

A photograph of two trail runners on a forest path. The runner in the foreground is wearing a white and red shirt and black pants, using trekking poles. The runner in the background is wearing a blue and red shirt and black shorts, also using trekking poles. The path is rocky and surrounded by dense green forest.

# INTERIM REPORT January - June 2018

Västerås, July 17 2018

*Our passion is resolving technical challenges in developing smart products, smart factories and smart services.*

## APRIL - JUNE 2018

- Net turnover 202.8 MSEK (187.5)
- Profit before depreciation/amortization and write downs 5.8 MSEK (5.1)
- Operating profit/loss EBIT 4.2 MSEK (2.6)
- Operating margin EBIT 2.1 % (1.4)
- Profits after tax 3.3 MSEK (1.8)
- Profit per share 0.31 SEK (0.15)

## JANUARY - JUNE 2018

- Net turnover 398.2 MSEK (386.2)
- Profit before depreciation/amortization and write downs 15.8 MSEK (17.8)
- Operating profit/loss EBIT 12.2 MSEK (12.7)
- Operating margin EBIT 3.1 % (3.3)
- Profits after tax 9.0 MSEK (9.1)
- Profit per share 0.84 SEK (0.87)





# COLLABORATIONS WITHIN DIGITALIZATION

Prevas' investment in smart products, smart factories and smart services is bearing fruit. We have good order receipts, increased turnover and the results for the quarter are better than the previous year. We have had a lot of interesting requests and deals within digitalization from industries with good growth, such as Life Science and the automotive and manufacturing industries. Business that creates good conditions for high utilization going forward.

There is a degree of concern in Sweden and the Nordic area, discussions have started about the fact that the economic cycle is subdued in certain sectors. Prevas is primarily involved with international players and companies within areas like Life Science. These companies are mainly driven by the global economic cycle and other factors which makes them less sensitive to internal effects. At the same time, industry is ever keener to take on new technology and develop increasingly agile working practices as they research the new opportunities with digitalization. This does not just apply to large companies but also small and medium enterprises (SME).

## DEVELOPING INNOVATIVE PRODUCTS AND EFFICIENT PRODUCTION

More and more companies see Prevas as an important collaboration partner for gaining benefit from the opportunities provided by digitalization. We have a stable customer base among the major companies as well as a growing proportion of business from SME companies. There is a deliberate strategy to broaden the customer base and to spread knowledge to the smaller companies, which is important so they not will be left behind in the global competition.

Much of the development boils down to managing and analyzing large volumes of data, developing advanced software features and developing new hardware connected to smart sensors or to completely new products. We manage the whole competence chain, either in the form of individual stages in a project for major customers, or as more and more frequently requested by our small and medium enterprise customers, complete solutions from product definition to industrialization. Something that has been to the fore in our successful digitalization effort in Denmark.

## ATTRACTING SKILLED STAFF

Technological development is rapid and digitalization changes the demands for the provision of expertise. Finding employees to meet the demands from our customers is a constant challenge. We work hard in every region to recruit and engage employees that enjoy work with different types of assignment. It is the mix of different backgrounds, knowledge and experience from which innovations grow. At the same time there are many people fighting over engineers and this is where Prevas' partner network is an important complement for ensuring access to competent resources.

Our expert employees and strong offer are both a condition and a reason for our customers' success. There is so much new stuff for our customers to absorb that it is difficult to see what could force developments to slow down. What we are achieving with our customers now is something that we have hoped to do for a long time, but didn't have all the parts in place. Now the conditions are right and there is a well thought out foundation to build on. We are therefore experiencing a continued strong market with a lot of opportunities where we have created the conditions for growth and continued the journey towards increased cost efficiency and profitability.

With strong order receipts behind us and well positioned offers we look forward to the future and the development of Prevas.

Karl-Gustav Ramström,  
CEO Prevas AB

## FUTURE REPORTS

Interim report January - September,  
**October 24 2018**  
Year End Report 2018,  
**February 13 2019**

## MORE INFORMATION

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# OPERATIONS

*Prevas is a partner for companies in many industries. Our passion is resolving technical challenges in developing smart products, smart factories and smart services. Together with our customers we take advantage of the progress of technology and digitalization and convert the customers' needs and ideas into increased sustainability and competitiveness.*

## MARKET

The market continues to develop strongly largely thanks to the digitalization trend. Many companies work intensively to keep up and be competitive as the market and new business models are developing at an ever faster pace. The modification project means developing new products and services at the same time as improving production efficiency. All this leads to a high demand for engineer's expertise and consultancy services.

Prevas has established itself within the field of digitalization as one of the most complete suppliers to the industry. Both new and existing customers appoint Prevas in order to be able to create benefit from new technology and business models to reinforce their competitiveness and create new incomes. Prevas offers everything from idea creating workshops to turnkey solutions and consultancy support in the areas of the Internet of Things and industry 4.0. Prevas has packaged this offer in the form of solutions and services for smart products, smart factories and smart services.

Life Science is a field that has been developing strongly for some time and Prevas continues its focused investment in the area. Prevas has long been a market-leader in solutions and services for the development of medical devices and diagnostics, as well as for automated production of pharmaceuticals and instruments. A crucial factor for the industry is made up of the tough regulatory requirements, one area where Prevas' reputation for expertise and quality is particularly appreciated. During the year, Prevas has recruited several new consultants with long experience of Quality & Compliance, that is quality assurance within development and production. During the second quarter, Prevas also renewed and upgraded the certificate within the new standard ISO13485-2016. During the quarter a large order was received from an international customer to develop an advanced medical analysis instrument. On the order side there are both large established companies such as GE HealthCare, Novo Nordisk, Alere, Baxter Gambro, HemoCue, Nobel Biocare and Maquet Critical Care but also lots of new, small innovative companies such as QuickCool, Kontigo Care, Zenicor and Exseed Health.

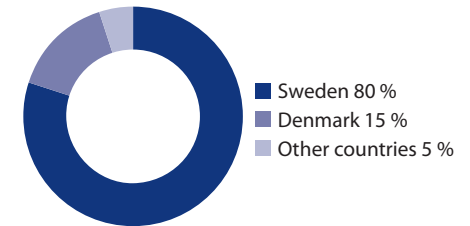
The market for the defense industry continues to develop well. The demand for specialist consultants to develop new advanced systems based on new technology is large. During the year Prevas has been successful in its efforts to deploy new engineers with high expertise to assignments effectively and quickly. A number of in-house projects for some important customers within this highly confidential industry have also been started. As an example of new customers we can name Ilias Solutions who work with military vehicles. Otherwise SAAB and BAE Systems remain long-term customers.

The good economic cycle in manufacturing and automotive industry continues. New technology such as Augmented Reality (AR), smartphones and tablets are being used more and more as a fast way to give comprehensive information to operators and factory management. Prevas has developed new solutions that are appreciated by the customers. Robot automation is an area that has grown strongly within Prevas in the last year and during the quarter orders have been received from Sandvik and GKN Driveline.

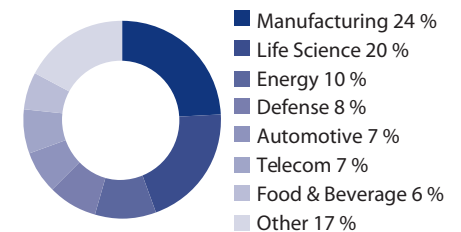
The new digitalization trend gives lots of new opportunities to create a sustainable and climate smart society. Prevas is part of this and is developing new innovative technical solutions in the form of weather stations, monitoring of wind power, solar panel technology etc. This is a market that will continue to grow at a fast pace in the future.

Smart maintenance and systems for field service, which creates both better use of capacity and new income streams within the aftermarket, are also areas where interest is increasing all the time. Among others things, Prevas solutions are based on Artificial Intelligence (AI) and Machine Learning to give the customers effective support within production and service.

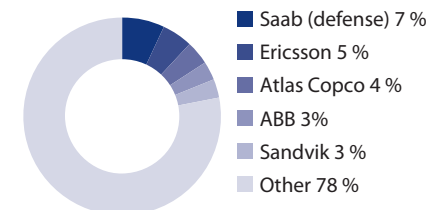
TURNOVER DIVIDED BY SEGMENT, Q1-2 2018



INDUSTRY BREAKDOWN, Q1-2 2018



THE LARGEST CUSTOMERS, Q1-2 2018



## OFFER

The digitalization revolution has opened new opportunities in virtually every aspect of life and we notice the effects every day. Prevas' investment in digitalization is aimed at smart products, smart factories and smart services, in the shape of new innovative products with increased functionality and improved customer experience and new system solutions for more efficient production and service.

## SMART PRODUCTS

Today's smart products are becoming ever more complex and electronics with advanced software are everywhere, in everything from cars, trains, planes, medical technical equipment and industrial robots to modern white goods. With the help of integrated intelligence and communication, the conditions for new income streams are being created by being able to offer customers new services in the aftermarket. This is an area that a lot of production companies have not previously focused on. By connecting products and collecting data about product status and customer behavior, analysis can give a rapid overview of how customer service can be improved. With a combination of technical expertise, application skill and understanding of the customer's business, we help get their products onto the market quickly and safely.

Example of customer offers:

- Smart products with integrated electronics and intelligent sensors
- Connected products for better functionality/user experience, new services and aftermarket
- Test system solutions to reduce development times and improve product quality
- Life science solutions with advanced sensor technology, advanced analysis and new connectivity opportunities

## SMART FACTORIES

The concept of smart factories is based on exploiting comprehensive IT solutions for control and monitoring of the production processes and is an area of strong growth. Automation and robot solutions make up a strong component of this and by embracing solutions within industry 4.0 and gathering data to analyze information about operation and maintenance, the processes can be improved to an even higher level and thereby achieve efficient and sustainable production.

Example of customer offers:

- Manufacturing Execution Systems (MES) that bridge the gap between business systems and automation and enable more optimized production. Connectivity of production equipment is a cornerstone of this.
- Offers within robot solutions are based on a thorough knowledge of application within many industries. With cutting edge expertise in system design, mechanical engineering as well as robot and automation programming, we can construct competitive, complete and flexible robot-based production units.
- With Prevas' efficient maintenance solutions, the smart factory can improve availability and at the same time reduce maintenance costs. With status based maintenance that is based on digitalization, one can take another step in the direction of world class production.

## SMART SERVICES

For Prevas, smart service is often about continuously collecting large amounts of data, big data, from connected units. Data that is analyzed and visualized to give you a clear overview of the operational status and actual use of functions and equipment. Information that provides insight into service and maintenance needs, or opportunities for more optimized utilization of raw materials and equipment, at the same time as your R&D department also receives valuable input in making improvements.

Example of customer offers:

- Improved customer experiences and new business models within the aftermarket for the manufacturer. Made possible through connected products and new technology.
- Connected machines and instruments for extended and more efficient service.
- Rationalization of operation, maintenance and support within one or more installations by monitoring operation in real time.

## MEET US AT

E-18, Odense,  
**September 11-13 2018**

Productivity day, Stockholm,  
**September 27 2018**

Automation Summit, Göteborg,  
**October 9 2018**

High Tech Summit, Copenhagen,  
**October 10-11 2018**

Vedlikeholdsdagen, Oslo,  
**October 16-17 2018**

Embedded Conference Scandinavia, Kista/Stockholm,  
**November 6-7 2018**

## UNDER SKALET

Under skalet is a web TV series that Prevas produces together with Ny Teknik. The films are published by Ny Teknik on [www.nyteknik.se/underskalet](http://www.nyteknik.se/underskalet).

## FOLLOW US



## IMPORTANT EVENTS DURING THE PERIOD

*Information that was announced during the second quarter.*

- **New Chairman of the Board and new Board member**

Bengt-Erik Lindgren is the new Chairman of the Board of Prevas AB and thereby takes over the role from Göran Lundin, who declined reelection and has held the role of Chairman since 2000. Among other roles, Bengt-Erik has previously been vice CEO of Swedbank. Prevas is entering a new exciting development phase in combination with several board members standing down at the Annual General Meeting 2018, which means that three new directors have been voted on to the Board of Prevas. Ulrika Grönberg and Bengt-Erik Lindgren were re-elected until the next AGM. Pia Sandvik, Christer Parkegren and Joakim Alkman are newly elected. Göran Lundin, with Bengt Stillström and Mikael Sundquist, is part of the company's election committee.

- **Investment within Life Science**

With 30 years' experience of the project and product development within Life Science, Prevas has profiled itself as an expert partner in development of medical technical products. The company is now implementing a dedicated investment within Life Science and an expanded service offer and market coverage with the objective of increasing turnover in the next few years.

- **Searching for more partners**

Prevas has an expanding partner network of consultants that is very important for operations. Regardless of whether the reason for using partner consultants is a lack of free capacity or of required expertise, the company can win customer projects due to the partner network. As customer requests increase, the partner network also increases, which is why an investment is being made in the network.

- **Camera systems for digitalized process control**

Prevas has developed a vision system to process assurance and optimization of rolling operations for large plates at Outokumpu – a system that has aroused great interest in other industries. With its advanced measurement capabilities in combination with cost-effective technology, the digital solution is both scalable and adaptable to various application areas and operations.

## IMPORTANT EVENTS AFTER THE PERIOD

*Information that is made public after the second quarter and important events that occur during the second quarter.*

- **Prevas has entered agreements with OMV (Norway) AS to install Prevas' product Mikon for automatic production reporting in Norway**

Prevas' solution Mikon will collect, interpret, distribute and report data from oil and gas production for OMV in Norway. The system will also supply further calculations required for OMV's reporting. This is to ensure that data for decision making is available around the clock, every day of the year.

- **Johan Strid new CEO of Prevas AB**

The Board of Prevas has appointed Johan Strid as new CEO and Group President of Prevas AB. He comes to us from Knowit and takes up his post on August 1st 2018 and replaces K-G Ramström who has held the post since the Spring of 2013.

## MISSION

Prevas offers solutions and consultancy services in product development, embedded systems, industrial IT and automation to customers that are looking for increased productivity and pace of innovation.

Through continuous development - both of our own capabilities and those of our customers - we exploit advances in technology and digitalization. Working with our customers, we transform their needs and ideas into competitive strengths - for today and for tomorrow.

## VALUES

The company culture "Prevas United" has been created by close collaboration between the company staff and management. It is based on the four core values – "Business Driven", "Open Minded", "Accountability" and "Team Spirit" – often designated as "BOAT".

## VISION

With a passion to solve technical challenges, Prevas should be regarded as a leader in exploiting the progress of technology and digitalization to create a sustainable growth in our society.

## INNOVATION FOR GROWTH

Since the dawn of time it has been innovative ideas that have developed the world. In a global community the pace of innovation has to be faster than ever to assure growth. Since starting in 1985 Prevas has had the task of using high technological expertise and innovative solutions to create growth for our clients.



# FINANCIAL INFORMATION, GROUP

## TURNOVER

### APRIL - JUNE

Net turnover amounted to 202.8 MSEK (187.5). The number of working days amounted to 60 (59). Net turnover per employee amounted to 386 TSEK (365).

### JANUARY-JUNE

Net turnover amounted to 398.2 MSEK (386.2). The number of working days amounted to 123 (123). Net turnover per employee amounted to 758 TSEK (737 TSEK).

## PROFITS/LOSS

### APRIL - JUNE

Operating profit/loss EBIT amounted to 4.2 MSEK (2.6) which gives an operating margin of 2.1 percent (1.4). Profit before depreciation/amortization and write downs EBITDA amounted to 5.8 MSEK (5.1), which gives profit margin before depreciation/amortization and write downs of 2.9 percent (2.7). Profits after tax amounted to 3.3 MSEK (1.8). Operations have seen continued positive development in consultancy utilization.

### JANUARY - JUNE

Operating profit/loss EBIT amounted to 12.2 MSEK (12.7), which gives an operating margin of 3.1 percent (3.3). Profit

before depreciation/amortization and write downs EBITDA amounted to 15.8 MSEK (17.8), which gives profit margin before depreciation/amortization and write downs of 4.0 percent (4.6). Profits after tax amounted to 9.0 MSEK (9.1).

## CASH FLOW, LIQUID FUNDS AND FINANCING

The cash flow from the ongoing operations for the first six months amounted to 13.4 MSEK (16.3). Liquid funds at period end amounted to 19.0 MSEK (12.1) of which an unused overdraft facility for 18.1 MSEK (11.9).

## FINANCIAL POSITION

Equity at period end amounted to 158.9 MSEK (147.2), which gives an equity ratio of 44 percent (43). Equity per share amounted to 15.50 SEK (14.39).

## EMPLOYEES

The average number of employees during the six-month period amounted to 525 (524), of which 408 (412) were in Sweden, 80 (66) in Denmark, 14 (25) in Other segments and 23 (21) were central. The number of employees at period end amounted to 551 (535) of which the proportion who were women was 13 percent.

## INVESTMENTS

During the year, the group's investment in assets amounted to 0.9 MSEK (0.8), of which 0.5 MSEK (0.5) covered machinery and inventory and 0.4 MSEK (0.3) product development and intangible assets. In addition to this, acquisition costs for car leasing rose to 1.5 MSEK (0.7).

## OPERATIONAL STRENGTH KEY RATIOS, PROJECTS IN TIME

As part of the company's certified quality system, customer satisfaction, delivery precision and warranty work are continuously metered. Since starting in 1985, Prevas has had a very high number of satisfied customers and uniquely high quality figures regarding delivery precision and warranty. Prevas' customer satisfaction rating has increased during the quarter and has risen to 8.7 (scale of 1 to 10). This together with the fact that 95 percent of our projects were delivered on time, means that Prevas is highly valued by the customers.

## THE PARENT COMPANY

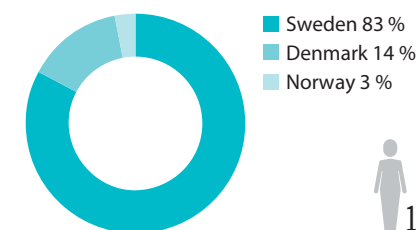
### APRIL - JUNE

Turnover amounted to 143.9 MSEK (143.5) and the result after financial items amounted to -1.5 MSEK (4.3).

### KEY RATIOS PER QUARTER

	2018	2018	2017	2017	2017	2017	2016	2016	2016	2016
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Operating income, MSEK	202.8	195.4	194.1	154.5	187.5	198.7	183.5	145.5	191.3	176.3
Operating profit/loss, MSEK	4.2	8.0	2.0	1.5	2.6	10.0	-8.5	-2.6	0.7	3.0
Operating margin in %	2.1	4.1	1.0	1.0	1.4	5.0	-4.6	-1.8	0.4	1.7
Number of working days	60	63	63	65	59	64	64	66	62	61
Number of employees at end of period	551	546	538	532	535	540	548	583	586	590
Number of employees, average	526	523	511	488	514	532	533	527	561	551
Net turnover/employee, TSEK	386	374	380	317	365	374	344	276	343	320
Equity ratio, %	44	44	41	44	43	42	39	44	42	43
Profit per share, SEK	0.31	0.53	0.10	0.09	0.15	0.72	-0.71	-0.18	0.01	0.16
Equity per share, SEK	15.50	15.21	14.58	14.46	14.39	14.24	13.54	14.24	14.33	14.29

### TOTAL NUMBER OF EMPLOYEES \*



\* per 30/6 2018

**JANUARY - JUNE**

Turnover amounted to 284.5 MSEK (297.0) and the result after financial items amounted to 1.9 MSEK (10.4).

**RISKS AND UNCERTAINTY FACTORS**

Prevas operates in very competitive and changeable market. This places great demands on risk management, or the point of view that Prevas focuses on – risk optimizing. Risk is involved in every operation and the objective is always to reduce risk so that it has as little impact as possible. However, Prevas takes the view that each risk also creates new opportunities and drives change.

Based on this perspective, Prevas has integrated risk management into all aspects of our operations, with a special focus within the areas of marketing, delivery and operational management. The foundation of managing risk is the company's management system, which ensures that the work with risk management is carried out in a systematic and efficient way. Prevas works continuously with risk evaluation in all stages from business development to delivery. From that, new opportunities are identified and if necessary risk minimizing actions are implemented.

Examples of operational and market related risks are; competition and pricing pressure, negative development at our customers, bankruptcy risks and exchange and interest rate risk. It is Prevas' judgment that the risks have increased slightly during the last few years but that the first half year in 2018 has not lead to any increased exposure to risk. Another risk is competition for qualified employees, where the risk has continued to increase in 2018. From Prevas' position as market leader in Integrated

System and Industrial IT, it is important to attract and recruit the best possible people. Given the very good labor market, the difficulty in maintaining the level of expertise is something that may affect Prevas in the future. More information about Prevas' risks and the management of them can be read in the Annual report for 2017 page 34.

**TRANSACTIONS WITH AFFILIATED BODIES**

Any transactions of this type are reported in the annual report 2017 under note 25 and largely attributable to purchases and sales between companies within the group. Transactions occur under market conditions.

**ACCOUNTING PRINCIPLES**

This interim report has been prepared in accordance with IAS 34 Interim reports. The group report has been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and where relevant Swedish legislation regarding annual reports. The parent company accounts have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounts for legal entities.

During 2018 the group has started to apply IFRS 9 Financial instrument and IFRS 15 Revenues from contracts with customers. The effects of the transition to IFRS 15 have not had any significant impact on the group or parent company.

According to IFRS 15, revenues are reported when the customer has control of the obtained services instead of previously when risks and benefits were transferred to the customer. IFRS

15 is also clearer regarding identification of different performance requirements in the contract with customers.

IFRS 9 means a write down model for customer losses that is based on anticipated credit losses instead of credit losses that have occurred.

**FINANCIAL INSTRUMENTS**

Reported value of liquid funds, account receivables, generated but unbilled income, interest bearing liabilities and suppliers' liabilities are considered to make up an approximation of the actual value of these receivables and liabilities.

**KEY FIGURES**

From and including July 3rd 2016 the ESMA's (European Securities and Markets Authority) "Guidelines – Alternative key figures" will be applied. The definitions of Prevas key figures can be found on page 37 in the annual report for 2017. The alternative key figures such as EBITDA are used to give a more detailed description of how the operations developed, while other alternative key figures, such as various measures of return, focus on the ownership perspective.

Västerås July 17th 2018  
Prevas AB (publ)

Karl-Gustav Ramström, CEO Prevas AB

The board and Chief Executive Officer certify that the interim report gives a fair and true overview of the parent company's and group's operations, financial position and results and describe any significant risks and uncertainties facing the company and the companies that make the group.

Västerås July 17th 2018  
Prevas AB (publ)

Bengt-Erik Lindgren  
Chairman

Karl-Gustav Ramström  
President and CEO Prevas AB

Joakim Alkman  
Board member

Ulrika Grönberg  
Board member

Christer Parkegren  
Board member

Pia Sandvik  
Board member

Mikael Brunnegård  
Employee representative

Karin Holmström  
Employee representative

*This financial report has not been subject to inspection by the company's auditors.*

**Published 7/17/2018, 8:30 CET.** This information is such that Prevas AB (publ) is required to make it public in accordance with the EU's market abuse regulations and the Securities market Act.

This is a translation of an original document in Swedish. In case of dispute, the original document should be taken as authoritative (Delårsrapport januari - juni 2018 at [www.prevas.se](http://www.prevas.se)). Or contact the company direct.

# FINANCIAL OVERVIEW

For the group and parent company.

## STATEMENT OF OPERATIONS in summary, TSEK

	2018 Q 2	2017 Q 2	2018 Q1-2	2017 Q1-2	2017 Full year
<b>Net turnover</b>	<b>202,849</b>	<b>187,478</b>	<b>398,202</b>	<b>386,200</b>	<b>734,854</b>
Capitalized work	181	279	380	993	1,437
Other external costs	-65,741	-59,115	-125,980	-122,849	-243,702
Personnel costs	-131,505	-123,529	-256,831	-246,512	-466,790
<b>Profits before depreciation/amortization</b>	<b>5,784</b>	<b>5,113</b>	<b>15,771</b>	<b>17,832</b>	<b>25,799</b>
Depreciation intangible fixed costs	-503	-1,503	-1,424	-3,230	-5,658
Depreciation tangible fixed assets	-1,099	-965	-2,148	-1,931	-3,978
<b>Operating profit/loss</b>	<b>4,182</b>	<b>2,645</b>	<b>12,199</b>	<b>12,671</b>	<b>16,163</b>
Financial net	-259	-357	-731	-823	-1,592
<b>Profit after financial items</b>	<b>3,923</b>	<b>2,288</b>	<b>11,468</b>	<b>11,848</b>	<b>14,571</b>
Tax	-649	-536	-2,507	-2,709	-3,059
<b>Profits for the period</b>	<b>3,274</b>	<b>1,752</b>	<b>8,961</b>	<b>9,139</b>	<b>11,512</b>
<b>Profit for period attributable to parent company owners</b>	<b>3,115</b>	<b>1,497</b>	<b>8,463</b>	<b>8,779</b>	<b>10,670</b>
<b>Profit for period attributable to non-controlling interests</b>	<b>159</b>	<b>255</b>	<b>498</b>	<b>360</b>	<b>842</b>
Profit per share before and after dilution in SEK	0.31 SEK	0.15 SEK	0.84 SEK	0.87 SEK	1.06 SEK

## REPORT OF TOTAL EARNINGS in summary, TSEK

	2018 Q 2	2017 Q 2	2018 Q1-2	2017 Q1-2	2017 Full year
<b>Profits for the period</b>	<b>3,274</b>	<b>1,752</b>	<b>8,961</b>	<b>9,139</b>	<b>11,512</b>
<b>Items that will be later implemented in the period's profit/loss;</b>					
Calculation differences attributable to overseas operations	-212	91	879	-125	-166
<b>Total earnings for the period after tax</b>	<b>3,062</b>	<b>1,843</b>	<b>9,804</b>	<b>9,014</b>	<b>11,346</b>
<b>Total earnings for period attributable to parent company owners</b>	<b>2,903</b>	<b>1,588</b>	<b>9,342</b>	<b>8,654</b>	<b>10,504</b>
<b>Total earnings for period attributable to non-controlling interests</b>	<b>159</b>	<b>255</b>	<b>498</b>	<b>360</b>	<b>842</b>



**BALANCE SHEET in summary, TSEK**

	2018 June 30th	2017 June 30th	2017 Dec 31st
Goodwill	136,970	135,659	135,759
Other intangible fixed assets	4,318	6,719	5,257
Tangible fixed assets	15,768	13,386	15,187
Deferred tax asset	3,964	4,268	3,732
<b>Total fixed assets</b>	<b>161,020</b>	<b>160,032</b>	<b>159,935</b>
Current receivables	202,712	180,427	203,426
Liquid funds	872	273	886
<b>Total current assets</b>	<b>203,584</b>	<b>180,700</b>	<b>204,312</b>
<b>TOTAL ASSETS</b>	<b>364,604</b>	<b>340,732</b>	<b>364,247</b>
Equity attributable to owners of parent company	156,591	145,399	147,249
Equity attributable to non-controlling interests	2,344	1,804	2,286
<b>Equity</b>	<b>158,935</b>	<b>147,203</b>	<b>149,535</b>
Deferred tax liability	7,984	8,433	8,097
Long term interest bearing liabilities	8,883	6,979	8,369
<b>Total non-current liabilities</b>	<b>16,867</b>	<b>15,412</b>	<b>16,466</b>
Current provisions	1,071	2,064	1,287
Current interest bearing liabilities	49,462	50,268	60,932
Other interest bearing liabilities	138,269	125,785	136,027
<b>Total current provisions</b>	<b>188,802</b>	<b>178,117</b>	<b>198,246</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>364,604</b>	<b>340,732</b>	<b>364,247</b>

**CHANGES IN EQUITY in summary, TSEK**

	2018 June 30th	2017 June 30th	2017 Full year
Opening balance	149,535	139,389	139,389
Total of total earnings for period attributable to parent company owners	9,342	8,654	10,504
Total of total earnings for period attributable to non-controlling interests	498	360	842
Dividend non-controlling interests	-440	-1,200	-1,200
<b>Closing balance</b>	<b>158,935</b>	<b>147,203</b>	<b>149,535</b>
<b>Equity attributable to owners of parent company</b>	<b>156,591</b>	<b>145,399</b>	<b>147,249</b>
<b>Equity attributable to non-controlling interests</b>	<b>2,344</b>	<b>1,804</b>	<b>2,296</b>

## OPERATING SEGMENT, April-June 2018, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
<b>Sales to external customers</b>	<b>160,512</b>	<b>32,728</b>	<b>9,609</b>	–	<b>202,849</b>
Sales to other segments	186	1,080	232	-1,498	
<b>Profits before depreciation/amortization, EBITDA</b>	<b>5,909</b>	<b>2,370</b>	<b>571</b>	<b>-3,066</b>	<b>5,784</b>
Write-offs	-1,119	-338	-145	–	-1,602
<b>Operating profit, EBIT</b>	<b>4,790</b>	<b>2,032</b>	<b>426</b>	<b>-3,066</b>	<b>4,182</b>
Financial items				-259	-259
<b>Pretax Profits</b>					<b>3,923</b>

## OPERATING SEGMENT, April-June 2017, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
<b>Sales to external customers</b>	<b>155,214</b>	<b>23,301</b>	<b>8,963</b>	–	<b>187,478</b>
Sales to other segments	446	1,061	654	-2,161	
<b>Profits before depreciation/amortization, EBITDA</b>	<b>4,222</b>	<b>725</b>	<b>1,094</b>	<b>-928</b>	<b>5,113</b>
Write-offs	-1,641	-331	-496	–	-2,468
<b>Operating profit, EBIT</b>	<b>2,581</b>	<b>394</b>	<b>598</b>	<b>-928</b>	<b>2,645</b>
Financial items				-357	-357
<b>Pretax Profits</b>					<b>2,288</b>

## OPERATING SEGMENT, January-June 2018, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
<b>Sales to external customers</b>	<b>319,721</b>	<b>60,372</b>	<b>18,109</b>	–	<b>398,202</b>
Sales to other segments	429	2,270	536	-3,235	
<b>Profits before depreciation/amortization, EBITDA</b>	<b>16,434</b>	<b>3,773</b>	<b>851</b>	<b>-5,287</b>	<b>15,771</b>
Write-offs	-2,360	-648	-564	–	-3,572
<b>Operating profit, EBIT</b>	<b>14,074</b>	<b>3,125</b>	<b>287</b>	<b>-5,287</b>	<b>12,199</b>
Financial items				-731	-731
<b>Pretax Profits</b>					<b>11,468</b>

## OPERATING SEGMENT, January-June 2017, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
<b>Sales to external customers</b>	<b>320,161</b>	<b>47,055</b>	<b>18,984</b>	–	<b>386,200</b>
Sales to other segments	865	1,366	1,219	-3,450	
<b>Profits before depreciation/amortization, EBITDA</b>	<b>14,986</b>	<b>3,184</b>	<b>1,882</b>	<b>-2,220</b>	<b>17,832</b>
Write-offs	-3,524	-643	-994	–	-5,161
<b>Operating profit, EBIT</b>	<b>11,462</b>	<b>2,541</b>	<b>888</b>	<b>-2,220</b>	<b>12,671</b>
Financial items				-823	-823
<b>Pretax Profits</b>					<b>11,848</b>

**SALES TO EXTERNAL CUSTOMERS PER SEGMENT,  
April - June, TSEK**

Industries	April - June 2018				April - June 2017			
	Sweden	Denmark	Other	Total the group	Sweden	Denmark	Other	Total the group
Energy	10,289	10,162	2,555	23,006	11,750	8,325	1,428	21,503
Vehicles	13,419	471	—	13,890	12,417	492	23	12,932
Defense	15,489	43	316	15,848	12,914	527	472	13,867
Life science	37,399	5,358	299	43,056	37,344	2,822	329	40,495
Foodstuff	7,656	1,208	2,009	10,873	9,887	459	2,265	12,611
Manufacturing	37,801	8,221	1,801	47,823	32,828	8,372	2,155	43,355
Telecoms	14,526	46	—	14,572	13,783	—	89	13,872
Other	23,932	7,220	2,629	33,781	24,291	2,304	2,248	28,843
<b>Total</b>	<b>160,512</b>	<b>32,728</b>	<b>9,609</b>	<b>202,849</b>	<b>155,214</b>	<b>23,301</b>	<b>8,963</b>	<b>187,478</b>

**SALES TO EXTERNAL CUSTOMERS PER SEGMENT,  
January - March, TSEK**

Industries	January - June 2018				January - June 2017			
	Sweden	Denmark	Other	Total the group	Sweden	Denmark	Other	Total the group
Energy	19,329	17,917	4,228	41,474	27,285	15,327	3,812	46,425
Vehicles	26,818	1,273	—	28,090	24,630	941	23	25,594
Defense	31,284	538	332	32,153	24,284	1,343	1,674	27,300
Life science	69,585	9,612	621	79,819	67,155	5,346	830	73,332
Foodstuff	16,406	2,581	3,790	22,778	26,774	1,266	3,929	31,970
Manufacturing	77,833	15,486	4,090	97,409	69,091	19,335	3,981	92,407
Telecoms	29,300	262	—	29,562	27,857	78	283	28,218
Other	49,166	12,704	5,047	66,917	53,085	3,419	4,451	60,955
<b>Total</b>	<b>319,721</b>	<b>60,372</b>	<b>18,109</b>	<b>398,202</b>	<b>320,161</b>	<b>47,055</b>	<b>18,984</b>	<b>386,200</b>



## ANALYSIS OF CASH FLOW in summary, TSEK

	2018 Q 2	2017 Q 2	2018 Q1-2	2017 Q1-2	2017 Full year
<b>ONGOING OPERATIONS</b>					
Pretax Profits	3,923	2,288	11,468	11,848	14,571
Adjustments for items not included in cash flow	390	2,712	547	4,665	5,499
Paid income tax	-1,133	-957	-1,675	-1,555	-1,143
<b>Cash flow from ongoing operations before change to working capital</b>	<b>3,180</b>	<b>4,043</b>	<b>10,340</b>	<b>14,958</b>	<b>18,927</b>
Changes to operating receivables	-11,987	7,886	714	16,671	-6,328
Changes to operating liabilities	10,310	-9,187	2,242	-15,328	-4,525
<b>Cash flow from ongoing operations</b>	<b>1,503</b>	<b>2,742</b>	<b>13,296</b>	<b>16,301</b>	<b>8,074</b>
<b>INVESTMENT OPERATIONS</b>					
Acquisition of operations and shares excl. liquid funds	—	-1,875	-500	-2,375	-2,375 *
Investment in intangible fixed assets	-380	-279	-579	-993	-1,821
Investment in tangible fixed assets	-475	-490	-1,071	-1,034	-1,828
<b>Cash flow from investment operations</b>	<b>-855</b>	<b>-2,644</b>	<b>-2,150</b>	<b>-4,402</b>	<b>-6,024</b>
<b>FINANCING OPERATIONS</b>					
Repayment of loans	-1,900	-1,700	-1,900	-3,400	-6,800
Change of overdraft facility	1,494	2,623	-9,630	-8,303	5,338
Dividends paid	—	-1,200	—	-1,200	-1,200
<b>Cash flow from financing operations</b>	<b>-406</b>	<b>-277</b>	<b>-11,530</b>	<b>-12,903</b>	<b>-2,662</b>
<b>Cash flow for the period</b>	<b>242</b>	<b>-179</b>	<b>-384</b>	<b>-1,004</b>	<b>-612</b>
Liquid funds at start of period	520	336	886	1,260	1,260
Exchange differences in liquid funds	110	116	370	17	239
Liquid funds at end of period	872	273	872	273	886

\*) Refers to paid additional considerations.

## KEY RATIOS, TSEK

	2018 Q 2	2017 Q 2	2018 Q1-2	2017 Q1-2	2017 Full year
Profit margin depreciation/amortization and write downs/EBITDA	2.9 %	2.7 %	4.0 %	4.6 %	3.5 %
Operating margin/EBIT	2.1 %	1.4 %	3.1 %	3.3 %	2.2 %
Profit margin	1.9 %	1.2 %	2.9 %	3.1 %	2.0 %
<i>Number of shares outstanding at close of report period, thousand</i>					
before and after dilution	10,102	10,102	10,102	10,102	10,102
<i>Average number of shares outstanding, thousand</i>					
before and after dilution	10,102	10,102	10,102	10,102	10,102
Profit per share before and after dilution	0.31 SEK	0.15 SEK	0.84 SEK	0.87 SEK	1.06 SEK
Equity per share before and after dilution			15.50 SEK	14.39 SEK	14.58 SEK
Equity ratio			44 %	43 %	41 %
Return on capital employed, %			5.7 %	6.2 %	7.9 %
Return on equity, %			5.8 %	6.4 %	8.0 %
Average number of employees	526	514	525	524	510
Number of working days	60	59	123	123	251
Turnover per employee in TSEK	386	365	758	737	1,441

Definitions of key ratios, see page 37 in Prevas' annual report 2017.

## STATEMENT OF OPERATIONS in summary, TSEK

	2018 Q 2	2017 Q 2	2018 Q1-2	2017 Q1-2	2017 Full year
<b>Net turnover</b>	<b>143,881</b>	<b>143,522</b>	<b>284,544</b>	<b>296,983</b>	<b>549,142</b>
Capitalized work	—	176	—	775	930
Other external costs	-54,140	-52,128	-103,455	-109,780	-211,244
Personnel costs	-90,673	-88,762	-177,761	-177,200	-331,332
Depreciation intangible fixed costs	-295	-1,256	-619	-2,521	-4,537
Depreciation tangible fixed assets	-183	-174	-353	-359	-690
<b>Operating profit/loss</b>	<b>-1,410</b>	<b>1,378</b>	<b>2,356</b>	<b>7,898</b>	<b>2,269</b>
Profit from participation in group companies	1,801	3,171	1,801	3,171	2,995
Interest income and similar profit items	51	23	99	65	713
Interest costs and similar profit items	-1,954	-310	-2,368	-733	-1,967
<b>Profit after financial items</b>	<b>-1,512</b>	<b>4,262</b>	<b>1,888</b>	<b>10,401</b>	<b>4,010</b>
Tax	603	-408	-270	-1,925	-1,123
<b>Profits for the period</b>	<b>-909</b>	<b>3,854</b>	<b>1,618</b>	<b>8,476</b>	<b>2,887</b>

## BALANCE SHEET in summary, TSEK

	2018 June 30th	2017 June 30th	2017 Dec 31st
Intangible fixed assets	3,416	5,514	4,035
Tangible fixed assets	1,471	1,508	1,387
Financial fixed assets	63,621	57,510	64,134
Current receivables	145,184	143,863	158,098
Cash and Bank	151	106	2
<b>Total assets</b>	<b>213,843</b>	<b>208,501</b>	<b>227,656</b>
Restricted equity	36,719	35,932	36,719
Non-restricted equity	3,718	8,476	2,100
Equity	40,437	44,408	38,819
Provisions	1,476	2,409	3,391
Current interest bearing liabilities	46,898	48,188	56,528
Other interest bearing liabilities	125,032	113,496	128,918
<b>Total liabilities and Equity</b>	<b>213,843</b>	<b>208,501</b>	<b>227,656</b>



Prevas started in 1985 and is a partner to companies in many sectors. Our passion is resolving technical challenges in developing smart products and smart factories. With leading expertise in high-tech product development, embedded systems and industrial IT & Automation, Prevas contributes by providing innovative solutions and services that create growth.

Prevas has offices in Sweden, Denmark, Norway and India, and approximately 550 employees.

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