO have overarching responsibility for the internal control over financial reporting. The Board has adopted a written work plan that, among other

things, establishes procedures for the Board's work and its control of the management of the company's affairs and also serves to map out the division of labor and responsibility between both the Board and CEO and 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 work with external auditors.

Opus Group has adopted guidelines and procedures for financial reporting and a financial handbook, which includes accounting principles, the financial policy and reporting procedures. Levels and rules for approving transactions within the company and with external parties are set via an authorization arrangement.

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 the internal control.

### **FINANCIAL REPORTING AND FOLLOW-UP**

In accordance with applicable law and stock exchange rules and other applicable regulations at the relevant point in time, the Company strives to regularly provide accurate, reliable and timely 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 may affect the share price.

Each month, the various business units of the company present to executive management a package regarding development in the company. The package includes a financial statement, balance sheet, cash flow statement, comments on the monthly results and the aggregated results and a comparison of the budget with the same period the preceding year. A monthly report to the Board is prepared by the company CFO, who is also responsible for consolidating the monthly reports.

### **REMUNERATION**

#### *Principles*

The Annual General Meeting decides on remuneration to Board members. No board fees are paid for Board assignments in subsidiaries. Board members who are employees of Opus Group do not receive special remuneration for Board work. The salaries of the CEO and executive officers are adopted by the Board based on the recommendations of the remuneration committee. Prior to the 2013 Annual General Meeting, the Board presented a proposal for guidelines for remuneration to executive officers. Remuneration to Board members and executive officers in 2012 is reported below.

#### *Board of Directors*

Remuneration to the Board in 2012, including remuneration for committee work, amounted to SEK 510,000, divided among Board members as specified below.

Ahead of the 2013 Annual General Meeting, it has been proposed that remuneration should be paid to the Chairman of the Board at SEK 350,000 per year (previously SEK 180,000) and to other Board members who are not employees of the company at SEK 140,000 per Board member and year (previously SEK 120,000). For Board member work in the audit committee established by the board, remuneration should be paid at a total of SEK 70,000, divided equally among each Board member who is also a member of the audit committee.

#### *Executive officers*

Total remuneration to the executive officers Magnus Greko, Annica Lindström, Bernice Wellsted, Peter Stenström, Lothar Geilen, Jörgen Hentschel and Henrik Wagner Jørgensen in 2012 amounted to SEK 6,102,000, of which SEK 1,003,000

related to remuneration to CEO Magnus Greko. All figures regarding remuneration to executive officers exclude social security contributions. Magnus Greko, Annica Lindström, Bernice Wellsted and Peter Stenström are employees of the parent company Opus Group AB.

As a general rule, the variable component will be capped and will not exceed 50 percent of the fixed component. However, the division manager for Bilprovning has a bonus agreement that is not limited to 50 percent of base salary. The bonus agreement provides the division manager a percentage of the annual profit (EBIT) for new contracts won or contract extensions obtained.

In the event of termination, the notice period is six months for the CEO and twelve months for the company. Other executive officers have a notice period of no more than 12 months, except for Lothar Geilen, who is employed on a three-year contract. This contract, which expires on December 31, 2014, is renewed when it expires.

#### *Pensions*

Pension expenses for executive officers amounted to SEK 864,000 in 2012. Pension terms and conditions for executive officers are in line with those for other employees within the Group. The company pays premiums for occupational pension insurance for other executive officers at the agreed amount or in accordance with local arrangements in Sweden.

#### *Auditors*

One or two auditors, with or without deputy auditors, are appointed at the Annual General Meeting for the examination of the company's annual accounts and financial statements as well as the Board's and CEO's management performance. At the 2012 AGM, Deloitte AB was elected to serve as the company's external auditor up until the 2013 AGM. Harald Jagner was named principal auditor. At least once a year, the auditor meets with the company Board without the CEO or other members of management being present. Auditor fees are paid regularly during the mandate term according to approved invoicing. For more information on remuneration to the auditor, see Note 7.

### **INCENTIVE PROGRAM**

As of April 2012, Opus Group has three option programs for executive officers and other employees in the company (see below for information on each option program). Upon full exercise of Opus Group's option program, the dilution effect is maximum 5,706,750 shares or 2.4 percent of the share capital and number of votes. Under the terms of the option programs, the number of shares that each option entitles the holder to and the issue price will be adjusted to reflect Opus Group's rights issue in October 2012.

#### *Option program 2010:1*

At the Annual General Meeting on May 26, 2010, the company decided to issue 1,750,000 subscription options (Option program 2010:1), which entitle the bearers to subscribe for a total of 1,750,000 shares at a price of SEK 1.50 per share. The subscription options were taken out by Opus Bima, a wholly owned subsidiary of the Group, with the right and obligation to offer the subscription options to key individuals and other employees of the Group. Subscription for new shares may take place between July 1, 2013 and August 15, 2013. The Board retains the right to extend the subscription period by a maximum of six months. Of the 1,750,000 subscription options, all subscription options have been made available to employees. Upon full exercise of the subscription options, the company's share capital will be increased by SEK 35,000.

The terms and conditions of option program 2010:1 were recalculated based on the rights issue implemented by

Opus Group in October 2012. The adjusted subscription price amounts to SEK 1.38 per share. Each subscription option entitles the bearer to subscribe for 1.087 shares.

#### *Option program 2011:1*

At the Annual General Meeting on May 25, 2011, the company decided to issue 1,750,000 subscription options (Option program 2011:1), which entitle the bearers to subscribe for a total of 1,750,000 shares at a price of SEK 1.28 per share. The subscription options were taken out by Opus Bima, a wholly owned subsidiary of the Group, with the right and obligation to offer the subscription options to key individuals and other employees of the Group. Subscription for new shares may take place between July 1, 2014 and August 15, 2014. The Board retains the right to extend the subscription period by a maximum of six months. Of the 1,750,000 subscription options, all subscription options have been made available to employees. Upon full exercise of the proposed option program, the company's share capital will be increased by SEK 35,000.

The terms and conditions of option program 2011:1 were recalculated based on the rights issue implemented by Opus Group in October 2012. The adjusted subscription price amounts to SEK 1.1776 per share. Each subscription option entitles the bearer to subscribe for 1.087 shares.

#### *Option program 2012:1*

At the Annual General Meeting on May 24, 2012, the company decided to issue 1,750,000 subscription options (Option program 2012:1), which entitle the bearers to subscribe for a total of 1,750,000 shares at a price of SEK 2.42 per share. The subscription options were taken out by Opus Bima, a wholly owned subsidiary of the Group, with the right and obligation to offer the subscription options to key individuals and other employees of the Group. Each subscription option entitles the bearer to subscribe for one new share in the company. Subscription for new shares may take place between July 1, 2015 and August 15, 2015. The Board retains the right to extend the subscription period by a maximum of six months. Of the 1,750,000 subscription options, all subscription options have been made available to employees. Upon full exercise of the subscription options, the company's share capital will be increased by SEK 35,000.

The terms and conditions of option program 2012:1 were recalculated based on the rights issue implemented by Opus Group in October 2012. The adjusted subscription price amounts to SEK 2.2263 per share. Each subscription option entitles the bearer to subscribe for 1.087 shares.

### **GUIDELINES FOR REMUNERATION TO EXECUTIVE OFFICERS**

The 2012 Annual General Meeting adopted the following guidelines for remuneration to executive officers. Remuneration to executive officers shall be at an acceptable rate for the market. The remuneration shall be in the form of a fixed and a variable component. The fixed component will be made up of salary, pension allocations and other benefits (e.g. car benefit). The variable component relates to bonuses. In other words, the variable component will be based on profit development or other established measurable targets.

As a general rule, the variable component will be capped and will not exceed 50 percent of the fixed component. Pension terms and conditions shall be generally acceptable for the market and, as a general rule, shall be premium based. Executive officers are not eligible for severance pay. Matters related to remuneration to executive officers will be handled by the remuneration committee and reported and decided on by the Board. The Board retains the right to deviate from the guidelines should special conditions so require.

## GLOSSARY

### **ATL**

Abbreviation for Automatic Test Lane, which is an automatic test track for 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.

### **Decentralized vehicle inspection**

Decentralized vehicle inspection means that independent workshops may seek accreditation to perform 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.

### **EOBD**

Abbreviation for European On Board Diagnostics, which refers to the diagnosis of a vehicle's functionality via computers integrated in the vehicle and is the European standard from 2001. Gas-powered cars manufactured after 2001 must be equipped with EOBD. For diesel-powered cars, it applies as of 2003. (See also OBD below).

### **I/M program**

Abbreviation for Inspection and Maintenance program, which is the American equivalent of the vehicle inspection program. The purpose of the I/M program is to improve air quality and road safety by identifying vehicles with high exhaust emission levels in need of repair and vehicles with safety deficiencies through inspection, emissions testing and/or download of fault codes from the vehicle's built-in computer systems.

### **LPG**

Abbreviation for Liquefied Petroleum Gas. An LPG car is powered by liquefied petroleum gas.

### **OBD**

Abbreviation for On Board Diagnostics, which refers to the diagnosis of a vehicle's functionality via computers integrated in the vehicle. By using standardized communication protocols, OBD makes it possible to quickly check the status of various systems on a vehicle.

### **OBDII**

Abbreviation for On Board Diagnostics II (see above). OBDII is the American standard from 1996. Cars manufactured after 1996 must be equipped with OBDII. The standard is a further development of the original OBD standard and provides greater opportunities to read off the status of a vehicle. The standard now also covers environment-related fault codes.

### **Remote OBD**

Also known as wireless vehicle inspection, where a small device is connected to the car's OBD socket. When the car passes a receiver antenna (called a hot spot), any fault codes are sent to the government authorities' database together with the vehicle's ID.

### **VID**

Abbreviation for Vehicle Inspection Database, which is a software system that coordinates data from vehicle inspections and can be used to compile reports, analyses, data management and notices.

## DEFINITIONS

### Acid test ratio

Current receivables and liquid assets divided by current liabilities.

### CAGR

Compounded annual growth rate.

### Capital turnover rate

Net turnover divided by average operating capital.

### Cash flow per share

Cash flow from operating activities before changes in working capital divided by average number of shares.

### Dividend per share

Divided for the period divided by number of outstanding shares at time of dividend.

### EBIT margin (operating margin)

EBIT (operating margin) divided by total income.

### EBITDA margin (earnings before interest, taxes, depreciation and amortization) divided by total income

EBITDA (earnings before interest, taxes, depreciation and amortization) divided by total income.

### 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.

### Equity ratio

Equity divided by total assets.

### Inspection

The individual service of testing a vehicle.

### Interest coverage ratio

Profit after net financial income plus financial expenses divided by financial expenses.

### Liquid assets

Cash and cash equivalents, excluding available and unutilized bank credit facilities.

### Net debt

Interest-bearing liabilities minus liquid assets.

### Net debt/equity ratio

Interest-bearing liabilities minus liquid assets divided by equity.

### P/E ratio

Share price divided by profit per share.

### P/E ratio adjusted for goodwill and certain other intangible assets

Share price divided by profit per share adjusted for goodwill and certain other intangible assets.

### Profit margin

Profit after financial items divided by total income.

### Profit per share

Earnings for the period divided by average number of shares.

### Return on equity

Earnings for the period divided by average equity.

### Return on operating capital

Earnings before interest and tax (EBIT) divided by average operating capital.

### Return on total assets

Profit after net financial income plus financial expenses divided by average total assets.

### Revenue growth

Net turnover for the year compared to net turnover from the previous year.

### Turnover per employee

Net turnover divided by average number of employees.

### Vehicle inspection

The general name for operations related to vehicle emission and safety testing.

### Value added per employee

Earnings before interest, taxes, depreciation and amortization (EBITDA) plus personal expenses divided by average number of employees.

### Yield

Divided as a percentage of share price.









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