

Interim Report to 31 March 2003

Pre-tax profit and positive cash flow

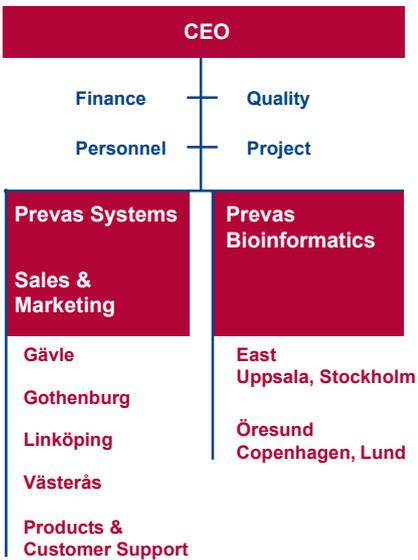
| SUMMARY (SEK million) | Q1 2003 | Q1 2002 |
|---|-------------|-------------|
| Bioinformatics business unit | 8.8 | 13.7 |
| Systems business unit | 39.6 | 33.1 |
| Other | 0.8 | 0.8 |
| Net sales | 49.2 | 47.6 |
| Operating expenses | -48.2 | -55.2 |
| Operating profit/loss | 1.0 | -7.6 |
| Goodwill amortization | -0.6 | -0.4 |
| Operating profit/loss before financial items | 0.4 | -8.1 |
| Net financial income/expense | 0.1 | 0.1 |
| Profit/loss before tax | 0.5 | -8.0 |

- Turnover of SEK 49.2 million (47.6 - Q1 2002), up 3 per cent.
- Profit before tax of SEK 0.5 million (-8.0), a profit margin of 0.9 (-16.8) per cent.
- Positive cash flow of SEK 3.4 million (SEK 2.0 million).
- Equity of SEK 53.2 million (SEK 52.0 million) at the end of Q1, representing an equity/assets ratio of 59 (55) per cent.
- Major orders from FMV and Amersham Biosciences.
- New order for Snitcher Food, the traceability product for food production.
- New framework agreements with the Scania Group and Saab Bofors Dynamics.



Operations to 31 March 2003

ORGANIZATIONAL CHART



PREVAS IN BRIEF

Prevas AB is organized in two operating business units: Prevas Bioinformatics and Prevas Systems.

Customers include ABB, Amersham Biosciences, Arla, AstraZeneca, Atlas Copco, Autoliv, Biacore, Bioinvent, Biovitrum, Bombardier, Dafgård, Ericsson, Exiqon, Findus, FMV, Gyros, Haldex, ICA, Nokia, Personal Chemistry, Pharmacia, Pyrosequencing, Saab Bofors Dynamics, Sandvik, Scania and Volvo.

Delivery reliability, quality and fixed price are characteristic of the Prevas Group's solutions.

During Q1, the market was sluggish and marked by considerable uncertainty. Despite pent-up investment demand, many customers postponed their investment decisions and showed caution in purchasing consultancy services. In this difficult market situation, it is gratifying to state that Prevas' focus on sales and its efforts to adapt the organization and cost level to demand were successful. The company again showed a profit and a small increase in turnover, compared with Q1 2002. However, uncertainty and economic development meant that Prevas continued to show restraint and took action to further reduce costs during

the quarter, while strengthening sales resources.

The percentage of fixed-price projects continued to rise and accounted for 36 per cent of turnover during the quarter, compared with 30 per cent in Q1 2002. Prevas sees this trend as a sign of customers' confidence in the company and a continued increased interest in long-term collaboration. Another sign of this is that the company's framework agreements with major customers accounted for over 70 per cent of total turnover. Fixed-price projects showed stable positive earnings, as throughout 2002.

Business units

Prevas Bioinformatics

Prevas Bioinformatics' objective is to be a leader in technical IT for the life science industry in the geographical markets where the business unit decides to set up. This will be achieved through a good understanding of the customer's business and effective problem solving, by combining in-depth computer science competence with a broad knowledge of molecular biology, statistics and mathematics.

The life science market continued to be sluggish. In late 2002 and early 2003, Prevas Bioinformatics partly compensated for this through cost saving measures. The invoicing rate for the business unit also showed a weakly positive but not yet satisfactory trend.

As regards customers, Q1 mainly saw the further development of collaboration with existing customers. This included a major order from Amersham Biosciences, comprising the analysis phase for the next generation software for chromatography systems.

Turnover in Bioinformatics was SEK 8.8 million (SEK 13.7 million) for Q1, down 36 per cent. The deterioration in profitability in the second half of 2002 was partly offset by cost savings, but profitability was lower than for the equivalent period last year.

The company does not expect the market situation to change significantly in 2003, but sees opportunities for Prevas Bioinformatics to break new ground with the major, more established pharmaceutical companies, by means of a further developed and more packaged offering.

Prevas Systems

Prevas Systems creates solutions for industrial customers in the product development - R&D, industrial systems (including its own products) and customer support areas.

For Systems, Q1 was marked by a sluggish market and economic situation.

There are a large number of potential

Business units (cont.)

projects, but the general uncertainty causes customers to postpone their decisions in many cases. However, the relatively favourable trend since mid-2002 has resulted in Prevas Systems continuing its aggressive strategy and strengthening resources in sales, automation and control systems.

In product development, FMV (Swedish Materiel Administration) placed an order in Q1 for development in the area of network-based defence worth over SEK 3 million. Furthermore, Prevas Systems received new assignments from ABB and Atlas Copco, and signed a framework agreement with Saab Bofors Dynamics. The quarter also saw completion of the development of a soft starter for ABB Control, which is expected by ABB to become a global product. Prevas Systems expects to be able to offer other customers the same type of integrated solution in product development.

In industrial systems, the successful trend for traceability products continued. During Q1, Domstein Enghav placed an order for Snitcher Food, the product version for the food production sector. Prevas Systems also received an order for a traceability system from Autoliv.

A number of orders were received from Ericsson for both shop floor control products and a group-wide testing system using Prevas' palmtop-based product TULP. Prevas also received a materials handling order from Univeyor and signed a framework agreement with the Scania Group for IT support in production.

Customer support showed stable development and new customer support agreements were signed with ICA and Volvo.

Turnover in Prevas Systems was SEK 39.6 million (SEK 33.1 million) for Q1, up 20 per cent. The profitability of the business unit continued to improve in Q1.

Despite the prolonged uncertainty in

the market, Prevas Systems has continued to develop positively. The business unit and its offering have also been strengthened through both the acquisition of ICE in Q4 2002 and selective recruitment. Unless the economic situation deteriorates, the conditions exist for a continued, relatively favourable trend in 2003.

Prevas Systems focuses on the following areas:

Product development - R&D

The IT and computer power element in products has increased dramatically in recent years. Ever-increasing demands are made on companies to manage IT elements in the development of new products. Prevas increases customers' prospects of successful product development and gives them an opportunity to focus on their core competence. The company has the considerable experience and high competence required for the development of advanced IT products. Prevas' areas of competence are embedded systems, communications, telematics and electronics development.

Industrial systems

Prevas Systems offers IT solutions that increase the efficiency of industrial processes and production and improve profitability through the more efficient utilization of production equipment:

- *Supervisory & control systems* - systems and competence in the control and supervision area for the process industry and the power generation industry in particular.
- *Shop floor control* - systems solutions in production control and manufacturing processes.
- *Materials handling systems* - software solutions for logistics, automated warehousing and driverless trucks.

- *Traceability products* - products and systems solutions in traceability, testing and quality for electronics, pharmaceuticals and food production.

Customer support

Prevas Customer Support offers a wide range of different support services, including operating responsibility and product administration services.

Finance

BUSINESS CONCEPT

Prevas' project and IT competence shall contribute to our customers' competitiveness reaching the highest level internationally.

VISION

Prevas shall be a leading supplier to companies based in:

- Sweden for product development
- The Nordic region for industrial systems
- Europa for bioinformatics

STRATEGI

- Due to its sector and technical expertise, Prevas should be one of the leading suppliers in the markets where it decides to operate.
- Due to its world-class project implementation, documented by established performance indicators, Prevas should be the competitive, secure option for its customers in the procurement of fixed-price projects.
- Sales should be generated by developing direct contacts with customers with a view to achieving good, long-term customer relationships.
- Prevas should grow organically, supported by the acquisition of companies with complementary competence or customer relationships.
- Prevas should be an attractive workplace offering stimulating assignments and a positive environment for personal development with a good work-life balance.
- Prevas' corporate culture should be marked by a businesslike and responsible approach and quality- and cost-consciousness.
- Prevas' employees should be offered a share in the company's financial success.

FINANCIAL REPORTING

- Interim Report to 20 June, 21 August
- Interim Report to 30 September, 23 October
- Press Release of Results for 2003, 5 February 2004
- Annual General Meeting 2004, 22 March 2004

INFORMATION

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Tender outcome

During the period, 94 (87) per cent of orders went to Prevas and 6 (13) per cent to a competitor.

Capacity utilization

Capacity utilization, i.e. solely measured for consultants, was 73 (69) per cent for Q1 and the invoicing rate was 61 (55) per cent for the quarter. The invoicing rate, which is one of Prevas' performance indicators, is measured as the number of hours invoiced divided by the total hours used in the company. All employees, including management and administration, are included in the key indicator.

Assignment distribution

During Q1, 36 (30) per cent of assignments were charged on a fixed-price basis and 64 (70) per cent on a time basis.

Employees

The number of employees was 239 (233) at the end of Q1. During the quarter, the average number of employees was 238 (242), and staff turnover was 4 per cent. The percentage of female employees was 16 per cent at the end of the period.

Turnover and results for Q1

Turnover for Q1 was SEK 49.2 million (SEK 47.6 million), up 3 per cent. The number of working days was 62 (62).

Operating profit before goodwill amortization was SEK 1.0 million (SEK -7.6 million). Profit before tax was SEK 0.5 million (SEK -8.0 million). The profit margin was 2.0 (-9.4) per cent before goodwill amortization and 0.9 (-16.8) per cent before tax.

Depreciation totalled SEK 1.7 million (SEK 1.6 million), SEK 0.6 million (SEK 0.4 million) of which related to goodwill amortization.

Profit after tax was SEK 0.2 million (SEK -6.8 million). Earnings per share after tax were SEK 0.02 (SEK -0.89).

Liquid assets

Liquid assets totalled SEK 9.3 million (SEK 6.1 million) at the end of Q1. A positive cash flow of SEK 3.4 million (SEK 2.0 million) was reported for the period. Prevas has no interest-bearing liabilities and the Group's two industrial properties are free of charges.

Financial position

Equity totalled SEK 53.2 million (SEK 52.0 million) at the end of the period, representing an equity/assets ratio of 59 (55) per cent. Equity per share was SEK 6.84 (6.87).

Investments

During the period, net investments totalled SEK 0.8 million (SEK 0.01 million). All investments related to ordinary activities and were for machinery and equipment.

Accounting principles

This interim report has been prepared in accordance with Recommendation RR20 Interim Reporting of the Swedish Financial Accounting Standards Council. The report has also been prepared in other respects in accordance with the Council's recommendations. No accounting principles have been changed with an effect on this report, compared with the principles applied in the latest annual report.

Stockholm, 25 April 2003
Prevas AB (publ)

Anders Englund, CEO

Consolidated financial statements

| SEK thousand, Summary profit and loss accounts | 2003 Jan-March | 2002 Jan-March | 2002 Jan-Dec |
|---|-------------------|-------------------|-----------------|
| Net sales | 49 228 | 47 607 | 184 864 |
| Material costs | -216 | -316 | -2 798 |
| Other external expenses | -7 846 | -11 737 | -36 652 |
| Staff costs | -39 034 | -41 997 | -150 642 |
| Depreciation according to plan | -1 162 | -1 169 | -4 573 |
| Profit/loss before depreciation goodwill and items affecting comparability | 970 | -7 612 | -9 801 |
| Goodwill amortisation | -562 | -445 | -1 897 |
| Operating profit/loss | 408 | -8 057 | -11 698 |
| Net financial income/expense | 44 | 48 | 557 |
| Profit/loss after financial items | 452 | -8 009 | -11 141 |
| Tax | -266 | 1 248 | 2 102 |
| Net profit/loss | 186 | -6 761 | -9 039 |

| SEK thousand, Summary balance sheets | 2003 31 March | 2002 31 March | 2002 31 Dec |
|---|------------------|------------------|----------------|
| Fixed assets excl. goodwill | 29 831 | 32 191 | 30 213 |
| Goodwill | 12 858 | 10 204 | 13 420 |
| Other current assets | 37 706 | 46 653 | 41 893 |
| Liquid assets incl. short-term investments | 9 348 | 6 100 | 5 912 |
| Total assets | 89 743 | 95 148 | 91 438 |
| Equity | 53 232 | 52 048 | 53 038 |
| Provisions | 8 557 | 10 864 | 8 649 |
| Interest-bearing liabilities | 0 | 0 | 0 |
| Non-interest-bearing liabilities | 27 954 | 32 236 | 29 751 |
| Total liabilities and equity | 89 743 | 95 148 | 91 438 |

| SEK thousand Change in equity | 2003 31 March | 2002 31 March | 2002 31 Dec |
|--|------------------|------------------|----------------|
| Opening balance | 53 038 | 58 798 | 58 798 |
| Dividend to shareholders | - | - | - |
| New share issue | - | - | 3 239 |
| Translation difference | 8 | 1 | 40 |
| Net profit for the period | 186 | -6 751 | -9 039 |
| Closing balance | 53 232 | 52 048 | 53 038 |

Consolidated financial statements

| SEK thousand, Capital employed | 2003 31 March | 2002 31 March | 2002 31 Dec |
|---|------------------|------------------|----------------|
| Non-interest-bearing current assets | 37 706 | 46 653 | 41 893 |
| Non-interest-bearing current liabilities | -27 954 | -32 236 | -29 751 |
| Net work capital | 9 752 | 14 417 | 12 142 |
| Fixed assets excl. goodwill | 29 831 | 32 191 | 30 213 |
| Provisions | -8 557 | -10 864 | -8 649 |
| Capital employed excl. goodwill | 31 026 | 35 744 | 33 706 |
| Goodwill | 12 858 | 10 204 | 13 420 |
| Capital employed | 43 884 | 45 948 | 47 126 |

| SEK thousand, Cash flow statements | 2003 Jan-March | 2002 Jan-March | 2002 Jan-Dec |
|---|-------------------|-------------------|-----------------|
| Operating profit | 408 | -8 057 | -11 698 |
| Depreciation and write-downs | 1 724 | 1 615 | 6 470 |
| Provisions | -84 | 12 | -190 |
| Net financial income/expense | 44 | 58 | 557 |
| Tax paid | -95 | -1 165 | 748 |
| Change in current receivables | 4 016 | 6 417 | 12 560 |
| Change in current liabilities | -1 797 | 3 094 | -2 580 |
| Cash flow from ordinary activities | 4 216 | 1 974 | 5 867 |
| Investment in subsidiary | - | - | -2 161 |
| Net investment in fixed assets | -780 | -10 | -913 |
| Cash flow from investment activities | -780 | -10 | -3 074 |
| Operating cash flow | 3 436 | 1 964 | 2 793 |
| Loans raised (+) / Repayment of loans (-) | - | - | -1 017 |
| Dividend paid | - | - | - |
| Cash flow from financing activities | 0 | 0 | -1 017 |
| Cash flow for the period | 3 436 | 1 964 | 1 776 |
| Opening liquid assets | 5 912 | 4 136 | 4 136 |
| Closing liquid assets | 9 348 | 6 100 | 5 912 |
| Change | 3 436 | 1 964 | 1 776 |

Consolidated financial statements

Financial key ratios

| | 2003 Jan-March | 2002 Jan-March | 2002 Jan-Dec |
|--|-------------------|-------------------|-----------------|
| Gross margin | 4.3% | -13.5% | -2.8% |
| Margin before GW amortization and items aff. comp. | 2.0% | -16.0% | -5.3% |
| Margin after GW amortization and items aff. comp. | 0.8% | 16.9% | -6.3% |
| Profit margin | 0.9% | 16.8% | -6.0% |
| Earnings per share after tax * | 0.02 SEK | -0.89 SEK | -1.19 SEK |
| Earnings per share after standard tax * | 0.04 SEK | -0.76 SEK | -1.05 SEK |
| Average number of shares * | 7 782 600 | 7 573 600 | 7 625 850 |
| Equity/assets ratio | 59.3% | 54.7% | 58.0% |
| Equity per share * | 6.84 SEK | 6.87 SEK | 6.81 SEK |
| Return on capital employed | 0.8% | -12.0% | -16.8% |
| Return on equity | 0.9% | -14.4% | -19.9% |
| Average number of employees | 238 | 242 | 235 |
| Number of employees at end of period | 239 | 233 | 237 |
| Working days | 62 | 62 | 250 |
| Chargeability rate | 61% | 55% | 58% |
| Turnover per employee | 207 | 197 | 787 |

The number of shares does not include 310,750 outstanding staff share options.



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