



Formpipe.

## Interim report January - December 2015

### PERIOD OCTOBER 1 – DECEMBER 31, 2015\*

- Net sales SEK 93.1 m (SEK 86.9 m)
- System revenue SEK 63.6 m (SEK 64.8 m)
- EBITDA SEK 21.7 m (SEK 23.7 m)
- EBITDA margin 23.3 % (27.3 %)
- EBIT SEK 8.4 m (SEK 11.6 m)
- Net profit SEK 4.3 m (SEK 6.3 m)
- EPS before dilution SEK 0.08 (SEK 0.13)
- Net profit from discontinued operations amounts to SEK -0.0 million (SEK 3.9 million). Payment received from sold discontinued business totaled SEK 3.9 million (- million)
- Cash flow from operating activities SEK 34.2 m (SEK 41.3 m)
- The board proposes a dividend of SEK 0.10 per share (-).

### PERIOD JANUARY 1 – DECEMBER 31, 2015

- Net sales SEK 349.3 m (SEK 307.0 m)
- System revenue SEK 236.0 m (SEK 215.7 m)
- EBITDA SEK 73.7 m (SEK 65.1 m)
- EBITDA margin 21.1 % (21.2 %)
- EBIT SEK 19.8 m (SEK 20.4 m)
- Net profit SEK 9.4 m (SEK 8.2 m)
- EPS before dilution SEK 0.17 (SEK 0.17)
- Net profit from discontinued operations amounts to SEK 4.8 million (SEK 9.8 million). Payment received from sold discontinued business totaled SEK 3.9 million (- million)
- Cash flow from operating activities SEK 68.8 m (SEK 67.0 m)
- The board proposes a dividend of SEK 0.10 per share (-).

\* Outcome and comparison figures in this report has been adjusted to reflect the remaining operations after the sale of the business area Customer Specific Solutions in Denmark during the fourth quarter. For additional information, see specification in the groups consolidated income statement summary and the note 8 quarters in summary.

### INCOME STATEMENT - SUMMARY

(SEK Million)	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Net sales	93,1	86,9	349,3	307,0
<i>whereof recurring revenue</i>	43,6	38,7	168,4	152,8
EBITDA	21,7	23,7	73,7	65,1
EBIT - excluding one-off items	8,4	11,6	21,8	21,5
EBIT	8,4	11,6	19,8	20,4

### COMMENTS FROM THE GROUP CEO

*When excluding the divested business area (see more below) we make a good quarter, but we always have high expectations for the fourth quarter and the annual result is somewhat on the low side of what we think we should be able to achieve. However, both during and after the period, we have won several significant deals that will generate future revenues, and although this is not yet reflected in the result, we feel that the period has been commercially successful.*

*In the third quarter report, we described a restructuring plan for our consultancy organization for customer specific solutions in Denmark. Since it was neither strategically or financially attractive to run the area, we decided to sell the area during the fourth quarter. In order to create as good a comparison as possible, we have removed the business area from the operating result in this re-*

*port, for both current and earlier figures. The area is recognized on the line "Earnings attributable to discontinued business".*

*After a surprisingly rapid and successful start to our focus in the area of Life Sciences in the US, the final part of the year unfortunately did not live up to our high expectations. We continue to create interest in our offering to the market, building up a growing list of potential customers but we have not yet seen any results in terms of new deals. We are confident that we have a product offering that gives us long-term potential but must realize that our expectations on how fast it will give positive results, probably have been somewhat too optimistic. In connection with this report, we therefore choose to adjust the debt and related goodwill we have in the balance sheet, intended for the additional purchase price to the former owners of the acquired GxP Ltd.*

*After the period, we have won a large contract with the City of Stockholm. The procurement that Stockholm conducted is one of the most ambitious ever regarding requirements and evaluation model. The deal demonstrates our position as the leading supplier to the public sector and we once again proves that we have a stronger product offering than our competitors, in the evaluation we received a score of 89% regarding usability, the closest competitor received 71%. The deal has a large business value over many years to come and we know from experience that our customers often is expanding their use of our products over time.*

*The field of digital preservation, with our product Long-Term Archive, shows a very positive trend right now. Although the market for government agencies are still pending, the market for municipalities has really taken off. This year we have succeeded in positioning Formpipe as the leading provider in the field and is also the company who won the most procurements. Many of the deals regarding digital preservation are procured as cloud service, which means that most of the revenues are linked to the level of usage and thereby gradually increasing and recurring. The trend favours us as a supplier, we know we are good at long-term customer relationships, but it also means that revenue flows are coming in later compared to traditional software sales.*

*Other highlights are the strong cash flow and the increased share of recurring revenue. Net debt has come down below SEK 80 million, and we believe that our debt is now at a level where we can use our positive cash flow to a combination of reinvestment in the business, repayments, acquisitions and dividends to our shareholders. The Board will therefore propose to the Annual General Meeting a dividend of SEK 0.10 per share.*

## **SIGNIFICANT EVENTS DURING THE PERIOD OCTOBER – DECEMBER 2015**

### **ORDER FROM A FINNISH COMPANY**

Formpipe receives an order for Lasernet through their partner Tabellae regarding a Finnish customer. The total value of the order amounts to approximately SEK 1.5 million over a four year period.

### **ORDER FROM A SWEDISH MUNICIPALITY**

Formpipe receives an order regarding an add-on product for digital meeting management from a larger Swedish municipality. The total order value amounts to SEK 1 million.

### **ORDER FROM A SWEDISH AUTHORITY**

Formpipe receives a supplementary order on the ECM product Platina from a larger Swedish authority. The total order value amounts to SEK 2.3 million.

### **FORMPIPE SELLS CONSULTING BUSINESS**

Formpipe signs agreement with KMD A/S on the sale of its consulting business for customer-specific solutions for Danish authorities. Formpipe thereby follows its strategy to streamline its business to a product company, with

consulting and delivery capacity specifically related to the company's proprietary software.

### **ORDER FROM A DANISH COMPANY**

Formpipe receives an order for Lasernet through their partner Tabellae regarding a Danish customer. The order value amounts to SEK 1.2 million.

### **ORDER FROM A SWEDISH REGION**

Formpipe receives a supplementary order on the ECM product Platina from a Swedish Region. The total order value amounts to SEK 1.7 million.

## **SIGNIFICANT EVENTS AFTER THE PERIOD OCTOBER – DECEMBER 2015**

### **FORMPIPE AND THE CITY OF STOCKHOLM SIGNS AGREEMENT**

The business value amounts to approximately 50 million over a five year period, of which approximately SEK 25 million consists of systems revenue. After the initial period of the contract the City of Stockholm have the option to further extend the contract for 15 years.

### **CONTRACT AWARD DECISION REGARDING E-ARCHIVE**

Three Swedish municipalities 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 20 million over an eight-year period.

Another supplier then applied for a review procedure of the procurement and the standstill period will therefore be extended until the administrative court has ruled on the case.

## **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**

Revenues and costs for the outcome and comparison figures has been adjusted to reflect the remaining operations after the sale of the business area Customer Specific Solutions in Denmark during the fourth quarter.

## REVENUE

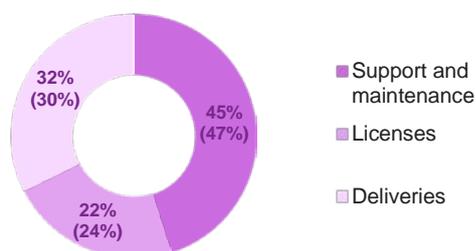
### OCTOBER – DECEMBER 2015

Net sales for the period totaled SEK 93.1 million (86.9 million), which corresponds to an increase of 7 %. System revenue decreased by 2 % from the previous year and totaled SEK 63.6 million (64.8 million). Total recurring revenue for the period increased by 13 % from the previous year and totaled SEK 43.6 million (38.7 million), which is equivalent to 47 % of net sales. Net sales from discontinued operations amounted to SEK 2.2 million (10.5 million). Exchange rate effects have affected net sales positively by SEK 1.7 million in comparison with the previous year.

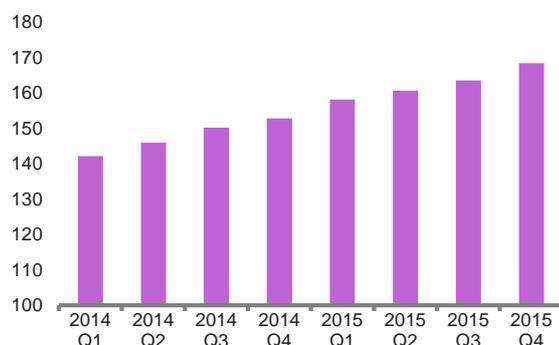
### JANUARY – DECEMBER 2015

Net sales for the period totaled SEK 349.3 million (307.0 million), which corresponds to an increase of 14 %. System revenue increased by 10 % from the previous year and totaled SEK 236.0 million (215.7 million). Total recurring revenue for the period increased by 10 % from the previous year and totaled SEK 168.4 million (152.8 million), which is equivalent to 48 % of net sales. Net sales from discontinued operations amounted to SEK 24.0 million (35.1 million). Exchange rate effects have affected net sales positively by SEK 7.2 million in comparison with the previous year.

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



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



## COSTS

### OCTOBER – DECEMBER 2015

The operating costs for the period increased by 13 % and totaled SEK 84.7 million (75.2 million). Personnel costs increased by 0 % and totaled SEK 51.6 million (51.5 million). Selling expenses totaled SEK 14.0 million (5.1 million). Other costs totaled SEK 17.8 million (18.0 million). Operating costs from discontinued operations amounted to SEK 2.2 million (5.3 million). During the period a write-down of the liability for additional purchase price from the acquisition of GxP Ltd. has been made by 1.5 million GBP (SEK 19.3 million). Related goodwill from the acquisition has also been written down by a corresponding amount giving a net effect of non-recurring items totaled to zero.

### JANUARY – DECEMBER 2015

The operating costs for the period increased by 15 % and totaled SEK 327.5 million (285.4 million). Personnel costs increased by 11 % and totaled SEK 202.2 million (181.9 million). Selling expenses totaled SEK 48.4 million (33.4 million). Other costs totaled SEK 70.0 million (63.8 million). Operating costs from discontinued operations amounted to SEK 15.4 million (22.4 million). During the period a write-down of the liability for additional purchase price from the acquisition of GxP Ltd. has been made by 1.5 million GBP (SEK 19.3 million). Related goodwill from the acquisition has also been written down by a corresponding amount giving a net effect of non-recurring items totaled to zero. Non-recurring costs are charging the period with SEK -1.9 million (-1.2 million) and refers to the restructuring reserve made in the third quarter.

## EARNINGS

### OCTOBER – DECEMBER 2015

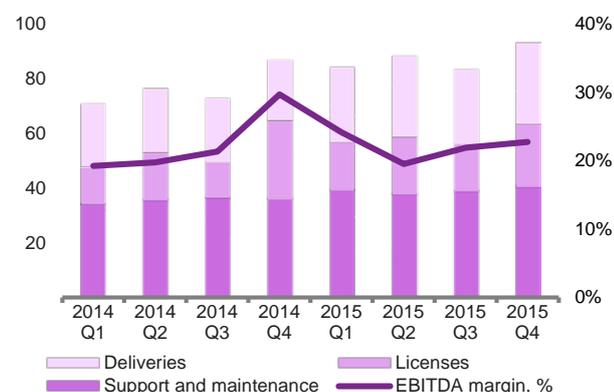
Operating profit before depreciation and amortization and one-off costs (EBITDA) totaled SEK 21.7 million (23.7 million) with an EBITDA margin of 23.3 % (27.3 %). Operating profit (EBIT) totaled SEK 8.4 million (11.6 million) with an operating margin of 9.0 % (13.4 %). Net profit totaled SEK 4.3 million (6.3 million). Net profit from discontinued operations amounted to -0.0 million (3.9 million). Realization gains from discontinued business totaled SEK 3.9 million (- million) which gives a totaled net profit for the period of SEK 8.2 million (10.2 million). Exchange rate effects have affected EBITDA positively by SEK 0.1 million in comparison with the previous year.

### JANUARY – DECEMBER 2015

Operating profit before depreciation and amortization and one-off costs (EBITDA) totaled SEK 73.7 million (65.1 million) with an EBITDA margin of 21.1 % (21.2 %). Operating profit (EBIT) totaled SEK 19.8 million (20.4 million) with an operating margin of 5.7 % (6.6 %). Operating profit includes non-recurring items amounting to SEK -1.9 million (-1.2 million). Net profit totaled SEK 9.4 million (8.2 million). Net profit from discontinued operations amounted to SEK 4.8 million (9.8 million). Realization gains from discontinued business totaled SEK 3.9 million (- million) which gives a totaled net profit for the

year of SEK 18.2 million (18.0 million). Exchange rate effects have affected EBITDA positively by SEK 0.4 million in comparison with the previous year.

### Sales and EBITDA margin, SEKm



## FINANCIAL POSITION AND LIQUIDITY

### CASH EQUIVALENTS

Cash and cash equivalents at the end of the period amounted to SEK 37.7 million (26.0 million). The company had interest-bearing debt at the end of the period totaling SEK 116.8 million (142.9 million). The company's net interest-bearing debt thereby totaled SEK 79.1 million (116.9 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).

### INTANGIBLE ASSETS

During the fourth quarter Formpipe has performed impairment tests on the group's cash generating units based on Formpipe's long-term business plans. Except for the write-down of goodwill attributable to GxP Ltd of SEK 19.3 million (which is offset by the write-down of the liability for additional purchase price) no other cash generating unit had a booked value exceeding the recoverable amount. No additional write-down of goodwill has been recognized in 2015.

### DEFERRED TAX ASSET

By the end of the period the company's deferred tax assets attributable to accumulated losses amounted to SEK 23.7 million (SEK 25.3 million).

### EQUITY

Equity at the end of the period amounted to SEK 315.1 million (307.6 million), which was equivalent to SEK 6.28 (6.13) 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 -10.2 million (17.4 million) from the end of the year.

### EQUITY RATIO

The equity ratio at the end of the period was 51 % (47 %).

## CASH FLOW

### CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities for the period January - December totaled SEK 73.6 million (76.8 million), of which divested business operations SEK 4.8 million (SEK 9.8 million).

### INVESTMENTS AND ACQUISITIONS

Total investments for the period January - December amounted to SEK 47.2 million (50.2 million), of which investments affecting cash flow totaled SEK 43.8 million (45.5 million).

Investments in intangible assets totaled SEK 41.8 million (40.2 million) and refer to capitalized product development costs.

Investments in tangible assets totaled SEK 2.0 million (2.7 million).

During the period received payment from acquisition/divestiture of business activities amounted to SEK 3.9 million (-7.3 million).

### FINANCING

During the period January - September the company has amortized SEK 22.3 million (26.5 million) and the interest-bearing debt amounted to SEK 116.8 million (142.9 million) at the end of the period.

## PROPOSED APPROPRIATION OF PROFITS

### DIVIDEND

The Board proposes that the AGM to be held on 21 April 2016 adopts a resolution to pay a dividend of SEK 0.10 (-) per share, which means a total dividend of SEK 5.0 million (- million).

As the basis for its proposal for the appropriation of profits, the board, in accordance with chapter 17 § 3 subsec 2-3 of the Swedish Companies Act, has assessed the parent company's and the group's need to strengthen the balance sheet, its liquidity and financial position otherwise, and the ability to meet its obligations in the long-term.

## OTHER

### EMPLOYEES

The number of employees at the end of the reporting period totaled 239 persons (245 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. During the fourth quarter of 2015 the business area Customer Specific Solutions has been sold. The business area, which earlier was included in Formpipe Groups segment Denmark, is therefore treated as a discontinued operation according to IFRS 5 and is accounted and disclosed in accordance with this accounting standard.

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 infor-

mation 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**

April 19, 2016	Interim report Jan-Mar
April 21, 2016	Annual General Meeting
July 12, 2016	Interim report Jan-Jun
October 25, 2016	Interim report Jan-Sep

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 October 27, 2015  
Formpipe Software AB  
The Board of Directors and the Managing Director  
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**CONSOLIDATED INCOME STATEMENT SUMMARY**

(SEK 000)	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
<b>Net Sales</b>	<b>93 123</b>	<b>86 857</b>	<b>349 292</b>	<b>306 952</b>
Sales expenses	-14 033	-5 083	-48 406	-33 361
Other costs	-17 757	-18 014	-70 044	-63 813
Personell costs	-51 607	-51 479	-202 173	-181 880
Capitalized work for own account	11 957	11 410	45 002	37 154
<b>Operating profit/loss before depreciation/amortization and non-comparative items (EBITDA)</b>	<b>21 683</b>	<b>23 691</b>	<b>73 670</b>	<b>65 052</b>
Acquisition-related costs	-	-	-1 947	-1 167
Depreciation/amortization	-13 308	-12 066	-51 880	-43 502
<b>Operating profit/loss (EBIT)</b>	<b>8 375</b>	<b>11 625</b>	<b>19 843</b>	<b>20 383</b>
Financial income and expenses	-1 023	-1 328	-5 212	-7 222
Exchange rate differences	412	-1 085	-899	-1 610
Tax	-3 479	-2 949	-4 296	-3 333
<b>Net profit for the period from remaining business</b>	<b>4 284</b>	<b>6 263</b>	<b>9 436</b>	<b>8 218</b>
Profit/loss attributable to discontinued business	-32	3 903	4 838	9 824
Realization gains from discontinued business	3 905		3 905	
<b>Net profit for the period</b>	<b>8 157</b>	<b>10 166</b>	<b>18 179</b>	<b>18 042</b>
<u>Of which the following relates to:</u>				
Parent company shareholders	7 679	10 525	17 490	18 140
Shareholding with no controlling influence	478	-359	689	-98
<u>Other comprehensive income</u>				
Translation differences	-8 373	9 604	-10 216	17 371
Other comprehensive income for the period, net after tax	-8 373	9 604	-10 216	17 371
<b>Total comprehensive income for the period</b>	<b>-215</b>	<b>19 770</b>	<b>7 964</b>	<b>35 413</b>
<u>Of which the following relates to:</u>				
Parent company shareholders	-694	20 129	7 275	35 511
Shareholding with no controlling influence	478	-359	689	-98
<i>EBITDA margin, %</i>	<i>23,3%</i>	<i>27,3%</i>	<i>21,1%</i>	<i>21,2%</i>
<i>EBIT margin, %</i>	<i>9,0%</i>	<i>13,4%</i>	<i>5,7%</i>	<i>6,6%</i>
<i>Profit margin, %</i>	<i>8,8%</i>	<i>11,7%</i>	<i>5,2%</i>	<i>5,9%</i>
Earnings per share attributable to the parent company's shareholders during the period (SEK per share)				
- before dilution	0,15	0,21	0,35	0,37
- after dilution	0,15	0,21	0,35	0,37
- before dilution, remaining business	0,08	0,13	0,17	0,17
- after dilution, remaining business	0,08	0,13	0,17	0,17
- before dilution, discontinued business	0,08	0,08	0,17	0,20
- after dilution, discontinued business	0,08	0,08	0,17	0,20
Average no. of shares before dilution, in 000	50 143	50 143	50 143	49 539
Average no. of shares after dilution, in 000	50 637	50 143	50 592	49 539

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)	Dec 31	
	2015	2014
Intangible assets	473 393	510 203
Tangible assets	3 898	4 217
Financial assets	1 425	1 432
Deferred tax asset	23 680	25 292
Current assets (excl. cash equivalents)	77 723	91 334
Cash equivalents	37 670	26 035
<b>TOTAL ASSETS</b>	<b>617 789</b>	<b>658 513</b>
Equity	315 108	307 588
Shareholding with no controlling influence	3 378	2 689
Long-term liabilities	132 260	162 515
Current liabilities	167 043	185 721
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>617 789</b>	<b>658 513</b>
Net interest-bearing debt (-) / cash (+)	-79 081	-116 892

## CHANGES IN CONSOLIDATED EQUITY

(SEK 000)	Equity attributable to the parent company's shareholders					Shareholdings with no controlling influence	
	Share capital	Other contributed capital	Translation reserves	Profit/loss brought forward	Total	influence	Total
<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	-	-	-	18 140	18 140	-98	18 042
Other comprehensive income items	-	-	17 371	-	17 371	-	17 371
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>17 371</b>	<b>18 140</b>	<b>35 511</b>	<b>-98</b>	<b>35 413</b>
<b>Transaction with owners</b>							
Share issue	121	7 446	-	-	7 567	-	7 567
Employee warrant schemes	-	450	-	-	450	-	450
<b>Total transaction with owners</b>	<b>121</b>	<b>7 896</b>	<b>-</b>	<b>-</b>	<b>8 017</b>	<b>-</b>	<b>8 017</b>
<b>Balance at December 31, 2014</b>	<b>5 014</b>	<b>186 464</b>	<b>14 670</b>	<b>101 440</b>	<b>307 588</b>	<b>2 689</b>	<b>310 277</b>
<b>Balance at January 1, 2015</b>	<b>5 014</b>	<b>186 464</b>	<b>14 670</b>	<b>101 440</b>	<b>307 588</b>	<b>2 689</b>	<b>310 277</b>
<b>Comprehensive income</b>							
Net profit for the period	-	-	-	17 490	17 490	689	18 179
Other comprehensive income items	-	-	-10 216	-	-10 216	-	-10 216
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-10 216</b>	<b>17 490</b>	<b>7 275</b>	<b>689</b>	<b>7 963</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 December 31, 2015</b>	<b>5 014</b>	<b>186 709</b>	<b>4 454</b>	<b>118 930</b>	<b>315 108</b>	<b>3 378</b>	<b>318 486</b>

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## CASH FLOW STATEMENT SUMMARY

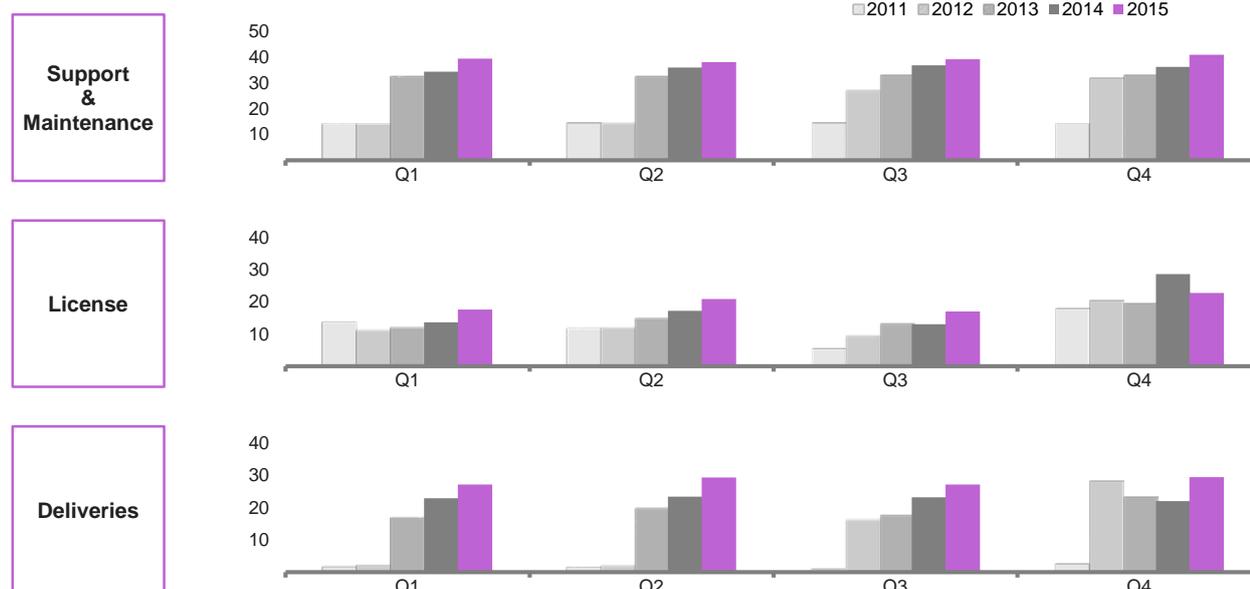
(SEK 000)	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Cash flow from operating activities before working capital changes	17 027	29 216	61 328	56 032
Cash flow from working capital changes	17 212	12 115	7 440	10 957
<b>Cash flow from remaining operating activities</b>	<b>34 239</b>	<b>41 332</b>	<b>68 768</b>	<b>66 989</b>
Cash flow from discontinued business	-32	3 903	4 838	9 824
<b>Cash flow from operating activities</b>	<b>34 207</b>	<b>45 235</b>	<b>73 606</b>	<b>76 813</b>
Cash flow from investing activities	-7 920	-15 173	-39 881	-45 505
<i>Of which acquisition/divestiture of business activities</i>	3 905	-	3 905	-7 345
Cash flow from financing activities	-4 102	-11 179	-22 033	-26 097
<b>Cash flow for the period</b>	<b>22 184</b>	<b>18 883</b>	<b>11 692</b>	<b>5 211</b>
<b>Change in cash and cash equivalent</b>				
Cash and cash equivalent at the beginning of the period	15 619	6 846	26 035	20 269
Translation differences	-134	305	-57	555
Cash flow for the period	22 184	18 883	11 692	5 211
<b>Cash and cash equivalent at the end of the period</b>	<b>37 670</b>	<b>26 035</b>	<b>37 670</b>	<b>26 035</b>

## 8 QUARTERS IN SUMMARY\*

(SEK 000)	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4
Support and maintenance	34 352	35 944	36 796	36 219	39 511	38 058	39 254	40 893
Licenses	13 649	17 178	12 977	28 600	17 617	20 884	17 025	22 708
System revenue	48 002	53 122	49 773	64 820	57 128	58 942	56 279	63 602
<i>whereof recurring revenue</i>	36 554	38 290	39 249	38 713	41 899	40 826	42 076	43 603
Deliveries	22 913	23 451	23 255	22 037	27 163	29 388	27 235	29 522
<b>Net sales</b>	<b>70 914</b>	<b>76 573</b>	<b>73 028</b>	<b>86 857</b>	<b>84 291</b>	<b>88 329</b>	<b>83 514</b>	<b>93 123</b>
Sales expenses	-7 900	-9 544	-10 964	-5 083	-10 062	-11 925	-12 381	-14 033
Other costs	-15 325	-14 310	-16 170	-18 014	-16 645	-18 746	-18 912	-17 757
Personnel costs	-43 484	-46 620	-40 450	-51 479	-49 722	-52 736	-46 077	-51 607
Capitalized development costs	8 187	8 674	8 882	11 410	10 696	10 901	11 448	11 957
Total operating expenses	-58 521	-61 800	-58 702	-63 165	-65 733	-72 506	-65 922	-71 440
<b>EBITDA</b>	<b>12 393</b>	<b>14 773</b>	<b>14 326</b>	<b>23 691</b>	<b>18 558</b>	<b>15 823</b>	<b>17 592</b>	<b>21 683</b>
%	17,5%	19,3%	19,6%	27,3%	22,0%	17,9%	21,1%	23,3%
Items affecting comparability	-	-500	-667	-	-	-	-1 947	-
Depreciation/amortization	-9 851	-10 115	-11 470	-12 066	-12 708	-12 834	-13 030	-13 308
<b>EBIT</b>	<b>2 542</b>	<b>4 159</b>	<b>2 189</b>	<b>11 625</b>	<b>5 850</b>	<b>2 989</b>	<b>2 614</b>	<b>8 375</b>
%	3,6%	5,4%	3,0%	13,4%	6,9%	3,4%	3,1%	9,0%
Discontinued business:	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Net sales	8 091	7 673	8 854	10 456	9 692	7 493	4 627	2 165
EBITDA	2 778	1 853	3 133	5 204	4 102	2 844	1 683	-43

\* Adjusted to reflect the remaining business after disposal of customer specific consulting services in Denmark in 2015 Q4.

## 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.

In order to visualize the effects from the disposal of the customer specific consulting services in Denmark December 11, 2015, the direct revenues and costs attributable to this business have been recorded separately. The business was previously a part of the segment Denmark.

Jan-Dec 2015							
(SEK 000)	Sweden	Denmark	Life Science	Eliminations	Remaining business	Discontinued business	Group
Sales, external	138 419	195 040	15 833	-	349 292	23 942	373 234
Sales, internal	1 162	6 920	700	-8 782	-	-	-
<b>Total sales</b>	<b>139 581</b>	<b>201 960</b>	<b>16 533</b>	<b>-8 782</b>	<b>349 292</b>	<b>23 942</b>	<b>373 234</b>
Costs, external	-90 365	-162 653	-22 604	-	-275 622	-15 371	-290 993
Costs, internal	-5 831	-2 251	-700	8 782	-	-	-
<b>EBITDA</b>	<b>43 385</b>	<b>37 056</b>	<b>-6 771</b>	<b>-</b>	<b>73 670</b>	<b>8 571</b>	<b>82 241</b>
%	31,1%	18,3%	-41,0%	0,0%	21,1%	35,8%	22,0%

Jan-Dec 2014							
(SEK 000)	Sweden	Denmark	Life Science	Eliminations	Remaining business	Discontinued business	Group
Sales, external	122 995	172 254	11 703	-	306 952	35 493	342 445
Sales, internal	392	3 308	-	-3 700	-	-	-
<b>Total sales</b>	<b>123 387</b>	<b>175 562</b>	<b>11 703</b>	<b>-3 700</b>	<b>306 952</b>	<b>35 493</b>	<b>342 445</b>
Costs, external	-81 404	-143 403	-17 093	-	-241 900	-22 394	-264 294
Costs, internal	-3 308	-392	-	3 700	-	-	-
<b>EBITDA</b>	<b>38 675</b>	<b>31 767</b>	<b>-5 390</b>	<b>-</b>	<b>65 052</b>	<b>13 099</b>	<b>78 151</b>
%	31,3%	18,1%	-46,1%	0,0%	21,2%	36,9%	22,8%

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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	2015-12-31
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-Dec	
	2015	2014
Net sales, SEK 000	349 292	306 952
EBITDA, SEK 000	73 670	65 052
EBIT, SEK 000	19 843	20 383
Net profit for the period, SEK 000	18 179	18 042
EBITDA margin, %	21,1%	21,2%
EBIT margin, %	5,7%	6,6%
Profit margin, %	5,2%	5,9%
Return on equity, %*	5,6%	6,3%
Return on working capital, %*	12,7%	4,9%
Equity ratio, %	51%	47%
Equity per outstanding share at the end of the period, SEK	6,28	6,13
Earnings per share - before dilution, SEK	0,35	0,37
Earnings per share - after dilution, SEK	0,35	0,37
Share price at the end of the period, SEK	8,50	6,10

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

**PARENT COMPANY INCOME STATEMENT SUMMARY**

<b>(SEK 000)</b>	<b>Oct-Dec</b>		<b>Jan-Dec</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Net sales</b>	<b>15 146</b>	<b>27 392</b>	<b>40 701</b>	<b>35 358</b>
Operating expenses				
Sales expenses	-549	176	-2 308	-1 753
Other costs	-3 550	-427	-11 508	-9 164
Personnel costs	-10 130	-11 279	-35 684	-34 105
Depreciation/amortization	-455	-459	-1 822	-1 701
<b>Total operating expenses</b>	<b>-14 685</b>	<b>-11 989</b>	<b>-51 323</b>	<b>-46 723</b>
<b>Operating profit/loss</b>	<b>461</b>	<b>15 403</b>	<b>-10 622</b>	<b>-11 366</b>
Result from participations in group companies	21 850	18 155	21 850	18 155
Other financial items	909	-818	774	-1 829
Tax	-2 805	-1 458	-2 805	-1 458
<b>Net profit for the period</b>	<b>20 415</b>	<b>31 282</b>	<b>9 197</b>	<b>3 502</b>

**PARENT COMPANY BALANCE SHEET SUMMARY**

<b>(SEK 000)</b>	<b>Dec 31</b>	
	<b>2015</b>	<b>2014</b>
Intangible assets	3 432	4 466
Tangible assets	1 022	1 279
Financial assets	426 923	450 278
Deferred tax asset	3 635	6 440
Current assets (excl. cash equivalents)	34 125	23 461
Cash and bank balances	41 165	21 232
<b>TOTAL ASSETS</b>	<b>510 303</b>	<b>507 157</b>
Restricted equity	22 705	22 705
Non-restricted equity	213 507	204 065
<b>Total equity</b>	<b>236 212</b>	<b>226 770</b>
Long-term liabilities	107 036	139 196
Current liabilities	167 054	141 191
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>510 303</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.