

INTERIM REPORT JANUARY - MARCH 2015

Västerås, 29th April 2015



JANUARY - MARCH 2015

- Net turnover 185.7 MSEK (188.1)
- Profit before depreciation/amortization and write downs 4.3 MSEK (11.2)
- Operating profit/loss EBIT 1.4 MSEK (7.9)
- Operating margin EBIT 0.7 % (4.2)
- Profits after tax 1.1 MSEK (5.8)
- Profit per share 0.10 SEK (0.51)

CEO COMMENTS



Karl-Gustav Ramström
CEO PREVAS AB

FORTHCOMING REPORTS:

Interim report January - June,
15th July 2015

Interim report January - September,
28th October 2015

Year End Report 2015,
10th February 2016

MORE INFORMATION:

Karl-Gustav Ramström, CEO
Tel: + 46 (0)21-360 19 00
Cell: + 46 (0)70-349 20 90
E-mail: karl-gustav.ramstrom@prevas.se

Andreas Lindahl, CFO
Tel: + 46 (0)21-360 19 34
Cell: + 46 (0)70-547 08 25
E-mail: andreas.lindahl@prevas.se

The trend we identified at the end of the previous year has continued into the first quarter. Several of our key customers remain cautious regarding investment which has led to slower decision making processes. At the same time, a number of project decisions are drifting because of tough choices regarding technology, function, business benefit and productivity. Overall this has led to slight reservations and results that are not satisfactory. The period was also negatively affected by write downs in projects.

The new business situation places demands on the adaptation of expertise and capacity and increased internal efficiency. This has meant that we have taken a number of actions to improve profitability and plan to make more. The Prevas Project Management Office has been strengthened to ensure Prevas project delivery and that we run our projects successfully. Our

most experienced project managers work here guiding, leading and coaching all project management, from bid to implementation. In summary, we are implementing several improvements to reach our profitability goals. Everything to create the best conditions for future growth and stable profitability.

The quarter ended more positively. We have also won a number of interesting orders from the life science, vehicle and manufacturing industries. The need to develop new advanced medical equipment and mHealth-solutions continues to grow. The tough technical requirements that the customers make within the life science segment have made Prevas one of the market leaders in northern Europe. To increase

productivity and competitiveness, the vehicle and manufacturing industry is investing in intelligent IT solutions and automation. Prevas has had many large customers in these two segments for a long time and they continue to invest in their operations.

This year Prevas is celebrating its 30th anniversary. The company was established when the IT era broke through and today, is one of the leading players in the Nordic area within technical product development, integrated systems and industrial IT & automation. Over the years we have accumulated very wide industry experience and deep specialist expertise. Our present challenge is to clarify how this experience and vast knowledge can help the company to become even more innovative, productive and cost efficient.

Digitization and everything being interconnected has changed how we, as consumers, live in and interact with society at the same time that it drives development within the service sector. We see new innovations coming onto the market all the time. Industry 4.0, Internet of Things and cloud solutions have given birth to new customer requirements and new opportunities for the industry. Understanding and embracing these new opportunities and the new technology is essential to the survival of Nordic industry and Prevas is a strong, long-term and capable partner in the process.

Moving forward, the priority is to intensify sales work and continue the work of positioning and packaging our offer based on the market's expectations. As the new technology around digitization and mobility matures, the project decisions will speed up. We are also seeing new customers and segments that need help taking on the new technology. This will benefit Prevas with its vast application expertise and deep technical ability.

We have never had greater or more exciting opportunities than today.

Karl-Gustav Ramström,
CEO Prevas AB

MARKET & OPERATIONS

Prevas is a technical IT company that offers solutions, services and products to customers who develop products with a large IT content or that have a need to automate and streamline their operations.

MARKET

The market continues to be characterized by uncertainty and several of our key customers are restrained regarding investment in new large development projects. Despite a more restrained market, with the timing of many large projects drifting, we see opportunities for business in a number of areas.

Prevas customers are spread across several different industries. The five largest customers were responsible for 22 percent of the turnover during the period. Those areas where we have seen the best development are the life science and vehicle industries while defense has been more restrained.

Some of the more substantial challenges that our customers face are in dealing with intensive global competition, finding and retaining skilled labor, meeting demands for decreased costs and adapting to various customer needs. These days much of business is about understanding and embracing the opportunities presented by new technology, creating productivity improvements, optimizing operations and reducing product costs.

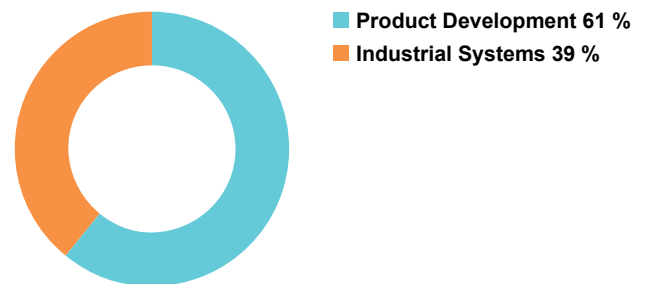
Digitization, connected products and mobility are here to stay. Even if we see new products using connective technology coming on to the market daily, we are only in the infancy of the technology. To meet these challenges, companies need to cooperate with partners who know the new technology and understand their unique requirements in specific areas. Prevas with its offers is well positioned for this.

IMPORTANT EVENTS DURING THE PERIOD

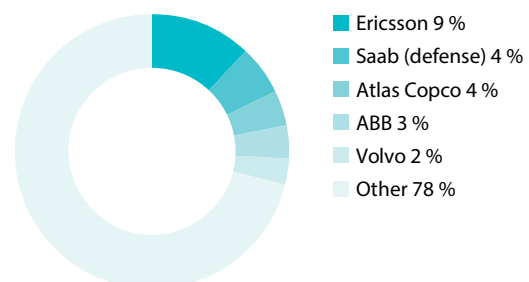
- During the period we have received a number of interesting assignments from the life science, automotive and manufacturing industries.
- **Order from Orica.** Orica Sweden in Gyttorp manufactures, develops and markets explosives in the form of detonators and bulk explosives for the mining and construction industries. In order to increase production capacity, Orica's global organization has chosen to invest in a new production facility in Gyttorp. The new facility will be installed in existing premises with Prevas as partner within industrial IT. Work on project planning and design of the new facility has been underway for a long period of time and with close collaboration between Orica and Prevas. The order value is approx. 6 MSEK and commissioning will take place in mid 2015.

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

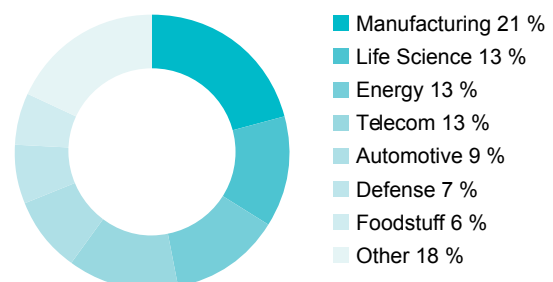
BUSINESS AREA, PERCENTAGE OF TURNOVER – Q1 2015



THE LARGEST CUSTOMERS – Q1 2015



INDUSTRY BREAKDOWN – Q1 2015



MARKET & OPERATIONS (cont.)

- **New framework agreement with Outokumpu.** Prevas has signed a new framework agreement with Outokumpu. The agreement is for two years, 2015-2016, and is the continuation of a long and good collaboration between companies.
- **Stronger Project Management Office.** Sales of Projects and Solutions are an important future area for Prevas, which is why we are further focusing on project operations via a strengthening of the Project Management Office, where we have assembled our specialist expertise in project implementation. This is especially important because we have had some large project write downs in the last quarter.
- **Bernt Henriksen at Prevas was announced as ambassador of the year at Västerås Science Park.** The prize was awarded by Västmanland's County Governor, Håkan Wählstedt, and the citation was as follows: "Bernt Henriksen is a leading expert within his field of technology and has many years' experience of providing solutions to difficult efficiency problems within his industry. Large and small companies throughout Västmanland have had their facilities reviewed by the prizewinner and been given the opportunity to effectivize them to perfection. Industrial IT, Stock turnover speed, OEE calculations are some of the terms that our prizewinner uses daily. His commitment to the park makes our prizewinner a very good ambassador and an important mentor in a number of projects where the park is, and has been, a driving project owner."

IMPORTANT EVENTS AFTER THE PERIOD

- **Peter Karlsten becomes a new board member at Prevas AB.** At the Prevas AGM on the 16th April, Peter Karlsten was elected onto the Board of Directors. Peter is a Senior Advisor within AB Volvo and has previously held a number of international management positions within ABB and Volvo. During his professional career, Peter has built up a broad base of expertise covering all areas of corporate operation and also has extensive international knowledge.
- **Development of connected windows that save energy.** ChromoGenics is a leader in the development of technologies for smart windows. In a ConverLight™ window with ChromoGenics technology, the amount of light and radiated heat allowed to pass through windows can be regulated. With Prevas' assistance, a scalable system has been developed for control of window glass. The system is designed for installation in both commercial and residential buildings. The windows can be controlled via the Internet by smart phones for example, or configured for fully automatic regulation.

PREVAS' BUSINESS AREA

PRODUCT DEVELOPMENT	2015	2014	2014	2014	2014	2014	2013	2012
PROFITS/LOSS	Q 1	Q 4	Q 3	Q 2	Q 1	Full year	Full year	Full year
Income, TSEK	112,634	112,021	96,421	113,949	111,910	434,301	420,511	446,725
Operating profit/loss, TSEK	502	51	949	-2,513	1,941	428	-16,206	435
Operating margin, %	0.4	0.0	1.0	-2.2	1.7	0.1	-3.9	0.1
Number of employees, average	361	357	344	347	352	350	356	346

The Prevas Product Development business area specializes in software, electronics and mechatronics for development of products and embedded systems. With a combination of application know-how, technical expertise and industry knowledge Prevas is a strategic partner for developing market leading products.

The demand for product development and integrated systems was stable in the first quarter and there was clear customer interest in Prevas' specialist areas such as software, electronics and mechanics. The Life Science industry continues to develop positively and in the first quarter we have won a substantial amount of business.

The turnover in the first quarter is on a par with the corresponding period in the previous year. The operating profits are slightly weaker. We have experienced a weaker demand in a few of our local markets which has led to the chargeable rate being at too low a level.

MARKET & OPERATIONS (cont.)

INDUSTRIAL SYSTEMS	2015	2014	2014	2014	2014	2014	2013	2012
PROFITS/LOSS	Q 1	Q 4	Q 3	Q 2	Q 1	Full year	Full year	Full year
Income, TSEK	73,048	75,076	64,941	75,763	76,185	291,965	267,286	198,883
Operating profit/loss, TSEK	864	913	6,299	2,607	5,914	15,733	5,574	1,739
Operating margin, %	1.2	1.2	9.7	3.4	7.8	5.4	2.1	0.9
Number of employees, average	197	192	186	200	201	194	198	161

The Industrial systems business area assists companies to increase their efficiency in production and offers operationally relevant advice that is based on a deep understanding of the customer's technology and business. The focus is on intelligent IT solutions within manufacturing execution systems (MES), decision-making support for production follow-up (EMI), maintenance systems (EAM) as well as production logistics, robotic solutions and automation. These are solutions that have major impact on industrial productivity and consequently competitiveness.

Regardless of economic conditions, IT is increasingly becoming an inescapably essential factor both for businesses and society in general. There is great interest in gaining a fast overview of production processes and the market's development for IT solutions close to production remains positive. New technology also opens new possibilities for collating information from connected equipment and using smart phones to transmit information about production, quality, maintenance and interruptions.

The turnover for the Industrial systems business area is slightly lower than the same period in 2014. Operating profit fell by 5.1 MSEK. During the first quarter of the year, the market has continued to be characterized by restraint in several of our key customers and the timing on a number of projects has drifted. Combined with the weaker end to last year, this has led to much too low reservations during the first quarter of the year.

MEET US AT

Productivity day
Stockholm, **17th September 2015**

Automation Summit, Silversponsor
Västerås, **3rd-4th September 2015**

UNDER THE SKIN

Web-TV with Ny Teknik.
Two new films have been released during the period. Those who are curious can see how an apparatus that measures sugar levels and skis with integrated electronics functions. The films are published by Ny Teknik on www.nyteknik.se/underskalet

FOLLOW US



The Group

FINANCIAL INFORMATION

TURNOVER

JANUARY - MARCH

Net turnover amounted to 185.7 MSEK (188.1) a fall of 1 percent. The number of working days amounted to 62 (62). Net turnover per employee amounted to 318 TSEK (324 TSEK).

PROFITS/LOSS

JANUARY - MARCH

Operating profit/loss EBIT amounted to 1.4 MSEK (7.9) which gives an operating margin of 0.7 percent (4.2). Profit before depreciation/amortization and write downs EBITDA amounted to 4.3 MSEK (11.2) which gives profit margin before depreciation/amortization and write downs of 2.3 percent (5.9). Profits after tax amounted to 1.1 MSEK (5.8)

CASH FLOW, LIQUID FUNDS AND FINANCING

The cash flow from ongoing operations for the quarter amounted to 11.6 MSEK (11.7). Liquid funds at end of quarter amounted to 39.3 MSEK (18.2) of which an unused overdraft facility for 33.7 MSEK (6.4).

FINANCIAL POSITION

Equity at period end amounted to 155.3 MSEK (147.0) which gives an equity ratio of 42 percent (38). Equity per share amounted to 15.03 SEK (14.22).

EMPLOYEES

The average number of employees during the period amounted to 584 (580), of which 361 (352) were in the Product development business area, 197 (201) in the Industrial systems business area and 26 (27) in management and administration. The number of employees at period end amounted to 613 (601) of which the proportion who were women was 12 percent.

INVESTMENTS

During the year, the group's investment in assets amounted to 0.3 MSEK (0.6), of which 0.3 MSEK (0.5) covered machinery and inventory and 0 MSEK (0.1) product development and

intangible assets. In addition to this acquisition costs for car leasing rose to 0.9 MSEK (2.7).

OPERATIONAL STRENGTH KEY RATIOS, PROJECTS IN TIME

Customer satisfaction, delivery precision and warranty work are continuously metered as part of the company's certified quality system. Since starting in 1985 Prevas has had a very high number of satisfied customers and unique high quality figures regarding delivery precision and warranty. Prevas has a customer satisfaction rating of 8.5 (scale from 1 to 10). This together with 89 percent of our projects delivered on time, a figure that is clearly better than the industry average, means that Prevas is highly valued by the customers.

TURNOVER PARENT COMPANY

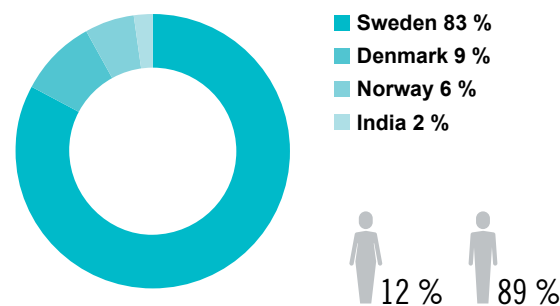
JANUARY - MARCH

Turnover amounted to 140.2 MSEK (137.4) and the result after financial items amounted to -1.1 MSEK (2.2).

RISKS AND UNCERTAINTY FACTORS

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

TOTAL NUMBER OF EMPLOYEES *



* per 31/3/2015

Key ratio per quarter

	2015	2014	2014	2014	2014	2013	2013	2013	2013
	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Operating income, MSEK	185.7	187.1	161.4	189.7	188.1	183.9	146.5	185.4	172.0
Operating profit/loss, MSEK	1.4	1.0	7.2	0.1	7.9	-2.5	-3.1	-4.6	-0.4
Operating margin in %	0.7	0.5	4.5	0.1	4.2	-1.4	-2.1	-2.5	-0.2
Number of working days	62	62	66	59	62	62	66	60	62
Number of employees at end of period	613	606	615	622	601	601	617	631	607
Number of employees, average	584	573	556	574	580	578	571	595	576
Net turnover/employee, TSEK	318	327	290	331	324	318	256	312	299
Equity ratio, %	42	41	42	37	38	37	39	37	41
Profit per share, SEK	0.10	0.12	0.57	0.02	0.51	-0.77	-0.34	-0.41	-0.13
Equity per share, SEK	15.03	14.95	14.87	14.27	14.22	13.70	14.43	14.80	15.49

FINANCIAL INFORMATION (cont.)

market related risks are; competition and pricing pressure, our customers development, customer losses, bankruptcy risks and exchange and interest rate risk. Other risk are competition for qualified employees. From Prevas' position as market leader in Integrated System and Industrial IT, it is important to attract and recruit the best possible people.

TRANSACTIONS WITH AFFILIATED BODIES

Any transactions of this type are reported in the annual report 2014 under note 25 and largely attributable to purchases and sales between companies within the group. Transactions occur under market conditions.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim reports. The group report has been prepared in accordance with International Financial Reporting Standards,

IFRS, as adopted by the EU, and where relevant Swedish legislation regarding annual reports.

The parent company accounts have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounts for legal entities.

New or modified IFRS or interpretations of 2015 have not had any significant effect on the financial reports.

The group and the parent company otherwise apply the same accounting principles and calculations bases as in the annual report for 2014.

Västerås 29th April 2015
Prevas AB (publ)

Karl-Gustav Ramström, CEO Prevas AB

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

Published 29.04.15, 8:30 CET. The information is such that Prevas AB (publ) is required to make public in accordance with the Securities market Act and/or Financial Instruments Trading Act. This is a translation of an original document in Swedish. In case of dispute, the original document should be taken as authoritative (delårsrapport januari - mars 2015 at www.prevas.se). Or contact the company direct.

Group accounts

STATEMENT OF OPERATIONS in summary, TSEK	2015 Q 1	2014 Q 1	2014 Full year
Net turnover	185,682	188,095	726,266
Capitalized work	–	82	82
Other external costs	-47,441	-47,058	-194,632
Personnel costs	-133,909	-129,948	-502,551
Profits before depreciation/amortization	4,332	11,171	29,165
Amortization and write downs intangible fixed assets	-1,687	-1,866	-7,141
Depreciation tangible fixed assets	-1,279	-1,450	-5,863
Operating profit/loss	1,366	7,855	16,161
Financial net	-301	-708	-1,432
Profit after financial items	1,065	7,147	14,729
tax	24 *	-1,387	-1,689 *
Profits for the period	1,089	5,760	13,040
Profit for period attributable to parent company owners	1,014	5,192	12,278
Profit for period attributable to non-controlling interests	75	568	762
Profit per share before and after dilution in SEK	0.10	0.51	1.22

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

REPORT OF TOTAL EARNINGS In summary, TSEK	2015 Q 1	2014 Q 1	2014 Full year
Profits for the period	1,089	5,760	13,040
Items that will be later implemented in the period's profit/loss;			
Calculation differences attributable to overseas operations	-176	85	328
Total earnings for the period after tax	913	5,845	13,368
Total earnings for period attributable to parent company owners	798	5,276	12,647
Total earnings for period attributable to non-controlling interests influence	115	569	721

RESULTS BY BUSINESS SEGMENT	2015 Q 1	2014 Q 1	2014 Full year
OPERATING INCOME, TSEK			
Product development	112,634	111,910	434,301
Industrial systems *	73,048	76,185	291,965
Total	185,682	188,095	726,266
OPERATING PROFIT/LOSS, TSEK			
Product development	502	1,941	428
Industrial systems *	864	5,914	15,733
Total	1,366	7,855	16,161
OPERATING MARGIN, %			
Product development	0.4	1.7	0.1
Industrial systems *	1.2	7.8	5.4
Total	0.7	4.2	2.2

* Previous business area Management Consulting is part of Industrial systems.

Group accounts (cont.)

BALANCE SHEET in summary, TSEK	2015 31st March	2014 31st March	2014 31 Dec
Goodwill	145,525	145,268	145,725
Other intangible assets	16,393	22,669	18,022
Tangible fixed assets	16,246	19,035	18,495
Deferred tax asset	–	150	–
Total assets	178,164	187,122	182,242
Current receivables	186,543	190,419	189,994
Liquid funds	5,650	11,793	3,577
Total current assets	192,193	202,212	193,571
TOTAL ASSETS	370,357	389,334	375,813
Equity attributable to owners of parent company	151,844	143,681	151,045
Equity attributable to non-controlling interests	3,481	3,366	3,367
Equity	155,325	147,047	154,412
Deferred tax liability	11,527	13,216	11,797
Non current provisions *	8,109	13,230	8,109
Long term interest bearing liabilities	42,425	60,699	55,425
Total non-current liabilities	62,061	87,145	75,331
Current provisions *	6,772	4,408	6,630
Current interest bearing liabilities	12,485	13,050	10,758
Other interest bearing liabilities	133,714	137,684	128,682
Total current provisions	152,971	155,142	146,070
TOTAL LIABILITIES AND EQUITY	370,357	389,334	375,813

* Conditional additional considerations of 13 MSEK. Additional considerations are valued at their actual value in accordance with level 3 and the most significant parameter when evaluating is estimated earnings of acquired operations. Final additional considerations can result in the range of 3-13 MSEK.

CHANGES IN EQUITY in summary, TSEK	2014 31st March	2014 31st March	2014 31 Dec
Opening balance	154,412	141,202	141,202
Total of total earnings for period attributable to parent company owners	798	5,276	12,647
Total of total earnings for period attributable to non-controlling interests	115	569	721
Changes to non-controlling interests	–	–	-158
Closing balance	155,325	147,047	154,412
Equity attributable to owners of parent company	151,844	143,681	151,045
Equity attributable to non-controlling interests	3,481	3,366	3,367

Group accounts (cont.)

ANALYSIS OF CASH FLOW in summary, TSEK	2015 Q 1	2014 Q 1	2014 Full year
ONGOING OPERATIONS			
Pre tax Profits	1,065	7,147	14,729
Adjustments for items not included in cash flow	2,014	2,006	8,287
Paid income tax	-2,243	-560	-582
Cash flow from ongoing operations before change to working capital	836	8,593	22,434
CASH FLOW FROM WORKING CAPITAL			
Changes to operating receivables	3,451	-12,131	-11,706
Changes to operating liabilities	7,275	15,206	6,182
Cash flow from ongoing operations	11,562	11,668	16,910
INVESTMENT OPERATIONS			
Acquisition of operations and shares excl. liquid funds*	–	–	-3,785
Investment in intangible assets	-48	-126	-991
Investment in tangible assets	-284	-488	-2,781
Cash flow from investment operations	-332	-614	-7,557
FINANCING OPERATIONS			
Repayment of loans	-2,313	-11,312	-18,250
Change of overdraft facility	-6,859	-1,152	-478
Dividends paid	–	–	-158**
Cash flow from financing operations	-9,172	-12,464	-18,886
Cash flow for the period	2,058	-1,410	-9,533
Liquid funds at start of period	3,577	13,146	13,146
Exchange differences in liquid funds	15	57	-36
Liquid funds at end of period	5,650	11,793	3,577

* Acquisition of operations 2014 refers to paid additional considerations.

** Regards dividends to non controlling interests.

KEY RATIOS, TSEK	2015 Q 1	2014 Q 1	2014 Full year
Profit margin depreciation/amortization and write downs/EBITDA	2.3 %	5.9 %	4.0 %
Operating margin/EBIT	0.7 %	4.2 %	2.2 %
Profit margin	0.6 %	3.8 %	2.0 %
<i>Number of shares outstanding at close of report period, thousand</i>			
before and after dilution	10,102	10,102	10,102
<i>Average number of shares outstanding, thousand</i>			
before and after dilution	10,102	10,102	10,102
Profit per share before and after dilution	0.10 SEK	0.51 SEK	1.22 SEK
Equity per share before and after dilution	15.03 SEK	14.22 SEK	14.95 SEK
Equity ratio	42 %	38 %	41 %
Return on capital employed, %	0.7 %	3.5 %	7.7 %
Return on equity, %	0.7 %	3.6 %	8.8 %
Average number of employees	584	580	571
Number of working days	62	62	249
Turnover per employee in TSEK	318	324	1,272

Definitions of key ratios, see page 41 in Prevas' annual report 2014.

Parent company accounts

STATEMENT OF OPERATIONS in summary, TSEK	2015 Q 1	2014 Q 1	2014 Full year
Net turnover	140,175	137,366	535,226
Capitalized work	–	–	–
Other external costs	-42,625	-41,552	-167,509
Personnel costs	-96,910	-91,525	-358,746
Amortization and write downs intangible fixed assets	-1,213	-1,367	-5,215
Depreciation tangible fixed assets	-216	-271	-1,013
Operating profit/loss	-789	2,651	2,743
Profit from participation in group companies	–	–	421
Interest income and similar profit items	67	18	789
Interest costs and similar profit items	-348	-432	-1,772
Profit after financial items	-1,070	2,237	2,181
tax	74	-594	-1,060
Profits for the period	-996	1,643	1,121

BALANCE SHEET in summary, TSEK	2015 31st March	2014 31st March	2014 31 Dec
Intangible fixed assets	11,379	15,528	12,544
Tangible fixed assets	1,397	1,902	1,605
Financial fixed assets	69,860	74,971	69,860
Current receivables	145,542	157,108	148,628
Cash and Bank	16	24	18
Total assets	228,194	249,533	232,655
<i>Restricted equity</i>	<i>42,237</i>	<i>42,237</i>	<i>42,237</i>
<i>Non-restricted equity</i>	<i>19,593</i>	<i>21,112</i>	<i>20,590</i>
Equity	61,830	63,349	62,827
Provisions *	10,458	13,530	10,323
Long term interest bearing liabilities	35,021	49,231	43,547
Current interest bearing liabilities	8,025	9,250	8,025
Other interest bearing liabilities	112,860	114,173	107,933
Total liabilities and Equity	228,194	249,533	232,655
Pledges	135,300	136,070	135,300
Obligations	3,871	5,228	9,185

* Including conditional additional considerations of 8 MSEK.



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