

Year End Report 2016

Västerås, 9th February 2017



OCTOBER - DECEMBER 2016

- Net turnover 183.5 MSEK (184.4)
- Profit before depreciation/amortization and write downs -6.1 MSEK (0.2)
- Operating profit/loss EBIT -8.5 MSEK (-15.4)
- Operating margin EBIT -4.6 % (-8.4)
- Profits after tax -7.0 MSEK (-6.8)
- Profit per share -0.71 SEK (-0.68)

JANUARY - DECEMBER 2016

- Net turnover 696.6 MSEK (701.4)
- Profit before depreciation/amortization and write downs 3.3 MSEK (7.2)
- Operating profit/loss EBIT -7.3 MSEK (-17.7)
- Operating margin EBIT -1.0 % (-2.5)
- Profits after tax -6.2 MSEK (-8.1)
- Profit per share -0.73 SEK (-0.77)

Strong order volumes and implemented cost savings



Karl-Gustav Ramström

A WORD FROM THE CEO

ANNUAL REPORT

Will be available from Prevas' head office, Legeringsgatan 18 in Västerås, three weeks before the Annual General Meeting 2017.

The annual report can also be ordered from the head office,
Tel +46 (0)21-360 19 00
or info@prevas.se.

ANNUAL GENERAL MEETING 2017

Prevas AB's annual general meeting, Västerås
(Aros Congress Center, Mungövägen 7)
May 9th 2017, at 17:30 hrs

FORTHCOMING REPORTS

Interim report January - March,
April 25th 2017

Interim report January - June,
July 18th 2017

Interim report January - September,
October 25 2017

Year End Report 2017,
February 8th 2018

MORE INFORMATION

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PROFITS/LOSS

Operating income for the full year reached 697 MSEK, which is the same level as the previous year. Operating profit/loss for the final quarter amounted to -8.5 MSEK and -7.3 MSEK for the full year. The reason for the negative result was primarily due to the communicated action programs in India and Norway and weak utilization of resources in certain units of the operation, mainly in the first six months of 2016. Our operations in Sweden and Denmark show a profit for the full year, whereas the segment Other, which includes India and Norway, has had a significant loss for the full year. During 2016 the profits have also been hit by non-recurring and restructuring costs totaling 13.5 MSEK.

Prevas' journey towards being a profitable company continued through the year. We can state that our cost saving program, which has the objective of annually reducing our costs by at least 20 MSEK, has gone better than planned, with the exception of high non-recurring costs in the last quarter for restructuring work in Norway. We also see that the demand for our portfolio within digitalization, product development and automation continues to be strong. After a weak start to the year for order volume, there was strong development in the subsequent months resulting in an all-time-high volume of orders. Combined with the cost savings program, this will mean good conditions for profitable growth and the continued positive development of our core operations.

COLLABORATIONS THAT MAKE A DIFFERENCE

In Sweden, the market in the metropolitan areas remained strong, while the situation in some of the small and medium sized regions was weaker, particularly at the beginning of 2016. The Danish market has been good while the situation in Norway has been significantly more difficult in the turbulence of the falling oil market. The strongest market sectors have been life science, the automotive industry and defense.

Daring to make investments in the future and become more competitive, both regarding products and productivity, is becoming ever more significant to the survival of a company in a global world. Prevas' portfolio is based on close collaboration with our customers, with the objective of exploiting the combined expertise in the optimum way and ensuring a world class value chain; everything from development of innovative products to production and delivery. Prevas, with its specialist expertise in digitalization, automation and robotics, sees major opportunities to help companies to take advantage of the benefits offered by these technologies and to implement these important improvements to increase their competitiveness.

One interesting example of how highly our expertise within digitalization is rated is that we are the only consultancy company involved in the Vinnova financed research project regarding security in the Internet of Things. An area that is becoming more and more important as more and more things become connected and meet the increased security challenges for products and services. The aim of the research project is to find a larger number of reliable and cost-effective methods for blocking any security holes in, for example, connected lighting, security cameras for domestic use, digital locks, or similar products.

More proof of Prevas' high levels of expertise is that in 2016 we again won the Swedish Embedded Award. This is the fourth time we have won the award and this time we won it together with the company Ambu. The product is a realistic training manikin, containing the latest mobile and sensor technology, for practicing CPR. The secret of the success was allowing Prevas' expert developers to work closely with the supplier towards a common goal.

With the cost savings program behind us, good order volume and with our portfolio and processes in place, our focus is now on the future, on achieving a clear improvement in profits, further developing our excellent customer relations and increasing the charging rate. The priority is also to recruit more employees for our particular areas of expertise, not least recruiting women, because we aim to achieve a more equal distribution of men and women.

Karl-Gustav Ramström,
CEO Prevas AB

Operations

Prevas is an IT company that provides technical solutions and services to clients working to increase their productivity and innovation.

MARKET

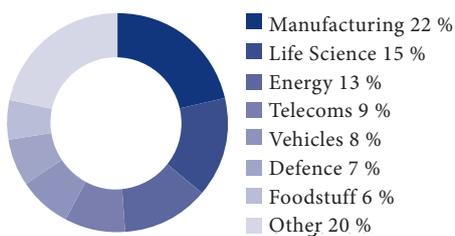
Prevas customers can mostly be found in traditional industries. Everyday one reads in the media how well Sweden is doing, which is true in terms of stock indices and company profits. The truth is however, that in many cases these have been short term achievements reached through rationalizations and cost saving programs. The levels of investment in product development and production efficiency have been relatively low for many of our customers. The prognosis for the future does show an increase in GDP however, and many customer segments have begun new investment within the framework of global digitalization. This is where Prevas has an innovative and exciting portfolio for industry, which has also led to an increase in sales.

The market in the metropolitan areas has been strong. Our experience was that the market in some of the small and medium sized regions was weaker, particularly at the beginning of 2016. Prevas has been successful on the Danish market, while the situation in Norway has been significantly more difficult in the turbulence of the falling oil market. Overall, in 2016 Prevas achieved an order volume that was an all-time-high compared to previous years, which further increases our confidence for a successful 2017.

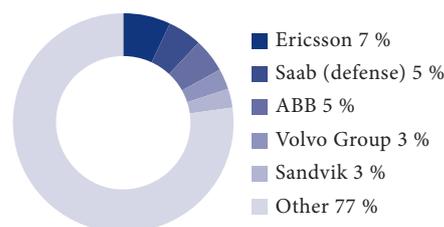
The strongest market sectors have been life science, the automotive industry and defense. This is where access to the expertise is the obstacle to growth. Prevas has long been a leading provider to these customers, within our specialist areas.

The proportion of project assignments in relation to consultancy has also increased during 2016, which is a conscious strategy to increase profitability. Within life science, a number of major projects were started during the Autumn for customers in medical technology, both in Sweden and Germany. Several new, big project orders have been received in Denmark, for example for Johnson Control and Brüel&Kjaer. Prevas' commitment to the food industry has grown as a result of the acquisition of FR Teknik. Major delivery projects containing advanced processing technology for ASM Food and Carlsberg Ramlösa are underway. The market for robotic solutions is still strong. The previous investment in building up an offer within mechanical design is starting to come to fruition. A number of new customer projects have been won, primarily in Stockholm, Uppsala, Malmö and Denmark.

INDUSTRY BREAKDOWN – 2016



THE LARGEST CUSTOMERS – 2016

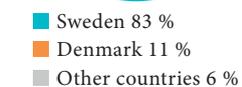
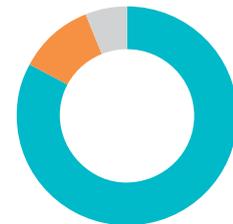


OFFER

Prevas has a wide register of solutions and consultancy services primarily for industrial customers. The new wave of digitalization creates openings for other types of customers to be attracted by Prevas expertise. Prevas has principally worked within solutions for connected products and industrial processes for the last 25 years. The difference now is that the communications opportunities and cost levels of implementing the solutions are significantly better. Prevas is one of a few suppliers with vast experience and breadth of expertise in the areas of smart products, smart factories and smart services.

Prevas' investment within digitalization, Internet of Things and Industry 4.0 has also led to new business, both in the form of new innovative connected products and new system solutions within smart services. Several equipment producers have chosen to implement Prevas solutions for condition based maintenance (CBM) and service/maintenance. These include customers such as Quintus Technologies, Löfbergs and Hounö.

TURNOVER DIVIDED BY SEGMENT, 2016



INNOVATION OF 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.

MEET US AT

Labor market day CAMPUS, Örebro, 8-9th Feb 2017

Labor market day Hotspot, Karlstad, Feb 15th 2017

Labor market day Högvarv, Västerås, Feb 22nd 2017

Productivity day, Stockholm, Sep 21st 2017

Vedlikeholdsdagen, Oslo, Oct 24-25 2017

UNDER SKALET

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

FOLLOW US



Life science is one of our specialist areas. Digital health using connected measurement and analysis tools will play an important role in the healthcare systems of the future. There is a constant search for solutions to meet the human desire for longer life and to rationalize healthcare. New innovative turnkey solutions are also needed, with improved user friendliness and mobile communications solutions where the combination of new and proven technology is becoming more important.

Today's smart products are becoming increasingly complex and electronics are used everywhere in today's society, in everything from cars, trains, planes, medical equipment, industrial robots to modern white goods. A good testing and verification model is important for a product's success, to reduce development times and increase product quality. Prevas' expertise within test solutions is therefore necessary to test the smart but simultaneously complex products of today.

Automation and robotics solutions are required to achieve efficient and sustainable manufacturing. Modern robotics solutions result in increased pace of production and product quality, fewer operational stoppages and lower costs. Prevas' specialist area within robotics solutions is based on a wide range of application expertise. With cutting edge expertise in system design and mechanical engineering, as well as robot programming, we can construct competitive and complete robot-based production units. To this is added another important area, which is logistics within the factories. Here Prevas is able to supplement both experience and deep expertise in a good way by creating good total solutions for the optimized production flows demanded by many customers.

Word class performance requires even more. The expression smart factories is growing rapidly. These require comprehensive IT solutions for control and monitoring of complete production processes. Prevas' specialist area within manufacturing execution systems (MES) closes the gap between business systems and automation systems. Connection of all production equipment is a corner stone within this area. Cost effective solutions are available today that give increased capacity in a number of areas; productivity, flexibility, traceability, quality and profitability. There are a lot of customer categories that are recipients of these powerful tools for sales and production planning, quality and production follow up, material handling and logistics.

IMPORTANT EVENTS DURING THE PERIOD

Information that was announced during the fourth quarter.

- As a part of Prevas' cost-saving program, structural changes were implemented across the Norwegian operations. The market situation in Norway, with low oil prices that have strongly affected the Norwegian oil and offshore industry, has entailed lower demand for consulting services in certain fields, including product development and embedded systems. This has affected Prevas' Norwegian operations with a period of negative financial results. The purpose of the structural change is to adapt the organization to the market situation and to quickly return to sustainably profitable operations. In conjunction with the structural changes, Prevas is streamlining Norwegian operations and will be focusing on industrial IT & automation in the future, where we still have an optimistic view of the market and our opportunities. At the same time, we have a strong organization in Sweden and Denmark for product development and embedded systems, which can meet the demands of our Norwegian customers. The costs for the structural changes affected the fourth quarter results.
- This was the eighth time that Prevas had been nominated for the Swedish Embedded Award and the fourth time Prevas has won. Prevas and Ambu together won the Swedish Embedded Award 2016 in the Company category.
- Solar Sverige has its central warehouse in Örebro, and with Prevas' help, has installed a modern software application that supports new technology. The new communications solution is modular-based and provides high operational reliability where future changes will be easy and quick to integrate. What happens in the warehouse is followed in real time, and with the help of voice-controlled picking, Pick-To-Voice, logistics related to order picking become more efficient and costs are reduced.

PREVAS VISION

Prevas shall be a leader in applying technology and serve as a model for creating long-term, sustainable society.

PREVAS MISSION

Our work is based on an in-depth understanding of our clients' operations and business activities. Through continuous development – both of our own capabilities and those of our clients – we exploit advances in technology and digitalization. Working with our clients, we transform their needs and ideas into competitive strengths.

We have a passion for resolving technological challenges. With advanced expertise in product development, embedded systems, industrial IT and automation, Prevas provides solutions and consulting services that fulfill our clients' needs – today and tomorrow.

Financial Information, group

TURNOVER

OCTOBER - DECEMBER

Net turnover amounted to 183.5 MSEK (184.4), a fall of 0.5 percent. The number of working days amounted to 64 (63). Net turnover per employee amounted to 344 TSEK (333).

JANUARY - DECEMBER

Net turnover amounted to 696.6 MSEK (701.4), a fall of 1 percent. The number of working days amounted to 253 (250). Net turnover per employee amounted to 1,292 TSEK (1,248).

PROFITS/LOSS

OCTOBER - DECEMBER

Operating profit/loss EBIT amounted to -8.5 MSEK (-15.4), which gives an operating margin of -4.6 percent (-8.4). Profit before depreciation/amortization and write downs EBITDA amounted to -6.1 MSEK (0.2) which gives profit margin before depreciation/amortization and write downs of -3.3 percent (0.1). Profits after tax amounted to -7.0 MSEK (-6.8).

The period's EBIT was affected by non-recurring costs arising from the launched action program of 6.2 SEK and the provision of 1.5 MSEK for an ongoing dispute.

JANUARY - DECEMBER

Operating profit/loss EBIT amounted to -7.3 MSEK (-17.7) which gives an operating margin of -1.0 percent (-2.5). Profit before depreciation/amortization and write downs EBITDA amounted to 3.3 MSEK (7.2) which gives profit margin before depreciation/amortization and write downs of 0.5 percent (1.0). Profits after tax amounted to -6.2 MSEK (-8.1).

The period's EBIT was affected by non-recurring costs arising from the launched action program of 9.5 SEK and the provision of 4.0 MSEK for ongoing disputes.

Financial income includes a revaluation of acquisition purchase price of 1.8 MSEK (5.0).

CASH FLOW, LIQUID FUNDS AND FINANCING

The cash flow from ongoing operations for the year amounted

to 0.7 MSEK (4.2). Liquid funds at year end amounted to 10.3 MSEK (16.2) of which an unused overdraft facility for 9.3 MSEK (15.7). The credit limit has been increased during the year by 10 MSEK to support the pace of the Prevas cost savings program. Because the program was carried out during 2016, the increased credit limit will expire during the first quarter of 2017. 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 139.4 MSEK (143.8), which gives an equity ratio of 39 percent (40). Equity per share amounted to 13.54 MSEK (14.09).

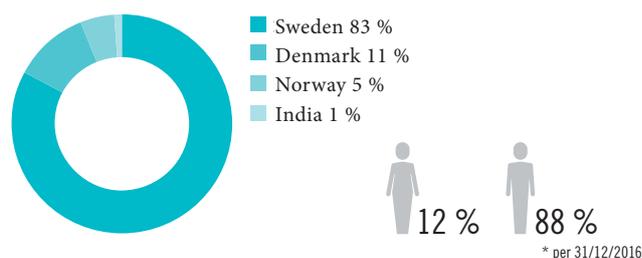
EMPLOYEES

The average number of employees during the year amounted to 539 (562), of which 415 (434) were in Sweden, 58 (50) in Denmark, 42 (51) in Other segments and 25 (27) were central. The number of employees at period end amounted to 548 (579) of which the proportion who were women was 12 percent.

INVESTMENTS

During the year, the group's investment in assets amounted to 3.3 MSEK (2.4), of which 1.7 MSEK (1.0) covered machinery and inventory and 1.6 MSEK (1.4) product development and intangible assets. In addition to this, acquisition costs for car leasing rose to 4.7 MSEK (3.8).

TOTAL NUMBER OF EMPLOYEES *



* per 31/12/2016

Key ratio per quarter

	2016	2016	2016	2016	2015	2015	2015	2015	2014	2014	2014	2014
	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	183.5	145.5	191.3	176.3	184.4	147.9	183.4	185.7	187.1	161.4	189.7	188.1
Operating profit/loss, MSEK	-8.5	-2.6	0.7	3.0	-15.4	0.2	-3.9	1.4	1.0	7.2	0.1	7.9
Operating margin in %	-4.6	-1.8	0.4	1.7	-8.4	0.2	-2.1	0.7	0.5	4.5	0.1	4.2
Number of working days	64	66	62	61	63	66	59	62	62	66	59	62
Number of employees end of period	548	583	586	590	579	592	601	613	606	615	622	601
Number of employees, average	533	527	561	551	554	539	574	584	573	556	574	580
Net turnover/employee, TSEK	344	276	343	320	333	274	322	318	327	290	331	324
Equity ratio, %	39	44	42	43	40	43	41	42	41	42	37	38
Profit per share, SEK	-0.71	-0.18	0.01	0.16	-0.68	0.04	-0.22	0.10	0.12	0.57	0.02	0.51
Equity per share, SEK	13.54	14.24	14.33	14.29	14.09	14.79	14.78	15.03	14.95	14.87	14.27	14.22

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 unique high quality figures regarding delivery precision and warranty. Prevas' customer satisfaction rating has increased during the quarter and has risen to 8.4 (scale of 1 to 10). This together with the fact that 84 percent of our projects were delivered on time, means that Prevas is highly valued by the customers.

THE PARENT COMPANY**OCTOBER - DECEMBER**

Turnover amounted to 143.7 MSEK (137.7) and the profit/loss after financial items amounted to -8.9 MSEK (-9.9).

The profit/loss has been affected by the write downs of shares in subsidiaries by -3.3 MSEK (-9,8).

JANUARY - DECEMBER

Turnover amounted to 535.3 MSEK (525.0) and the profit/loss after financial items amounted to -14.9 MSEK (-13.3).

The profit/loss has been affected by the write downs of shares in subsidiaries by -13.1 MSEK (-9.8).

RISKS AND UNCERTAINTY FACTORS

The Prevas group, including the parent company, works with a number of basic principles for managing risk in the different divisions of the operations. Effective risk management is a continuous process that is run within the framework of operational control and makes up a natural part of the ongoing follow up work in the operations.

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' assessment that external risks have increased slightly in recent years but that the fourth quarter of 2016 has not led to any increased risk exposure, rather that internal efforts to improve operations have reduced the operational risks slightly. The weak results for 2016 have affected Prevas' general business risks slightly. Another risk is competition for qualified employees. From Prevas' position as market leader within certain areas, it is important to attract and recruit the best possible people.

TRANSACTIONS WITH AFFILIATED BODIES

Any transactions of this type are reported in the annual report 2015 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.

New or modified IFRS or interpretations of 2016 have not had any significant effect on the financial reports.

The group and the parent company apply the same accounting principles and calculations bases as in the annual report for 2015.

Information is reported according to IAS 34.16A (additional information) except in the financial statements and the related notes in other parts of the interim report.

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.

Conditional additional considerations come to 1.9 MSEK (5.4). Additional considerations are valued at their actual value in accordance with level 3 and the most significant parameter when evaluating is estimated earnings of acquired operations. Final additional considerations can result in the range of 1-1.9 MSEK.

KEY FIGURES

From and including July 3 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 2015. 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 9th 2017

Prevas AB (publ)

Karl-Gustav Ramström, CEO Prevas AB

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

Published 02.09.2017, 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 2016 at www.prevas.se). Or contact the company direct.

Accounts, group

STATEMENT OF OPERATIONS in summary, TSEK	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Net turnover	183,524	184,439	696,562	701,445
Capitalized work	972	415	1,491	1,364
Other external costs	-60,898	-59,152	-208,341	-198,616
Personnel costs	-129,689	-125,492	-486,459	-497,004
Profits before depreciation/amortization	-6,091	210	3,253	7,189
Depreciation intangible fixed costs	-1,774	-1,929	-6,927	-7,516
Write-downs intangible fixed costs	–	-12,588	–	-12,588
Depreciation tangible fixed assets	-649	-1,127	-3,630	-4,781
Operating profit/loss	-8,514	-15,434	-7,304	-17,696
Financial net	-589	4,886	9	4,282
Profit after financial items	-9,103	-10,548	-7,295	-13,414
Tax *	2,111	3,735	1,120	5,340
Profits for the period	-6,992	-6,813	-6,175	-8,074
Profit for period attributable to parent company owners	-7,184	-6,871	-7,366	-7,742
Profit for period attributable to non-controlling interests	192	58	1,191	-332
Profit per share before and after dilution in SEK	-0.71 SEK	-0.68 SEK	-0.73 SEK	-0.77 SEK

* 2015's tax costs were positively affected by the previous year's unactivated deficit deduction.

REPORT OF TOTAL EARNINGS in summary, TSEK	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Profits for the period	-6,992	-6,813	-6,175	-8,074
Items that will be later implemented in the period's profit/loss;				
Calculation differences attributable to overseas operations	54	-638	1,733	-1,307
Total earnings for the period after tax	-6,938	-7,451	-4,442	-9,381
Total earnings for period attributable to parent company owners	-7,130	-7,443	-5,633	-9,029
Total earnings for period attributable to non-controlling interests	192	-8	1,191	-352

BALANCE SHEET in summary, TSEK	2016 31st Dec	2015 31st Dec
Goodwill	135,821	133,332
Other intangible fixed assets	8,724	11,977
Tangible fixed assets	14,006	13,849
Deferred tax asset	4,956	4,141
Total fixed assets	163,507	163,299
Current receivables	197,098	195,406
Liquid funds	1,260	487
Total current assets	198,358	195,893
TOTAL ASSETS	361,865	359,192
Equity attributable to owners of parent company	136,745	142,378
Equity attributable to non-controlling interests	2,644	1,453
Equity	139,389	143,831
Deferred tax liability	8,934	9,775
Non-current provisions	500	990
Long term interest bearing liabilities	9,437	16,390
Total non-current liabilities	18,871	27,155
Current provisions	2,672	8,559
Current interest bearing liabilities	60,381	45,446
Other interest bearing liabilities	140,552	134,201
Total current provisions	203,605	188,206
TOTAL LIABILITIES AND EQUITY	361,865	359,192

CHANGES IN EQUITY in summary, TSEK	2016 31st Dec	2015 31st Dec
Opening balance	143,831	154,412
Total of total earnings for period attributable to parent company owners	-5,633	-9,029
Total of total earnings for period attributable to non-controlling interests	1,191	-352
Changes to non-controlling interests	–	-1,200
Closing balance	139,389	143,831
Equity attributable to owners of parent company	136,745	142,378
Equity attributable to non-controlling interests	2,644	1,453

OPERATING SEGMENT, October-December 2016, TSEK	Sweden	Denmark	Other	Group functions and eliminations	Total the group
Sales to external customers	155,569	17,705	10,250	–	183,524
Sales to other segments	181	741	481	-1,403	
Profits before depreciation/amortization, EBITDA	4,751	-1,571	-6,574	-2,697	-6,091
Write-offs	-1,563	-350	-510	–	-2,423
Operating profit, EBIT	3,188	-1,921	-7,084	-2,697	-8,514
Financial items				-589	-589
Pretax Profits					-9,103

OPERATING SEGMENT, October-December 2015, TSEK	Sweden	Denmark	Other	Group functions and eliminations	Total the group
Sales to external customers	148,102	20,227	16,110	–	184,439
Sales to other segments	511	1,008	1,116	-2,635	
Profits before depreciation/amortization, EBITDA	4,063	-600	-566	-2,687	210
Write-offs	-2,260	-258	-538	–	-3,056
Write-downs	-12,588	–	–	–	-12,588
Operating profit, EBIT	-10,785	-858	-1,104	-2,687	-15,434
Financial items				4,886*	4,886
Pretax Profits					-10,548

* 5 000 TSEK refers to a revaluation of additional consideration in the Swedish operations.

OPERATING SEGMENT, January-December 2016, TSEK	Sweden	Denmark	Other	Group functions and eliminations	Total the group
Sales to external customers	577,470	74,440	44,652	–	696,562
Sales to other segments	1,507	3,251	2,256	-7,014	
Profits before depreciation/amortization, EBITDA	14,062	5,725	-12,435	-4,099	3,253
Write-offs	-7,321	-1,272	-1,964	–	-10,557
Operating profit, EBIT	6,741	4,453	-14,399	-4,099	-7,304
Financial items				9	9
Pretax Profits					-7,295

OPERATING SEGMENT, January-December 2015, TSEK	Sweden	Denmark	Other	Group functions and eliminations	Total the group
Sales to external customers	569,880	74,353	57,212	–	701,445
Sales to other segments	3,244	4,288	4,066	-11,598	
Profits before depreciation/amortization, EBITDA	15,561	5,432	-5,547	-8,257	7,189
Write-offs	-8,944	-1,385	-1,968	–	-12,297
Write-downs	-12,588	–	–	–	-12,588
Operating profit, EBIT	-5,971	4,047	-7,515	-8,257	-17,696
Financial items				4,282**	4,282
Pretax Profits					-13,414

** 5,000 TSEK refers to revaluation of additional considerations in the Swedish operations.

ANALYSIS OF CASH FLOW in summary, TSEK	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
ONGOING OPERATIONS				
Pretax Profits	-9,103	-10,548	-7,295	-13,414
Adjustments for items not included in cash flow	1,273	10,566	6,091	18,245
Paid income tax	2,570	-121	-2,113	-3,626
Cash flow from ongoing operations before change to working capital	-5,260	-103	-3,317	1,205
Changes to operating receivables	-25,287	-19,919	-5,727	-5,412
Changes to operating liabilities	29,570	17,706	9,714	8,435
Cash flow from ongoing operations	-977	-2,316	670	4,228
INVESTMENT OPERATIONS				
Acquisition of operations and shares excl. liquid funds	-1,436	-1,326	-5,475	-2,685
Investment in intangible fixed assets	-972	-415	-1,547	-1,411
Investment in tangible fixed assets	-863	-346	-1,720	-988
Cash flow from investment operations	-3,271	-2,087	-8,742	-5,084
FINANCING OPERATIONS				
Repayment of loans	-1,700	-1,700	-6,800	-7,413
Change of overdraft facility	5,893	4,164	14,942	6,943
Dividends paid *	–	–	–	-1,200
Cash flow from financing operations	4,193	2,464	8,142	-1,670
Cash flow for the period	-55	-1,939	70	-2,526
Liquid funds at start of period	1,211	2,732	487	3,577
Exchange differences in liquid funds	104	-306	703	-564
Liquid funds at end of period	1,260	487	1,260	487

* Regards dividends to non-controlling interests.

KEY RATIOS, TSEK	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Profit margin depreciation/amortization and write downs/EBITDA	-3.3 %	0.1 %	0.5 %	1.0 %
Operating margin/EBIT	-4.6 %	-8.4 %	-1.0 %	-2.5 %
Profit margin	-5.0 %	-5.7 %	-1.0 %	-1.9 %
<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	-0.71 SEK	-0.68 SEK	-0.73 SEK	-0.77 SEK
Equity per share before and after dilution			13.54 SEK	14.09 SEK
Equity ratio			39 %	40 %
Return on capital employed, %			-2.5 %	-5.9 %
Return on equity, %			-4.4 %	-5.4 %
Average number of employees	533	554	539	562
Number of working days	64	63	253	250
Turnover per employee in TSEK	344	333	1,292	1,248

Definitions of key ratios, see page 37 in Prevas' annual report 2015.

Accounts, parent company

STATEMENT OF OPERATIONS in summary, TSEK	2016 Q 4	2015 Q 4	2016 Full year	2015 Full year
Net turnover	143,712	137,710	535,265	524,950
Capitalized work	711	–	711	-4,555
Other external costs	-59,489	-47,387	-189,256	-165,537
Personnel costs	-88,639	-90,839	-346,213	-360,235
Amortization and write downs intangible fixed assets	-1,233	-1,104	-4,868	-4,555
Depreciation tangible fixed assets	-171	-200	-720	-824
Operating profit/loss	-5,109	-1,820	-5,081	-6,201
Profit from participation in group companies	-5,083	-8,018	-10,200	-6,218
Interest income and similar profit items	1,862	5	2,153	104
Interest costs and similar profit items	-560	-74	-1,728	-940
Profit after financial items	-8,890	-9,907	-14,856	-13,255
Tax	859	-568	711	505
Profits for the period	-8,031	-10,475	-14,145	-12,750

BALANCE SHEET in summary, TSEK	2016 31st Dec	2015 31st Dec
Intangible fixed assets	7,260	8,037
Tangible fixed assets	1,315	1,156
Financial fixed assets	63,763	62,692
Current receivables	158,192	153,482
Cash and Bank	12	13
Total assets	230,542	225,380
Restricted equity	42,237	42,237
Non-restricted equity	-6,305	7,840
Equity	35,932	50,077
Provisions	3,764	7 139
Long term interest bearing liabilities	1,900	8,700
Current interest bearing liabilities	57,990	42,595
Other interest bearing liabilities	130,956	116,869
Total liabilities and Equity	230,542	225,380

With cutting-edge expertise in product development engineering, embedded systems and industrial IT and automation, Prevas contributes with innovative solutions and services that create growth. Prevas was founded in 1985, and is the primary supplier and development partner of leading companies in industries such as life science, telecommunications, automotive, defense, energy and engineering.

Prevas has offices in Sweden, Denmark, Norway and India, and approx. 600 employees. Prevas has been listed on NASDAQ Stockholm since 1998.



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