



Formpipe.

Box 231 31
SE-104 35 Stockholm
info.se@formpipe.com
www.formpipe.com

Press release, July 1, 2014

Formpipe strengthens its position in the Life Science industry and acquires UK GXP Limited

Formpipe acquires the UK company GXP Limited ("GXPI"), an established provider of compliance solutions for the life science industry. GXPI has customers and operations in both Europe and the United States. The acquisition strengthens Formpipe's product offering and enables faster international expansion in the Life Science industry.

The acquisition strengthens Formpipe's platform for growth in the Life Science industry and the acquisition has positive effects such as stronger international sales and marketing organization, an expanded product offering and an attractive customer base, both in Europe and the United States.

GXPI is a well-known actor in the industry that for 15 years has contributed with qualified services and solutions for regulatory compliance and quality management. The company has successfully delivered over 300 projects to customers within the EU and US and work with 12 of the 20 leading businesses in the Life Science sector on regular basis.

Formpipe acquires GXPI from a number of individuals, including the founders, management and employees in GXPI. The acquisition was completed on 1 July 2014. Upon access to the business, Formpipe pays a total of GBP 1.3 million (cash and debt- free basis), of which GBP 0.66 million is paid in newly issued shares and GBP 0.64 million in cash. In addition to the above mentioned purchase price an earn-out will apply. The earn-out is equivalent to 50% of the contribution, at EBITDA level, of the combined Life Science business area, for a period of three years from the acquisition. The additional purchase price will not exceed GBP 3.5 million. No external funding has been raised to finance the cash purchase price.



Formpipe has for some time evaluated acquisition opportunities for the Life Science business area and has identified that an acquisition of GXPI provide many benefits:

- An expanded and highly qualified sales organization - to build up the corresponding expertise internally would take considerable time and involve large costs for Formpipe.
- A faster way out to the international market for Platina QMS, developed to meet the demands of global customers.
- Strengthened delivery organization with extensive experience in the Life Science area increases the credibility of Formpipe's offer to the industry.
Complementary QMS products, distributed as Azure-compliant cloud services, targeting small and medium-sized companies on an international basis.

During the financial year ending 30/06/13 GXPI's revenues amounted to GBP 1.4 million, and operating income before depreciation and amortization (EBITDA) to GBP 0.1 million.

“The acquisition of GXPI is well timed for us. We have received evidence that our product Platina QMS is competitive. Along with GXPI we will, in addition to an expanded product range, also be able to offer professional advice in the compliance area. GXPI's long experience creates credibility with our customers when selecting us as a complete supplier of systems for quality and compliance”, says Christian Sundin CEO of Formpipe.

GXPI's 11 employees will, together with Formpipe's existing life science organization, form the Life Science business area. Keith Williams, founder and CEO of GXPI, will head the merged business area. Formpipe estimates that, as a result of the acquisition, the business area will begin to contribute positively to the Group's results in 2015.

“With Formpipe as the new owner of GXPI we become a much stronger presence in the Life Sciences sector and that means added stability long term continuity for both new and our existing customers. In addition, we are delighted to gain Formpipe's Platina QMS, as a complementary enterprise grade product utilizing Microsoft's SQL Server that should appeal to many of our larger customers. With Formpipe's presence in Scandinavia, and our already established markets in the UK, the US and most recently Germany we can reach a much larger customer base that matches the global nature of the sector”, said Keith Williams, CEO of GXPI and incoming business manager for Formpipe Life Sciences' division.”

On the basis that the purchase price partially were to be paid in shares, the Board today decided, on the basis of an authorization from the 2014 Annual General Meeting, to issue up to 1,208,814 new shares in Formpipe, against payment in capital contributed in kind, whereby Formpipe's share capital were to be increased by a maximum of SEK 120 881.40, from SEK 4,893,458.80 SEK to 5,014,340.20 SEK.

Only the sellers of GXPI had a right to subscribe for the new shares, with the right and obligation to pay for the new shares through a transfer of 13,143 shares in GXPI to Formpipe. All newly issued shares have been subscribed for



and assigned.

The value in kind is estimated to be equivalent to a price of approximately SEK 6.26 per share, equal to the average closing price of Formpipe's share over the preceding five trading days up to and including 26 June 2014.

The new shares will be traded on NASDAQ OMX Stockholm on or around 23 July 2014. The Issue in kind means that the number of shares and votes in Formpipe increases from 48,934,588 to 50,143,402.

For additional information, contact:

Christian Sundin, President and CEO of Formpipe, +46 705 67 73 85

This is a translation of the original Swedish version. In the event of any discrepancies between the two versions, the original Swedish version shall take precedence.

The information in this press release is of the kind that Formpipe Software AB (publ) is required to disclose in accordance with the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. This information was submitted for publication on Tuesday, July 1, 2014.

Formpipe develops ECM products and solutions for structuring information and supplies them to major companies, authorities and organisations. ECM products help organisations to capture, manage and distribute information, and to place it in context. The company's software helps improve efficiency, cut costs and reduce risk exposure. Formpipe was founded in 2004 and has offices in Stockholm, Uppsala and Linköping in Sweden, and in Copenhagen, Denmark. The Formpipe share is listed on NASDAQ OMX Nordic, Small Cap.