

INTERIM REPORT JANUARY - JUNE 2014

Västerås, July 16, 2014



JANUARY - JUNE 2014

- Net sales SEK 377.8 (357.4) million
- Profit before depreciation/impairment SEK 14.7 (1.7) million
- Operating profit/loss EBIT SEK 7.9 (-5.0) million
- Operating margin EBIT 2.1% (-1.4)
- Net income SEK 5.9 (-5.6) million
- Earnings per share SEK 0.53 (-0.54)

APRIL - JUNE 2014

- Net sales SEK 189.7 (185.4) million
- Profit before depreciation/impairment SEK 3.5 (-1.0) million
- Operating profit/loss EBIT SEK 0.1 (-4.6) million
- Operating margin EBIT 0.1% (-2,5)
- Net income SEK 0.1 (-4.2) million
- Earnings per share SEK 0.02 (-0.41)

A WORD FROM THE CEO



Karl-Gustav Ramström
CEO PREVAS AB

Prevas is following the established strategy towards increased profitability and we are continuing to improve our sales and increase our rate of invoicing. The results for the second quarter were better than the corresponding period the previous year, but we're still not where we want to be. Turnover for the second quarter was also better compared to the same period the previous year. It's important to note that there were three fewer working days in the second quarter compared to the first quarter of the year.

The market is recovering, even if it's going slower than what we could have wished, and business for the Swedish export-oriented manufacturing industries is still sluggish. At the same time we can see that companies' purchases of services and project undertakings have increased somewhat, which is to our benefit.

Our business area Industrial Systems is still developing favorably with positive growth, which is very nice to see. Larger orders of special interest have been received by Industrial IT, including orders from Sandvik, Tekniska verken in Linköping and Ovako in Finland. That both new and existing customers are increasingly requesting industrial solutions that improve productivity and profitability is something we interpret as confirmation that Prevas is well positioned with our range of products and services. This is underscored by Prevas having won two prestigious prizes this year. Infor, a global supplier of business solutions, named Prevas as its regional partner of the year for the Nordic countries. A prize we received thanks to our specialist knowledge in enterprise asset management for maintenance systems. The other prize was from Schneider-Electric for a successful partnership in which we delivered an IT solution that controls the production processes for Carlsberg.

For the Product Development business area, the market situation is somewhat more problematic. Even if we have

gradually improved the invoicing rate, companies' savings programs often lead to restraint in consulting services, which affects us. Positive however, is that the order volume rose towards the end of the period and increasing numbers of companies have "Prevas Inside" in their smart and connected products. A telling example of how customers' successes go hand and hand with our own is Miris, which engaged us as a development partner. They first won the Embedded Award with their unique instruments for analysis of breast, cow and buffalo milk, and now an international initiative is underway with a major breakthrough order in Bangladesh.

The Internet of Things (IoT) and cloud solutions are growth areas that are on everyone's lips. For Prevas this is nothing new; we've been delivering network-based and connected services for quite some time, both at Product Development and Industrial Systems. We've been good at "things" for several years. The big difference today compared to before is that the Internet and rapid technological development make it significantly cheaper to develop connected solutions than was the case 10 years ago. It's becoming increasingly common that customers invite us to join in discussions on how they can adopt the above-mentioned technology in the best possible manner. There are interesting opportunities here that extend far into the future and what is in demand is everything from higher productivity and production control to mobility and system solutions for new innovative products and business models. Prevas' experience and knowledge base in these areas make us unique as a supplier and partner throughout the value chain, from strategic business consultation to development and delivery of products and system solutions.

Lastly I'd like to mention our Productivity Day (Produktivitetssdagen) event that will be held on September 18 in Stockholm/Sweden. Several interesting speakers will be on hand. One of them is Teknikföretagen's CEO Åke Svensson, who will be presenting a new perspective on today's industrial challenges and productivity trends. And who could be more suitable for inspiring us and showing the way forward than our world-famous map reader Tina Thörner? For more information about the program, visit www.prevas.se.

I wish you all a great summer!

Karl-Gustav Ramström,
CEO Prevas AB

UPCOMING REPORTS:

Interim Report January - September 2014,

29 October 2014

Year-End Report 2014,

10 February 2015

MORE INFORMATION:

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BUSINESS

Prevas is a technical IT company that offers solutions, services and products to customers who are developing products with high IT content or who need to streamline or automate their operations

MARKET

The market is still uncertain, but the first six months of the year have been exciting. It is possible to detect a slight recovery within the industry, even if it is progressing at a slower rate than what might be desired. Several of our Product Development customers are nearing the conclusion of their cost savings programs, which in the long term means demand will rise. The development on the Industrial Systems market feels positive, and an increasing number of large productivity and volume initiatives are evident among our customers. This applies to all of the industries in which we are active. Interest in solutions for automated production control, decision support systems and maintenance systems are of particular interest for Prevas. There are also several exciting opportunities where we see that the incentive to increase competitiveness through new intelligent products and more efficient production processes will continue to increase. IT is also increasingly becoming an inevitable and crucial factor for both business and society.

Players in the industry are no longer willing to settle for the old heavy, static control solutions, but rather are more frequently demanding automated solutions with the same flexibility and finesse as that found in a cell phone. The old static solutions have also not been adapted to the growing requirements on rapid reinvention. The development is thus moving quickly toward flexible interfaces that are built around touch-screen and program-based menus. Operators should simply and clearly receive status information, and options should be presented in an easily accessible format that facilitates the addition of and updates to new functions. Android, which is currently gaining speed in the industry, is offering solutions that offer both the desired flexibility and familiar graphics from mobile apps.

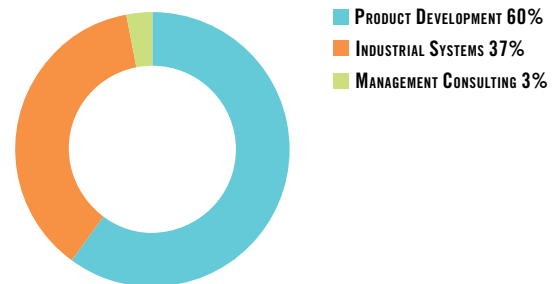
The EU's climate and energy targets offer the largest incentive to change the energy industry. The trend among large companies is to create innovative integrations for production, distribution and sale with a focus on core operations and business potential. As end customers become more demanding, the transformation from analogue to digital technology will drive new business models. Prevas' strength is its operations-based counseling, high technological competence and the possibility to take responsibility for the actual implementation in assignments that often are about simplifying and streamlining in order to achieve greater competitiveness and profitability for our customers.

CUSTOMERS

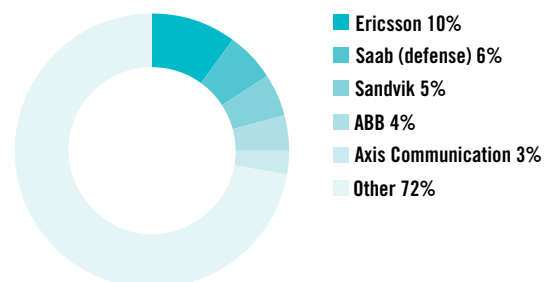
Prevas has customers in many different industries, with the five largest customers responsible for 28 percent of sales during the first six months of 2014.

INNOVATION FOR GROWTH Since the dawn of time, it has been innovative ideas that have developed the world. In a global society, the pace of innovation must be faster than ever to ensure growth. Since its founding in 1985, Prevas' mission has been to utilize a high level of technical expertise and innovative solutions to create growth for its customers.

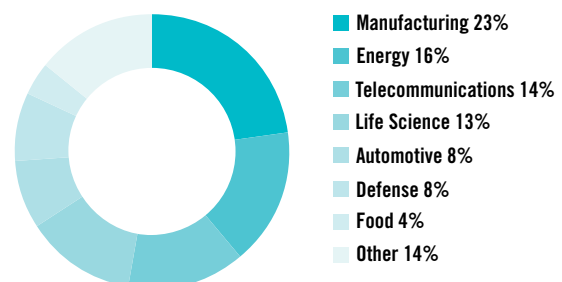
BUSINESS AREAS, PROPORTION OF SALES – Q1-Q2 2014



THE LARGEST CUSTOMERS – Q1-Q2 2014



INDUSTRY BREAKDOWN – Q1-Q2 2014



BUSINESS (cont.)

VISIT US AT

E-14, Denmark's largest electronics exhibition, Odense, **September 2-4, 2014**

Productivity Day,

Stockholm, **September 18, 2014**

Embedded Conference Scandinavia, Kistamässan, **November 4-5, 2014**

UNDER SKALET

Web TV together with the magazine Ny Teknik.

In the latest issue a Zlatan shoe is dissected. View the films at www.nyteknik.se/webbtv

SMALL BUSINESS DAY

Prevas participated in Small Business Day on June 16, 2014, which was arranged by Redeye and Aktiespararna. See Prevas' presentation at www.prevas.se/prevas.



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IMPORTANT EVENTS JANUARY - JUNE

- Prevas is named the regional partner of the year by Infor. Infor is a global supplier of business solutions for companies across the world and has more than 70,000 customers in different industries. Prevas' award as the regional partner of the year for EMEA in the Nordic Region in 2013 is a result of the excellent outcome it achieved with the maintenance system, Infor EAM. The award was presented at Infor's annual EMEA Partner Conference, which will be held in Barcelona on March 11-12 this year.
- During the first six months of the year, Prevas launched a new package offer for automated comprehensive solutions. Prevas thus is a complete supplier to industrial companies interested in streamlining and automating their production facilities. The offering is based on the company's application expertise, proprietary and external products, and specific consulting services. Its cutting-edge expertise in electronics, software and mechanical design and robot programming means Prevas can build up competitive production facilities for its customers.
- Prevas won a large order from Sandvik for delivery of an automation system for material handling. The order is an end-to-end commitment for the supply of equipment for a new production line that includes design, manufacturing, assembly and commissioning. The order strengthens Prevas' Nordic position as a complete automation supplier of system projects.
- Miris and Prevas have collaborated over a period of several years and in 2012 Miris won the Swedish Embed-

ded Award with its instrument to analyze breast and dairy milk. Since then this instrument, which is the only one of its kind in the entire world, has been a success in many areas of the world and the company has expanded rapidly. During the first six months, Miris received a large break-through order in Bangladesh, which means that the company is expanding even more globally. This success can be traced to "Prevas Inside".

- Ovako in Finland has placed an order with Prevas for a new installation of Prevas' FOCS product for control and optimization of furnace operations. This order confirms that our offer of specialist competence within furnace optimization meets the high demands of our customers. The new system should both ensure better production quality and decrease the energy consumed by the furnace. Delivery in 2015.
- Prevas has expanded its offering within mechatronics. With its collective expertise in software, electronics and mechanics, Prevas can offer an end-to-end commitment and help its customers quickly launch their new products on the market.
- One of the advantages of working with Prevas as a partner in research and development is that we always focus on transferring knowledge to our customers. During the period a renewed contract was signed with Xilinx as the Authorized Training Provider for Scandinavia. This will enable us to continue delivering training services related to Xilinx's products.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

- Order from Tekniska verken in Linköping Prevas' delivery will cover a complete system solution for environmental and energy reporting, implementation, service, maintenance, updates and system support. It will be delivered in the fall of 2015. After it is taken into operation, a 3-year support and maintenance assignment will commence, with an option for a two-year extension.

BUSINESS AREAS

PREVAS' PRODUCT DEVELOPMENT BUSINESS AREA specializes in software, electronics and mechatronics for embedded systems. A combination of application knowledge, technical expertise and industry knowledge make Prevas a strategic partner for the development of market-leading products.

PRODUCT DEVELOPMENT	2014	2014	2013	2013	2013	2013	2013	2012	2011
RESULTS	Q2	Q1	Q4	Q3	Q2	Q1	Full year	Full year	Full year
Income, SEK thousands	113,949	111,910	111,813	88,138	110,753	109,807	420,511	446,725	436,707
Operating profit/loss, SEK thousands *	-2,513	1,941	-5,914	-5,266	-2,521	-2,505	-16,206	435	29,595
Operating margin, %	-2.2	1.7	-5.3	-6.0	-2.3	-2.3	-3.9	0.1	6.8
Average number of employees	347	352	358	348	357	359	358	346	319

* There was impairment of goodwill amounting to SEK 4.1 million in Q4 2013 and SEK 5.2 million in Q4 2012.

The business area has won several important project orders from customers in life science, energy and the automotive and engineering industry, and several of our current assignments have been extended. The invoicing rate has thereby improved gradually. Sales rose by three percent and profit was unchanged in the second quarter compared to the same quarter the previous year.

PREVAS' INDUSTRIAL SYSTEMS BUSINESS AREA helps companies increase their production efficiency. Its focus is on intelligent IT solutions within automated production control and production planning (MES), decision support for production follow-up (EMI), maintenance systems (EAM) and production logistics and automation. These solutions have a major impact on the industry's productivity and, thereby, its competitiveness.

INDUSTRIAL SYSTEMS	2014	2014	2013	2013	2013	2013	2013	2012	2011
RESULTS	Q2	Q1	Q4	Q3	Q2	Q1	Full year	Full year	Full year
Income, SEK thousands	70,749	69,368	64,028	50,975	64,148	53,539	232,690	190,681	178,462
Operating profit/loss, SEK thousands	3,501	6,405	5,047	4,527	4,305	5,170	19,049	9,619	17,489
Operating margin, %	4.9	9.2	7.9	8.9	6.7	9.7	8.2	5.0	9.8
Average number of employees	186	181	173	167	175	159	173	151	137

Prevas' large industrial customers continue to place orders and the much higher order intake at the end of last year has resulted in the start of several projects during the first two quarters of the year. Examples of projects that were started include a robot solution for Sandvik and several large initiatives in the food industry, where projects for automated production control (MES) are underway. In addition, we are seeing good growth in Prevas' own products for information systems that target the energy sector. We are also seeing an increase in activities for maintenance solutions for the pharmaceutical industry. Sales rose by 10 percent and the profit margin was 1.8 percentage points lower in the second quarter than compared to the same quarter last year.

PREVAS' MANAGEMENT CONSULTING BUSINESS AREA helps companies standing on the threshold of a challenging journey. The journey can involve change work, developing new business models or creating new possibilities in the gray zone between IT and operations.

MANAGEMENT CONSULTING	2014	2014	2013	2013	2013	2013	2013	2012
RESULTS	Q2	Q1	Q4	Q3	Q2	Q1	Full year	Full year*
Income, SEK thousands	5,014	6,817	8,052	7,342	10,500	8,702	34,596	8,202
Operating profit/loss, SEK thousands	-894	-491	-1,668	-2,345	-6,405	-3,057	-13,475	-7,880
Operating margin, %	-17.8	-7.2	-20.7	-31.9	-61.0	-35.1	-38.9	-96.1
Average number of employees	14	20	23	33	35	32	30	10

* Start of business area May 2012.

Prevas' well-developed offering for the energy sector is strong and our customers have continued to put their faith in us. A two-year framework agreement was signed with E-ON and a contract has also been signed with Svensk Kärnbränslehantering AB (SKB), under which Prevas will start delivering consulting services in the second quarter.

The Group

FINANCIAL INFORMATION

SALES

JANUARY-JUNE

Net sales totaled SEK 377.8 million (357.4) – an increase of six percent. The total number of working days was 121 (122). Sales per employee were SEK 655 thousand (610).

APRIL-JUNE

Net sales totaled SEK 189.7 million (185.4) – an increase of two percent. The total number of working days for the period was 59 (60). Net sales per employee were SEK 331 thousand (312).

RESULTS

JANUARY-JUNE

Operating profit (EBIT) was SEK 7.9 million (–5.0), with a corresponding operating margin of 2.1 percent (–1.4). Earnings before depreciation and amortization (EBITDA) were SEK 14.7 million (1.7, excluding other income of SEK 7.0 million), with a corresponding profit margin before depreciation and amortization of 3.9 percent (0.5). Net income was SEK 5.9 million (–5.6).

APRIL-JUNE

Operating profit (EBIT) was SEK 0.1 million (–4.6), with a corresponding operating margin of 0.1 percent (–2.5). Earnings before depreciation and amortization (EBITDA) were SEK 3.5 million (–1.0, excluding other income of SEK 7.0 million), with a corresponding profit margin before depreciation and amortization of 1.9 percent (–0.5). Net income was SEK 0.1 million (–4.2). The utilization level for the quarter was a bit low in Product Development, but good in other parts of the Company.

CASH FLOW, CASH EQUIVALENTS AND FINANCING

Cash flow from operating activities was SEK 11.8 million (18.6) for the first six months of the year. At the end of the period, cash equivalents totaled SEK 14.1 million (19.8), including unutilized bank overdraft facilities of SEK 3.0 million (4.0).

After the period Prevas signed a new contract with Danske Bank for an updated and expanded financing arrangement.

FINANCIAL POSITION

Equity was SEK 147.5 million (151.9) at the end of the period, with a corresponding equity ratio of 37 percent (37). Equity per share was SEK 14.27 (14.80).

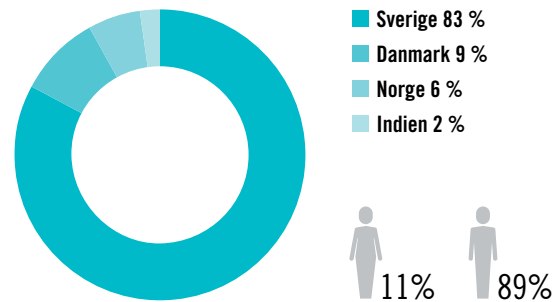
EMPLOYEES

During the second quarter, the average number of employees was 574 (586), of which 347 (359) work in the Product Development business area, 186 (167) work in the Industrial Systems business area and 14 (33) work in the Management Consulting business area. In addition, there were 27 (27) employees in senior management and administrative positions. The total number of employees at the end of the period was 622 (631), of which 11 percent were women.

INVESTMENTS

The company made investments in fixed assets worth SEK 1.8 million (1.4) during the first six months of the year. Of the total amount, SEK 0.8 million (1.1) was for machinery and equipment, while SEK 1.0 million (0.3) was for product development and intangible assets. In addition, the cost of leased vehicles amounted to SEK 4.1 million (4.3).

TOTAL NUMBER OF EMPLOYEES *



* as per June 30, 2014

Key indicators per quarter

	2014	2014	2013	2013	2013	2013	2012	2012	2012	2012
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales, SEK million	189.7	188.1	183.9	146.5	185.4	172.0	173.9	135.0	163.4	173.3
Operating profit/loss, SEK million	0.1	7.9	–2.5	–3.1	–4.6	–0.4	–12.3	1.3	1.0	12.1
Operating margin, %	0.1	4.2	–1.4	–2.1	–2.5	–0.2	–7.0	1.0	0.6	7.0
Number of working days	59	62	62	66	60	62	62	65	59	64
Number of employees at the end of the period	622	601	601	617	631	607	590	589	577	575
Average number of employees	574	580	578	571	595	576	560	527	531	517
Net sales/employee, SEK thousands	331	324	318	256	312	299	311	260	308	335
Equity ratio, %	37	38	37	39	37	41	40	46	46	49
Earnings per share, SEK	0.02	0.51	–0.77	–0.34	–0.41	–0.13	–0.87	0.10	0.00	0.84
Equity per share, SEK	14.27	14.22	13.70	14.43	14.80	15.49	15.93	16.73	16.80	16.82

FINANCIAL INFORMATION (cont.)

STRONG BUSINESS KEY INDICATORS – ON-TIME DELIVERY OF PROJECTS

As a part of the company's quality assurance system, we constantly measure customer satisfaction, delivery reliability and warranty work. Since it was founded in 1985, Prevas' high quality has resulted in a very high number of satisfied and returning customers as well as unique quality indicators for delivery reliability and warranty. Prevas has a customer satisfaction score of 8.4 (on a scale from 1 to 10). That, in combination with an on-time delivery record of 90% (which is considerably higher than the industry average), makes Prevas highly valued by its customers.

PARENT COMPANY SALES

JANUARY-JUNE

Sales were SEK 279.2 million (264.2) and profit after financial items was SEK 0.5 million (4.8).

APRIL - JUNE

Sales were SEK 141.9 million (130.9) and profit after financial items was SEK -1.7 million (0.6).

RISKS AND UNCERTAINTIES

The Prevas Group, including the Parent Company, relies on certain guiding principles when it comes to managing risks in various parts of its business. Successful risk management is a continuous process conducted within the framework for operations management. It is an integral part of the everyday follow-up of the business. Examples of business and market-related risks include competition and downward pressure on prices, how our customers' businesses develop, bad debt losses, risks associated with the state of the market and fluctuations in exchange/

interest rates. Another risk involves the competition for skilled employees. Because Prevas is the market leader for Embedded Systems and Industrial IT and is in the process of re-starting its Management Consulting business area, it is important for the company to attract and recruit the very best.

TRANSACTIONS WITH RELATED PARTIES

These types of transactions are reported in Note 25 of the 2013 Annual Report. They are primarily related to purchases and sales between Group companies. The transactions take place in accordance with market conditions.

ACCOUNTING PRINCIPLES

This Interim Report was prepared in accordance with IAS 34, Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Commission for application within the EU, as well as the Swedish Annual Accounts Act, where applicable.

The Parent Company's financial statements have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities.

New or amended IFRS or interpretations have not significantly affected the financial statements.

In other aspects, the Group and Parent Company apply the same accounting principles and bases of calculation as described in the 2013 Annual Report.

Västerås, July 16, 2014

Prevas AB (publ)

Karl-Gustav Ramström, CEO Prevas AB

The Board of Directors and CEO assert that these interim financial statements provide a true and fair view of the Parent Company's and Group's business, financial position and profits. Any significant risks or uncertainties faced by the company or any of its subsidiaries have been disclosed.

Västerås, July 16, 2014
Prevas AB (publ)

Göran Lundin
Chairman of the Board

Karl-Gustav Ramström
President and CEO Prevas AB

Bengt Engström
Board Member

Ulrika Grönberg
Board Member

Bengt-Erik Lindgren
Vice Chairman

Jan-Olof Carlsson
Employee Representative

Karin Holmström
Employee Representative

This interim report has not been examined by the Company's auditors.

Published on 7/16/2014, 8:30 CET. This is information that Prevas AB (publ) must make available to the public in accordance with the Swedish Securities Market Act (2007:528) and/or the Swedish 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 - juni 2014 at www.prevas.se). Or contact the company direct.

Consolidated Financial Statements

SUMMARY INCOME STATEMENTS, SEK thousands	2014 Q1-Q2	2013 Q1-Q2	2014 Q2	2013 Q2	2013 Full year
Net sales	377,807	357,449	189,712	185,401	687,797
Other operating income *	–	7,000	–	7,000	7,000
Capitalized work	82	646	–	301	728
Other external costs	–99,372	–92,736	–52,314	–50,722	–185,446
Personnel costs	–263,818	–263,637	–133,870	–135,943	–495,717
Profit/loss before depreciation and amortization	14,699	8,722	3,528	6,037	14,362
Amortization/impairment of intangible assets **	–3,650	–10,611	–1,784	–9,077	–18,771
Depreciation of property, plant and equipment	–3,100	–3,123	–1,650	–1,580	–6,222
Operating profit/loss	7,949	–5,012	94	–4,620	–10,631
Net financial items	–870	–1,629	–162	–397	–3,055
Profit/loss after financial items	7,079	–6,641	–68	–5,017	–13,686
Taxes	–1,206	1,065	181	853	–2,813
Profit/loss for the period	5,873	–5,576	113	–4,164	–16,499
Profit/loss for the period attributable to Parent Company's owners	5,330	–5,424	138	–4,161	–16,716
Profit/loss for the period attributable to holdings without a controlling influence	543	–152	–25	–3	217
Basic and diluted earnings per share, SEK	0.53	–0.54	0.02	–0.41	–1.65

* Change in value of earnout.

** Impairment of goodwill of SEK 7 million was made in Q2 2013 and SEK 11.1 million for full-year 2013.

SUMMARY STATEMENT OF COMPREHENSIVE INCOME, SEK thousands	2014 Q1-Q2	2013 Q1-Q2	2014 Q2	2013 Q2	2013 Full year
Profit/loss for the period	5,873	–5,576	113	–4,164	–16,499
Items that may later be transferred to profit/loss for the period:					
Translation differences attributable to foreign operations	438	–218	353	185	–10
Net comprehensive income for the period	6,311	–5,794	466	–3,979	–16,509
Comprehensive income for the period attributable to the Parent Company's owner	5,759	–5,642	483	–3,976	–16,726
Comprehensive income for the period attributable to holdings without a controlling influence	552	–152	–17	–3	217

BUSINESS UNIT PERFORMANCE	2014 Q1-Q2	2013 Q1-Q2	2014 Q2	2013 Q2	2013 Full year
NET SALES, SEK thousands					
Product Development	225,859	220,560	113,949	110,753	420,511
Industrial Systems	140,117	117,687	70,749	64,148	232,690
Management Consulting	11,831	19,202	–5,014	10,500	34,596
Total	377,807	357,449	189,712	185,401	687,797
OPERATING PROFIT/LOSS, SEK thousands					
Product Development	–572	–5,026	–2,513	–2,521	–16,206
Industrial Systems	9,906	9,475	3,501	4,305	19,049
Management Consulting	–1,385	–9,462	–894	–6,405	–13,475
Total	7,949	–5,013	94	–4,621	–10,631
OPERATING MARGIN, %					
Product Development	–0.3	–2.3	–2.2	–2.3	–3.9
Industrial Systems	7.1	8.1	4.9	6.7	8.2
Management Consulting	–11.7	–49.3	–17.8	–61.0	–38.9
Total	2.1	–1.4	0.1	–2.5	–1.5

Consolidated Financial Statements (cont.)

SUMMARY BALANCE SHEET, SEK thousands	2014	2013	2013
	June 30	June 30	Dec 31
Goodwill	145,384	149,049	145,017
Other intangible assets	21,529	28,396	24,393
Property, plant and equipment	19,050	21,176	20,435
Deferred tax assets	–	4,805	857
Total fixed assets	185,963	203,426	190,702
Current receivables	203,932	190,568	178,288
Cash equivalents	11,124	15,850	13,146
Total current assets	215,056	206,418	191,434
TOTAL ASSETS	401,019	409,844	382,136
Equity attributable to Parent Company's owner	144,164	149,489	138,405
Equity attributable to holdings without a controlling influence	3,349	2,428	2,797
Equity	147,513	151,917	141,202
Deferred tax liability	12,978	14,994	13,542
Long-term provisions*	12,354	15,510	13,230
Long-term interest-bearing liabilities	62,067	72,908	65,203
Total long-term liabilities	87,399	103,412	91,975
Current provisions*	4,205	4,608	4,582
Current interest-bearing liabilities	12,973	11,020	22,459
Other current liabilities	148,929	138,887	121,918
Total current liabilities	166,107	154,515	148,959
TOTAL EQUITY AND LIABILITIES	401,019	409,844	382,136

* Conditional earnouts are included in the amount of SEK 16 million. During the period the value decreased by SEK 1 million in conjunction with a payment in 2014. Earnouts are measured at fair value according to Level 3 and the most significant parameter for the measurement is assessed earning in acquired operations. Final earnouts may fall within the range SEK 3-16 million.

SUMMARY OF CHANGES IN EQUITY, SEK thousands	2014	2013	2013
	June 30	June 30	Dec 31
Opening balance	141,202	163,542	163,542
Total comprehensive income for the period attributable to the Parent Company's owner	5,759	–5,642	–16,726
Total comprehensive income for the period attributable to holdings without a controlling influence	552	–152	217
Change in holdings without controlling influence	–	–2,800	–2,800
Dividends	–	–3,031	–3,031
Closing balance	147,513	151,917	141,202
Equity attributable to Parent Company's owner	144,164	149,489	138,405
Equity attributable to holdings without a controlling influence	3,349	2,428	2,797

Consolidated Financial Statements (cont.)

SUMMARY STATEMENT OF CASH FLOW, SEK thousands	2014 Q1-Q2	2013 Q1-Q2	2014 Q2	2013 Q2	2013 Full year
OPERATING ACTIVITIES					
Profit/loss before tax	7,079	-6,641	-68	-5,017	-13,686
Adjustments for non-cash items	4,446	6,986	2,440	4,054	14,178
Income tax paid	-727	-1,209	-167	-1,094	2,026
Cash flow from operating activities before working capital changes	10,798	-864	2,205	-2,057	2,518
CASH FLOW FROM CHANGES IN WORKING CAPITAL					
Changes in operating receivables	-25,644	22,669	-13,513	-58	35,536
Changes in operating liabilities	26,618	-3,244	11,412	4,622	-22,248
Cash flow from operating activities	11,772	18,561	104	2,507	15,806
INVESTING ACTIVITIES					
Acquisition of businesses and shares, excl. cash equivalents *	-875	-15,171	-875	-12,371	-18,286
Investments in intangible fixed assets	-991	-345	-865	-	-856
Investments in property, plant and equipment	-806	-1,066	-318	-657	-1,704
Cash flow from investing activities	-2,672	-16,582	-2,058	-13,028	-20,846
FINANCING ACTIVITIES					
New loans	-	4,900	-	4,900	19,900
Loan amortization	-13,625	-500	-2,313	-	-10,038
Change in bank overdraft facility	2,241	-1,145	3,393	9,844	-2,390
New issue	-	-	-	-	-
Dividends paid	-	-3,031	-	-3,031	-3,031
Cash flow from financing activities	-11,384	224	1,080	11,713	4,441
Cash flow for the period	-2,284	2,203	-874	1,192	-599
Cash equivalents at the beginning of the period	13,146	13,728	11,793	14,577	13,728
Translation difference on cash equivalents	262	-81	205	81	17
Cash equivalents at the end of the period	11,124	15,850	11,124	15,850	13,146

* Acquisition of operations in 2014 refers to paid earnouts.

KEY INDICATORS, SEK thousands	2014 Q1-Q2	2013 Q1-Q2	2014 Q2	2013 Q2	2013 Full year
Profit margin before depreciation and amortization/EBITDA	3.9%	0.5%	1.9%	-0.5%	1.1%
Operating margin/EBIT	2.1%	-1.4%	0.1%	-2.5%	-1.5%
Profit margin	1.9%	-1.9%	0.1%	-2.7%	-2.0%
<i>Number of outstanding shares at the end of the reporting period, in thousands</i>					
basic and diluted	10,102	10,102	10,102	10,102	10,102
<i>Average number of outstanding shares, in thousands</i>					
basic and diluted	10,102	10,102	10,102	10,102	10,102
Basic and diluted earnings per share, SEK	SEK 0.53	SEK -0.54	SEK 0.02	SEK -0.41	SEK -1.65
Equity per share, basic and diluted, SEK	SEK 14.27	SEK 14.80			SEK 13.70
Equity ratio	37%	37%			37%
Return on capital employed, %	3.6%	-2.0%			-4.3%
Return on equity, %	4.1%	-3.5%			-11.0%
Average number of employees	577	586	574	595	580
Number of working days	121	122	59	60	250
Sales per employee, SEK thousands	655	610	331	312	1,186

Definitions of key indicators, see page 41 of Prevas' 2013 Annual Report.

Parent Company Financial Statements

SUMMARY INCOME STATEMENTS, SEK thousands	2014 Q1-Q2	2013 Q1-Q2	2014 Q2	2013 Q2	2013 Full year
Net sales	279,225	264,241	141,859	130,947	502,567
Capitalized work	–	445	–	135	450
Other external costs	–88,277	–81,314	–46,725	–41,133	–162,852
Personnel costs	–186,642	–171,138	–95,117	–86,981	–329,517
Amortization/impairment of intangible assets	–2,678	–2,699	–1,311	–1,822	–5,487
Depreciation of property, plant and equipment	–532	–679	–261	–317	–1,238
Operating profit/loss	1,096	8,856	–1,555	826	3,923
Profit/loss from participations in Group companies *	–	–2,800	–	–	–18,104
Interest income and similar profit/loss items	190	176	172	168	679
Interest expenses and similar items	–795	–1,405	–363	–360	–2,720
Profit/loss after financial items	491	4,827	–1,746	637	–16,222
Appropriations	–	–	–	–	2,830
Taxes	–68	–2,131	526	–563	–1,804
Profit/loss for the period	423	2,696	–1,220	74	–15,196

* Primarily for write-down of shares in subsidiaries

SUMMARY BALANCE SHEET, SEK thousands	2014 June 30	2013 June 30	2013 Dec 31
Intangible fixed assets	15,081	19,604	16,850
Property, plant and equipment	1,790	2,104	1,994
Financial assets	74,971	82,260	75,223
Current receivables	165,627	153,849	154,468
Cash and bank balances	38	297	704
Total assets	257,507	258,114	249,239
<i>Restricted Equity</i>	<i>42,237</i>	<i>–</i>	<i>42,237</i>
<i>Non-restricted equity</i>	<i>19,892</i>	<i>–</i>	<i>19,469</i>
Equity	62,129	79,598	61,706
Untaxed reserves	–	2,830	–
Provisions *	12,462	16,479	13,816
Long-term interest-bearing liabilities	50,312	59,790	52,696
Current interest-bearing liabilities	9,250	6,938	18,250
Other current liabilities	123,354	92,479	102,771
Total liabilities and equity	257,507	258,114	249,239
Pledged assets	143,639	109,704	135,300
Contingent liabilities	6,608	8,249	6,927

* Including conditional earnouts in the amount of SEK 11 million.

” *With cutting edge expertise in embedded systems and industrial IT, Prevas contributes by providing innovative solutions that create growth.*

The logo for Prevas, featuring a stylized red and blue 'P' followed by the word 'Prevas' in a bold, blue, sans-serif font.

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