

A photograph of two trail runners on a dirt path in a forest. The runner in the foreground is wearing a white and red shirt and black leggings, 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 foliage.

# YEAR END REPORT 2018

Västerås, 13th February 2019

*Our passion is resolving technological challenges in developing smart products, smart industries and smart services.*

## OCTOBER - DECEMBER 2018

- Net turnover 211.8 MSEK (194.1)
- Profit before depreciation/amortization and write downs -2.1 MSEK (4.1)
- Operating profit/loss EBIT -3.7 MSEK (2.0)
- Operating margin EBIT -1.8 % (1.0)
- Profits after tax -3.6 MSEK (1.5)
- Profit per share -0.38 SEK (0.10)
- One-off costs 7.1 MSEK (0)
- Operating profit/loss EBIT excluding One-off costs 3.4 MSEK (2.0)

## JANUARY - DECEMBER 2018

- Net turnover 771.0 MSEK (734.9)
- Profit before depreciation/amortization and write downs 16.3 MSEK (25.8)
- Operating profit/loss EBIT 9.5 MSEK (16.2)
- Operating margin EBIT 1.2 % (2.2)
- Profits after tax 5.6 MSEK (11.5)
- Profit per share 0.45 SEK (1.06)
- One-off costs 7.1 MSEK (0)
- Operating profit/loss EBIT excluding One-off costs 16.6 MSEK (16.2)

# CHANGE MANAGEMENT WITH THE SIGHTS ON INCREASED PROFITABILITY AND A STRONG PORTFOLIO

The last quarter of the year gave an operating loss of -3.7 MSEK. The results were affected by both worse operating profits in the operations and costs associated with our ongoing work to change. The restructuring costs amounted to approx. 7 MSEK and are calculated to lead to cost savings of at least 7 MSEK annually from and including 2019. Excluding the restructuring costs, the operating profit for the final quarter was 3.4 MSEK. What was positive was that the turnover for the quarter increased by 9 percent compared to the equivalent period in 2017, despite one fewer working days. It was also positive that the net number of employees increased by 13 people during the period. The cash flow from ongoing operations for 2018 amounted to 18 MSEK.

## KEEPING IT SIMPLE

As I've mentioned before, my first weeks at the company were largely devoted to listening, getting to know the organization and analyzing the company's strengths and weaknesses. During the final quarter of the year, however, the focus shifted to accelerating work with change in the organization.

The sights now are on higher profitability, attaining more market-driven and dynamic operations, and active business development. One theme is simplification and decentralization. During the quarter, the organization has been streamlined from being a matrix organization to a straight-line organization, which means fewer people in central overhead. The sales and management processes have also been revised and streamlined. The purpose has been to reduce administration and to focus more on customers and business activities, which also entails stronger leadership and clarity regarding what we expect from our business units.

## BUILD ON VALUES

Staying up to date and strengthening the company's business activities is a constant process at Prevas. Alongside the theme mentioned above, we have expanded efforts in refining values at the company. This to accelerate operational development and to create the conditions for continued growth and development.

Prevas holds several strong positions in the market, which is appreciated by customers and employees alike. It is these areas that we will refine and further develop. Own EMC lab with among other things, shielded and semi-anechoic measurement facilities for high quality pre-compliance measurements, an optics lab, complete frameworks for connecting things to the Internet, ability to develop advanced life science devices with ISO 13485 along with associated methodology, and an in-house robotics shop for which capacity will be doubled during 2019. These are just a few of the areas in which Prevas is especially strong. Another strong card is our collaborative programs and partnerships with, for example, Infor, AT&T, National Instruments, Microsoft and Novotek. There is also potential here for collaboration in clarifying values and increasing business.

## DEVELOPMENT OF SUSTAINABLE SOLUTIONS

Our solutions and services make positive contributions to the development of a more sustainable society. It can be sustainability in the form of design, material selection, process flows, energy consumption, execution and choice of suppliers. As an example, Valmet and Prevas are working together in making major investments in automation solutions for improving work environments and raising productivity. With the help of automation, the goal is to improve ergonomics and safety in production, to increase cost efficiency and to establish long-term profitability and security for employees. Another example is our work with the light rail company Göteborgs Spårvägar in digitalizing their maintenance operations. Some of the driving factors have been increasing traceability, moving away from manual tasks and printed lists, as well as making things simpler and more easier for staff at Göteborgs Spårvägar. It was especially gratifying to hear that our customer Hounö had received the prestigious German Design Award for their cloud solution, Let's Cook. Their assortment includes Prevas Simple Connect, a communications solution that easily connects products in the cloud.

After six months at the company, I'm impressed with what we have to offer, the strong customer relationships and our capabilities. My ambition is both to fully utilize our capabilities and sense of commitment, and to personally contribute with strengthening our business activities and the organization.

Johan Strid, CEO Prevas AB

## FUTURE REPORTS

Interim report January - March, April 24th 2019  
Interim report January - June, July 17th 2019  
Interim report January - September, October 24th 2019  
Year end report 2019, February 12th 2020

## AGM 2019

Prevas AB's Annual General Meeting, Västerås,  
May 14th 2019

## ANNUAL AND SUSTAINABILITY REPORT

For 2018 available via the website three weeks prior to the AGM 2019. It can also be ordered from head office, tel: +46(0)21-360 19 20 or [info@prevas.se](mailto:info@prevas.se).

## MORE INFORMATION

Johan Strid, CEO  
Tel: +46 21-360 19 00  
Mobile: +46 703 79 10 61  
E-mail: [johan.strid@prevas.se](mailto:johan.strid@prevas.se)

Andreas Lindahl, CFO  
Tel: +46 21-360 19 34  
Mobile: +46 70-547 08 25  
E-mail: [andreas.lindahl@prevas.se](mailto:andreas.lindahl@prevas.se)



# OPERATIONS

*Prevas has been around since 1985 and is a development partner to companies in selected industries. Our passion is resolving technological challenges in developing smart products, smart industries 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 has continued to be very good in several industries and companies are investing in new innovative products and increased productivity. There are signs that the market will flatten out but at the same time as new trends and new technologies are opening up companies have an increased need for development and renewal. The trend for digitalization is particularly clear and a lot of companies are investing in finding new solutions, products and business models. The incentives for change are strong, if one continues as before it will be difficult to maintain market position. A fast changing world needs wise investment, entrepreneurship and increased innovation in order to move forward and stand strong amongst the global competition. Prevas has a wide range of customers across many industries, who are mainly geographically located in Scandinavia.

Increasing numbers of companies are working to make their operations more sustainable. It is about making sustainability an integrated part of your operations. Maximizing the positive effects and minimizing the negative impact on the environment, society and mankind. As a business there is lots to be gained from sustainability work. This includes reduced environmental and climate impact, effective use of resources, good working relations and clean business, but also respect for rights and adapted business models. Even with a common goal the needs and driving forces are different for different companies, operations and industries.

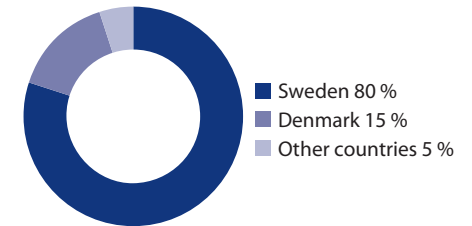
The markets within several of Prevas' specialist fields also look positive. Development of advanced medical instruments, smart maintenance and field service systems as well as robotized automation are a few areas of expertise where Prevas has long held a strong position and for which we see continued good markets.

The life science industry is rapidly developing, and here as well, the digitalization trend is clear and Prevas' expertise has become increasingly in demand. With 30 years of experience from projects and product development in life science, Prevas has gained the reputation as a skilled partner in the development of medical technology products. Approximately 150 engineers and experts are active in the company within the Life Science market. With a solid foundation based on ISO13485 and with assignments both in-house and out with customers, the operation can also offer consultants and consultancy services within validation and quality management both for R&D and production expert knowledge within GMP, GAMP, IVDR, MDR and ISO13485. This gives Prevas the right prerequisites for driving development of medical technical products.

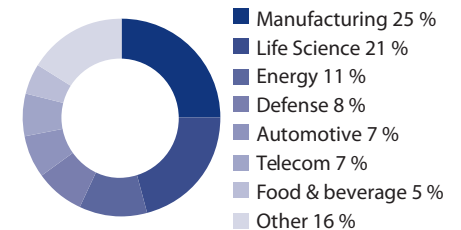
Knowing how products and machines fare out with customers is becoming more important for many companies and industries. Smart maintenance and field service systems usually rely on the continuous gathering of large amounts of data, big data, from connected devices. Data that is analyzed and visualized 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 equipment, at the same time as your R&D department also receives valuable input in making improvements. Prevas has several modern solutions for gathering and analyzing operational data to provide better input for making decisions, as well as for planning of both service and support.

Automation and robotics solutions are needed to achieve efficient and sustainable manufacturing. Automating production and making it more efficient are among the most important measures a company's management team can take in meeting the challenges of today's competitive market. Modern robotics solutions provide better production rates and quality, less downtime and lower costs. Prevas has long experience of providing robot solutions and systems for control and monitoring of robot cells and we are investing more in expanding the offer in that area.

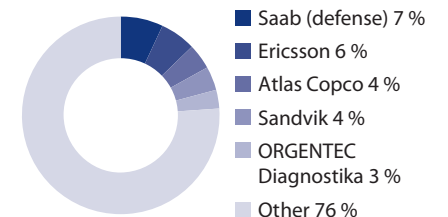
TURNOVER  
DIVIDED BY SEGMENT, 2018



INDUSTRY BREAKDOWN, 2018



THE LARGEST CUSTOMERS, 2018



## BUSINESS MODELS

These days many customers need advice and guidance in how to keep up with all the trends, differing legal requirements and changes. Prevas is a partner that helps customers orientate themselves and keep to that. Some customers have their own innovation and need a partner that can develop and industrialize their ideas. Prevas, with in-depth experience as a development house, has lots of assignments as the customer's complete development department. Some customers, usually the biggest players, have greater need of expertise and capacity reinforcement which Prevas can also provide with both individual consultants and assembled teams. Delivery is both through our own employees and using the sub-consultant network, partner network, that Prevas has.

Prevas' assignments involve the whole chain from early investigation and feasibility studies to concept development and proof-of-concept, on to development, industrialization and testing to move to ongoing further development and support. Sometimes the assignment is confined to one phase and sometimes we have responsibility for the whole life cycle.

Prevas applies different business models depending on the customer's wishes and the conditions of the assignment.

- Hourly based pricing
- Commitment to fixed or running billing with incentives
- License and product based costs, both own and based on the partner's products
- Costs for framework, laboratory, reusable components etc.
- Consumption based monthly fees (data for connections etc.)
- Support and administration fees

## OFFER

For us, technical development is an important enabler for all aspects of sustainability in our modern society. Our customer projects are characterized by great innovation, creativity and modern work methods. We provide solutions that not all that long ago, many thought impossible. To accomplish this, we focus on continually developing our strengths, which besides our technological breadth, also encompass our staff. Prevas is a place where people can develop through continuous learning and skills development. The basis of our own work with sustainability is being an attractive employer and responsible business partner.

Prevas works in areas such as IoT (Internet of Things), Industry 4.0, BigData, AI/Machine Learning, AR/VR, cyber security, apps, sensors and Industrial IT and Automation.

The wave of digitalization has cleared the way for new opportunities in nearly all parts of society and we see its influence every day. Prevas' investment in digitalization is aimed at smart products, smart industries 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 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

## MEET US AT

Högvarv, Västerås,  
19 February 2019

Vitalis, Gothenburg,  
21-23 May 2019

## UNDER SKALET

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

## FOLLOW US



## SMART INDUSTRIES

The concept of smart industries 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.

## IMPORTANT EVENTS DURING THE PERIOD

*Information that was announced during the fourth quarter.*

- **Complete solution for connected products for oven manufacturer Hounö**

With help of a close collaboration between Hounö, Design People and Prevas, a complete solution has been developed, where the end customer does not just have their ovens in the cloud with all the advantages that brings, but can also get more products in the same solution. A solution where units can communicate with each other, where one can get an overall picture of the consumption for the whole kitchen and where preventative maintenance does not just cover one product but ensures that the whole kitchen functions. Prevas has participated in the project the whole way and operated as a technical sparring partner regarding possible technical solutions. Prevas has also implemented the solution and used the company's packaged solution Prevas Simple Connect as infrastructure and Angular JS for frontend development. Prevas Simple Connect is a unified solution with extra layers of logic for administering users, devices, rights, connectivity and security. Prevas Simple Connect makes it possible to externally connect several products and move the part from installation and production to the installation at the end customer without involving the end users.

- **Prevas expands and opens an office in Eskilstuna**

The newly established office focuses on smart industries. The aim is to be close to our customers and strengthen the region with productivity knowledge.

## 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 we exploit advances in technology and digitalization. Working with our clients, 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

### OCTOBER - DECEMBER

Net turnover amounted to 211.8 MSEK (194.1) an increase of 9 percent. The number of working days amounted to 62 (63). Net turnover per employee amounted to 384 TSEK (380).

### JANUARY - DECEMBER

Net turnover amounted to 771.0 MSEK (734.9) an increase of 5 percent. The number of working days amounted to 250 (251). Net turnover per employee amounted to 1,457 TSEK (1,441 TSEK).

## PROFITS/LOSS

### OCTOBER - DECEMBER

Operating profit/loss EBIT amounted to -3.7 MSEK (2.0) which gives an operating margin of -1.8 percent (1.0). Profit before depreciation/amortization and write downs EBITDA amounted to -2.1 MSEK (4.1), which gives a profit margin before depreciation/amortization and write downs of -1.0 percent (2.1). Profits after tax amounted to -3.6 MSEK (1.5). The period's EBIT was affected by one off costs of 7.1 MSEK attributed to costs arising from the change in CEO and organizational restructuring. These measures are expected to have a positive

effect on 2019 of a similar value. Cleared of that item the EBIT for the period amounts to 3.4 MSEK and an operating margin of 1.7 percent.

### JANUARY - DECEMBER

Operating profit/loss EBIT amounted to 9.5 MSEK (16.2), which gives an operating margin of 1.2 percent (2.2). Profit before depreciation/amortization and write downs EBITDA amounted to 16.3 MSEK (25.8), which gives a profit margin before depreciation/amortization and write downs of 2.1 percent (3.5). Profits after tax amounted to 5.6 MSEK (11.5). The Period's EBIT was affected by one off costs of 7.1 MSEK attributed to costs arising from the change in CEO and organizational restructuring. These measures are expected to have a positive effect on 2019 of a similar value. Cleared of that item the EBIT for the period amounts to 16.6 MSEK and an operating margin of 2.2 percent.

## CASH FLOW, LIQUID FUNDS AND FINANCING

The cash flow from ongoing operations for the year amounted to 18.3 MSEK (8.1). Liquid funds at year end amounted to 21.8 MSEK (9.3) of which an unused overdraft facility for 21.1 MSEK (8.5). During the year the credit capacity has been

increased with a guarantee facility of 10 MSEK to support the company's expanded project commitments. It is the judgment of the Board that Prevas has a financing situation appropriate for the company's future planning.

## FINANCIAL POSITION

Equity at period end amounted to 156.6 MSEK (149.5) which gives an equity ratio of 42 percent (41). Equity per share amounted to 15.22 SEK (14.58).

## EMPLOYEES

The average number of employees during the year amounted to 529 (510), of which 410 (401) were in Sweden, 80 (68) in Denmark, 15 (19) in Other segments and 24 (22) were central. The number of employees at period end amounted to 582 (538) of which the proportion who were women was 13 percent.

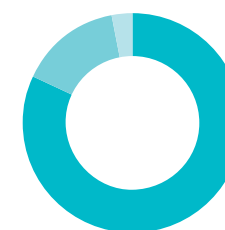
## INVESTMENTS

During the year, the group's investment in assets amounted to 3.0 MSEK (3.6), of which 1.7 MSEK (1.8) covered machinery and inventory and 1.3 MSEK (1.8) product development and intangible assets. In addition to this acquisition costs for car leasing rose to 6.4 MSEK (6.2).

### KEY RATIOS PER QUARTER

	2018	2018	2018	2018	2017	2017	2017	2017	2016	2016	2016	2016
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Operating income, MSEK	211.8	161.0	202.8	195.4	194.1	154.5	187.5	198.7	183.5	145.5	191.3	176.3
Operating profit/loss, MSEK	-3.7	1.0	4.2	8.0	2.0	1.5	2.6	10.0	-8.5	-2.6	0.7	3.0
Operating margin in %	-1.8	0.6	2.1	4.1	1.0	1.0	1.4	5.0	-4.6	-1.8	0.4	1.7
Number of working days	62	65	60	63	63	65	59	64	64	66	62	61
Number of employees, end of period	582	560	551	546	538	532	535	540	548	583	586	590
Number of employees, average	551	515	526	523	511	488	514	532	533	527	561	551
Net turnover/employee, TSEK	384	313	386	374	380	317	365	374	344	276	343	320
Equity ratio, %	42	47	44	44	41	44	43	42	39	44	42	43
Profit per share, SEK	-0.38	0	0.31	0.53	0.10	0.09	0.15	0.72	-0.71	-0.18	0.01	0.16
Equity per share, SEK	15.22	15.45	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 12/31 2018

## OPERATIONAL STRENGTH KEY RATIOS, PROJECTS IN TIME

Customer satisfaction, delivery precision and warranty work are continuously metered as part of the company's certified quality system. 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 90 percent of our projects were delivered on time during the year, means that Prevas is highly valued by the customers.

## THE PARENT COMPANY

### OCTOBER - DECEMBER

Turnover amounted to 156.5 MSEK (137.0) and the result after financial items amounted to -1.2 MSEK (-5.8). Profits after tax amounted to -1.2 MSEK (-4.9). The Period's EBIT was affected by one off costs of 7.1 MSEK attributed to costs arising from the change in CEO and organizational restructuring. These measures are expected to have a positive effect on 2019 of a similar value. Excluding this item, the period's EBIT amounted to 5.9.

### JANUARY - DECEMBER

Turnover amounted to 556.9 MSEK (549.1) and the result after financial items amounted to -1.3 MSEK (4.0). The period's EBIT was affected by one off costs of 7.1 MSEK attributed to costs arising from the change in CEO and organizational restructuring. These measures are expected to have a positive effect on 2019 of a similar value. Excluding this item, the period's EBIT amounted to 5.8.

## 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 fourth quarter 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. It is the company's evaluation that the risks are the same as for the parent company.

## 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 9 and 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.

From 2019, IFRS 16, leasing will be implemented. The standard means that operational leasing agreements must be reported in the balance sheet and for Prevas this primarily means leases. The balance sheet is calculated to increase by a maximum of 8 percent. Prevas will apply a transition method which means that the comparative year is not recalculated.

## 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.

## PROPOSAL FOR DIVIDEND

The Board proposes at the ADGM that no dividend is paid.

Västerås February 13th 2019  
Prevas AB (publ)

Johan Strid, CEO Prevas AB

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

**Published 02/13/2019, 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 (Bokslutskommuniké 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 4	2017 Q 4	2018 Full year	2017 Full year
<b>Net turnover</b>	<b>211,782</b>	<b>194,119</b>	<b>770,969</b>	<b>734,854</b>
Capitalized work	456	364	1,299	1,437
Other external costs	-71,883	-68,311	-250,486	-243,702
Personnel costs	-142,418	-122,078	-505,459	-466,790
<b>Profits before depreciation/amortization</b>	<b>-2,063</b>	<b>4,094</b>	<b>16,323</b>	<b>25,799</b>
Depreciation intangible fixed costs	-475	-1,075	-2,372	-5,658
Depreciation tangible fixed assets	-1,171	-1,037	-4,447	-3,978
<b>Operating profit/loss</b>	<b>-3,709</b>	<b>1,982</b>	<b>9,504</b>	<b>16,163</b>
Financial net	-896	-482	-2,207	-1,592
<b>Profit after financial items</b>	<b>-4,605</b>	<b>1,500</b>	<b>7,297</b>	<b>14,571</b>
Tax	1,045	-30	-1,669	-3,059
<b>Profits for the period</b>	<b>-3,560</b>	<b>1,470</b>	<b>5,628</b>	<b>11,512</b>
<b>Profit for period attributable to parent company owners</b>	<b>-3,884</b>	<b>991</b>	<b>4,581</b>	<b>10,670</b>
<b>Profit for period attributable to non-controlling interests</b>	<b>324</b>	<b>479</b>	<b>1,047</b>	<b>842</b>
Profit per share before and after dilution in SEK	-0.38 SEK	0.10 SEK	0.45 SEK	1.06 SEK

## REPORT OF TOTAL EARNINGS in summary, TSEK

	2018 Q 4	2017 Q 4	2018 Full year	2017 Full year
<b>Profits for the period</b>	<b>-3,560</b>	<b>1,470</b>	<b>5,628</b>	<b>11,512</b>
Items that will be later implemented in the period's profit/loss;				
Calculation differences attributable to overseas operations	1,484	162	1,878	-166
<b>Total earnings for the period after tax</b>	<b>-2,076</b>	<b>1,632</b>	<b>7,506</b>	<b>11,346</b>
<b>Total earnings for period attributable to parent company owners</b>	<b>-2,400</b>	<b>1,153</b>	<b>6,459</b>	<b>10,504</b>
<b>Total earnings for period attributable to non-controlling interests</b>	<b>324</b>	<b>479</b>	<b>1,047</b>	<b>842</b>



**BALANCE SHEET in summary, TSEK**

	2018 Dec 31st	2017 Dec 31st
Goodwill	136,352	135,759
Other intangible fixed assets	4,261	5,257
Tangible fixed assets	16,312	15,187
Deferred tax asset	3,608	3,732
<b>Total fixed assets</b>	<b>160,533</b>	<b>159,935</b>
Current receivables	210,107	203,426
Liquid funds	718	886
<b>Total current assets</b>	<b>210,825</b>	<b>204,312</b>
<b>TOTAL ASSETS</b>	<b>371,358</b>	<b>364,247</b>
Equity attributable to owners of parent company	153,708	147,249
Equity attributable to non-controlling interests	2,893	2,286
<b>Equity</b>	<b>156,601</b>	<b>149,535</b>
Deferred tax liability	7,487	8,097
Long term interest bearing liabilities	9,590	8,369
<b>Total non-current liabilities</b>	<b>17,077</b>	<b>16,466</b>
Current provisions	1,166	1,287
Current interest bearing liabilities	46,583	60,932
Other interest bearing liabilities	149,931	136,027
<b>Total current provisions</b>	<b>197,680</b>	<b>198,246</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>371,358</b>	<b>364,247</b>

**CHANGES IN EQUITY in summary, TSEK**

	2018 Full year	2017 Full year
Opening balance	149,535	139,389
Total of total earnings for period attributable to parent company owners	6,459	10,504
Total of total earnings for period attributable to non-controlling interests	1,047	842
Dividend non-controlling interests	-440	-1,200
<b>Closing balance</b>	<b>156,601</b>	<b>149,535</b>
<b>Equity attributable to owners of parent company</b>	<b>153,708</b>	<b>147,249</b>
<b>Equity attributable to non-controlling interests</b>	<b>2,893</b>	<b>2,286</b>

## OPERATING SEGMENT, October-December 2018, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
Sales to external customers	173,536	28,986	9,260	—	211,782
Sales to other segments	93	674	202	-969	
Profits before depreciation/amortization, EBITDA	8,091	-712	640	-10,082	-2,063
Write-offs	-1,202	-392	-52	—	-1,646
Operating profit, EBIT	6,889	-1,104	588	-10,082	-3,709
Financial items				-895	-895
Pretax Profits					-4,604

## OPERATING SEGMENT, October-December 2017, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
Sales to external customers	157,578	26,949	9,591	—	194,118
Sales to other segments	368	1,895	172	-2,435	
Profits before depreciation/amortization, EBITDA	4,863	2,161	-1,023	-1,907	4,094
Write-offs	-1,328	-345	-439	—	-2,112
Operating profit, EBIT	3,535	1,816	-1,462	-1,907	1,982
Financial items				-482	-482
Pretax Profits					1,500

## OPERATING SEGMENT, January-December 2018, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
Sales to external customers	619,806	115,763	35,400	—	770,969
Sales to other segments	578	3,205	971	-4,754	
Profits before depreciation/amortization, EBITDA	26,529	4,327	2,856	-17,389	16,323
Write-offs	-4,712	-1,401	-706	—	-6,819
Operating profit, EBIT	21,817	2,926	2,150	-17,389	9,504
Financial items				-2,206	-2,206
Pretax Profits					7,298

## OPERATING SEGMENT, January-December 2017, TSEK

	Sweden	Denmark	Other	Corporate and eliminations	Total the group
Sales to external customers	601,289	96,354	37,211	—	734,854
Sales to other segments	1,520	4,511	1,866	-7,897	
Profits before depreciation/amortization, EBITDA	20,378	7,580	1,186	-3,345	25,799
Write-offs	-6,402	-1,333	-1,901	—	-9,636
Operating profit, EBIT	13,976	6,247	-715	-3,345	16,163
Financial items				-1,592	-1,592
Pretax Profits					14,571

**SALES TO EXTERNAL CUSTOMERS PER SEGMENT,  
October - December, TSEK**

Industries	October - December 2018				October - December 2017			
	Sweden	Denmark	Other	Total the group	Sweden	Denmark	Other	Total the group
Energy	10,551	8,151	2,757	21,459	9,849	8,020	1,619	19,488
Vehicles	16,104	296	10	16,410	18,484	345	43	18,872
Defense	17,336	122	453	17,911	14,087	110	6	14,204
Life science	40,330	3,571	294	44,195	26,142	5,282	229	31,653
Foodstuff	5,935	2,029	1,697	9,661	5,358	1,506	1,888	8,753
Manufacturing	43,488	8,252	1,783	53,524	40,403	7,842	2,457	50,702
Telecoms	13,241	226	—	13,467	16,861	380	20	17,261
Other	26,551	6,339	2,265	35,155	26,394	3,463	3,328	33,185
<b>Total</b>	<b>173,536</b>	<b>28,986</b>	<b>9,260</b>	<b>211,782</b>	<b>157,578</b>	<b>26,949</b>	<b>9,591</b>	<b>194,118</b>

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

Industries	January - December 2018				January - December 2017			
	Sweden	Denmark	Other	Total the group	Sweden	Denmark	Other	Total the group
Energy	37,903	33,670	9,413	80,986	44,312	30,347	7,493	82,152
Vehicles	53,071	1,909	17	54,997	59,719	1,681	72	61,472
Defense	58,428	667	1,246	60,341	46,921	1,547	2,055	50,523
Life science	140,046	18,068	1,322	159,436	119,131	13,715	1,567	134,413
Foodstuff	27,656	5,611	6,671	39,938	36,580	4,143	6,994	47,717
Manufacturing	153,515	31,488	7,119	192,122	137,428	33,254	7,988	178,671
Telecoms	53,892	488	—	54,380	57,653	539	303	58,495
Other	95,295	23,862	9,612	128,769	99,544	11,128	10,740	121,412
<b>Total</b>	<b>619,806</b>	<b>115,763</b>	<b>35,400</b>	<b>770,969</b>	<b>601,289</b>	<b>96,354</b>	<b>37,211</b>	<b>734,854</b>



## ANALYSIS OF CASH FLOW in summary, TSEK

	2018 Q 4	2017 Q 4	2018 Full year	2017 Full year
<b>ONGOING OPERATIONS</b>				
Pretax Profits	-4,605	1,500	7,297	14,571
Adjustments for items not included in cash flow	2,611	-191	7,627	5,499
Paid income tax	771	1,291	-1,915	-1,143
<b>Cash flow from ongoing operations before change to working capital</b>	<b>-1,223</b>	<b>2,600</b>	<b>13,009</b>	<b>18,927</b>
Changes to operating receivables	-31,095	-29,682	-6,681	-6,328
Changes to operating liabilities	35,209	22,809	11,989	-4,525
<b>Cash flow from ongoing operations</b>	<b>2,891</b>	<b>-4,273</b>	<b>18,317</b>	<b>8,074</b>
<b>INVESTMENT OPERATIONS</b>				
Acquisition of operations and shares excl. liquid funds	—	—	-500	-2,375 *
Investment in intangible fixed assets	-455	-366	-1,298	-1,821
Investment in tangible fixed assets	-424	-581	-1,721	-1,828
<b>Cash flow from investment operations</b>	<b>-879</b>	<b>-947</b>	<b>-3,519</b>	<b>-6,024</b>
<b>FINANCING OPERATIONS</b>				
Repayment of loans	0	-3,400	-1,900	-6,800
Change of overdraft facility	-1,594	8,667	-12,594	5,338
Dividends paid	0	0	-440	-1,200
<b>Cash flow from financing operations</b>	<b>-1,594</b>	<b>5,267</b>	<b>-14,934</b>	<b>-2,662</b>
<b>Cash flow for the period</b>	<b>418</b>	<b>47</b>	<b>-136</b>	<b>-612</b>
Liquid funds at start of period	620	514	886	1,260
Exchange differences in liquid funds	-320	325	-32	238
Liquid funds at end of period	718	886	718	886

\*) Refers to paid additional considerations.

## KEY RATIOS, TSEK

	2018 Q 4	2017 Q 4	2018 Full year	2017 Full year
Profit margin depreciation/amortization and write downs/EBITDA	-1.0%	2.1%	2.1%	3.5 %
Operating margin/EBIT	-1.8%	1.0%	1.2%	2.2 %
Profit margin	-2.2%	0.8%	0.9%	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
<i>Average number of shares outstanding, thousand</i>				
before and after dilution	10,102	10,102	10,102	10,102
Profit per share before and after dilution	-0.38 SEK	0.10 SEK	0.45 SEK	1.06 SEK
Equity per share before and after dilution			15.22 SEK	14.58 SEK
Equity ratio			42 %	41 %
Return on capital employed, %			4.6 %	7.9 %
Return on equity, %			3.7 %	8.0 %
Average number of employees	551	511	529	510
Number of working days	62	63	250	251
Turnover per employee in TSEK	384	380	1,457	1,441

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

## STATEMENT OF OPERATIONS in summary, TSEK

	2018 Q 4	2017 Q 4	2018 Full year	2017 Full year
<b>Net turnover</b>	<b>156,465</b>	<b>136,983</b>	<b>556,883</b>	<b>549,142</b>
Capitalized work	—	155	—	930
Other external costs	-59,907	-56,574	-206,846	-211,244
Personnel costs	-102,175	-84,892	-353,715	-331,332
Depreciation intangible fixed costs	-295	-897	-1,209	-4,537
Depreciation tangible fixed assets	-182	-164	-713	-690
<b>Operating profit/loss</b>	<b>-6,094</b>	<b>-5,389</b>	<b>-5,600</b>	<b>2,269</b>
Profit from participation in group companies	4,485	—	6,286	2,995
Interest income and similar profit items	232	356	372	713
Interest costs and similar profit items	132	-736	-2,325	-1,967
<b>Profit after financial items</b>	<b>-1,245</b>	<b>-5,769</b>	<b>-1,267</b>	<b>4,010</b>
Tax	83	864	108	-1,123
<b>Profits for the period</b>	<b>-1,162</b>	<b>-4,905</b>	<b>-1,159</b>	<b>2,887</b>

## BALANCE SHEET in summary, TSEK

	2018 Dec 31st	2017 Dec 31st
Intangible fixed assets	2,826	4,035
Tangible fixed assets	1,515	1,387
Financial fixed assets	63,183	64,134
Current receivables	160,681	158,098
Cash and Bank	—	2
<b>Total assets</b>	<b>228,205</b>	<b>227,656</b>
Restricted equity	36,407	36,719
Non-restricted equity	1,254	2,100
Equity	37,661	38,819
Provisions	1,225	3,391
Long term interest bearing liabilities	194	—
Current interest bearing liabilities	43,934	56,528
Other interest bearing liabilities	145,191	128,918
<b>Total liabilities and Equity</b>	<b>228,205</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 cutting-edge expertise in product development, embedded systems and industrial IT and automation, Prevas contributes with innovative solutions and services that create growth.

Prevas has offices in Sweden, Denmark, Norway and India, and approximately 600 employees.

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Prevas AB (publ) company reg. no. 556252-1384  
Box 4, (Legeringsgatan 18), SE-721 03 Västerås  
Tel. +46(0)21-360 19 00, [info@prevas.se](mailto:info@prevas.se)

[www.prevas.com](http://www.prevas.com)