

Formpipe.

# Interim report January - June 2015

## PERIOD APRIL 1 – JUNE 30, 2015

- Net sales SEK 95.8 m (SEK 84.2 m)
- System revenue SEK 61.9 m (SEK 54.7 m)
- EBITDA SEK 18.7 m (SEK 16.6 m)
- EBITDA margin 19.5 % (19.7 %)
- EBIT 5.8 m (SEK 6.0 m)
- Net profit SEK 3.3 m (SEK 3.0 m)
- EPS before dilution SEK 0.06 (SEK 0.05)
- Cash flow from operating activities SEK 10.1 m (SEK 7.8 m)

## PERIOD JANUARY 1 – JUNE 30, 2015

- Net sales SEK 189.8 m (SEK 163.3 m)
- System revenue SEK 120.8 m (SEK 104.2 m)
- EBITDA SEK 41.3 m (SEK 31.8 m)
- EBITDA margin 21.8 % (19.5 %)
- EBIT 15.8 m (SEK 11.3 m)
- Net profit SEK 8.5 m (SEK 5.8 m)
- EPS before dilution SEK 0.16 (SEK 0.11)
- Cash flow from operating activities SEK 27.6 m (SEK 22.6 m)

## INCOME STATEMENT - SUMMARY

(SEK Million)	Apr-Jun		Jan-Jun		Rolling 12	Full year
	2015	2014	2015	2014	months	2014
Net sales	95,8	84,2	189,8	163,3	369,0	342,4
whereof recurring revenue	43,8	39,9	87,5	77,9	168,3	158,7
EBITDA	18,7	16,6	41,3	31,8	87,7	78,2
EBIT - excluding acquisition related costs	5,8	6,5	15,8	11,8	38,6	34,6
EBIT	5,8	6,0	15,8	11,3	37,9	33,5

## COMMENTS FROM THE GROUP CEO

*From a sales perspective, the second quarter has been successful, we have received orders in several key strategic areas: Our effort to establish business in the US has generated the first Life Science order, we have received a major contract for Long-Term Archive and we have made an important breakthrough for our product Platina to Danish public sector by the order from the Danish Prosecution Authority. Shortly after, also the Swedish Prosecution Authority ordered both Platina and Long-Term Archive from us.*

*There are reasons why the result for the quarter did not come in higher; several of the orders in the end of the quarter have not yet been recorded, we are increasing our costs through continued investment in Life Science and the development of the Swedish delivery organization. In addition to the above, the period contained a large number of procurements that required resources that are normally billable, which made our chargeability lower than normal. However, our systems revenue, as well as recurring revenues are higher than last year, ensuring future revenue and strong cash flow.*

*Our focus on the US Life Science market is now beginning to show results, we can see that we are on the right track and we feel confident increasing our investment through additional recruitments during the autumn. This will generate a quicker build-up of business but of course also increase costs.*

*The fact that we won our first contract with Platina in Denmark also means that we increase our focus towards government authorities in Denmark.*

*Our increased product investments is mainly explained by adjustments of Platina to meet the Danish requirements, by further development of Long-Term Archive and by the development of a new generation mobile meeting management product regarding the decision making process for local politicians – this product will be sold as an add-on module to all our municipal customers in both Denmark and Sweden.*

*During the period, we have renegotiated our loan agreements and will thereby gain increased flexibility in how we put our positive cash flow to use. With the new agreement we have reduced the yearly amortization rate from SEK 24 million to around SEK 15 million. We now consider our debt down to be at a level where we can use our positive cash flow for a combination of mortgage repayments, reinvestment in the business, acquisitions and dividends to our shareholders.*

*In summary, the second quarter rendered a good portion of important wins, the financial result from this we will get to enjoy in future reports.*

## **SIGNIFICANT EVENTS DURING THE PERIOD APRIL – JUNE 2015**

### **ORDER FROM SWEDISH MUNICIPALITIES**

Formpipe receives an order on the ECM product Platina from three Swedish municipalities. The total order value amounts to SEK 4.0 million.

### **ORDER FROM DANISH MUNICIPALITY**

The Danish municipality, Glostrup Kommune announces, through a contract award decision, that they intend to sign an agreement with Formpipe regarding the ECM-product Acadre. The total order value amounts to SEK 4.0 million over a four-year period.

### **ORDER FROM THE SWEDISH PROSECUTION AUTHORITY**

Formpipe receives order on the ECM product Platina from the Swedish Prosecution Authority. The total order value amounts to SEK 3.1 million.

### **ORDER FROM A SWEDISH UNIVERSITY**

Formpipe receives an order on the ECM product W3D3 from a Swedish university. The total order value amounts to SEK 1.1 million.

### **ORDER FROM A DANISH MUNICIPALITY**

Formpipe receives a supplementary order on the ECM product Acadre from a Danish municipality. The total order value amounts to SEK 5.7 million over a four-year period.

### **FIVE SWEDISH MUNICIPALITIES CHOOSE CLOUD SERVICE FOR ARCHIVING**

Five municipalities in the Stockholm region announces, through a contract award decision, that they intend to sign an agreement with Formpipe regarding the e-archiving product Long-Term Archive. The order value is estimated to SEK 22 million over an eight-year period.

### **FORMPIPE RECEIVES US LIFE SCIENCE**

Formpipe receives an order regarding an Enterprise Compliance Platform to a US customer, for managing their quality and product documentation. The total order value amounts to SEK 1.2 million over three years.

### **ORDER FROM THE DANISH PROSECUTION AUTHORITY**

The Danish Prosecution Authority choose the ECM product, Platina by Formpipe in order to streamline the document and case management related to criminal cases, administrative matters and appeals.

### **ANNUAL GENERAL MEETING**

At the AGM on 25 April decisions were made regarding:

- Allocation of retained earnings and discharge from liability
- The re-election of Charlotte Hansson, Kristina Lindgren, Bo Nordlander, Jack Spira and Stefan Torstensson as board members. Bo Nordlander was re-elected as the Chairman of the board.

- The re-election of the auditing firm PricewaterhouseCoopers AB as the auditors of the Company with Aleksander Lyckow as the principal auditor.
- Principles for the Nomination Committee
- The AGM approved the Board's proposal to authorise the Board to resolve on issues of shares or convertibles
- The AGM approved for the Board to acquire and transfer own shares
- The AGM approved the proposed incentive program 2015/2018 through the issuance of warrants
- The AGM approved the proposal regarding guidelines for remuneration to senior executives

### **INCENTIVE PROGRAM OVERSUBSCRIBED**

On April 25, 2015, the AGM approved to the proposed incentive program through the issuance of 500.000 warrants. The warrants were addressed to all the employees of the Company. The Incentive Program was heavily oversubscribed.

## **SIGNIFICANT EVENTS AFTER THE PERIOD APRIL – JUNE 2015**

### **ORDER FROM A DANISH AUTHORITY**

The Danish ministry of health and Formpipe signs a contract for the Grant Management product TAS. The total order value amounts to SEK 1.5 million for a duration of four years.

### **ORDER FROM THE SWEDISH PRISON AND PROBATION SERVICE**

Formpipe receives order on the ECM product Platina from The Swedish Prison and Probation Service. The total order value amounts to SEK 3.3 million.

### **ORDER FROM THE SWEDISH PROSECUTION AUTHORITY**

Formpipe receives an order for Long-Term Archive from The Swedish Prosecution Authority. The total order value amounts to SEK 1.1 million.

## **MARKET**

Formpipe focuses its offerings on the public sector in Sweden and Denmark, in the international market on the Life Sciences industry and Legal sector and on industry independent offerings in respect of input/output management. According to the Radar Group, ECM continues to be a high priority investment area for companies and organizations.

Greater regulatory requirements and effective information management as a means of competition are important driving forces that have a tendency to be continually strengthened in connection with the increased amount of information.

## **PUBLIC SECTOR**

According to analysts at Radar Group, ECM continues to be a high-priority investment area for the public sector. According to Radar, the ECM market for the public sector in Sweden will see growth of 5.1 (3.0) per cent, with an equivalent figure for Denmark of 4.3 (2.8) per cent.

The ECM market for public sector is less sensitive to market fluctuations than other sectors since they have a continuous need to invest in effective e-government solutions. Shrinking younger age groups must support a growing senior age group, while rising living standards are still expected. Public administration is facing major cost driving challenges and changes in fields such as digitisation and streamlining of operations, accessibility and service via the web and reduced costs for production of standardised IT. Both Formpipe and external analysts estimate that the need for efficient administration will lead to continued investments by the public sector in existing or new ECM systems. The number of public agencies that have a budget for ECM will also increase from year to year. The trend points to reducing operational costs through initiatives like outsourcing, so that resources are freed up for e-administration development. As part of this trend, investments are increasingly being financed through operating budgets. ECM solutions have evolved from being an IT issue to becoming a strategic business issue.

## **CHALLENGES/DRIVING FORCES IN THE PUBLIC SECTOR**

Public administrations in Europe are facing the challenge of improving efficiency, productivity and the quality of their services. All these challenges must though be met with unchanged or even reduced budgets. Information and communication technology helps the public sector to handle challenges such as:

- Ever increasing squeeze on financial conditions.
- Increased demands in regard to transparency and improved service levels from citizens and companies.
- A demographic reality that means that in future we must do more with fewer resources.

## **LIFE SCIENCE**

Formpipe currently has customers in a number of European countries, as well as in the USA, regarding products and services for quality management and regulatory compliance. Like the public sector, the Life Sciences Industry has strict regulatory requirements. The market is strictly regulated by the national regulations of the market that the product or service is to be submitted to (in the US the regulator is the Food and Drug Administration (FDA), in the European Union it is the EMEA, etc).

It is estimated that the market for ECM products for the Life Sciences industry will grow strongly among medium-sized enterprises (200-1,000 users), as these are starting to use the same efficiency-enhancing tools as the major, traditional pharmaceutical companies. The major companies (more than 1,000 users) are seeing a trend towards replacing several different local systems with integrated turnkey solutions which provide a better overview and reduce administration and maintenance costs. It is thought

that the market for EQMS products for Life Sciences companies' subcontractors will also grow, as they need to comply with the industry's regulations on account of the fact that they are increasingly playing a key role in the delivery and supply chain.

## **INPUT/OUTPUT MANAGEMENT**

Formpipe's offering regarding input and output management, Lasernet, is essentially linked to the ERP market. The software is used for designing, converting and distributing business documents with data retrieved directly from any ERP system and it has more than 2,000 customers within a variety of industries all over the world.

Formpipe focuses on further reinforcing its offering for customers implementing Microsoft Dynamics, currently one of the fastest-growing ERP systems on the market. Formpipe has a well-developed partnership with a number of key partners in countries such as the Netherlands, Germany, Denmark and Sweden, and as a result it is able to benefit from the major sales successes for Microsoft Dynamics.

## **THE FUTURE**

Formpipe is a leading supplier of ECM solutions in Sweden and Denmark. The board considers that the company is well-positioned to be able to develop and strengthen its leading position while retaining good profitability levels. The company sees good opportunities to continue to utilize its experience from its successes within the public sector in Sweden and Denmark, which from an international perspective are considered models for efficient public administration, in order to target new markets and customer segments. With well-invested products, solid experience of the public sector and facilities for continued product development, the company sees opportunities to focus on the demand at EU level which with increased regulatory requirements can be expected to increase its investments in the coming years. In addition to the Swedish public sector, Formpipe Software also focuses on the life science sector, which like the public sector is a segment that is strictly regulated by regulatory requirements. The Company has developed a competitive offering to this sector. The life science market is faced with the same regulatory requirements regardless of geographical location, which creates a very large international market. The company's strategy with focus on the public sector and Life Science creates good opportunities to be able to efficiently develop market-leading offerings and need sector-specific requirements.

The board believes that Formpipe, which is one of the largest European-based ECM suppliers, is well-positioned with a stable customer base, a high share of recurring revenue and a focus on customer segments with a high need for ECM solutions. At the same time, the board considers that the ECM market is a sector undergoing consolidation and views acquisitions as a good complement to organic growth.

## FINANCIAL INFORMATION

### REVENUE

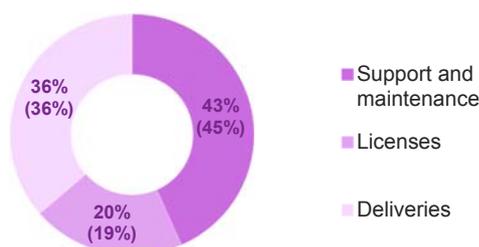
#### APRIL – JUNE 2015

Net sales for the period totaled SEK 95.8 million (84.2 million), which corresponds to an increase of 14 %. System revenue increased by 13 % from the previous year and totaled SEK 61.9 million (54.7 million). Total recurring revenue for the period increased by 10 % from the previous year and totaled SEK 43.8 million (39.9 million), which is equivalent to 46 % of net sales. Exchange rate effects have affected net sales positively by SEK 2.4 million in comparison with the previous year.

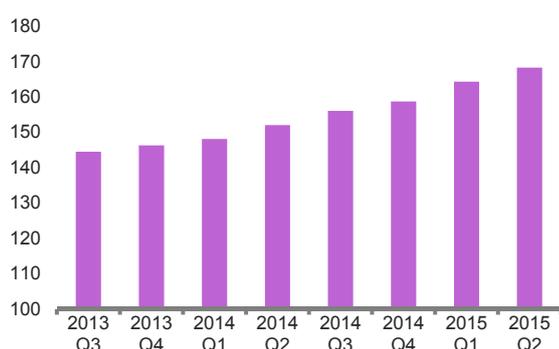
#### JANUARY – JUNE 2015

Net sales for the period totaled SEK 189.8 million (163.3 million), which corresponds to an increase of 16 %. System revenue increased by 16 % from the previous year and totaled SEK 120.8 million (104.2 million). Total recurring revenue for the period increased by 12 % from the previous year and totaled SEK 87.5 million (77.9 million), which is equivalent to 46 % of net sales. Exchange rate effects have affected net sales positively by SEK 4.8 million in comparison with the previous year.

#### Breakdown of sales, Jan – Jun 2015



#### Recurring revenue rolling 12-month, SEKm



### COSTS

#### APRIL – JUNE 2015

The operating costs for the period increased by 15 % and totaled SEK 90.0 million (78.2 million). Personnel costs

increased by 17 % and totaled SEK 57.0 million (48.8 million). Selling expenses totaled SEK 12.6 million (12.2 million). Other costs totaled SEK 18.5 million (15.3 million).

#### JANUARY – JUNE 2015

The operating costs for the period increased by 15 % and totaled SEK 174.0 million (151.4 million). Personnel costs increased by 16 % and totaled SEK 110.9 million (95.3 million). Selling expenses totaled SEK 24.3 million (22.5 million). Other costs totaled SEK 34.9 million (30.5 million).

### EARNINGS

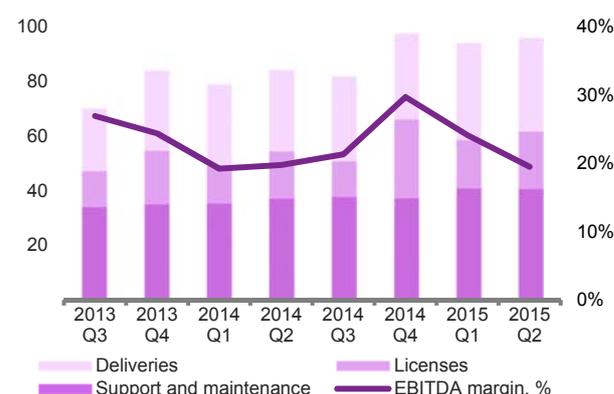
#### APRIL – JUNE 2015

Operating profit before depreciation and amortization and acquisition-related costs (EBITDA) totaled SEK 18.7 million (16.6 million) with an EBITDA margin of 19.5 % (19.7 %). Operating profit (EBIT) totaled SEK 5.8 million (6.0 million) with an operating margin of 6.1 % (7.1 %). Net profit totaled SEK 3.3 million (3.0 million). Exchange rate effects have affected EBITDA positively by SEK 0.4 million in comparison with the previous year.

#### APRIL – JUNE 2015

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#### Sales and EBITDA margin, SEKm



## FINANCIAL POSITION AND LIQUIDITY

### CASH EQUIVALENTS

Cash and cash equivalents at the end of the period amounted to SEK 18.5 million (18.5 million). The company had interest-bearing debt at the end of the period totaling SEK 127.0 (152.2) million. The company's net interest-bearing debt thereby totaled SEK 108.5 million (133.8 million).

The company has bank overdraft facilities for a total of SEK 10.0 million and for DKK 17.0 million, which were not utilized at the end of the period (- million).

#### DEFERRED TAX ASSET

By the end of the period the company's deferred tax assets attributable to accumulated losses amounted to SEK 23.8 million (SEK 28.8 million).

#### EQUITY

Equity at the end of the period amounted to SEK 309.6 million (276.4 million), which was equivalent to SEK 6.17 (5.65) per outstanding share at the end of the period. The strengthening of the Swedish krona has reduced the value of the group's net assets in foreign currencies by SEK -5.2 million (6.6 million) from the end of the year.

#### EQUITY RATIO

The equity ratio at the end of the period was 48 % (47 %).

#### CASH FLOW

##### CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities for the period January - June totaled SEK 27.6 million (22.6 million).

##### INVESTMENTS AND ACQUISITIONS

Total investments for the period January - June amounted to SEK 22.3 million (18.4 million), of which investments affecting cash flow totaled SEK 20.4 million (15.3 million).

Investments in intangible assets totaled SEK 21.6 million (17.3 million) and refer to capitalized product development costs.

Investments in tangible assets totaled SEK 0.7 million (1.2 million).

#### FINANCING

During the period January - June the company has amortized SEK 15.0 million (9.3 million) and the interest-bearing debt amounted to SEK 127.0 million (152.2 million) at the end of the period.

#### OTHER

##### EMPLOYEES

The number of employees at the end of the reporting period totaled 256 persons (231 persons).

##### RISKS AND UNCERTAINTY FACTORS

The significant risk and uncertainty factors for the group and the parent company, which include business and financial risks, are described in the annual report for the last financial year. During the period there have been no changes in the risk and uncertainty factors for the group and the parent company.

#### TRANSACTIONS WITH RELATED PARTIES

No transactions with related parties have occurred during the period

#### ACCOUNTING POLICIES

The group's financial reports are prepared in accordance with International Financial Reporting Standards (IFRS) in the way in which they have been adopted by the European Union, the Swedish Annual Accounts Act, RFR 1 Additional Accounting Regulations for Groups issued by the Swedish Financial Reporting Board and in accordance with the regulations that the Stockholm Stock Exchange stipulates for companies listed on Nasdaq Stockholm. Preparing financial reports in accordance with IFRS requires that the company management makes accounting evaluations and estimates and makes assumptions that affect the application of the accounting policies and the reported values of assets, liabilities, income and costs. The actual result can differ from these estimates and evaluations. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The most important accounting policies according to IFRS, which constitute the accounting standard for the preparation of this interim report, are stated in the company's most recently published annual report. The financial reports of the parent company have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The same accounting policies and methods of calculation have been applied in the interim report and in the most recent annual report.

#### ABOUT FORMPIPE

Formpipe Software AB (publ) is a software company in the field of ECM (Enterprise Content Management). We develop and deliver ECM products for structuring information in larger companies, the public sector and organizations. Our software helps organizations to capture and place information in context. Reduced costs, minimized risk exposure and structured information are the benefits from using our ECM products.

Formpipe was founded in 2004 and has offices in Sweden, Denmark, United Kingdom, the Netherlands and USA. The Formpipe share is listed on Nasdaq Stockholm.

#### CALENDAR FOR FINANCIAL INFORMATION

October 27, 2015	Interim report Jan-Sep
February 10, 2016	Interim report Jan-Dec

This interim report has not been subject to review by the company's auditors.

#### FINANCIAL INFORMATION

Can be ordered from the below contact details. All financial information is published on [www.formpipe.com](http://www.formpipe.com) immediately after being made public.

**CONTACT INFORMATION**

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Stockholm August 18, 2015  
Formpipe Software AB  
The Board of Directors and the Managing Director

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**CONSOLIDATED INCOME STATEMENT SUMMARY**

(SEK 000)	Apr-Jun		Jan-Jun	
	2015	2014	2015	2014
<b>Net Sales</b>	<b>95 822</b>	<b>84 246</b>	<b>189 805</b>	<b>163 251</b>
Sales expenses	-12 636	-12 181	-24 260	-22 524
Other costs	-18 463	-15 304	-34 906	-30 455
Personell costs	-56 957	-48 810	-110 910	-95 337
Capitalized work for own account	10 901	8 674	21 597	16 862
<b>Operating profit/loss before depreciation/amortization and non-comparative items (EBITDA)</b>	<b>18 667</b>	<b>16 625</b>	<b>41 327</b>	<b>31 797</b>
Acquisition-related costs	-	-500	-	-500
Depreciation/amortization	-12 834	-10 115	-25 542	-19 966
<b>Operating profit/loss (EBIT)</b>	<b>5 833</b>	<b>6 011</b>	<b>15 785</b>	<b>11 331</b>
Financial income and expenses	-1 321	-1 768	-2 782	-3 808
Exchange rate differences	-627	28	-2 450	-4
Tax	-634	-1 235	-2 030	-1 677
<b>Net profit for the period</b>	<b>3 251</b>	<b>3 035</b>	<b>8 523</b>	<b>5 842</b>
<u>Of which the following relates to:</u>				
Parent company shareholders	3 077	2 673	8 129	5 251
Shareholding with no controlling influence	174	362	393	591
<u>Other comprehensive income</u>				
Translation differences	-1 008	6 200	-5 236	6 617
Other comprehensive income for the period, net after tax	-1 008	6 200	-5 236	6 617
<b>Total comprehensive income for the period</b>	<b>2 243</b>	<b>9 235</b>	<b>3 286</b>	<b>12 459</b>
<u>Of which the following relates to:</u>				
Parent company shareholders	2 070	8 873	2 893	11 868
Shareholding with no controlling influence	174	362	393	591
<i>EBITDA margin, %</i>	<i>19,5%</i>	<i>19,7%</i>	<i>21,8%</i>	<i>19,5%</i>
<i>EBIT margin, %</i>	<i>6,1%</i>	<i>7,1%</i>	<i>8,3%</i>	<i>6,9%</i>
<i>Profit margin, %</i>	<i>3,4%</i>	<i>3,6%</i>	<i>4,5%</i>	<i>3,6%</i>
Earnings per share attributable to the parent company's shareholders during the period (SEK per share)				
- before dilution	0,06	0,05	0,16	0,11
- after dilution	0,06	0,05	0,16	0,11
Average no. of shares before dilution, in 000	50 143	48 935	50 143	48 935
Average no. of shares after dilution, in 000	50 637	48 935	50 443	48 935

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.

## CONSOLIDATED BALANCE SHEET SUMMARY

(SEK 000)	Jun 30		Dec 31
	2015	2014	2014
Intangible assets	498 643	457 189	510 203
Tangible assets	3 867	3 234	4 217
Financial assets	1 385	1 407	1 432
Deferred tax asset	23 773	28 799	25 292
Current assets (excl. cash equivalents)	93 121	75 098	91 334
Cash equivalents	18 519	18 467	26 035
<b>TOTAL ASSETS</b>	<b>639 308</b>	<b>584 195</b>	<b>658 513</b>
Equity	309 586	276 379	306 448
Shareholding with no controlling influence	4 222	3 378	3 829
Long-term liabilities	161 342	150 214	162 515
Current liabilities	164 158	154 225	185 721
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>639 308</b>	<b>584 195</b>	<b>658 513</b>
Net interest-bearing debt (-) / cash (+)	-108 483	-133 779	-116 892

## CHANGES IN CONSOLIDATED EQUITY

(SEK 000)	Equity attributable to the parent company's shareholders				Total	Shareholdings with no controlling influence	Total
	Share capital	Other contributed capital	Translation reserves	Profit/loss brought forward			
<b>Balance at January 1, 2014</b>	<b>4 893</b>	<b>178 568</b>	<b>-2 701</b>	<b>83 300</b>	<b>264 060</b>	<b>2 787</b>	<b>266 847</b>
<b>Comprehensive income</b>							
Net profit for the period	-	-	-	5 251	5 251	591	5 842
Other comprehensive income items	-	-	6 617	-	6 617	-	6 617
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>6 617</b>	<b>5 251</b>	<b>11 868</b>	<b>591</b>	<b>12 459</b>
<b>Transaction with owners</b>							
Employee warrant schemes	-	450	-	-	450	-	450
<b>Total transaction with owners</b>	<b>-</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>450</b>	<b>-</b>	<b>450</b>
<b>Balance at June 30, 2014</b>	<b>4 893</b>	<b>179 018</b>	<b>3 916</b>	<b>88 551</b>	<b>276 378</b>	<b>3 378</b>	<b>279 756</b>
<b>Balance at January 1, 2015</b>	<b>5 014</b>	<b>186 464</b>	<b>14 670</b>	<b>100 301</b>	<b>306 448</b>	<b>3 829</b>	<b>310 277</b>
<b>Comprehensive income</b>							
Net profit for the period	-	-	-	8 129	8 129	393	8 523
Other comprehensive income items	-	-	-5 236	-	-5 236	-	-5 236
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-5 236</b>	<b>8 129</b>	<b>2 893</b>	<b>393</b>	<b>3 286</b>
<b>Transaction with owners</b>							
Employee warrant schemes	-	245	-	-	245	-	245
<b>Total transaction with owners</b>	<b>-</b>	<b>245</b>	<b>-</b>	<b>-</b>	<b>245</b>	<b>-</b>	<b>245</b>
<b>Balance at June 30, 2015</b>	<b>5 014</b>	<b>186 709</b>	<b>9 433</b>	<b>108 430</b>	<b>309 586</b>	<b>4 222</b>	<b>313 809</b>

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## CASH FLOW STATEMENT SUMMARY

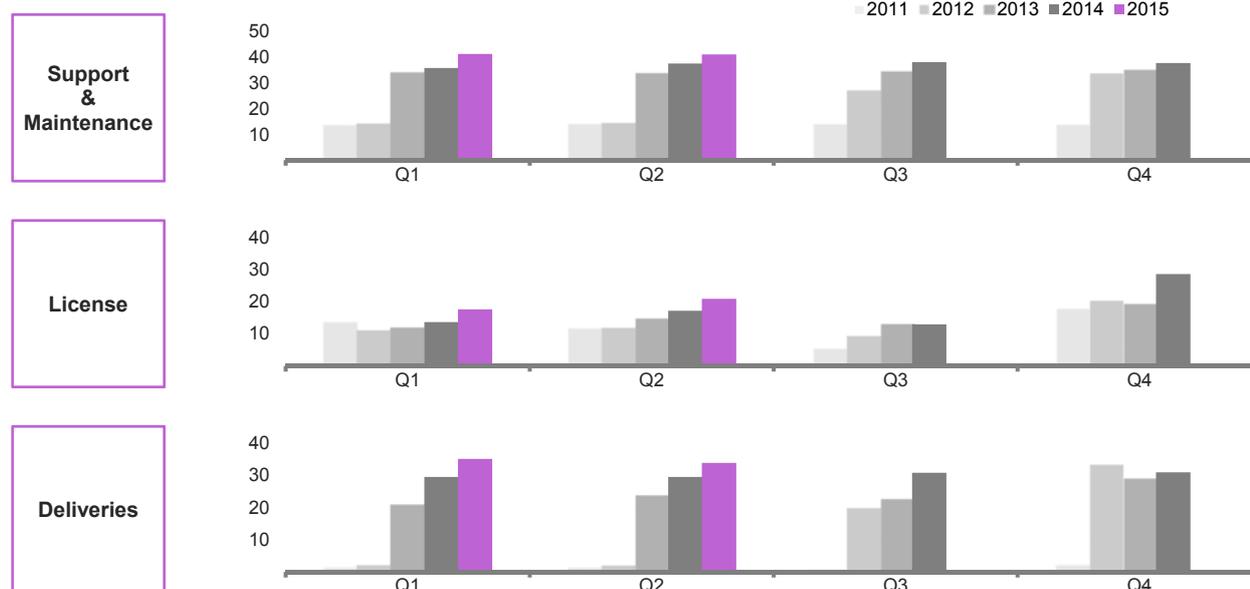
(SEK 000)	Apr-Jun		Jan-Jun	
	2015	2014	2015	2014
Cash flow from operating activities before working capital changes	15 659	7 786	37 230	20 344
Cash flow from working capital changes	-5 572	-17	-9 651	2 302
<b>Cash flow from operating activities</b>	<b>10 087</b>	<b>7 769</b>	<b>27 579</b>	<b>22 646</b>
Cash flow from investing activities <i>Of which acquisition of business activities</i>	-10 317 -	-8 055 -	-20 439 -	-15 273 -
Cash flow from financing activities	-5 236	-1 824	-14 732	-9 322
<b>Cash flow for the period</b>	<b>-5 466</b>	<b>-2 110</b>	<b>-7 592</b>	<b>-1 949</b>
<b>Change in cash and cash equivalent</b>				
Cash and cash equivalent at the beginning of the period	23 958	20 429	26 035	20 269
Translation differences	26	147	76	147
Cash flow for the period	-5 466	-2 110	-7 592	-1 949
<b>Cash and cash equivalent at the end of the period</b>	<b>18 519</b>	<b>18 467</b>	<b>18 519</b>	<b>18 467</b>
Free cash flow	-230	-286	7 140	7 373

## 8 QUARTERS IN SUMMARY

(SEK 000)	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2
Support and maintenance	34 393	35 425	35 815	37 519	38 101	37 748	41 247	41 059
Licenses	13 094	19 465	13 649	17 178	12 977	28 600	17 617	20 884
System revenue	47 487	54 891	49 465	54 697	51 078	66 348	58 864	61 942
<i>whereof recurring revenue</i>	36 566	37 574	38 017	39 865	40 554	40 242	43 635	43 827
Deliveries	22 810	29 187	29 540	29 549	30 804	30 964	35 119	33 880
<b>Net sales</b>	<b>70 297</b>	<b>84 078</b>	<b>79 005</b>	<b>84 246</b>	<b>81 882</b>	<b>97 312</b>	<b>93 983</b>	<b>95 822</b>
Sales expenses	-6 625	-9 661	-10 343	-12 181	-13 239	-6 841	-11 624	-12 636
Other costs	-13 962	-15 710	-15 151	-15 304	-15 350	-16 733	-16 443	-18 463
Personnel costs	-38 090	-46 685	-46 527	-48 810	-44 717	-56 254	-53 953	-56 957
Capitalized development costs	7 302	8 459	8 187	8 674	8 882	11 410	10 696	10 901
Total operating expenses	-51 374	-63 598	-63 834	-67 620	-64 423	-68 417	-71 324	-77 155
<b>EBITDA</b>	<b>18 922</b>	<b>20 480</b>	<b>15 171</b>	<b>16 626</b>	<b>17 458</b>	<b>28 896</b>	<b>22 659</b>	<b>18 667</b>
%	26,9%	24,4%	19,2%	19,7%	21,3%	29,7%	24,1%	19,5%
Items affecting comparability	-	-	-	-500	-667	-	-	-
Depreciation/amortization	-9 540	-9 753	-9 851	-10 115	-11 470	-12 066	-12 708	-12 834
<b>EBIT</b>	<b>9 382</b>	<b>10 727</b>	<b>5 320</b>	<b>6 011</b>	<b>5 322</b>	<b>16 829</b>	<b>9 952</b>	<b>5 833</b>
%	13,3%	12,8%	6,7%	7,1%	6,5%	17,3%	10,6%	6,1%

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## SALES ANALYSIS BY QUARTER



## SEGMENT SUMMARY

From January 1, 2015, the Life Science business area is reported as a stand-alone segment. This business was previously a part of the segment Sverige. The acquired entity GXP Ltd is included in this segment as per the acquisition date July 1, 2014.

(SEK 000)	jan-jun 2015				
	Sweden	Denmark	Life Science	Eliminations	Group
Sales, external	67 147	113 722	8 936	-	189 805
Sales, internal	82	2 378	-	-2 460	-
<b>Total sales</b>	<b>67 229</b>	<b>116 100</b>	<b>8 936</b>	<b>-2 460</b>	<b>189 805</b>
Costs, external	-45 980	-90 498	-12 000	-	-148 479
Costs, internal	-2 378	-82	-	2 460	-
<b>Operating profit/loss before depreciation/amortization and one-off items (EBITDA)</b>	<b>18 870</b>	<b>25 520</b>	<b>-3 064</b>	<b>-</b>	<b>41 327</b>
%	28,1%	22,0%	-34,3%	0,0%	21,8%

(SEK 000)	jan-jun 2014				
	Sweden	Denmark	Life Science	Eliminations	Group
Sales, external	58 295	104 034	922	-	163 251
Sales, internal	246	1 788	-	-2 034	-
<b>Total sales</b>	<b>58 541</b>	<b>105 822</b>	<b>922</b>	<b>-2 034</b>	<b>163 251</b>
Costs, external	-39 793	-88 388	-3 273	-	-131 454
Costs, internal	-1 788	-246	-	2 034	-
<b>Operating profit/loss before depreciation/amortization and one-off items (EBITDA)</b>	<b>16 960</b>	<b>17 188</b>	<b>-2 351</b>	<b>-</b>	<b>31 797</b>
%	29,0%	16,2%	-255,0%	0,0%	19,5%

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**NUMBER OF SHARES**

	2011-01-01	2012-01-01	2013-01-01	2014-01-01	2015-01-01
	2011-12-31	2012-12-31	2013-12-31	2014-12-31	2015-06-30
Number of outstanding shares at the beginning of the period	12 004 504	12 233 647	48 934 588	48 934 588	50 143 402
Share issue	229 143	36 700 941	-	-	-
Non-cash issue	-	-	-	1 208 814	-
<b>Number of outstanding shares at the end of the period</b>	<b>12 233 647</b>	<b>48 934 588</b>	<b>48 934 588</b>	<b>50 143 402</b>	<b>50 143 402</b>

**KEY RATIOS FOR THE GROUP**

	jan-jun	
	2015	2014
Net sales, SEK 000	189 805	163 251
EBITDA, SEK 000	41 327	31 797
EBIT, SEK 000	15 785	11 331
Net profit for the period, SEK 000	8 523	5 842
EBITDA margin, %	21,8%	19,5%
EBIT margin, %	8,3%	6,9%
Profit margin, %	4,5%	3,6%
Return on equity, %*	6,6%	6,7%
Return on working capital, %*	8,9%	7,7%
Equity ratio, %	48%	47%
Equity per outstanding share at the end of the period, SEK	6,17	5,65
Earnings per share - before dilution, SEK	0,16	0,11
Earnings per share - after dilution, SEK	0,16	0,11
Share price at the end of the period, SEK	8,55	6,55

\* Ratios including P&L measures are based on the most recent 12-month period

**PARENT COMPANY INCOME STATEMENT SUMMARY**

(SEK 000)	Apr-Jun		Jan-Jun	
	2015	2014	2015	2014
<b>Net sales</b>	<b>2 243</b>	<b>2 668</b>	<b>4 594</b>	<b>5 295</b>
Operating expenses				
Sales expenses	-568	-944	-1 197	-1 257
Other costs	-3 499	-3 342	-5 844	-6 389
Personnel costs	-8 683	-8 214	-17 036	-16 182
Depreciation/amortization	-455	-415	-906	-797
Total operating expenses	-13 204	-12 916	-24 982	-24 625
<b>Operating profit/loss</b>	<b>-10 961</b>	<b>-10 248</b>	<b>-20 389</b>	<b>-19 330</b>
Other financial items	1	53	-1 011	-55
<b>Net profit for the period</b>	<b>-10 960</b>	<b>-10 195</b>	<b>-21 399</b>	<b>-19 384</b>

**PARENT COMPANY BALANCE SHEET SUMMARY**

(SEK 000)	Jun 30		Dec 31
	2015	2014	2014
Intangible assets	4 033	4 802	4 466
Tangible assets	1 125	1 193	1 279
Financial assets	440 142	417 126	450 278
Deferred tax asset	6 440	7 898	6 440
Current assets (excl. cash equivalents)	7 448	3 474	23 461
Cash and bank balances	20 755	19 627	21 232
<b>TOTAL ASSETS</b>	<b>479 944</b>	<b>454 121</b>	<b>507 157</b>
Restricted equity	22 705	22 584	22 705
Non-restricted equity	182 911	173 732	204 065
Total equity	205 616	196 316	226 770
Long-term liabilities	135 387	124 459	139 196
Current liabilities	138 941	133 345	141 191
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>479 944</b>	<b>454 121</b>	<b>507 157</b>

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## DEFINITIONS

### SYSTEM REVENUE

The total of license revenue and revenue from support and maintenance contracts.

### RECURRING REVENUE

Revenue of an annually recurring nature such as support and maintenance revenue and revenue from rental license agreement.

### EBITDA

Earnings before depreciation, amortization, acquisition-related costs and other items of a one-off nature.

### EBIT

Operating profit/loss

### FREE CASH FLOW

Cash flow from operating activities minus cash flow from investing activities excluding acquisitions.

### EQUITY PER SHARE

Equity at the end of the period divided by the number of shares at the end of the period.

### RETURN ON EQUITY

Profit/loss after tax as a percentage of average equity

### RETURN ON WORKING CAPITAL

Operating profit/loss as a percentage of average working capital (balance sheet total less non-interest bearing liabilities and cash and bank balances).

### OPERATING MARGIN BEFORE DEPRECIATION AND AMORTIZATION (EBITDA MARGIN)

Earnings before depreciation, amortization, acquisition-related costs and other items of a one-off nature as a percentage of net sales.

### OPERATING MARGIN (EBIT MARGIN)

Operating profit/loss as a percentage of net sales.

### PROFIT MARGIN

Net profit/loss after tax as a percentage of sales at the end of the period.

### EQUITY RATIO

Equity as a percentage of the balance sheet total.

### EARNINGS PER SHARE - BEFORE DILUTION

Net profit/loss after tax divided by the average number of shares during the period.

### EARNINGS PER SHARE - AFTER DILUTION

Net profit/loss after tax adjusted for dilution effects divided by the average number of shares after dilution during the period.