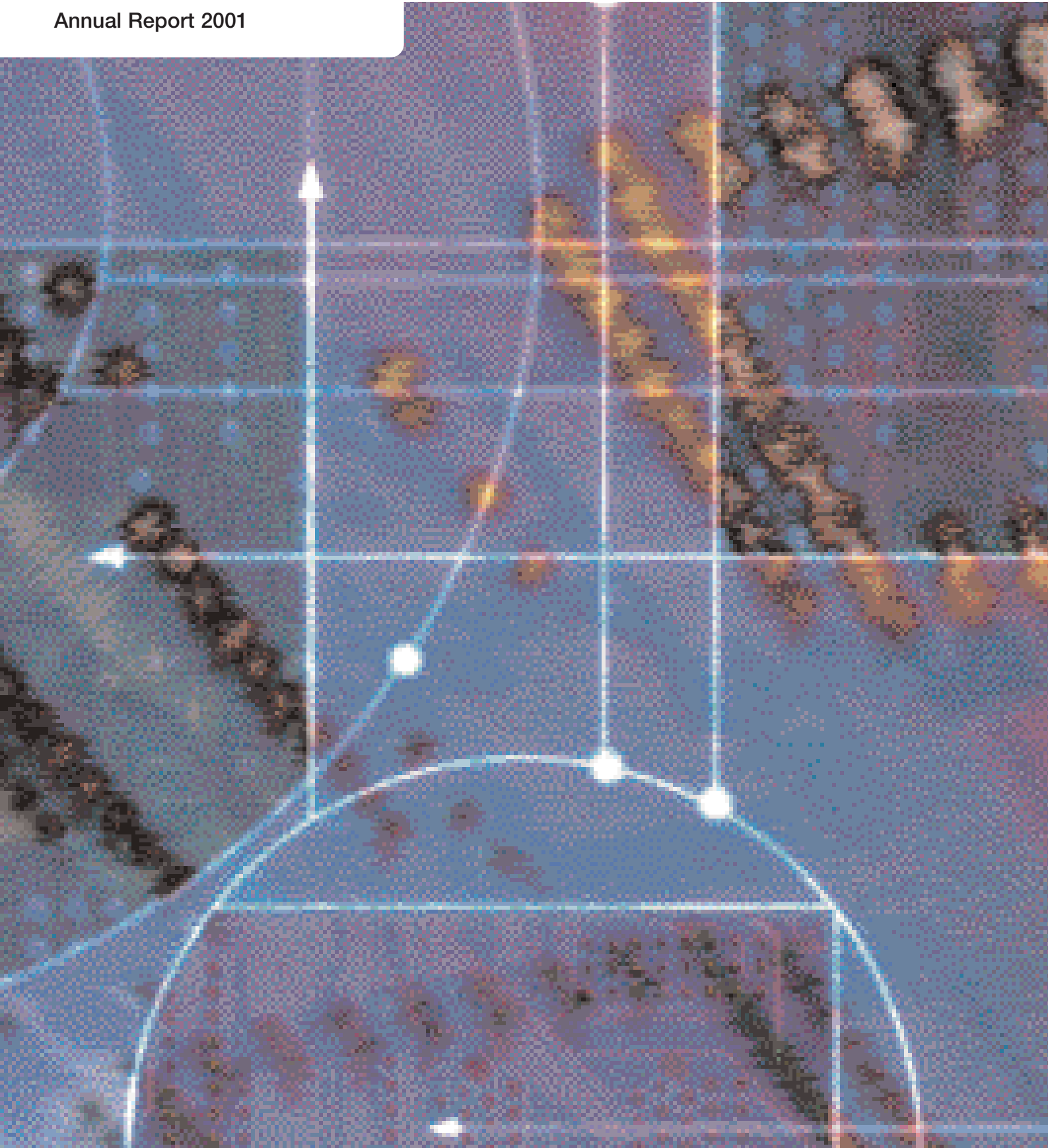




Annual Report 2001



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FINANCIAL REPORTING

Financial reporting for the financial year 2002 is planned as follows:

- Interim Report to 31 March 25 April 2002
- Interim Report to 30 June 21 August 2002
- Interim Report to 30 September 23 October 2002
- Press Release of Financial Results February 2003
- Annual General Meeting March 2003

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Wednesday, 20 March 2002 at 17.30 in the boardroom at Näringslivets Hus, Storgatan 19, Stockholm, Sweden.

NOTIFICATION ETC.

To attend the AGM and be entitled to vote, the shareholder must:

- be registered in the share register
- have notified the company

Shareholders must be registered in the share register kept by Värdepapperscentralen VPC AB (VPC) (Swedish Securities Register Centre) not later than 8 March 2002. Nominee shareholders must temporarily register their shares in their own name not later than 8 March 2002. Shareholders must notify the company of their intention to attend the AGM not later than 12.00 on 15 March 2002 as follows:

- by telephone +46 21 360 19 00, fax +46 21 360 19 29
- by post Prevas AB, Klockartorpsgatan 14, SE-723 44 Västerås, Sweden
- by e-mail bolagstamma@prevas.se

CHANGE OF ADDRESS

Natural persons registered in Sweden need not notify VPC of a change of address. Other shareholders who have changed their address, and all shareholders who have changed their name or account number should notify the changes to their bank, etc., as soon as possible.

All nominee shareholders should notify changes of name, address and account number to the nominee as soon as possible. A special form for this purpose is available from the bank.

DIVIDEND

The Board of Directors proposes that no dividend be issued for the financial year 2001 (previous year SEK 0.50).

Operations in brief

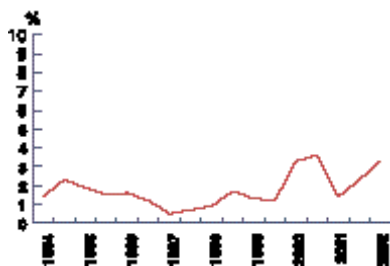
A SUMMARY OF THE YEAR

- Due to the dramatic weakening of the market in 2001, turnover fell by 1.4 per cent to SEK 234.1 million (SEK 237.5 million).
- Operating loss amounted to SEK –1.9 million (SEK 23.6 million) before goodwill amortisation and items affecting comparability, which is equivalent to a margin of –0.8 per cent (9.9).
- The amount of non-recurring write-down of goodwill totals SEK 20.3 million.
- Loss after net financial items amounted to SEK –28.9 million (SEK 15.9 million), which is equivalent to a profit margin of –12.4 per cent (6.7).
- Despite a poor return, positive cash flow of SEK 6.0 million is reported (SEK 19.7 million) from ordinary activities.
- Equity totalled SEK 58.8 million (SEK 90.2 million) and the equity/assets ratio was 60 per cent (60).
- In February, a new office was opened in Gävle.
- In April, an employee warrant programme was implemented directed at all Prevas employees.
- In October, the e-security operation was sold to Ernst & Young.
- In November, a Danish subsidiary was

launched. The new company is called Prevas Bioinformatics A/S and has its headquarters in Copenhagen.

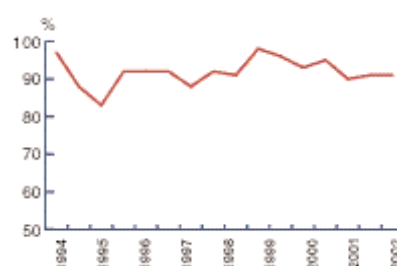
- Major orders taken from ABB, Agder Energi AS, Atlas Copco, Bombardier, Ericsson, Flextronics and Sandvik.
- As a consequence of the weak market situation during the second half of the year, the company's programme of measures was extended with the aim of reducing costs. As a result of the programme, 15 employees were given notice due to a shortage of work. The costs for this have been charged under 2001.

WORK UNDER GUARANTEE



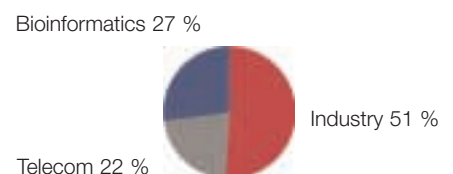
The percentage of work under guarantee compared with the percentage of work before acceptance.

DELIVERY RELIABILITY



Percentage of projects delivered on time.

TURNOVER PER BUSINESS AREA



5 YEAR SUMMARY (SEK MILLION)

	2001	2000	1999	1998	1997
Net sales	234.1	237.5	232.7	193.6	119.3
Net profit for the year	-27.6	5.5	2.3	15.9	8.7

PREVAS OFFICES IN SWEDEN:

Gävle Gothenburg
 Karlstad Linköping
 Lund Stockholm
 Uppsala Västerås

IN DENMARK:

Copenhagen



A word from the CEO

Prevas' basic values more important than ever

Our strategy remains fixed; • Focus on technical IT solutions in biotechnology, industry and telecoms. • Deliver solutions with a greater value content for the customer. • Establish ourselves outside Sweden.

At Prevas' annual general meeting in March 2001, I was full of optimism. The year 2000 showed strong growth which, moreover, accelerated quarter by quarter. The following year, 2001, started in a similarly positive way. At the annual general meeting, Prevas reported a growth rate of 42 per cent with a rising invoicing rate. I also presented the meeting with our goal of becoming one of the five leading IT consultants on the Stockholm Stock Exchange.

SEVERAL FACTORS WORKING TOGETHER

In November 2001, Prevas gave 43 employees notice of termination of employment, of whom 15 were made redundant. Many of you must be asking yourselves: How can this be? What is Prevas' current strategy and what are the company's goals for the future? I hope that I can give satisfactory answers to these questions while

touching on some of the more important events of the year.

The reason why the downturn was so sudden and so unexpected was that several factors were working together. Ericsson's savings programme, the so-called "dotcom crisis" and a generally downward economic trend came at a time when the sector was becoming seriously overcrowded. This over-crowding was a consequence of the almost unrestricted inflow of capital to everything that could be termed IT. That these factors were unleashed at the same time resulted in everyone being adversely affected, even Prevas. In order to secure our long-term strategy, we were forced to adapt an organisation prepared for dramatic growth to an organisation which could take a break from growth but still have the resources required for our long-term initiatives. Reducing our workforce at this stage was a painful but necessary mea-

sure. We now have to accept a temporary lull in our ambition to grow organically.

Our strategy remains fixed:

- Focus on technical IT solutions in biotechnology, industry and telecoms.
- Deliver solutions with a greater value content for the customer.
- Establish ourselves outside Sweden.

In order to maintain a sharp focus within our business areas, we made a decision to sell our e-security operation. To a large extent, our consultants in this area were being commissioned to do work which lay outside our defined business area. The sale of the operation to Ernst & Young meant that all employees could be offered posts in a company of good repute which has a marked focus on this area. Happily, a good business arrangement for all parties concerned.

FURTHER GROWTH AT BIOINFORMATICS

It gives me great pleasure to state that the Bioinformatics operation continues to develop well. The biotechnology and pharmaceutical sector is generally considered to be less sensitive to economic cycles.

Nevertheless, growth of new biotechnology companies has diminished slightly as a result of venture capital becoming more selective. It is, therefore, important for Prevas to continue to grow with our existing customers while establishing ourselves in new geographical markets and gaining a stronger foothold in the large pharmaceutical companies.

During the year, the Industry operation has been affected by the generally downward economic trend, but our good reputation and established customer relations lead me to feel optimistic about our ability to maintain our position throughout the recession. In many respects there is still a good deal of unexploited potential in the industry when it comes to making the most of modern IT technology to reduce costs and increase profitability. This applies particularly to the area of telematics where there are major synergies between our business areas Telecom and Industry. The ability to control and monitor industrial processes is an important aid for creating the flexibility in production which is so important in a rapidly changing market.

POTENTIAL TO RECOVER FIRST

The Telecom business area has been hit the hardest by the recession and this has particularly affected our operations in Stockholm, Lund and Linköping. During the year we developed our product concept for streaming media, "Streaming-in-a-Box™". The concept has received a great deal of attention and we have already received a couple of orders. While telecoms was the first to be hit by the recession and was the most severely affected sector, this market has the potential to recover first. Although expectations surrounding third generation mobile telephony have been exaggerated when it comes to how quickly we should adopt the latest technology and its services, it is in all likelihood that expansion will pick up speed in the latter part of this year. The technology is better and more profitable than GSM even for those who do not utilise bandwidth to the full. I therefore feel that our telecoms operation will touch bottom in 2002 and then turn up.

The synergies between our three busi-

ness areas are strong. What they all have in common is that we, with our knowledge of advanced technical IT, help our customers develop leading products or control their production processes. When we build our technical solutions, cross-fertilisation between our business areas is quite usual and well worth striving for. I have already mentioned telematics as an example. Our bioinformatics operation was launched when we started using our micro-computer knowledge, gained from developing control systems for industrial robots, to develop biotechnical instruments. Our knowledge of traceability in industrial production is, in some respects, appropriate for dealing with the rapidly growing number of laboratory trials in the biotechnology industry. Prevas' core competence forms the basis of all the business areas.

The division of our organisation into business areas means that we talk our customers' language and know what is important in their respective markets. As consultants, we have the privilege of working with world-leading companies in each area and can thereby develop our competence further. Consequently, we are able to find the right solution more quickly and at a lower cost to the customer with the high quality typical of all Prevas' deliveries. We can confirm that this strategy has led to our climbing the value chain through our ability to increase charges per consultant and hour while squeezing the price of the total solution for the customer.

NEW INITIATIVE IN DENMARK

In November, we established ourselves for the first time outside Sweden with the setting up of Prevas Bioinformatics A/S in Copenhagen. There were two purposes behind the launch of the new company. Firstly, we wished to establish ourselves within a new geographical market for the biotechnology industry. The term Medicon Valley is sometimes used to describe the rapidly growing biotechnology industry in the Öresund region and it is extremely important for Prevas that we establish ourselves there at this early stage. Our second purpose is to test and draw experience from the challenges associated with setting

up a business abroad. The CEO of our Danish subsidiary is Michael Lehd, a native of Denmark with a background in biotechnology and long experience in the IT industry. To ensure the successful dispersal of the Prevas culture, we have also offered consultants from Prevas in Sweden the opportunity to live in Denmark and work at Prevas in Copenhagen for shorter or longer periods of time.

WEATHERED THE CRISIS BETTER

A year ago, I concluded my CEO's comments by saying that Prevas' value meant that we had a stronger starting position than most for an exciting 2001. With the results in hand, I can state that, to a large extent, my claim was justified. Although 2001 was an extremely tough year for Prevas, we have weathered the crisis much better than most. The secret behind this is Prevas' quality culture which extends back as far as 1985 when the company was founded. Our focus on delivering solutions on time and of absolutely the highest quality is more important than ever.

I wish our key financial ratios for 2001 were better than those reported in these accounts. Our most important key ratios are, however, those in which we measure how successful we have been in meeting our customers' expectations. Our unique delivery reliability, high quality and high level of repeat business remain as strong as ever. Satisfied customers and competent employees form the basis of every successful company. With these values intact, our key financial ratios will be strengthened in a market that is in the process of recovery.

Stockholm, January 2002



Jonas Wiström
CEO Prevas

The Prevas share (All information refers to 31 December 2001, unless otherwise indicated.)

SHARE CAPITAL

Registered share capital was SEK 18,934,000 at the year end, distributed between 7,573,600 shares with a par value of SEK 2.50 each. There were 820,160 Class A shares and 6,753,440 Class B shares.

Each share has an equal right to the company's assets and profit. Class A shares carry 10 votes at the Annual General Meeting, and Class B shares carry one vote at the Annual General Meeting. During 2001, shareholders requested conversion of 7,400 Class A shares to Class B shares, which was also registered.

At the Annual General Meeting on 20 March 2001, the Board was authorised to decide on a new share issue of a maximum of 750,000 Class B shares, without reference to existing shareholders' rights and with non-cash issue terms. The authorisation was intended to be used in connection with a company acquisition. During the financial year 2001, the Board did not, however, utilise this facility.

SHARE OPTION SCHEME

At the Annual General Meeting on 20 March 2001, a share option scheme was approved for a total of 375,000 employee war-

rants directed at all Prevas employees. In case of full utilisation, the scheme would have been equivalent to a dilution of approximately 6.4 per cent of share capital including the number of outstanding warrants. Each employee warrant entitles the holder to acquire one new Prevas Class B share during the period 15 May 2002 up to and including 31 May 2008. The issue price was SEK 63 per share.

The aim of the scheme was to facilitate both the retention of competent employees and the recruitment of new employees.

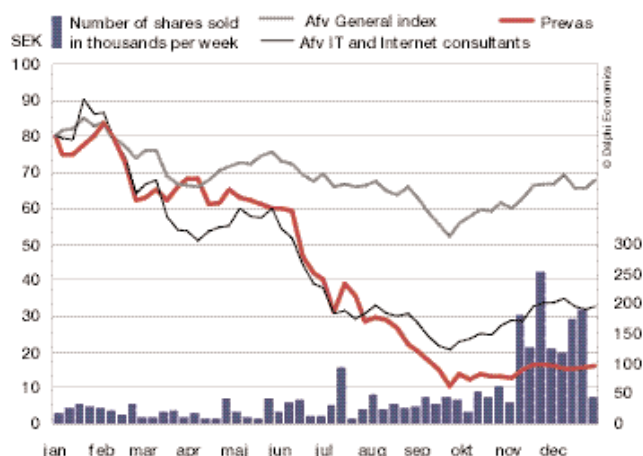
PER SHARE DATA

Key ratios	2001	2000	1999	1998	1997
Earnings per share after tax (SEK)	-3.64	0.72	0.30	2.17	1.25
Equity per share (SEK)	7.76	11.91	10.85	11.55	5.98
Divided per share (SEK)	-*	0.50	-	1.00	1.00

*Proposed dividend

SHAREHOLDERS	No. of A shares	No. of B shares	Total no. of shares	Percentage of share capital %	Percentage votes %
Göran Lundin with family	400,000	2,845,586	3,245,586	42.9	45.8
Per Lysholt	100,000	295,300	395,300	5.2	8.7
Björn Andersson	100,000	208,000	308,000	4.1	8.1
Stieg Westin including company	64,000	49,200	113,200	1.5	4.6
Mats Björkelund	65,280	24,000	89,280	1.2	4.5
Roland Danielsson Estate	32,000	-	32,000	0.4	2.1
AMF Pensionsförsäknings AB	-	300,000	300,000	4.0	2.0
Länsförsäkringar Bergslagen	-	273,000	273,000	3.6	1.8
Anders Hallqvist with family	22,400	3,200	25,600	0.3	1.5
Lars Sjöström	10,880	-	10,880	0.1	0.7
Other shareholders	25,600	2,755,154	2,780,754	36.7	20.2
Total	820,160	6,753,440	7,573,600	100.0	100.0

PREVAS SHARE GROWTH



DIVIDEND

The Board of Directors proposes that no dividend be issued for the financial year 2001 (previous year SEK 0.50). The Board's proposal is based on Prevas' dividend policy, under which approximately one-half of net profit is to be distributed to shareholders.

SHARE PRICE-RELATED DATA

	2001	2000	1999
Share price at year-end (SEK)	16.2	72.0	81.5
Average number of sold shares per day, thousand	9,045	18,572	9,935

Source: © Delphi Economics

NUMBER OF SHARES AND VOTES

Type of share	No. of shares	No. of votes	Percentage of shares, %	Percentage of votes, %
A non-restricted	820,160	8,201,600	10.8	54.8
B non-restricted	6,753,440	6,753,440	89.2	45.2
Total	7,573,600	14,955,040	100.0	100.0

DISTRIBUTION OF SHARES ON 31 DECEMBER 2001

Shareholdings	No. of shareholders	No. of shares	Percentage of
1-500	2,981	557,075	7.4
501-1 000	603	479,943	6.3
1 001-2 000	205	343,072	4.5
2 001-5 000	168	569,972	7.5
5 001-10 000	45	341,998	4.5
10 001-20 000	16	234,220	3.1
20 001-50 000	7	217,900	2.9
50 001-100 000	3	196,180	2.6
100 001-	9	4,633,240	61.2
Totalt	4,037	7,573,600	100.0

ANALYSTS CURRENTLY MONITORING PREVAS

Jacob Wall	Alfred Berg
Fredrik Lithell	Carnegie
Andreas Joelsson	Enskilda Securities
Lars Sveder	Enskilda Securities
Jonas Eklund	Erik Penser FK
Peter Trigarszky	Handelsbanken Securities
Daniel Djurberg	JP Nordiska
Jonas Elofsson	JP Nordiska
Stefan Nelson	RedEye

Business Concept, Vision and Strategy

BUSINESS CONCEPT

As a project and technical knowledge-based IT company, Prevas shall help our customers develop cost-effective computer-based products and IT solutions.

Prevas' competence shall contribute to our customers' competitiveness reaching the highest international level.

VISION

- Within its business areas, Prevas shall be the first choice as IT partner for the majority of companies in Sweden with an international development capacity.
- Prevas shall be regarded as a model when it comes to fresh ideas in the purchasing and implementation of IT services.
- Prevas shall offer challenging assignments and our employees shall have access to the best environment for personal development in the sector.
- Prevas shall be ranked highly in all universities and institutes of technology in Sweden.
- Prevas shall expand more rapidly than the IT market while maintaining a high degree of profitability.

STRATEGY

- Customer-focused employees concentrating on solutions adapted to meet the customer's operational needs.
- Project implementation of an elite class, documented by means of established quality standards.
- High level of investment in own development systems and internal network.
- Various forms of partnership.

During 2001, the IT consultancy market was characterised by a major recession and generally a great deal of uncertainty. The decline in demand has resulted in an over supply of IT consultancy services in the market which has led to a downward pressure on prices, especially in resources consultancy. In an attempt to give a comprehensive and exhaustive picture of the market situation for IT consultants, we held discussions with some of the leading IT analysts in Sweden.

What are the principal reasons for the dramatic downturn in the IT consultancy market over the past year?

“Demand has fallen as a consequence of operators as well as manufacturers of telecoms equipment being forced to implement major savings programmes in an effort to increase profitability and improve cash flow. In Sweden Ericsson is the best example of this, a company whose downturn, as we know, has affected a large number of IT consultancy companies. The effect of this has been to create an imbalance between supply and demand resulting in a downward pressure on prices in the market, a situation which has even been exploited by customers in non 'crisis sectors'.”

Daniel Djurberg, JP Nordiska

“It is an effect of both a structural and economic character. Structural effects include preparations for the year 2000 modifications, the collapse of the dotcom segment and an imbalance in technological change in the telecoms industry which together have led to serious over-capacity in the consultancy market. On top of this, a change in the economy towards the end

of the year further accentuated the decline. Many companies launched savings programmes during the year, which had a direct impact on their willingness to invest in new projects.”

Fredrik Lithell, Carneige

Which type of IT consultancy company will have the greatest potential for growth when the market recovers, do you think?

“Companies which are in a good position in terms of customer focus and the mix of competence offered and, consequently, have not needed to adapt their capacity to any great extent have a relatively harmonious organisation. This will promote their recovery compared with companies who have had major problems and therefore experienced dramatically affected harmony, work morale and the efficiency of their organisation. Those companies who, from the customers' perspective, have the capacity to deliver a high level of competency, increased value at a good price and in accordance with their project plans, will have the best potential for growth when the market recovers.”

Fredrik Lithell, Carneige

“Purchasers of IT services today have a greater knowledge of IT than they had some years ago. In addition to this, many IT managers have been recruited directly from the IT consultancy sector. This has had the effect of reducing the need to strengthen the organisation with unqualified resources, in other words, generalists. On the other hand, an IT consultant with specialist expertise within a specific niche will be more successful than average. Purchasers today are demanding consultants who can

deliver value to the customer because they understand the customer's business and can offer advanced solutions in a specific area. This might be in a certain sector or a certain type of competence, for example IT security. There are too few companies at present who have really succeeded in creating a niche operation for themselves and far too many are generalists without any specific competence in certain areas.”

Annika Larsson, H&Q

“I think there are two types of winner. To some extent the largest IT consultants who have the stability and endurance to attract customers and who can offer complete solutions and outsourcing arrangements. For smaller IT consultants, the winning formula is to be able to offer a specific sector or competence niche.” (These two groups have not been as hard hit by competition and price-squeezing as other consultants and are, consequently, less sensitive to fluctuations in the market.)

Stefan Nelson, RedEye

When can we expect an upturn in the market?

“In my opinion, the demand for IT competence in the car industry, pharmaceuticals and the public sector was relatively good in 2001, which is why I am interpreting the question to mean when will there be an upturn in data and telecoms. The markets are in the balance in expectation of the next technological change after the Internet which I, along with other analysts, feel the 3G platform will be, for example. At present, for a variety of reasons, the market is experiencing a delay. In 2002, demand will stabilise at the current low level. As soon as

the effect of the savings programmes can be felt by the customers, in other words, operators and manufacturers of telecoms equipment, the focus of these companies for reasons of competition will increasingly return to R&D and project management, which may well happen in 2002. I am, therefore, cautiously optimistic about Q4 of 2002 and the development of the telecoms-focused IT consultancy market in 2003.”

Daniel Djurberg, JP Nordiska

What do you think the valuation of IT consultancy companies over the next two-year period will be?

“Many IT consultancy companies today have a very low valuation, clearly as a consequence of the fact that most IT consultants presented extremely poor results during the year. I believe the market will push up the value of many of the companies who demonstrate that they have managed to weather the downturn in the market by reducing their costs sufficiently to show reasonable profitability. On the other hand, we are unlikely to see sky-high valuations similar to the ones we saw at the beginning of the year 2000.”

Annika Larsson, H&Q

“A great deal is going to be happening in the consultancy sector over the next year in the form of consolidation and even fall-out. Generally speaking, however, I believe the valuation of the sector will go up in line with an improvement in profitability. It will then be possible to make successful investments in the sector, but it is more important than ever to choose the right company and share.”

Stefan Nelson, RedEye

What should you take into consideration when buying shares in an IT consultancy?

“You should investigate the quality of the company's management, long-term goals, service-mindedness and the value added in the services offered. Historically stable profitability in the past few turbulent years should indicate a good capacity to achieve the same in the future, too.”

Fredrik Lithell, Carneige

“Don't just look at the price-tag when making an investment. What may seem like a cheap consultant may turn out to be expensive and vice versa depending on future prospects, financial risk and so on. Quality companies are rewarded with a high valuation, while problem companies often continue to have problems and are therefore given a depressed value.”

Stefan Nelson, RedEye

Trends in 2002?

Consolidation trend – structural changes in the consultancy sector, companies disappearing from the stock exchange, being bought up or folding.

Outsourcing trend – customers increasingly choosing to outsource IT departments, which becomes an important growth factor for the consultancy sector.

Profitability trend – the result of various programmes of measures implemented in 2001 and a focus on profitability in the sector should generate significantly improved results from many companies despite a continuation of a weak market in 2002”

Stefan Nelson, RedEye

“Over-establishment and the gap between supply and demand will continue to put

pressure on prices in, for example, traditional administrative systems development. Strategy consultants, such as Internet consultants, will continue to have a difficult time as customers continue to review their costs as, at present, the development of business-critical systems will take priority. I believe 2002 will be the year when customers demand increased integration of existing systems and will, yet again, go in for self-supporting customer-care systems. Improving internal processes, chiefly in logistics, will also be given a high priority. The public sector will continue to be a strong vertical due to the time-lag between the market and the political decision-making process. As car sales are expected to fall in 2002, the up until now secure automotive vertical is also at risk of experiencing harder times in the long term. In our opinion, the market for pharmaceuticals and medtech-related commissions, in other words bioinformatics, will continue to be strong throughout 2002, in the Nordic region as well as internationally, although competition in the segment will grow, in the Nordic region as well as internationally, even if competition in the segment grows.”

Daniel Djurberg, JP Nordiska

Operations & Organisation

Prevas is a project-oriented IT consultancy with our own computer equipment and networks between offices. This means that we can undertake customer commissions in our own premises and cooperate in a straightforward manner between offices. Prevas has offices in Sweden in Gävle, Gothenburg, Karlstad, Linköping, Lund, Stockholm, Uppsala and Västerås. In Denmark, our first overseas office has been set up in Copenhagen.

Consulting constitutes 85 per cent of operations and is led by Anders Englund. The remaining 15 per cent of turnover is made up of product sales and services in customer support.

In 2001, the five largest customers and their share of turnover as a percentage were:

- Ericsson Group 21% (20)
- ABB Group 9% (7)
- Amersham 7% (10)
- Pyrosequencing 6% (4)
- Nokia 6% (2)

Prevas has a strong customer base, both in the traditional export industry and many growth companies. Our customer base is stable with a high level of repeat business. The outcome of tenders is, on average, 90 per cent.

In most cases, the work involves solutions and systems that are critical to operations. The operational decision-makers are also usually the people responsible for commissioning the work rather than the IT departments. All projects share zero tolerance of delivery delays and costs exceeding budget, and have high quality requirements. Prevas' basic values are to:

- deliver on time
- deliver the agreed quality
- deliver at a fixed price

As Prevas works a great deal with compani-

es in the vanguard of technology, we master the latest in several areas of technology.

Examples of some of the technology areas in IT consulting are:

- Embedded systems, real-time systems
- Windows, NT, Unix/Linux
- Oracle, SQL Server
- C, C++, Visual C++, Visual basic, Java, Ada
- Internet, Corba, Rotional Unified Process
- Telematics

The synergies between our three business areas are strong. A common denominator is that advanced technical IT helps our customers to develop leading products or control their production processes. Wireless communication between machines is just such an example of synergy between Telecom and Industry.

Traceability in industrial production produces major synergy effects when applied, as it currently is, in the biotechnology industry.

Prevas has several products to offer the market including various standardised IT solutions initially designed for the electronics and pharmaceutical industries. These products offer good opportunities for gearing investments in development work and also open doors to new customers while offering increased continuous contact and deeper relations with existing customers.

Products Prevas currently offers are Bartrack, PharmaLine, TestNet and QSP.

Bartrack is a product for tracking various components in a production process. Bartrack creates and administrates identities which are used for marking manufactured units, for example, a mobile telephone or packaging containing medication for gastric ulcers. Among others, Ericsson and Flextronics use Bartrack.

PharmaLine is a product developed for labelling pharmaceuticals, an area with huge

public authority requirements. PharmaLine keeps abreast of various labelling versions and can, therefore, offer advanced traceability; users of PharmaLine include Pharmacia and AstraZeneca.

TestNet collects data from various tests and facilitates monitoring and administrating tests efficiently. The visualisation which TestNet offers increases its usability. With TestNet it is easy to see, for example, which tests have been conducted on a product and a neat way of obtaining measurement data, test results and test protocol. Users of TestNet include Ericsson and Flextronics.

QSP is an information system for the manufacturing industry. QSP collects data from tests, inspections and trouble-shooting. A change in production can be evaluated rapidly by feeding the input data to QSP quickly and easily. Users of QSP include Ericsson and their subcontractors.

Prevas' support services often fulfil an extremely important function. A stop in, for example, the production of a pharmaceutical has major consequences. Commissions are characterised by applications critical to operations where brief stoppage times, preventive support and 24-hour support are required. The Food and Drugs Administration in the USA imposes heavy demands on the quality of the production of pharmaceutical companies. These legal requirements, independent of fluctuations in the market, then stimulate demand for our support services. In 2001, new agreements were formed with various companies including Arla, AstraZeneca, Pharmacia, Amersham Biosciences, Personal Chemistry and Sandvik.

The support services are a value-enhancing function for all three business areas, Bioinformatics, Industry and Telecom.

Prevas Bioinformatics is the business area that led to Prevas setting up a business abroad. During 2001, Prevas Bioinformatics opened an office in Copenhagen. Turnover for Bioinformatics in 2001 was SEK 62.2 million, which constitutes 27 per cent of Prevas' total turnover.

Bioinformatics



Bioinformatics for life

By commissioning Prevas to develop an IT system for them, players in Life Science have more time to concentrate on research work. An IT system is a tool which enables researchers to analyse the large databases used in biotechnology.

Prevas Bioinformatics delivers technical IT services to the Life Science industry.

This includes developing analysis tools, tools which are used to process an ever-increasing amount of biotechnical data.

The development of new technologies means that biotech researchers are constantly encountering new data to an ever-increasing extent. In those cases where one chooses to develop the tools oneself, or integrate existing products, it is of great importance to minimise the risk of delay in development projects. One way of ensuring a project is run in an efficient and secure way is to use IT consultants who are familiar with molecularbiological terms and models.

SERVICES & PRODUCTS

Players in Life Science who use large databases in their research must make strategic IT investments to ensure access to data does not become an overwhelming problem. These are services which Prevas Bioinformatics offers.

Prevas provides IT solutions for Gyros, which develops an advanced technology facilitating rapid experimentation with minimal consumption of important and restricted substances. The small "minilab" is available in a revolving CD with small microstructures. The technique represents an important step towards developing new pharmaceutical products more quickly and more economically. The technology requires a comprehensive software development which Prevas will

be conducting in a cooperative arrangement extending over several years.

Today, approximately 20 per cent of Prevas Bioinformatics consultants are "bioinformaticians" who are trained in molecular biology and information technology.

DEVELOPMENT OF THE SERVICES

During 2001, an important tool for reducing lead times on development projects was developed. This "tool-box" is called BioFrame and provides knowledge for development projects in a structured way. BioFrame is a framework which actively supports development work by supplying ready-made requirements and functions for increased traceability in biological information systems.

MARKET

The application of computer-scientific, statistical and mathematical methods in molecular-biological areas, bioinformatics, is increasing dramatically and creating a vigorously growing market for technical IT services in the Life Science industry.

The Life Science market deals with improving people's quality of life and curing illnesses. Some of the factors promoting developments in Life Science are:

- The pharmaceutical industry's endeavours to increase efficiency in various ways in order to reduce the lead time from concept to new pharmaceutical product.
- Technological innovations.
- The age structure of most industrialised



Hans Fondelius is the Business Area Director of Prevas Bioinformatics. Hans has long experience of research-related IT in the Life Science industry.

countries involves a dramatic increase in the need for medical treatment.

- Access to databases which describe the human gene pool and other public data sources (HUGO etc.).
- Access to venture capital.
- Strong political support.

THE CUSTOMERS

Arexis, Amersham Bioscience, Biacore, Biovitrum, Personal Chemistry and Pyrosequencing are examples of customers in Sweden. Customers in Denmark include Exiqon and Pharmexa.

COMPETITION

Examples of our competitors include IBM, Enea, Sigma, TietoEnator and Valtech.

MARKET DEVELOPMENT

Continuous work mapping and quantifying markets in Life Science allow Prevas to select interesting business partners or customers. Prevas foresees major opportunities in the bottleneck in research and development formed by a shortage of experts when access to data grows. The growth rate in both the number and size of biological databases can almost be described as explosive. During 2001, Prevas Bioinformatics set up an office in Copenhagen. The company in Denmark got off to a brisk start with immediate demand. The establishment in Denmark also offers a European prospect and associated opportunities for expansion.

Prevas Industry offers consultancy services and systems in technical IT to industrial customers. Prevas Industry shall be seen as an obvious IT partner for industrial customers in production and product development. Industry's turnover in 2001 was SEK 116.6 million which constitutes 51 per cent of Prevas' total turnover.

Industry



IT grows in industry

Industrial products have successively been developed to contain increasing amounts of IT. Manufacturing companies also use IT solutions in order to achieve more efficient production. This development creates opportunities for Prevas Industry.

Prevas Industry offers consultancy services and systems in technical IT to industrial customers. Prevas Industry is a business area with a long history in Prevas. The latest IT techniques for industrial production and products has now become one of the hottest business opportunities in the market.

SERVICES

The services we offer for more efficient production include material handling systems, production control systems, systems for traceability, testing and quality control.

Prevas also offers IT solutions to be used in products. Requirements in this area are also increasing dramatically as more and more products contain so-called embedded systems.

DEVELOPMENT OF SERVICES

During 2001, Prevas Industry launched an initiative in the new expansive area of telematics. This can involve, for example, remote supervision of stationary or mobile industrial equipment. Together with Vikon Vibrationskonsult, a solution has been found for Alfa Laval and others which means that a malfunctioning machine will send an SMS to the appropriate service personnel. According to sector analysts, the use of telematics is expected to be greater than mobile telephony between people in as little as five years' time.

MARKET

Industrial products have successively been

developed to contain increasing amounts of IT. Manufacturing companies also use IT solutions to achieve more efficient production. A company's competitiveness will, therefore, depend to an ever-increasing degree on investments in IT solutions which facilitate product development and production. This is a long-term trend which has continued even when the recession has been at its worst, as was the case in 2001. In certain cases, companies with stable economies are choosing to intensify IT investments at times when the market situation is calmer and it is possible to focus on more long-term goals.

THE CUSTOMERS

ABB, Volvo, Scania and Sandvik are examples of customers for our production system.

In close collaboration with Sandvik Coromant's IT department, Prevas has delivered a vertically-integrated solution which extends from production control, material handling and connection to business systems. This enables Sandvik's customers, worldwide, to order a new cutting tool via the Internet, and direct this straight to production at the factories in Gimo and Uppland.

ABB, Atlas Copco, Bombardier Transportation and Rolls Royce are examples of customers who develop products containing IT solutions from Prevas.

For example, Prevas has developed a



Björn Andersson is the Business Area Director of Prevas Industry. Björn is also one of the founders of Prevas.

screw-tightening system, PowerMacs, for Atlas Copco Assembly Systems. This advanced system for screw-tightening has become a world leader in the car industry. During the year, PowerMacs broke sales records with a series of strategic international orders for GM, Ford and others. Atlas Copco is extremely satisfied with its successful collaboration with Prevas.

COMPETITION

Competitors who also offer IT solutions in industry include Cap Gemini, Enea, Frontec, TietoEnator, WM-data and Sigma.

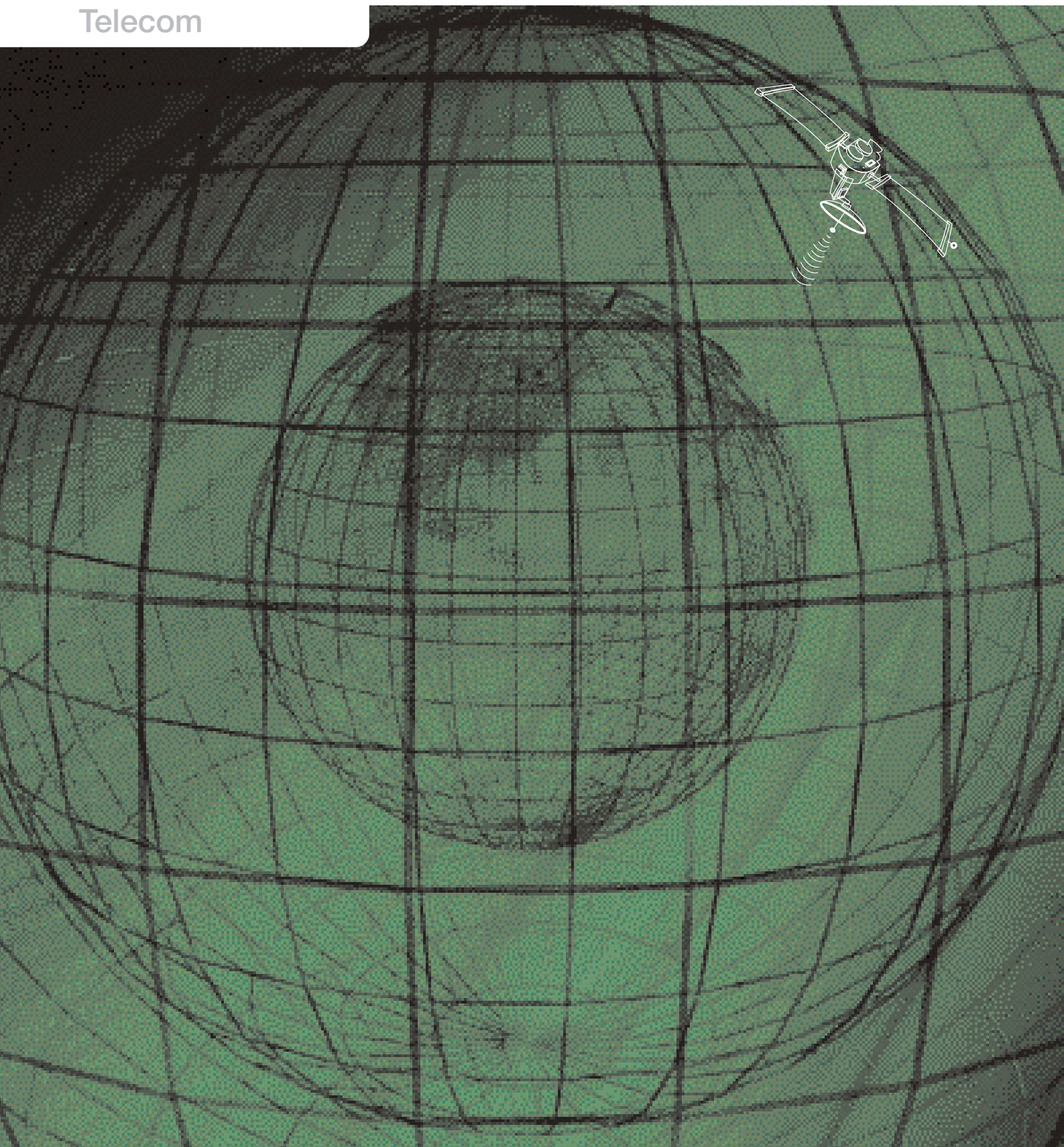
MARKET DEVELOPMENT

Prevas has a major customer in the Ericsson Group. Outsourcing of manufacturing in Ericsson increased in 2001, especially to Flextronics. This has opened up new customer contacts for Prevas and increased its internationalisation with orders from Brazil, Poland and the USA.

During 2002, Prevas Industry will intensify the working up of new expansive market areas in the industrial segment. Through this, we will strengthen the already good current market position held by Prevas before the anticipated upturn in trading conditions. Prevas' products, IT competence and production knowledge will be central to this initiative.

During 2001, the telecoms market weakened, but Prevas' focus on highly competent employees, the productification of IT services, fixed prices and work of a high quality will combine to maintain our continued strong position in the market. In 2001, Telecom's turnover was SEK 48.9 million which constitutes 22 per cent of Prevas' total turnover.

Telecom



Focus on systems development commissions

Prevas Telecom offers systems solutions for customers in the telecoms industry. We help operators to integrate and adapt the technology to produce a well-functioning unit.

SERVICES AND PRODUCTS

Our services are IT solutions for second and third generation mobile telephone networks (3G) and the growth area in mobile Internet.

Our services comprise large commissions in systems building and productified complete support. An example of this kind of service, which builds on Prevas' leading-edge knowledge in streaming media, is Streaming-in-a-Box™.

The IT solution Streaming-in-a-Box™ means that the user can send sounds and moving pictures to whoever they want, from and to wherever they like – in real-time. Streaming media over the Internet/Intranet is a vigorous growth area in which the technology offers major opportunities for more effective transmission of messages between people. Prevas Telecom is a pioneer in this area. Examples of fields of application are installation instructions for production and service, advertising films for marketing managers, product presentations for training departments, investor information for shareholders and introductory films for new employees. This new technology is in the process of creating new forms of information and is also the foundation stone for the integration of communications for the home, with services such as video rental over the network and interactive television.

DEVELOPMENT OF THE SERVICES

Developing services with the customer is an

important way of increasing the rate of product development. At the same time, co-operation with the customer offers increased cost efficiency and increased interface with the customer.

For 2002, it will be important to increase our systems development support for telecoms suppliers and to be a more value-adding partner to these companies.

MARKET

During 2001, the telecoms market weakened, but Prevas' focus on highly competent employees, the productification of IT services, fixed prices and work of a high quality will combine to maintain our strong position in the market.

OUR CUSTOMERS

Our customers are telecoms suppliers, and telecoms and broadband operators, and include Ericsson, Nokia, Agder Energi, Kreatel, Tele2, Telia, ComHem and SBAB (Statens Bostadsfinansierings Aktiebolag). Streaming-in-a-Box™ was well received by the market in 2001. The product has opened doors to new projects with new customers including Agder Energi in Norway and SBAB. Through its proactive work in streaming media, Prevas has gained a strong position in the market which has strengthened Prevas' brand further. Focusing on streaming media has awakened interest from completely new customer groups, such as banks, energy companies and



Anders Englund is the Business Area Director of Telecom and in charge of Prevas Consulting.

urban network operators. The development and maintenance of software for Nokia's open TV platforms and a framework agreement with the Ericsson Group are some of the customer successes achieved during the year.

COMPETITION

Our competitors include companies such as AU-System, Cap Gemini, Enea, HiQ, Teleca and TietoEnator.

MARKET DEVELOPMENT

Following a weak start, the market for systems development of second and third generation mobile telephone networks is expected pick up speed during the latter part of 2002.

A continued increase in demand for systems integration for suppliers of streaming media in mobile Internet is anticipated.

In addition to the more traditional companies, new broadband players form an extremely interesting market. Generally speaking, these new operators require a great deal of knowledge in systems building combined with streaming media competence which puts Prevas in a unique position.

Prevas' basic values are

- Technical knowledge
- Quality
- Empowerment
- Profitability
- Family values

Employees



Balance between work and family

The family takes precedence – that's what most people think – but work is also an important and stimulating part of life. At Prevas, it is possible to combine both job and family! A balance between work and leisure creates a richer life, contented employees and, consequently, a stronger company.

PREVAS' BASIC VALUES ARE:

• **Technical knowledge**

Prevas is a knowledge-based company, which means that the company makes a living by developing and selling its sector knowledge and its technical knowledge. Access to qualified employees is, therefore, the most important factor in Prevas' future expansion.

The rate of change in IT is considerable and new languages, methods, technical solutions and tools are routinely introduced. In order to maintain our competitive edge and a high competence profile, Prevas has concentrated on recruiting employees with a high degree of training and knowledge.

Our customer projects are in the technical front line which requires a high level of training. Approximately 90 per cent of all Prevas' IT consultants have completed an academic education, of whom the largest number are engineers. Three out of four hold at least 120 points at university/college.

• **Quality**

Quality is an important basic value which never goes out of fashion at Prevas. By consistently working in accordance with a tried and tested project model, all work is completed on time, resulting in satisfied customers and a happy family life.

• **Empowerment**

This term means that we make things happen. To take responsibility and have an open attitude to various changes, for example, new

technologies and new projects. It also means that we actively utilise the knowledge and experience we possess.

• **Profitability**

Profitability is a prerequisite for creating security for our employees. At the same time, a profitable company is also more fun to work for and offers greater scope for personal development.

• **Family values**

A balance between work and leisure creates a richer life, contented employees and, consequently, a stronger company.

One of Prevas' great assets is our established project model which helps us to make sound, long-term plans for resources. Prevas' project model involves less stress for employees and, at the same time, acts as a guarantee for customers of delivery at the agreed time.

THE PREVAS CULTURE

We also endeavour to perform a commission in the office nearest to the customer. By carrying out most of the commission in our own office, the "we" feeling is strengthened and the Prevas culture intensified.

Prevas Fritid includes football, skiing, indoor bandy, skating and other invigorating activities in employees' leisure time. They can exercise a great deal of freedom in their choice of activity, and the range on offer varies from one Prevas town to another. During the year, several family get-togethers were organised.

Prevas' ambition is to increase the number of female employees; so far, we have reached 20 per cent. Prevas' equal opportunities plan states that it should be possible to combine parenthood with work.

Competence development is the Alpha and Omega of a knowledge-based company such as Prevas. During the year, several large-scale training initiatives were implemented. The whole of the sales corps is participating in a sales development programme, and our IT consultants are increasing their knowledge of biotechnology.

The model for the traditional development dialogue between manager and employee has been intensified giving our sales corps a better overview of the competence Prevas has to offer.

New employees are given the opportunity to get to know the whole of the Prevas management team on special introductory days and, during 2001, events of this kind were arranged on two different occasions for a total of 43 new employees.

EMPLOYEE QUESTIONNAIRE

Employees thrive at Prevas! This is the evidence of an employee questionnaire carried out during the year. Various joint owner programmes were launched with the aim of creating long-term motivation.

The generally weaker market in the latter part of the year resulted in 43 individuals being given notice of termination of employment, of whom 15 were made redundant during the year.

In 2001, Prevas had an average of 288 employees, with an average age of 35 years.

Five year summary

The figures in the following section are in SEK million expressed to one decimal point. The actual calculations were, however, carried out to a larger number of decimal points, which may result in certain tables and ratios appearing not to add up.

SEK million	2001	2000	1999	1998	1997
SUMMARY PROFIT AND LOSS ACCOUNTS					
Net sales	234.1	237.5	232.7	193.6	119.3
Operating expenses	-231.1	-209.8	-214.6	-165.6	-105.1
Depreciation tangible assets	-4.9	-4.1	-4.6	-3.6	-2.0
Profit/loss before goodwill and items affecting comparability	-1.9	23.6	13.5	24.5	12.3
Goodwill amortisation	-4.9	-4.9	-6.5	-3.3	-
Goodwill write-down	-20.3	-	-	-	-
Items affecting comparability Prevas Engineering*	-	-3.5	-	-	-
Items affecting comparability other***	-2.0	1.3	-	-1.8	-0.8
Operating profit/loss	-29.1	16.6	7.0	19.3	11.5
Net financial income/expense	0.2	-0.7	-1.0	3.9	1.1
Profit/loss after financial items	-28.9	15.9	5.9	23.2	12.6
Items affecting comparability Prevas Engineering ****	-	-4.1	-	-	-
Tax	1.4	-6.3	-3.6	-7.3	-3.9
Net profit/loss for the year	-27.6	5.5	2.3	15.9	8.7

* For 2000, the capital gain/loss and the operating profit/loss up to the transfer of Prevas Engineering are reported as an item affecting comparability.

** For 2001, this relates to expenses for employees given notice of termination of employment due to a shortage of work. For 2000, this relates to a SEK 6.0 million refund of allocated pension funds from SPP, as well as the costs of special marketing initiatives and restructuring costs of SEK 4.7 million. The expenditure for 1997 and 1998 relates to accrued expenses of Prevas' stock exchange listing.

***Relates to a provision for tax on the operating profit arising as a result of the sale of the operations of Prevas Engineering.

SEK million	2001	2000	1999	1998	1997
SUMMARY BALANCE SHEETS					
Fixed assets excluding goodwill	33.4	33.3	43.0	40.6	4.9
Goodwill	10.6	35.8	55.0	61.4	-
Other current assets	50.7	62.0	58.9	70.9	23.2
Liquid assets incl. short-term investments	4.1	18.9	8.0	9.6	33.9
Total assets	98.8	150.1	164.9	182.5	62.0
Equity	58.8	90.2	82.2	87.4	42.0
Provisions	10.9	11.1	20.0	17.4	5.6
Interest-bearing liabilities	0.0	12.0	30.2	39.0	0.0
Non interest-bearing liabilities	29.1	36.8	32.6	38.7	14.5
Total equity, provisions and liabilities	98.8	150.1	164.9	182.5	62.0

Key financial ratios

Key ratios for 1998 and 1997 marked with * have been calculated excl. stock exchange listing costs.

SEK MILLION	2001	2000	1999	1998	1997
KEY FINANCIAL RATIOS					
Margins					
Gross margin, % *	1.3	11.7	7.8	14.5	11.3
Margin before goodwill amortisation and items affecting comparability, % *	-0.8	9.9	5.8	12.6	9.6
Margin after goodwill amortisation and items affecting comparability, % *	-12.4	7.0	3.0	10.9	9.6
Profit margin, % *	-12.4	6.7	2.6	12.9	10.6
Return					
Return on operating capital excl. goodwill, %	-63.7	34.2	13.3	61.0	167.0
Return on operating capital incl. goodwill, %	-42.2	15.0	6.3	31.0	167.0
Return on capital employed, %	-33.9	15.4	5.2	28.1	32.0
Return on equity, %	-37.0	6.3	2.7	26.2	22.0
Capital structure					
Operating capital excl. goodwill, SEK million	44.0	47.5	49.4	55.4	8.0
Operating capital incl. goodwill, SEK million	54.7	83.3	104.3	116.8	8.0
Capital employed, SEK million	69.6	102.2	112.4	126.4	42.0
Equity, SEK million	58.8	90.2	82.2	87.4	42.0
Net interest-bearing liabilities, SEK million	-4.1	-6.9	22.1	29.4	-33.9
Net debt/equity ratio, times	-0.07	-0.08	0.3	0.3	-0.8
Equity/assets ratio, %	59.5	60.1	49.8	47.9	68.0
Percentage of risk-bearing capital, %	70.0	67.0	56.0	54.0	77.0
Cash flow and liquidity					
Cash flow before investments, SEK million	7.2	24.9	23.9	2.8	9.6
Liquid assets, SEK million	4.1	18.9	8.0	9.6	33.9
Employees					
Average number of employees	288	256	261	200	146
Turnover per employee, SEK thousand	813	928	892	968	817
Per share data					
Average number of shares, thousand	7,574	7,574	7,574	7,329	7,014
Number of shares in case of full subscription of issued warrants	8,109	7,766	7,574	7,329	7,014
Earnings per share after tax, SEK	-3.64	0.72	0.30	2.17	1.25
Equity per share, SEK	7.76	11.91	10.85	11.55	5.98

Directors' report

The Board of Directors and the Chief Executive Officer of Prevas AB (publ), corporate identity number 556252-1384, hereby submit the annual accounts and the consolidated accounts for the operations of the parent company and the Group for the year ended 31 December 2001.

GROUP STRUCTURE

The parent company Prevas AB carries on IT consultancy operations in the Bioinformatics, Industry and Telecom business areas. Operations are carried on in Stockholm, Gävle, Gothenburg, Karlstad, Linköping, Lund, Uppsala and Västerås. A wholly-owned subsidiary, Prevas Bioinformatics A/S, runs operations in Copenhagen.

Through a subsidiary, two industrial properties are also leased to ABB. The properties are up for sale.

IMPORTANT EVENTS IN 2001

- In February, a new office was opened in Gävle.
- In April, an employee warrant programme was introduced directed at all Prevas employees.
- In October, the e-security operation was sold to Ernst & Young.
- In November, a Danish subsidiary was launched with the aim of internationalising Prevas. The new company is called Prevas Bioinformatics A/S and has its headquarters in Copenhagen.
- During the year, major orders were taken from ABB, Agder Energi AS,

Atlas Copco, Bombardier, Ericsson, Flextronics and Sandvik.

- As a consequence of the weak market situation, during the autumn a programme of measures was launched with the aim of reducing company costs. As a result of the programme, 15 employees were given notice due to a shortage of work. The costs for this have been charged under 2001.

TENDER OUTCOME

Prevas has a stable customer base and a very high level of repeat business. During the year, 90 per cent of orders went to Prevas and 10 per cent to a competitor.

CAPACITY UTILISATION

The degree of capacity utilisation, that is to say, measured solely by consultants, amounted to 74.5 per cent during the year.

As a result of a declining market, the invoicing rate fell to 59.7 per cent (65). The invoicing rate – which is one of Prevas' internal measurements for gauging efficiency – is measured as the number of hours invoiced by the total number of hours worked in the company. All employees, including management and administration, are included in the measurement.

Turnover calculated on the average number of employees totalled SEK 813 thousand (SEK 928 thousand).

ASSIGNMENT DISTRIBUTION

During the year, 28 per cent (29) of assignments were charged on a fixed-price basis and 72 per cent (71) on a time basis.

EMPLOYEES

The number of employees was 251 (285) at

the year-end, an 11.2 per cent decrease. During the year, 84 employees joined the company.

During the year, staff turnover was 29.9 per cent. During the year, the average number of employees was 288 (256), a 12.5 per cent increase. The percentage of female employees was 20 per cent (20) at the year-end.

E-SECURITY

On 1 October 2001, the e-security operation was sold to Ernst & Young. E-security, including the capital gain/loss from sales, contributed a less positive return for the whole year. The operation had 17 employees who, on 1 October took up new positions at Ernst & Young.

DEVELOPMENTS IN PREVAS' BUSINESS AREAS

During the year, turnover in the business area Bioinformatics totalled SEK 62.2 million (SEK 57.1 million), which represents growth of 8.9 per cent. In Industry, turnover totalled SEK 116.6 million (SEK 102.3 million), an increase of 14.0 per cent. For the business area Telecom, turnover fell to SEK 48.9 million (SEK 64.5 million), a reduction of 24.2 per cent. Turnover not attributed to a business area totalled SEK 6.4 million.

TURNOVER AND PROFIT

During the year, turnover fell by 1.4 per cent to SEK 234.1 million (SEK 237.5 million). The number of working days totalled 250 (251). Operating loss before goodwill amortisation was –SEK 1.9 million (SEK 23.6 million) and SEK –29.1 million (SEK 16.6 million) after these items. The operating margin was –0.8 per cent (9.9) before goodwill amortisation and –12.4 per cent (7.0) after

goodwill amortisation.

Depreciation totalled SEK 9.8 million (SEK 9.0 million), of which SEK 4.9 million (SEK 4.9 million) related to goodwill amortisation. In addition to this, a lump sum write-down of goodwill was made totalling SEK 20.3 million. Goodwill write-down was made after cash flow valuation in accordance with recommendation no. 17 of the Swedish Financial Accounting Standards Council.

Net financial income/expense amounted to SEK 0.2 million (SEK –0.7 million). Profit after financial items was SEK –28.9 million

(SEK 15.9 million), representing a profit margin of –12.4 per cent (6.7).

Net loss was SEK –27.6 million (SEK 5.5 million). Earnings per share were SEK –3.64 (SEK 0.72). Net tax revenue for the year is the result of the withdrawals from reserves and a positive judgement in a tax case concerning one of the subsidiaries.

The profit was charged, among other things, with provisions of SEK 3.2 million for cost discrepancies in some large fixed-price projects. During the year, expenditure of SEK 1.7 million was also incurred in the

establishment of the operation in Denmark. In the business area Telecom, SEK 1.1 million was spent on the development of Streaming-in-a-Box™. In the business area Bioinformatics, SEK 1.0 million was spent on the development platform BioFrame. The profit was charged with SEK 2.1 million as a result of the expansion of the Support operation.

FINANCIAL POSITION

Group equity totalled SEK 58.8 million (SEK 90.2 million) at year-end, representing an

PROFIT AND LOSS ACCOUNT PER QUARTER

	2001	2001	2001	2001	2000	2000	2000	2000
SEK thousand	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	51,151	53,870	61,057	67,973	71,308	56,594	57,873	51,721
Material costs	–596	–148	–269	–1,913	–2,942	–3,585	–1,249	–1,403
Other external expenses	–11,775	–9,535	–14,811	–11,119	–13,677	–9,808	–11,475	–8,713
Staff costs	–43,839	–40,628	–48,936	–47,524	–49,467	–34,409	–39,614	–33,420
Depreciation tangible assets	–1,265	–1,226	–1,238	–1,175	–859	–1,094	–1,171	–986
Profit/loss before goodwill and items affecting comparability	–6,324	2,333	–4,197	6,242	4,363	7,698	4,364	7,199
Goodwill amortisation	–1,220	–1,221	–1,219	–1,220	–1,310	–1,190	–1,190	–1,190
Goodwill write-down	–20,300	-	-	-	-	-	-	-
Other items affecting comparability	–2,010	-	-	-	–833	573	1,475	–3,404
Operating profit/loss	–29,854	1,112	–5,416	5,022	2,220	7,081	4,649	2,605
Net financial income/expense	150	59	–6	–5	–57	–206	–118	–290
Profit/loss after financial items	–29,704	1,171	–5,422	5,017	2,163	6,875	4,531	2,315
Margin before GW and I.A.C.	–12.4%	4.3%	–6.9%	9.2%	6.1%	13.6%	7.5%	13.9%
Margin after GW and I.A.C.	–58.4%	2.1%	–8.9%	7.4%	3.1%	12.5%	8.0%	5.0%
Profit margin	–58.1%	2.2%	–8.9%	7.4%	3.0%	12.1%	7.8%	4.5%

equity/assets ratio of 59.5 per cent (60.1). The return on equity was –37.0 per cent (6.3). At the year-end, liquid assets totalled SEK 4.1 million (SEK 18.9 million). Despite the poor results, positive cash flow of SEK 6.0 million (SEK 19.7 million) was reported from ordinary activities. The fact that the total cash flow is negative can be explained principally by the repayment of interest-bearing loans and dividends.

INVESTMENTS

Group investments for the year totalled SEK 4.9 million (SEK 7.5 million). All investments related to ordinary activities and were for machinery and equipment.

WORK OF THE BOARD

During the financial year 2001, eight minuted board meetings were held. The Board works in accordance with rules of procedure, regulating the Board's duties, number of ordinary board meetings, and the obligatory matters to be dealt with at these meetings. A special instruction regulates the division of duties between the Board and the Chief Executive Officer.

The Board has also laid down an instruction for financial reporting. The company's auditors shall report on the audit carried out and give an opinion on the internal control annually.

FUTURE PROSPECTS

During the second quarter of the year 2001, growth in the market came to a halt. This weakening intensified during the second half of the year. The prospects for 2002 are extremely uncertain but we anticipate a continuation of the weak development of the market during the first six months of the year, particularly in the telecoms sector. We are not, therefore, making preparations for any growth apart from in Bioinformatics. Of course, any acquisitions may result in stronger growth. For the whole of the year, we anticipate a profit margin of approximately 5 per cent with successively increasing profitability after the first quarter.

PROPOSAL TO DEAL WITH THE COMPANY'S DEFICIT

The parent company's accumulated deficit totals:

Retained profits	SEK 14,654 thousand
Net loss for the year	SEK –28,913 thousand
Total	SEK –14,259 thousand

The Board and Chief Executive Officer propose that the accumulated deficit of SEK 14,259 thousand be brought forward. No transfer to restricted reserves in subsidiaries of Prevas AB is proposed.

The profit and loss accounts, balance sheets, cash flow statements and appurtenant notes are reported on pages 25-34.

Stockholm, 6 February 2002

Lisbeth Gustafsson
Mathias Uhlén
Göran Lundin, Chairman
Stieg Westin
Jonas Wiström, Chief Executive Officer
Torbjörn Ek
Bernt Ericsson
Claes Dinkelspiel
Eric Hallberg
Anders Hallqvist, Employee Representative
Mattias Almén, Employee Representative

Profit and loss accounts

Operating income, SEK thousand	Note	GROUP		PARENT COMPANY	
		2001	2000	2001	2000
Net sales	1	234,051	237,496	230,819	234,834
Material costs		-2,926	-9,179	-2,926	-9,179
Other external expenses		-47,240	-43,673	-46,741	-43,372
Staff costs	3,4	-180,927	-156,910	-180,730	-156,900
Depreciation tangible assets	10,11	-4,904	-4,110	-3,745	-2,950
Total expenses excl. goodwill and items affecting comparability		-235,997	-213,872	-234,142	-212,401
Profit/loss before depreciation goodwill and items affecting comparability		-1,946	23,624	-3,323	22,433
Goodwill amortisation	9	-4,880	-4,880	-238	-239
Goodwill write-down	9	-20,300	-		
Items affecting comparability	5	-2,010	-2,189	-2,010	1,283
Total operating expenses		-263,187	-220,941	-236,390	-211,357
Operating profit		-29,136	16,555	-5,571	23,477
PROFIT/LOSS FROM FINANCIAL INVESTMENTS					
Profit from participations in group companies	6			-25,234	1,576
Interest income and similar profit/loss items	7	684	353	367	173
Interest expenses		-486	-1,024	-336	-1,006
Total financial items		198	-671	-25,203	743
Profit/loss after financial items		-28,938	15,884	-30,774	24,220
Appropriations	16			1,861	-6,906
Profit/loss before tax		-28,938	15,884	-28,913	17,314
Items affecting comparability Prevas Engineering		-	-4,137	-	-
Tax expense	8	1,353	-6,288	-	-9,372
Net profit/loss for the year		-27,585	5,459	-28,913	7,942
Margin before GW and I.A.C.		-0.8%	9.9%	-1.4%	9.6%
Margin after GW and I.A.C.		-12.4%	7.0%	-2.4%	10.0%
Profit margin		-12.4%	6.7%	-13.3%	10.3%

Balance sheets

Assets, SEK thousand	Note	GROUP		PARENT COMPANY	
		2001	2000	2001	2000
FIXED ASSETS					
INTANGIBLE ASSETS					
Goodwill	9	10,649	35,828	1,664	1,902
Total		10,649	35,828	1,664	1,902
TANGIBLE ASSETS					
Equipment, tools and fixtures and fittings	10	10,434	9,308	10,272	9,131
Buildings and land	11	22,816	23,921	-	-
Total		33,250	33,229	10,272	9,131
FINANCIAL ASSETS					
Participations in group companies	12			44,234	72,398
Other securities held as fixed assets		100	100	100	100
Total		100	100	44,334	72,498
Total fixed assets		43,999	69,157	56,270	83,531
CURRENT ASSETS					
CURRENT RECEIVABLES					
Trade debtors		33,513	37,701	32,957	37,471
Receivables from group companies				6,369	8,193
Other receivables		2,001	3,483	1,078	3,483
Prepaid expenses and accrued income	13	15,143	20,844	14,973	20,417
Total current receivables		50,657	62,028	55,377	69,564
Cash and bank balances	14	4,136	18,891	3,938	17,475
Total		4,136	18,891	3,938	17,475
Total current assets		54,793	80,919	59,315	87,039
TOTAL ASSETS		98,792	150,076	115,585	170,570

Balance sheets

SEK thousand, Equity, provisions and liabilities	Note	GROUP		PARENT COMPANY	
		2001	2000	2001	2000
EQUITY	15				
RESTRICTED EQUITY					
Share capital		18,934	18,934	18,934	18,934
Share premium reserve		37,912	37,912	35,212	35,212
Other restricted reserves		20,175	20,347	3,507	3,507
Total		77,021	77,193	57,653	57,653
ACCUMULATED DEFICIT					
Profit/loss brought forward		9,362	7,550	14,654	10,498
Net profit/loss for the year		-27,585	5,459	-28,913	7,942
Total		-18,223	13,009	-14,259	18,440
Total equity		58,798	90,202	43,394	76,093
Untaxed reserves	16			23,528	25,389
PROVISIONS	17				
Provisions for taxation	8	10,101	10,877	-	-
Other provisions		751	721	751	721
Total		10,852	11,598	751	721
CURRENT LIABILITIES					
Trade creditors		8,538	10,401	8,317	10,371
Liabilities to group companies				19,599	18,205
Tax liabilities		-	3,071	-	7,846
Other liabilities		7,399	26,379	7,115	24,059
Accrued expenses and deferred income	18	13,205	8,425	12,881	7,886
Total current liabilities		29,142	48,276	47,912	68,367
EQUITY AND LIABILITIES		98,792	150,076	115,585	170,570
Pledged assets	19	83,010	110,665	57,655	86,778
Contingent liabilities	19	4,219	3,314	4,219	3,314

Cash flow statements

SEK thousand	GROUP		PARENT COMPANY	
	2001	2000	2001	2000
ORDINARY ACTIVITIES				
Ordinary activities Operating profit/loss	-29,136	16,555	-5,571	23,477
Depreciation and write-down	30,084	10,326	3,983	3,189
Provisions	30	664	30	261
Net financial income/expense	198	-670	31	-833
Tax paid	-6,612	-6,458	-8,879	-1,907
Cash flow from ordinary activities before changes in working capital	-5,436	20,417	-10,406	24,187
CHANGE IN WORKING CAPITAL				
Change in current receivables	13,246	-4,471	13,153	-25,499
Change in current liabilities	-1,853	3,781	1,724	30,922
Cash flow from ordinary activities	5,957	19,727	4,471	29,610
INVESTMENT ACTIVITIES				
Sale of business operations	-	13,909	-	-
Acquisition of equipment, etc.	-5,467	-7,497	-5,426	-6,498
Sale of equipment, etc	542	323	541	24
Cash flow from investment activities	-4,925	6,735	-4,885	-6,474
FINANCING ACTIVITIES				
Warrants issue	-	2,577	-	2,577
Repayment of (-) increase in (+) debt	-12,000	-18,183	-12,000	-25,184
Dividend paid	-3,787	-	-3,787	-
Group contributions			2,664	16,901
Cash flow from financing activities	-15,787	-15,606	-13,123	-5,706
Net cash flow for the year	-14,755	10,856	-13,537	17,430
Liquid assets on 1 January 2001	18,891	8,035	17,475	45
Liquid assets on 31 December 2001	4,136	18,891	3,938	17,475
Change	-14,755	10,856	-13,537	17,430

NOTES TO THE ACCOUNTS, ACCOUNTING POLICIES

The annual accounts have been prepared in accordance with the provisions of the Annual Accounts Act (ÅRL 1995:1544) and the recommendations of the Swedish Financial Accounting Standards Council.

CONSOLIDATED ACCOUNTS

The consolidated accounts comprise Prevas AB and subsidiaries. The consolidated accounts have been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 1:00 on consolidated accounts. The consolidated accounts have been prepared in accordance with the acquisition accounting method, which means that the assets and liabilities of subsidiaries acquired are shown at their market value, as per an acquisition analysis drawn up. If the acquisition value of shares in a subsidiary exceeds the estimated market value of the company's net assets as per the acquisition analysis, the difference amounts to group goodwill, which is written off over an estimated life. Only profits arising after the acquisition date are included in consolidated equity.

The overseas subsidiary's balance sheet is translated on the closing day rate, and the profit and loss account is translated at the average rate for the year. Translation differences arising are posted directly to consolidated equity.

SUCCESSIVE PROFIT/LOSS RECOGNITION

Successive profit/loss recognition is applied to both assignments on a time basis, and fixed-price assignments. Profit arises at the rate the assignment is carried out.

This accounting principle means, in the case of fixed-price assignments, that the completed proportion of total income for work carried out and purchases made is accounted for as turn-

over. The completed proportion less advance payments received is accounted for as accrued income. A basic condition for successive profit/loss recognition is that the amount of income and costs relating to the assignment can be reliably determined, as well as the proportion completed.

In the case of assignments not covering their costs, full provision for the loss is made as soon as it is anticipated.

TANGIBLE FIXED ASSETS

Tangible fixed assets, consisting mainly of machinery, equipment and properties, are accounted for at the acquisition value after deducting accumulated depreciation.

DEPRECIATION ACCORDING TO PLAN

Depreciation according to plan is based on the acquisition values and the estimated life of the assets. Depreciation according to plan is allowed for at the following rates:

• Equipment	20%
• Machinery	20%
• Computer hardware	20%
• Buildings	4%
• Goodwill	10%

All purchases of software, licences and components for the maintenance and operation of the Group's networks are regarded as short-term equipment with a life of less than 3 years, and these investments are therefore written off at the time of acquisition.

Goodwill relating to subsidiaries and businesses acquired is accounted for as a fixed asset and amortised according to plan over the economic life. The economic life is determined on a case-by-case basis. The economic life in excess of 5 years is motivated by the fact that acquisitions made have a long-term strategic value.

LEASED ASSETS

The Group has leasing agreements on certain company cars and computers. All leasing agreements have been classified as operational, which means that no asset or corresponding liability is shown in the balance sheet.

RECEIVABLES

Receivables are shown at the amounts at which they are expected to be received on a case-by-case basis.

OTHER ASSETS, LIABILITIES AND PROVISIONS

These items are accounted for at the acquisition values, with the exception of items in foreign currencies, which are accounted for at the rates in force on the balance sheet date.

TAXES

Recommendation RR 9 on income tax of the Swedish Financial Accounting Standards Council is applied. Total tax consists of current tax and deferred tax.

Current tax is tax which must be paid or received for the current year. This also includes adjustments of current tax attributable to previous periods. Deferred tax is calculated according to the balance sheet method based on temporary differences between reported and written-down values of assets and liabilities. The sums are calculated on the basis of how the temporary differences are expected to be balanced and with the application of the tax rates and tax provisions which are decreed or announced as at the balance sheet date. Temporary differences are not taken into account in goodwill on consolidation. Untaxed reserves including deferred tax liability are shown in legal person, while untaxed reserves are divided between deferred tax liability and restricted equity in the consolidated accounts.

Notes

NOTE 1 - NET SALES

	GROUP		PARENT COMPANY	
	2001	2000	2001	2000
SEK thousand				
IT consultancy	230,895	234,834	230,819	234,834
Other activities	3,156	2,662	-	-
Total	234,051	237,496	230,819	234,834

DISTRIBUTED BY MARKET

Sweden	221,424	234,897	218,268	232,235
Abroad	12,627	2,599	12,551	2,599
Total	234,051	237,496	230,819	234,834

NOTE 2 - REMUNERATION TO AUDITORS

AUDIT				
KPMG	187	178	187	153
Total	187	178	187	153

OTHER ASSIGNMENTS

KPMG	374	88	374	88
Ranby Revisorer	-	5	-	-
Total	374	93	374	88

NOTE 3 - AVERAGE NUMBER OF EMPLOYEES

Women	60	50	60	50
Men	228	206	227	206
Total	288	256	287	256

DISTRIBUTED BY TOWN

Västerås	68	69	68	69
Göteborg	46	57	46	57
Uppsala	43	32	43	32
Linköping	38	30	38	30
Stockholm	38	24	38	24
Karlstad	34	22	34	22
Towns with less than 20 employees	21	22	20	22
Total	288	256	287	256

NOTE 4 - SALARIES, OTHER REMUNERATION AND PAYROLL OVERHEADS

Salaries and other remuneration	118,429	100,590	118,247	100,590
Payroll overheads incl. pension	55,553	47,001	55,553	47,001
of which pension costs	13,807	11,031	13,807	11,031

NOTE 4, CONT.

	GROUP		PARENT COMPANY	
	2001	2000	2001	2000
SEK thousand				
Board and CEO	2,155	2,279	2,155	2,279
Other employees	116,274	98,311	116,092	98,311
Total	118,429	100,590	118,247	100,590

Total fees of SEK 320 thousand (SEK 320 thousand) were paid to the Board of the parent company. Fees are distributed equally between the Board's non-executive directors. Chairman of the Board, Göran Lundin, solely receives a salary of SEK 35 thousand/month. President and CEO, Jonas Wiström, received salary, bonus and car benefit totalling SEK 1,531 thousand during the year. As principal shareholder, Göran Lundin wrote 100,000 share options to Jonas Wiström. The CEO has a period of notice of 12 months if employment is terminated by the company and of 6 months if terminated at his own request. SEK 319 thousand (SEK 308 thousand) of the parent company's pension costs relates to the Board and CEO.

NOTE 5 - ITEMS AFFECTING COMPARABILITY

Refund of allocated pension funds from SPP	-	6,013	-	6,013
Costs of special marketing initiatives	-	-3,999	-	-3,999
Costs connected with notices of termination	-2,010	-	-2,010	-
Structural costs	-	-731	-	-731
Operating loss on operations of Prevas Engineering	-	-1,928	-	-
Loss on sale of Prevas Engineering	-	-1,544	-	-
Total	-2,010	-2,189	-2,010	1,283

NOTE 6 - PROFIT FROM PARTICIPATIONS IN GROUP COMPANIES

Dividend from shares in subsidiaries			925	-
Write-down of shares in subsidiaries			-28,823	-15,325
Group contribution received			2,664	16,901
Total			-25,234	1,576

NOTE 7 - INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

Interest income	684	353	367	173
Total	684	353	367	173

NOTE 8 - TAX ON PROFIT FOR THE YEAR

Tax expense for the period	-13	-10,080	-	-9,372
Adjustment of tax relating to previous year	590	-	-	-
Current tax	577	-10,080	-	-9,372
Deferred tax	776	-345	-	-
Total	1,353	-10,425	-	-9,372

Reconciliation of effective tax

Profit/loss before tax	-28,938	15,884	-28,913	17,314
Tax as per tax rate for parent company	8,102	-4,448	8,095	-4,848
Amortisation of goodwill on consolidatio	-6,984	-5,694		
Write-down of shares in subsidiaries			-8,070	-4,291
Other non-deductible expenses	-325	-248	-284	-233
Non-taxable income	59	-	259	-
Increase in deficit deduction without corresponding activation of deferred tax	-89	-	-	-
Tax relating to previous year	590	-35	-	-
Net tax	1,353	-10,425	-	-9,372

Notes

NOTE 8, CONT.	2001	Change for the year accounted for over profit and loss account	2000
Deferred tax liability accounted for over profit and loss account			
The deferred tax liabilities are attributable to the following items:			
Buildings and land	3,567	174	3,741
Tax allocation reserves	6,534	602	7,136
Total	10,101	776	10,877

Tax deficit deductions, for which deferred tax claims have not been accounted, total SEK 319 thousand (0).

NOTE 9 - GOODWILL	GROUP		PARENT COMPANY	
SEK thousand	2001	2000	2001	2000
Opening acquisition value	48,795	64,769	2,380	1,200
Purchases/investments	-	1,180	-	1,180
Disposals/write-downs	-	-17,154	-	-
Closing acquisition value	48,795	48,795	2,380	2,380
Opening amortisation	-12,967	-9,808	-478	-239
Disposals/write-downs	-20,300	2,579	-	-
Amortisation for the year	-4,880	-5,738	-238	-239
Accumulated amortisation	-38,146	-12,967	-716	-478
Book value	10,649	35,828	1,664	1,902

NOTE 10 - EQUIPMENT, TOOLS AND FIXTURES AND FITTING				
Opening acquisition value	26,905	30,361	24,499	19,206
Acquisitions for the year	5,467	6,318	5,426	5,318
Sale/disposal for the year	-10,988	-9,774	-10,988	-25
Closing acquisition value	21,384	26,905	18,937	24,499
Opening accumulated depreciation	-17,598	-21,114	-15,368	-12,419
Adjustment for sale/disposal	10,447	6,997	10,447	1
Depreciation for the year	-3,799	-3,480	-3,745	-2,950
Accumulated depreciation	-10,950	-17,597	-8,666	-15,368
Book value	10,434	9,308	10,272	9,131

NOTE 11 - BUILDINGS AND LAND				
Opening acquisition value	28,573	28,573	-	-
Sales/disposals	-	-	-	-
Acquisitions for the year	-	-	-	-
Closing acquisition value	28,573	28,573	-	-
Opening depreciation	-4,652	-3,543	-	-
Depreciation for the year	-1,105	-1,109	-	-
Accumulated depreciation	-5,757	-4,652	-	-
Book value	22,816	23,921	-	-

The tax assessment value of properties was SEK 12,026 thousand, of which land was SEK 2,729 thousand.

NOTE 12 - PARTICIPATIONS IN GROUP COMPANIES

SEK thousand	GROUP		PARENT COMPANY	
	2001	2000	2001	2000
Opening balance			72,398	87,459
Write-down of shares in subsidiaries			-28,823	-15,325
Acquisition of shares in subsidiaries			659	264
Book value on 31 December			44,234	72,398
	Corporate	Percentage		
	Identity no.	of share	No. of shares	Book value
Prevas Bioinformatics A/S	261 80 287	100%	5,000	659
Trinova Software Systems AB	556376-3910	100%	8,000	11,974
Prevas Engineering AB	556380-1132	100%	5,000	3,824
Prevas Inhold AB	556350-5758	100%	5,000	19,957
Prevas Fastighets i Västerås AB	556238-7331	100%	1,000	7,200
PharmaLine AB	556266-3210	100%	3,000	620
Total				44,234

NOTE 13 - PREPAID EXPENSES AND ACCRUED INCOME

	2001	2000	2001	2000
Fixed-price projects in progress, invoicing value	30,435	32,023	30,433	32,023
Less invoicing	-26,342	-23,391	-26,342	-23,391
Accrued income from work on a time basis	8,406	10,792	8,406	10,792
Other items	2,644	1,420	2,476	993
Total	15,143	20,844	14,973	20,417

NOTE 14 - CASH AND BANK BALANCES

	2001	2000	2001	2000
Unused credits which are not included in liquid assets	20,000	20,000	20,000	20,000
Total	20,000	20,000	20,000	20,000

NOTE 15 - EQUITY

Group	Share capital	Restricted reserves	Non-restricted reserves	
Opening equity 2001-01-01	18,934	58,259	13,009	
Translation differences for the year			-31	
Transfer between restricted and non-restricted reserves		-172	172	
Dividend			-3,787	
Net profit/loss for the year			-27,585	
Closing equity 2001-12-31	18,934	58,087	-18,223	
Parent Group	Share capital	Share premium reserve	Statutory reserve	Non-restricted reserves
Opening equity 2001-01-01	18,934	35,212	3,507	18,440
Dividend				-3,786
Net profit/loss for the year				-28,913
Closing equity 2001-12-31	18,934	35,212	3,507	-14,259

Notes

NOTE 16 - APPROPRIATIONS AND UNTAXED RESERVES

SEK thousand	2001	2000
APPROPRIATIONS		
Transfer to tax allocation reserve	-	-8,368
Cancellation of tax allocation reserve	1,805	1,700
Cancellation of tax equalisation reserve	-	299
Difference between book depreciation and depreciation according to plan	56	-537
Total	1,861	-6,906
UNTAXED RESERVES		
Tax allocation reserve tax year 1996	-	1,805
Tax allocation reserve tax year 1997	5,909	5,909
Tax allocation reserve tax year 1998	3,060	3,060
Tax allocation reserve tax year 1999	2,696	2,696
Tax allocation reserve tax year 2000	2,531	2,531
Tax allocation reserve tax year 2001	8,368	8,368
Difference between book depreciation and depreciation according to plan	964	1,020
Total	23,528	25,389

NOTE 17 - PROVISIONS

	GROUP		PARENTCOMPANY	
	2001	2000	2001	2000
Avsättning för skatter	10,101	10,877	-	-
Garantireserv	751	721	751	721
Totalt	10,852	11,598	751	721

NOTE 18 - ACCRUED EXPENSES AND DEFERRED INCOME

	2001	2000	2001	2000
Accrued salaries and holiday pay liabilities	5,481	4,722	5,455	4,330
Accrued social security charges	2,905	1,227	2,896	1,098
Other accrued expenses	4,819	2,476	4,530	2,458
Total	13,205	8,425	12,881	7,886

NOTE 19 - PLEDGED ASSETS AND CONTINGENT LIABILITIES

PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTIONS				
Floating charges	26,500	26,500	15,000	15,000
Property mortgages	10,000	10,000	-	-
Shares in subsidiaries	46,510	74,165	42,655	71,778
Total	83,010	110,665	57,655	86,778
CONTINGENT LIABILITIES				
Guarantees for advance payment guarantees	4,219	3,314	4,219	3,314
Total	4,219	3,314	4,219	3,314

To the Annual General Meeting of Prevas AB (Publ)
Corporate identity no. 556252-1384

We have audited the annual accounts, the consolidated accounts, the accounting records, and the administration of Prevas AB by the Board of Directors and the Chief Executive Officer for the financial year 2001. The Board and the Chief Executive Officer are responsible for the accounting documents and the administration. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration on the basis of our audit.

The audit was conducted in accordance with generally accepted auditing standards in Sweden. This means that we planned and performed the audit to provide reasonable assurance that the annual accounts and the consolidated accounts do not contain material errors. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the accounting documents. An audit also includes an assessment of the accounting policies and their application by the Board and the Chief Executive Officer, and an evaluation of the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion on discharge from liability, we have examined important decisions, actions taken and circumstances in the company, in order to assess whether a Director or the Chief Executive officer is liable to pay compensation to the company, we have also examined whether a Director or the Chief Executive Officer has otherwise acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We consider that our audit provides a reasonable basis for our opinions below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act, and they provide a true and fair view of the Company's and the Group's results and financial position in accordance with generally accepted auditing standards in Sweden.

We recommend that the Annual General Meeting adopt the profit and loss accounts and balance sheets of the Parent Company and the Group, deal with the deficit of the Parent Company in accordance with the proposal in the Directors' Report and discharge the Directors and the Chief Executive Officer from liability for the financial year.

Stockholm, 6 February 2002

Bo Ribers
Authorised Public Accountant
KPMG

Per-Oluf Hansen
Authorised Public Accountant
KPMG

Board of Directors



LISBETH GUSTAFSSON

Stockholm, born 1947,
Senior Vice President of Posten Sverige AB,
Director since 2000
Other assignments: Director of IT-Företagen, IT-kommissionen, Stockholms Handelskammare, Svensk Handel, National Government Employee Pensions and Salaries Board, Svenskt Näringsliv, Bibliotekstjänst AB och Handels Utredningsinstitut and deputy of Swedish Employers' Confederation.
Shareholdings: 800 B shares



MATHIAS UHLÉN

Stockholm, born 1954,
Professor of Molecular Microbiology at Royal Institute of Technology,
Director since 2000
Other assignments: Director of Amersham Pharmacia Biotech (London), KTH Holding AB, KTH Näringslivskontakt AB, Pyrosequencing AB, Scanditec AB, Stockholm Science Park and Affibody Technology Sweden AB.
Shareholdings: 2,400 B shares



GÖRAN LUNDIN

Västerås, born 1944
Chairman since 2000 and Director since 1985
Other assignments: Chairman of Aldano AB and MPA Rostskydd AB. Director of IVA, IVA's Council for Industry and Västmanland R&D Council.
Shareholdings (incl. family): 400,000 A shares and 2,845,586 B shares



STIEG WESTIN

Skövde, born 1938
Director since 1986 and deputy since 2000
Former Vice President of Volvo Lastvagnar AB
Other assignments: Chairman of Gothia Science Park AB and the programme council for IT-Verkstad Forskning.
Director of SMT Tricept AB.
Shareholdings (incl. company): 64,000 A shares and 49,200 B shares



JONAS WISTRÖM

Stockholm, born 1960
Chief Executive Officer of Prevas AB since 1999
Director since 1997
Other assignments: Director of Svenska IT-företagen and Svenskt Näringsliv.
Shareholdings (incl. family): 9,200 B shares, 100,000 share options 500 warrants and 12,000 employee warrants.



TORBJÖRN EK

Södertälje, born 1934
Director since 1997
Other assignments: Chairman of Bilmetro AB and Terrum BV. Director of Sverige-Amerika Stiftelsen, Bim Kemi AB, Telge Företagsinvest AB and IVA.
Shareholdings (incl. family and company): 24,400 B shares



BERNT ERICSON,

Stockholm, born 1945
Director since 2000
Honorary Doctor of Uppsala University.
Vice President Ericsson
Other assignments: Chairman of Interactiva Institutet AB, IMIT, Stiftelsen Chester Carlson fonder and IVA's Department II. Director of Linköping University and Institutet för Framtidsstudier.
Shareholdings: 1,600 B shares



CLAES DINKELSPIEL

Stockholm, born 1941
Director since 2000
President and CEO of E. Öhman J:or AB.
Other assignments: Chairman of E. Öhman J:or AB, E. Öhman J:or Fondkommission AB and Nordnet AB. Director of various other companies and institutions.
Shareholdings: 8,500 B shares



ERIC HALLBERG

Stockholm born 1956,
Deputy CEO Telia Mobile AB
Director since 1999
Other assignments: Director of NWGSM ZAO Ryssland and Confidence AB.
Shareholdings: 8,000 B shares



ANDERS HALLQVIST

Västerås, born 1959
Director since 2000
Staff representative
Shareholdings: 22,400 A shares and 3,200 B shares, 500 warrants and 1,500 employee warrants.



MATTIAS ALMÉN

Lund, born 1971
Director since 2001
Staff representative
Shareholdings: 200 B shares and 500 employee warrants.

Senior management and auditors



ANDERS ENGLUND
Stockholm, born 1960
Head of Prevas Consulting, Director of Telecom
Education: Master of Engineering
Employed since 1998
Shareholdings: 8,200 B shares, 5 000 warrants and 10 000 employee warrants.



BJÖRN ANDERSSON
Västerås, born 1957
Director of Industry
Education: Master of Engineering
Employed since 1985
Shareholdings: 100,000 A shares, 208,000 B shares and 1,500 employee warrants.



LARS SJÖSTRÖM
Västerås, born 1949
Quality Director
Education: Master of Engineering
Employed since 1985
Shareholdings: 10,880 A shares, 2,400 B shares, 500 warrants and 1,500 employee warrants.



MATZ AXELSSON
Stockholm, born 1961
Director of Products & Customer Support
Education: Engineer
Employed since 2000
Shareholdings: 500 B shares, 10,000 share options, 2,500 warrants and 4,000 employee warrants.



JONAS WISTRÖM
Stockholm, born 1960
Chief Executive Officer of Prevas AB
Education: Master of Engineering
Employed since 1999
Shareholdings (incl. family): 9,200 B shares, 100,000 share options, 500 warrants and 12,000 employee warrants.



OLOF STÅLNACKE
Stockholm, born 1965
Director of Finance and Personnel
Education: Master of Business and Administration
Employed since 2001



HANS FONDELIUS
Stockholm, born 1963
Business Area Director of Bioinformatics
Education: Master of Business and Administration
Employed since 2001
Shareholdings: 1,000 B shares

Auditors

BO RIBERS
Stockholm, born 1942
Authorised Public Accountant KPMG
Accountant to Prevas since 1998.

PER-OLUF HANSEN
Västerås, born 1947
Authorised Public Accountant KPMG
Accountant to Prevas since 1998.

Definitions

MARGINS

GROSS MARGIN

Profit/loss before depreciation as a percentage of operating income.

OPERATING MARGIN

Operating profit/loss as a percentage of operating income.

PROFIT MARGIN

Profit/loss after financial items as a percentage of operating income.

RETURN

RETURN ON OPERATING CAPITAL

Operating profit/loss as a percentage of average operating capital.

RETURN ON CAPITAL EMPLOYED

Profit/loss before financial items plus financial income as a percentage of average capital employed.

RETURN ON EQUITY

Profit/loss after financial items minus tax paid and deferred tax on the year's appropriations as a percentage of average equity.

CAPITAL STRUCTURE

OPERATING CAPITAL

Total capital employed minus liquid assets and non interest-bearing liabilities including deferred tax liability on untaxed reserves.

CAPITAL EMPLOYED

Total capital employed minus non interest-bearing liabilities.

EQUITY

Equity including 72 per cent of untaxed reserves.

NET INTEREST-BEARING LIABILITIES

Interest-bearing liabilities minus liquid assets.

NET DEBT/EQUITY RATIO

Net interest-bearing liabilities divided by equity calculated as above.

EQUITY/ASSETS RATIO

Equity calculated as above as a percentage of total capital employed.

PERCENTAGE OF RISK-BEARING CAPITAL

Equity calculated as above plus deferred tax liability as a percentage of total capital employed.

CASH FLOW AND LIQUIDITY

CASH FLOW BEFORE INVESTMENTS

Profit/loss before depreciation minus increase in working capital.

LIQUID ASSETS

Liquid assets and short-term investments.

EMPLOYEES

TURNOVER PER EMPLOYEE

Operating income divided by the average number of yearly employees.

PER SHARE DATA

AVERAGE NUMBER OF SHARES

Average number of shares during the year adjusted for bonus issue and split.

EARNINGS PER SHARE AFTER FULL TAX

Profit/loss after financial items minus full tax, divided by the average number of shares.

EQUITY PER SHARE

Equity calculated as above divided by the number of shares at the year-end.

INVESTMENTS

INVESTMENTS IN FIXED ASSETS

Investments in fixed assets less sales and trade-in of fixed assets and investment contribution.

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As a project and technical knowledge-based IT company, Prevas shall help our customers develop cost-effective computer-based products and IT solutions.

Prevas' competence shall contribute to our customers' competitiveness reaching the highest international level.

