

# FORMPIPE

## Interim report January-September 2012

THE INTERIM REPORT INCLUDES TWO MONTHS OF OPERATIONS FOR THE DANISH SUBSIDIARY COMPANY TRÆN A/S.

### PERIOD 1 JANUARY - 30 SEPTEMBER 2012

- Net sales SEK 113.8 million (78.0 million)
- System income SEK 89.0 million (73.5 million)
- EBITDA<sup>2</sup> SEK 30.5 million (21.1 million)
- EBITDA<sup>2</sup> margin 26.8 % (27.0 %)
- EBIT SEK 10.5 million (13.8 million)
- Net profit/ loss after tax SEK 5.1 million (10.1 million)
- Acquisition-related costs of a one-off nature of SEK 15.4 million have been charged against net profit / loss before tax.

### PERIOD 1 JULY - 30 SEPTEMBER 2012

- Net sales SEK 56.6 million (20.9 million)
- System income SEK 36.6 million (19.8 million)
- EBITDA<sup>2</sup> SEK 14.9 million (5.4 million)
- EBITDA<sup>2</sup> margin 26.3 % (25.7 %)
- EBIT SEK 4.6 million (2.7 million)
- Net profit/ loss after tax SEK 1.6 million (2.0 million)
- Acquisition-related costs of a one-off nature of SEK 11.7 million have been charged against net profit / loss before tax.

### INCOME STATEMENT SUMMARY

(SEK million)	Jul-Sep		Jan-Sep		Rolling 12 months	Full year 2011
	2012	2011	2012	2011		
Net sales	56.6	20.9	113.8	78.0	148.3	112.5
EBITDA <sup>2</sup>	14.9	5.4	30.5	21.1	39.8	30.4
EBIT - excluding acquisition-related costs	7.7	2.7	17.4	13.8	23.8	20.2
EBIT	4.6	2.7	10.5	13.8	16.9	20.2

### COMMENTS FROM THE GROUP CEO

In this Q3 report, it is the first time that our Danish subsidiary company, Traen A/S, is consolidated in the results for the group. Due to the acquisition, this has been a very eventful and intensive quarter as Q3 is normally our quietest quarter in terms of activities and sales. Both companies have demonstrated great enthusiasm and curiosity for each other's product ranges. There are many ideas for cross-sales and we can already now see that we will derive great benefit from each other's products and knowledge going forward. However, we are in the favourable situation that both companies are developing well independently of each other. This means that we are constantly adjusting the balance between a focus on existing business and on new opportunities, but naturally most of our energy remains on continuing to develop existing business.

We have only consolidated the Aug-Sep period for Traen A/S in this interim report. As this is a short period, I will give some proforma figures for the full Jan-Sep period here despite the fact that these are not included in our consolidated figures (you will also find these figures towards the end of this report in a proforma income state-

ment). During the period Jan-Sep, Traen A/S had net sales of SEK 143.2 million (143.3 million) with an EBITDA of SEK 27.9 million (25.5 million). The equivalent figures for the Jul-Sep period are SEK 46.5 million (44.9 million) and SEK 12.6 million (6.8 million). These figures are in line or even better than the estimates we made at the time of acquisition and therefore we wish to reiterate that this development will give an EBITDA for Traen for 2012 that will exceed the EBITDA level of 2011. Just as for the "old FormPipe", Q4 is always the strongest quarter of the year and therefore has a major impact on the financial result for the year. However, I would like to emphasise that both the Swedish and Danish operations have a large repetitive income mass, which accounts for almost half of our total income. In addition, we are able to accurately forecast delivery income to a high degree as what we will deliver and invoice in Q4 is largely already included in existing contracts. Our order book<sup>1</sup> at the end of Q3 amounts to SEK 54 million (37 million). We have also signed a sup-

<sup>1</sup> Contracted but not yet delivered and invoiced delivery income.

<sup>2</sup> Operating profit/loss before depreciation/amortisation, acquisition-related costs and items of a one-off nature (EBITDA).

*plementary agreement with an existing customer after the end of this quarter for just over SEK 10 million for deliveries in Q1 and Q2 2013.*

*The Swedish business is developing well despite generally perceived slow market conditions. We are seeing higher sales compared with the comparable period last year. Gartner confirms in its latest market update our view that the market has adopted a wait-and-see policy, and expects the overall market to fall in 2012. However, it is encouraging that this is expected to return to growth of approx. 4 % in 2013.*

*Large acquisition-related costs of a one-off nature have been taken up in the period. In addition to transaction costs of SEK 6.9 million which are included in the net earnings (EBIT), you will also see an accounting effect in net financial items relating to hedging of the financing of the acquisition of Traen. IFRS regulations give us a negative effect of SEK 8.5 million on earnings for the period which is countered by lower reported loans in the balance sheet for the equivalent sum. Naturally, both of these items should have offset each other in the balance sheet, but because we chose in connection with the acquisition to refinance Traen's borrowing and thereby reorganise our whole capital structure, IFRS does not allow any opportunity to report this as a hedge.*

*In conclusion, it is very pleasing that the business operations are developing well in both Denmark and Sweden. Our existing business with the public sector gives us a unique stability and we also have additional products to offer in the form of cross sales between Sweden and Denmark. Furthermore, we see good opportunities in that our focus on new products and on the Life Science segment is now beginning to take off. All in all, we are in a good situation and believe that we can achieve solid growth in terms of both sales and profitability in the coming years.*

## **SIGNIFICANT EVENTS DURING THE PERIOD JULY - SEPTEMBER 2012**

### **PREFERENTIAL SHARE ISSUE FULLY SUBSCRIBED**

The preferential share issue will provide FormPipe Software with approx. SEK 125 million before deduction for issue expenses. The preferential share issue means that the number of shares in the company increases by 36 700 941 shares to a total of 48 934 588 shares, that the number of votes increases by 36 700 941 to 48 934 588 votes and that the share capital increases by SEK 3 670 094 kronor to SEK 4 893 459 kronor.

### **COMPLETED ACQUISITION OF TRAEN A/S**

FormPipe Software completed the previously announced acquisition of Traen on 31 July 2012.

## **SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD.**

### **NEW MD APPOINTED FOR THE TRAEN A/S SUBSIDIARY COMPANY**

Thomas à Porta has been appointed as new MD for the Danish subsidiary company Traen A/S. Thomas will take up his position on 1 January 2013. Thomas has 20 years of experience from the IT sector in roles such as Senior VP Markets & Services at KMD A/S, Managing Director of Backoffice Associates Europe A/S and Sales Director for IBM Denmark. With sound experience of the industry and excellent leadership skills, Thomas has the right background to take the company to the next level.

## **THE MARKET**

According to the Radar Group, ECM continues to be a high priority investment area in 2012 for companies and organisations. 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. The Danish and Swedish licence markets for ECM software will, according to Gartner, amount to around SEK 750 million in 2013, which is an increase of almost 4 percentage points.

FormPipe Software focuses on two markets for the main public sector segment and one international market for the Life Science sector.

### **PUBLIC SECTOR**

#### **DANISH PUBLIC SECTOR**

The Danish public sector is the largest individual market for FormPipe Software. The Danish subsidiary company, Traen, is the market leader in the public sector and has a broad product offering with associated services within the ECM area (document and message management, payment handling and self-services / modes of cooperation). The Danish public sector is a model for efficient and digital public administration in Europe and has an express focus on investing in IT support in order to boost its internal efficiency.

#### **SWEDISH PUBLIC SECTOR**

FormPipe Software has a broad product offering within the framework for ECM to the Swedish public sector for compliance with regulatory requirements and facilitating efficient and digital public administration. In the future, the company believes, as do external analysis companies, that the need for more efficient management will mean that the Swedish public sector will continue to invest in existing or new IT systems in order to realise its potential.

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

Public administrations, both in Sweden and in Denmark, are facing the challenge of improving efficiency, productivity and the quality of their services. All these challenges must be met though 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 from citizens and companies in regard to transparency and improved service levels.
- A demographic reality that means that in future we must do more with fewer resources.

## **LIFE SCIENCE**

Within the private sector, the company's efforts are focused strongly on becoming a leading supplier within quality management (document and message management) to the Life Science sector. Like the public sector, this sector has strict regulatory requirements. The market is strictly regulated by the regulations of the FDA (U.S. Food and Drug Administration) which makes the segment country-independent and opens up an export market that is far larger than the company's existing primary markets.

## **THE FUTURE**

FormPipe Software 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 utilise 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 high investment in 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 very 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 meet sector-specific requirements.

The board believes that FormPipe Software, which is one of the largest European-based ECM suppliers, is well-positioned with a stable customer base, a high share of repetitive income 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.

## **INFORMATION POLICY**

With the acquisition of the Danish company Traen, FormPipe Software has become a significantly larger company with a broader range of operations. We have decided therefore to update our information policy so that it is more in line with our business operations.

FormPipe Software AB (publ) is listed on NASDAQ OMX Small Cap Stockholm. The company will comply with the listing agreement that has been entered into between the company and NASDAQ OMX, the Swedish Companies Act and the Swedish Securities Act, other relevant laws and the directives of the Swedish Financial Supervisory Authority.

FormPipe will provide correct, relevant and reliable information simultaneously to all its shareholders, the capital markets, society at large and the media. Information which is considered to have an influence on the evaluation of the company's share price (share price-influencing information) will be published so that it reaches the public domain quickly and non-discriminarily. Publication will be effected by press releases which will be sent simultaneously to the Stockholm Stock Exchange, established news agencies and the daily press. The information will be published simultaneously on the company's website.

In regard to business-related events, the company will provide information via press releases for purely licence deals, combinations of licensing and deliveries and purely deliveries that are considered to have an influence on share price. The company will publish, via press releases, licence deals with a business value in excess of SEK 1 million, and combination deals or new deliveries where the individual business value exceeds SEK 5 million. In addition, particularly significant business deals that are not covered by the threshold values stated above will also be published.

As previously, the company does not present any forecasts.

## FINANCIAL INFORMATION

For proforma information regarding the acquisition of Traen, please see the separate section.

### INCOME

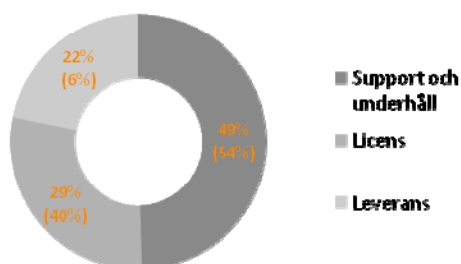
#### JANUARY - SEPTEMBER 2012

Net sales for the period totalled SEK 113.8 million (78.0 million). System income increased by 21 % from the previous year and totalled SEK 89.0 million (73.5 million). Total repetitive income for the period increased by 30 % from the previous year and totalled SEK 62.1 million (47.7 million), which is equivalent to 55 % of net sales. Exchange rate effects have had a negative impact on net sales of SEK 0.6 in comparison with the previous year.

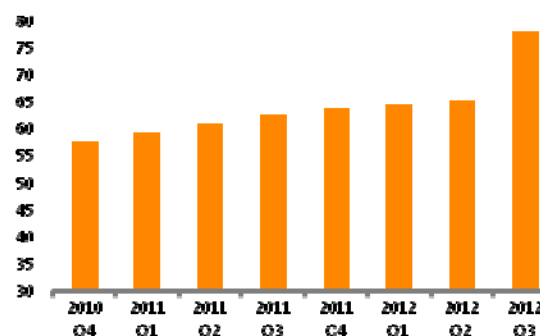
#### JULY - SEPTEMBER 2012

Net sales for the period totalled SEK 56.6 million (20.9 million). System income increased by 85 % from the previous year and totalled SEK 36.6 million (19.8 million). Total repetitive income for the period increased by 81 % from the previous year and totalled SEK 29.0 million (16.1 million), which is equivalent to 51 % of net sales. Exchange rate effects have had a negative impact on net sales of SEK 0.2 in comparison with the previous year.

#### Breakdown of sales income, Jan - Sep 2012



#### Repetitive income for the rolling 12-month period, SEK million



### COSTS

#### JANUARY - SEPTEMBER 2012

The operating costs for the period increased by 61 % and totalled SEK 103.3 million (64.2 million). Personnel costs rose by 65 % and totalled SEK 59.5 million (36.1 million). Selling expenses totalled SEK 11.4 million (10.7 million). Other costs totalled SEK 25.5 million (22.5 million). Costs of a one-off nature totalling SEK 6.9 million (- million) have been charged against earnings during the period and consist solely of transaction-related costs in connection with the acquisition of Traen A/S.

Hedging of acquisition financing has had a negative impact of SEK 8.6 million (- million) on financial expenses. This cost is of a one-off nature.

Tax for the period has been affected by acquisition-related costs.

#### JULY - SEPTEMBER 2012

The operating costs for the period increased by 185 % and totalled SEK 52.0 million (18.3 million). Personnel costs rose by 200 % and totalled SEK 31.2 million (10.4 million). Selling expenses totalled SEK 5.2 million (2.3 million). Other costs totalled SEK 10.9 million (6.8 million). Costs of a one-off nature totalling SEK 3.2 million (- million) have been charged against earnings during the period and consist solely of transaction-related costs in connection with the acquisition of Traen A/S.

Hedging of acquisition financing has had a negative impact of SEK 8.6 million (- million) on financial expenses. This cost is of a one-off nature.

Tax for the period has been affected by acquisition-related costs.

## EARNINGS

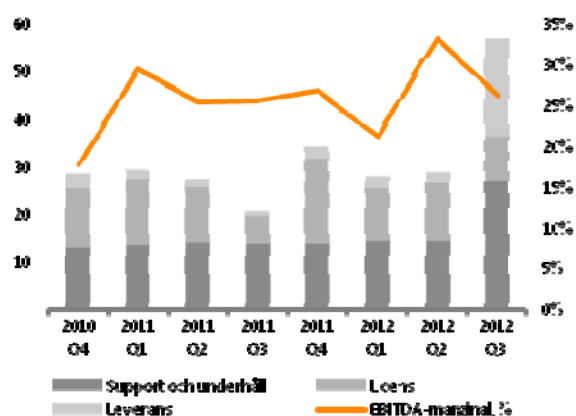
### JANUARY - SEPTEMBER 2012

Operating profit before depreciation and amortisation and acquisition-related costs (EBITDA) totalled SEK 30.5 million (21.1 million) with an EBITDA margin of 26.8 % (27.0 %). Operating profit totalled SEK 10.5 million (13.8 million) with an operating margin of 9.3 % (17.7 %). Exchange rate effects, (primarily exposure to DKK) have not had any significant impact on operating profit. Net profit/ loss after tax amounted to SEK 5.1 million (10.1 million).

### JULY - SEPTEMBER 2012

Operating profit before depreciation and amortisation and acquisition-related costs (EBITDA) totalled SEK 14.9 million (5.4 million) with an EBITDA margin of 26.3 % (25.7 %). Operating profit totalled SEK 4.6 million (2.7 million) with an operating margin of 8.1 % (12.8 %). Exchange rate effects, (primarily exposure to DKK) have not had any significant impact on operating profit. Net profit/ loss after tax amounted to SEK 1.6 million (2.0 million).

Sales and EBITDA margin (quarter). SEK million



## FINANCIAL POSITION AND LIQUIDITY

### CASH EQUIVALENTS

Cash and cash equivalents at the end of the period amounted to SEK 8.3 million (6.3 million). The company had no interest-bearing liabilities at the end of the period (198.9 million). The company's net liabilities totalled SEK 190.6 million (6.3 million).

The company has bank overdraft facilities for a total of SEK 17 million, which was not utilised at the end of the period (SEK + million).

### DEFERRED TAX ASSET

During the period, deferred tax assets of SEK 9.0 have been capitalised, and the acquired company, Traen, has a deficit deduction of SEK 17.3 million already capitalised from before the time of acquisition. The group's total capitalised deficit deduction amounted at the end of the period to SEK 31.2 million (5.8 million).

### EQUITY

Equity at the end of the period amounted to SEK 226.7 million (127.9 million), which was equivalent to SEK 4.63 (10.45) 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 13.2 million (2.0 million) from the end of the year.

FormPipe Software carried out a new share issue in July of 36 700 941 shares, which increased the share capital by SEK 3 670 094.10. After deduction for issue expenses of SEK 13.6 million, the new share issue brought in the net sum of SEK 111.4 million.

### EQUITY RATIO

The equity ratio at the end of the period was 41 % (72 %).

## CASH FLOW

### CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities for the period January - September totalled SEK 14.2 million (15.6 million).

Transaction-related costs of a one-off nature which have been included in operating activities have had an impact on cash flow of SEK -6.9 million (- million).

### INVESTMENTS AND ACQUISITIONS

Total investments for the period January - September amounted to SEK 139.0 million (13.7 million), of which investments affecting cash flow totalled SEK 137.0 million (11.1 million). The acquisition of Traen A/S has affected cash flow by SEK -125.8 million (- million).

Investments in intangible assets totalled SEK 13.0 million (14.1 million), of which SEK 0.0 million (0.2 million) relates to investments in software and the remaining sum relates to capitalised product development costs.

Investments in tangible assets totalled SEK 0.3 million (0.4 million).

## **FINANCING**

In Q3 the company has taken up loans for a total of SEK 63.0 million and DKK 103.2 million with the aim of replacing the previous financing held by Traen A/S and in order to finance part of the acquisition cost. With this, Traen's previous financing of DKK 133.3 million has been repaid.

The company had interest-bearing loans at the end of the period totalling SEK 198.9 million (- million).

During the period January - December, dividends of SEK 7.3 million (6.1 million) have been paid to the company's shareholders, equivalent to SEK 0.60 (0.50) per share.

## **OTHER**

### **EMPLOYEES**

The number of employees at the end of the reporting period was 231 persons (67 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 2011 financial year and in the share issue prospectus of 12 June 2012.

### **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 OMX 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 SOFTWARE**

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 organisations. Our software and solutions help organisations to capture, manage and place information in context. Reduced costs, minimised risk exposure and structured information are the benefits from using our ECM products.

FormPipe Software was established in 2004 and has offices in Stockholm, Uppsala, Linköping and Copenhagen. FormPipe Software AB (publ) is listed on NASDAQ OMX Stockholm.

### **CALENDAR FOR FINANCIAL INFORMATION**

28 February 2013 Press release of unaudited figures for 2012

Stockholm, 25 April 2013

3 May 2013 Interim report January - March

16 July 2013 Interim report January - June

25 October 2013 Interim report January - September

### **FINANCIAL INFORMATION**

Can be ordered from the head office by using the contact details listed below. All financial information will be available at [www.formpipe.se](http://www.formpipe.se) immediately after being published.

### **CONTACT INFORMATION**

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Stockholm, 28 November 2012

FormPipe Software AB

The Board of Directors and the Managing Director

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## **REVIEW REPORT**

### **AUDITOR'S REPORT OF THE REVIEW OF INTERIM FINANCIAL INFORMATION IN SUMMARY (INTERIM REPORT) PREPARED IN ACCORDANCE WITH IAS 34 AND CHAPTER 9 OF THE SWEDISH ANNUAL ACCOUNTS ACT**

#### **1.1 INTRODUCTION**

We have reviewed this interim report, with the exception of proforma accounting, for FormPipe Software AB for the period 1 January – 30 September 2012. It is the board of directors and the managing director who are responsible for preparing and presenting this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim financial report based on our review.

#### **THE FOCUS AND SCOPE OF THE REVIEW**

We conducted our review in accordance with Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is considerably limited in scope compared with the focus and scope of an audit conducted in accordance with IAS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

#### **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the interim report, with the exception of proforma accounting, is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group and with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 28 November 2012

PricewaterhouseCoopers AB

Niklas Renström  
Authorised Public Accountant



**CONSOLIDATED INCOME STATEMENT SUMMARY**

(SEK 000)	Jul-Sep		Jan-Sep	
	2012	2011	2012	2011
<b>Net sales</b>	<b>56 629</b>	<b>20 931</b>	<b>113 837</b>	<b>78 045</b>
Selling expenses	-5 197	-2 269	-11 409	-10 706
Other costs	-10 901	-6 826	-25 466	-22 533
Personnel costs	-31 196	-10 403	-59 487	-36 141
Capitalised work for own account	5 558	3 941	13 037	12 436
<b>Operating profit/loss before depreciation/amortisation and items affecting comparability (EBITDA)<sup>1</sup></b>	<b>14 893</b>	<b>5 374</b>	<b>30 513</b>	<b>21 101</b>
Acquisition-related costs	-3 151	-	-6 882	-
Depreciation/amortisation	-7 146	-2 703	-13 093	-7 275
<b>Earnings (EBIT)</b>	<b>4 597</b>	<b>2 672</b>	<b>10 538</b>	<b>13 826</b>
Acquisition-related financial expenses	-8 558	-	-8 558	-
Net financial income/expense	-1 710	-46	-1 668	-216
Tax	7 317	-676	4 791	-3 511
<b>Net profit for the period</b>	<b>1 646</b>	<b>1 950</b>	<b>5 103</b>	<b>10 099</b>
<u>Of which the following is attributable to:</u>				
Parent company shareholders	1 640	1 950	5 097	10 099
Shareholding with no controlling influence	6	-	6	-
<u>Other comprehensive income</u>				
Translation differences <sup>2</sup>	-12 026	934	-13 174	1 974
Hedging	2 211	-	-	-
Other comprehensive income for the period, net after tax	-9 815	934	-13 174	1 974
<b>Total comprehensive income for the period</b>	<b>-8 169</b>	<b>2 884</b>	<b>-8 071</b>	<b>12 073</b>
<u>Of which the following is attributable to:</u>				
Parent company shareholders	-8 175	2 884	-8 077	12 073
Shareholding with no controlling influence	6	-	6	-
<i>EBITDA margin, %</i>	<i>26.3 %</i>	<i>25.7 %</i>	<i>26.8 %</i>	<i>27.0 %</i>
<i>EBIT margin, %</i>	<i>8.1 %</i>	<i>12.8 %</i>	<i>9.3 %</i>	<i>17.7 %</i>
<i>Profit margin, %</i>	<i>2.9 %</i>	<i>9.3 %</i>	<i>4.5 %</i>	<i>12.9 %</i>
Earnings per share attributable to the parent company's shareholders during the period (SEK per share)				
- before dilution	0.03	0.08	0.15	0.41
- after dilution	0.03	0.08	0.15	0.41
Average no. of shares before dilution, in 000	48 935	25 053	34 694	24 896
Average no. of shares after dilution, in 000	48 935	25 053	34 857	24 924

<sup>1</sup> Earnings before depreciation and amortisation, acquisition-related costs and items of a one-off nature.

<sup>2</sup> Refers to change in value of the group's net assets in foreign currencies as a result of currency fluctuations.

**CONSOLIDATED BALANCE SHEET SUMMARY**

(SEK 000)	30 Sep		31 Dec
	2012	2011	2011
Intangible assets	432 741	147 338	146 682
Tangible assets	2 343	936	858
Financial assets	1 311	19	31
Deferred tax asset	31 231	5 765	6 414
Current assets (excl. cash equivalents)	82 298	16 393	33 979
Cash equivalents	8 253	6 317	12 794
<b>TOTAL ASSETS</b>	<b>558 177</b>	<b>176 768</b>	<b>200 758</b>
Equity	226 694	127 863	130 386
Shareholding with no controlling influence	1 647	-	-
Long-term liabilities	212 926	7 189	8 463
Current liabilities	116 910	41 715	61 908
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>558 177</b>	<b>176 768</b>	<b>200 758</b>
Interest-bearing net liabilities (-) / cash (+)	-190 642	6 317	12 794
Pledged assets			
Shares in subsidiary companies	302 025	111 858	96 416

**CASH FLOW STATEMENT SUMMARY**

(SEK 000)	Jul-Sep		Jan-Sep	
	2012	2011	2012	2011
Cash flow from operating activities before working capital changes	19 036	4 031	28 809	20 849
Cash flow from working capital changes	-15 620	-3 628	-14 575	-5 250
<b>Cash flow from operating activities</b>	<b>3 416</b>	<b>403</b>	<b>14 234</b>	<b>15 599</b>
Cash flow from investing activities	-130 518	-3 288	-137 022	-11 070
<i>Of which acquisition of business activities</i>	<i>-125 777</i>	<i>-</i>	<i>-125 777</i>	<i>-</i>
Cash flow from financing activities	128 885	45	118 910	-2 655
<i>Of which dividend paid</i>	<i>-</i>	<i>-</i>	<i>-7 340</i>	<i>-6 117</i>
<b>Cash flow for the period</b>	<b>1 783</b>	<b>-2 840</b>	<b>-3 878</b>	<b>1 874</b>
<b>Change in cash and cash equivalent</b>				
Cash and cash equivalent at the beginning of the period	7 118	9 140	12 794	4 410
Translation differences	-648	17	-663	33
Cash flow for the period	1 783	-2 840	-3 878	1 874
<b>Cash and cash equivalent at the end of the period</b>	<b>8 253</b>	<b>6 317</b>	<b>8 253</b>	<b>6 317</b>
Free cash flow	-1 325	-2 885	2 989	4 529

**CHANGES IN CONSOLIDATED EQUITY**

(SEK 000)	Equity attributable to the parent company's shareholders					Sharehold- ing with no controlling influence	
	Share capital	Other contrib- uted capital	Transla- tion reserves	Brought forward	Total		Total
<b>Opening balance per 1 January 2011</b>	<b>1 200</b>	<b>66 706</b>	<b>-3 199</b>	<b>53 732</b>	<b>118 439</b>	-	<b>118 439</b>
Net profit for the period	-	-	-	10 099	10 099	-	10 099
Other comprehensive income items	-	-	1 974	-	1 974	-	1 974
Dividend	-	-	-	-6 117	-6 117	-	-6 117
New share issue	23	3 151	-	-	3 174	-	3 174
Buy-back of share warrants	-	-87	-	-	-87	-	-87
Premium paid for warrant programme	-	382	-	-	382	-	382
<b>Closing balance per 30 September 2011</b>	<b>1 223</b>	<b>70 152</b>	<b>-1 225</b>	<b>57 714</b>	<b>127 863</b>	-	<b>127 863</b>
<b>Opening balance per 1 January 2012</b>	<b>1 223</b>	<b>70 152</b>	<b>-3 305</b>	<b>62 317</b>	<b>130 386</b>	-	<b>130 386</b>
Acquired shareholding with no controlling influence	-	-	-	-	-	1 642	1 642
Net profit for the period	-	-	-	5 097	5 097	6	5 103
Other comprehensive income items	-	-	-13 174	-	-13 174	-	-13 174
Dividend	-	-7 340	-	-	-7 340	-	-7 340
New share issue	3 670	107 756	-	-	111 426	-	111 426
Premium paid for warrant programme	-	298	-	-	298	-	298
<b>Closing balance per 30 September 2012</b>	<b>4 893</b>	<b>170 866</b>	<b>-16 479</b>	<b>67 414</b>	<b>226 694</b>	<b>1 647</b>	<b>228 342</b>

**8 QUARTERS IN SUMMARY**

(SEK 000)	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3
Support and maintenance	13 397	13 920	14 303	14 230	14 056	14 517	14 764	27 038
Licences	12 363	13 693	11 705	5 605	17 819	11 145	11 951	9 586
System income	25 760	27 613	26 008	19 835	31 875	25 662	26 715	36 624
Deliveries	2 930	1 803	1 689	1 096	2 599	2 467	2 365	20 005
<b>Net sales</b>	<b>28 690</b>	<b>29 416</b>	<b>27 697</b>	<b>20 931</b>	<b>34 474</b>	<b>28 129</b>	<b>29 080</b>	<b>56 629</b>
Selling expenses	-5 472	-4 506	-3 931	-2 269	-5 517	-4 065	-2 146	-5 197
Other costs	-8 173	-7 243	-8 463	-6 826	-10 998	-7 693	-6 872	-10 901
Personnel costs	-14 225	-12 682	-13 057	-10 403	-13 886	-13 884	-14 407	-31 196
Capitalised development costs	4 287	3 698	4 797	3 941	5 197	3 473	4 006	5 558
Total operating expenses	-23 583	-20 734	-20 654	-15 557	-25 205	-22 169	-19 419	-41 736
<b>EBITDA<sup>1</sup></b>	<b>5 106</b>	<b>8 683</b>	<b>7 043</b>	<b>5 375</b>	<b>9 269</b>	<b>5 960</b>	<b>9 661</b>	<b>14 893</b>
%	17.8 %	29.5 %	25.4 %	25.7 %	26.9 %	21.2 %	33.2 %	26.3 %
Comparative items <sup>1</sup>	-4 993	-	-	-	-	-	-3 731	-3 151
Depreciation/amortisation	-2 341	-2 080	-2 492	-2 703	-2 893	-2 954	-2 994	-7 146
<b>EBIT</b>	<b>-2 228</b>	<b>6 603</b>	<b>4 552</b>	<b>2 671</b>	<b>6 376</b>	<b>3 005</b>	<b>2 936</b>	<b>4 597</b>
%	-7.8 %	22.4 %	16.4 %	12.8 %	18.5 %	10.7 %	10.1 %	8.1 %

<sup>1</sup> Earnings before depreciation and amortisation, acquisition-related costs and other comparative items of a one-off nature.

## SEGMENT SUMMARY

With the acquisition of Traen A/S, the business meets the preconditions required by IFRS for dividing the business operations into segments. FormPipe Software has divided its business operations on the basis of the geographical segments of Sweden and Denmark. As this division into segments is new as of Q3 2012, there are no historical comparative figures.

(SEK 000)	Jan-Sep 2012			Group
	Sweden	Denmark	Eliminations	
Sales, external	63 749	50 088	-	113 837
Sales, internal	94	421	-514	-
<b>Total sales</b>	<b>63 843</b>	<b>50 509</b>	<b>-514</b>	<b>113 837</b>
<b>Operating profit/loss before depreciation/amortisation and comparative items (EBITDA)</b>	<b>14 608</b>	<b>15 905</b>	<b>-</b>	<b>30 513</b>
%	22.9 %	31.5 %		26.8 %

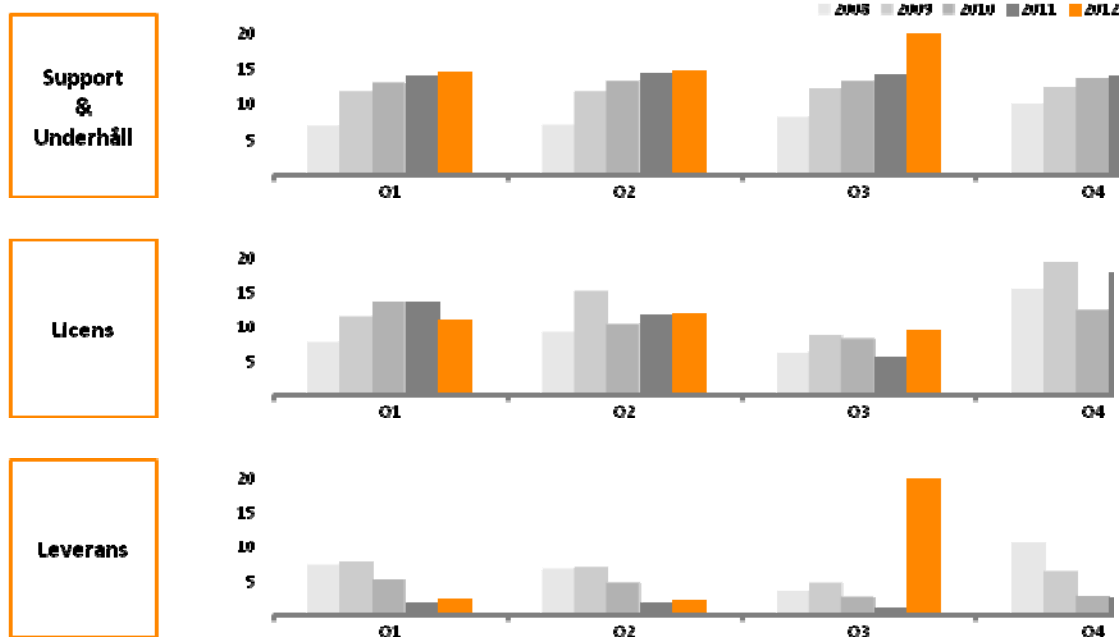
## CONSOLIDATED INCOME STATEMENT SUMMARY - PROFORMA<sup>1</sup>

FormPipe Software, excl. acquisition (SEK 000)	Jul-Sep		Jan-Sep	
	2012	2011	2012	2011
Support and maintenance	14 979	14 230	44 171	42 453
Licences	6 107	5 605	29 096	31 004
Deliveries	1 646	1 096	6 315	4 588
<b>Net sales</b>	<b>22 732</b>	<b>20 931</b>	<b>79 582</b>	<b>78 045</b>
<b>EBITDA</b>	<b>2 682</b>	<b>5 375</b>	<b>18 242</b>	<b>21 101</b>
%	11.8 %	25.7 %	22.9 %	27.0 %
<b>Traen A/S<sup>2</sup></b> (SEK 000)	Jul-Sep		Jan-Sep	
	2012	2011	2012	2011
Support and maintenance	18 078	17 891	52 930	55 119
Licences	3 697	2 271	18 770	12 866
Deliveries	24 758	24 777	71 457	75 299
<b>Net sales</b>	<b>46 533</b>	<b>44 939</b>	<b>143 157</b>	<b>143 284</b>
<b>EBITDA</b>	<b>12 614</b>	<b>6 787</b>	<b>27 923</b>	<b>25 483</b>
%	27.1 %	15.1 %	19.5 %	17.8 %
<b>FormPipe Group proforma</b> (SEK 000)	Jul-Sep		Jan-Sep	
	2012	2011	2012	2011
Support and maintenance	33 057	32 121	97 101	97 572
Licences	9 804	7 876	47 866	43 870
Deliveries	26 404	25 873	77 772	79 887
<b>Net sales</b>	<b>69 265</b>	<b>65 870</b>	<b>222 739</b>	<b>221 329</b>
<b>EBITDA</b>	<b>15 296</b>	<b>12 162</b>	<b>46 165</b>	<b>46 584</b>
%	22.1 %	18.5 %	20.7 %	21.0 %

<sup>1</sup> Not revised.

<sup>2</sup> Based on the same exchange rate as used for the consolidation of the group, 1.1276 SEK/DKK. The figures have been adjusted for costs related to the transaction.

## QUARTERLY SALES ANALYSIS



## NUMBER OF SHARES

	2008-01-01 2008-31-12	2009-01-01 2009-31-12	2010-01-01 2010-31-12	2011-01-01 2011-31-12	2012-01-01 2012-30-09
Number of outstanding shares at the beginning of the period	9 798 660	11 736 181	11 736 181	12 004 504	12 233 647
New share issue	1 937 521	-	268 323	229 143	36 700 941
<b>Number of outstanding shares at the end of the period</b>	<b>11 736 181</b>	<b>11 736 181</b>	<b>12 004 504</b>	<b>12 233 647</b>	<b>48 934 588</b>

## KEY RATIOS FOR THE GROUP

	Jan-Sep	
	2012	2011
Net sales, SEK 000	113 837	78 045
EBITDA, SEK 000	30 513	21 101
EBIT, SEK 000	10 538	13 826
Net profit for the period, SEK 000	5 103	10 099
EBITDA margin, %	26.8 %	27.0 %
EBIT margin, %	9.3 %	17.7 %
Profit margin, %	4.5 %	12.9 %
Return on equity, %*	5.4 %	6.8 %
Return on working capital, %*	5.1 %	9.8 %
Equity ratio, %	40.6 %	72.3 %
Equity per outstanding share at the end of the period, SEK	4.63	10.45
Earnings per share - before dilution, SEK	0.15	0.41
Earnings per share - after dilution, SEK	0.15	0.41
Share price at the end of the period, SEK	4.83	6.42

\* The value for the income measure included in the calculation is based on the most recent 12-month period.

**ACQUISITION OF SUBSIDIARY COMPANY**

Traen Holding A/S ("Traen") was acquired on 1 August with the aim of expanding FormPipe Software's markets. Traen is the market leading supplier of ECM products and services to the public sector in Denmark. The acquisition relates to 100 % of the shares in Traen and has influenced the consolidated balance sheet and cash equivalents as presented below. Since the date of acquisition, Traen has contributed SEK 12.6 million in earnings before depreciation/amortisation and acquisition-related costs of a one-off nature (EBITDA). If the acquisition had taken place before 1 January 2012, Traen would have contributed SEK 143.2 million in sales and EBITDA of SEK 27.9 million.

Goodwill has arisen in connection with the acquisition and is made up of synergy effects and personnel. Adjustments of the carrying amount are represented by acquired surplus value in respect to customer relations and brand. The effect of deferred tax has also been taken into consideration in this adjustment. No part of recorded goodwill is expected to be deductible for income taxation.

**Preliminary acquisition analysis**

<b>(SEK 000)</b>	<b>Acquired carrying amount</b>
Tangible assets	1 883
Intangible assets	117 096
Financial assets	1 374
Deferred tax asset	20 413
Trade accounts receivable and other receivables	44 934
Cash equivalents	9 047
Interest-bearing liabilities	-163 821
Trade accounts payable and other liabilities	-87 937
Shareholding with no controlling influence	-1 642
<b>Acquired net assets</b>	<b>-58 652</b>
Goodwill	193 475
<b>Purchase price paid in cash</b>	<b>134 824</b>
- Cash equivalents in acquired company	-9 047
<b>Change in consolidated cash equivalents in connection with the acquisition</b>	<b>125 777</b>

**PARENT COMPANY INCOME STATEMENT SUMMARY**

(SEK 000)	Jul-Sep		Jan-Sep	
	2012	2011	2012	2011
<b>Net sales</b>	<b>12 545</b>	<b>2 728</b>	<b>17 677</b>	<b>8 496</b>
Operating expenses				
Selling expenses	-478	-229	-1 474	-964
Other costs	-12 414	-2 304	-7 754	-9 345
Personnel costs	-7 642	-4 959	-20 761	-16 337
Depreciation/amortisation	-238	-256	-739	-763
Total operating expenses	-20 771	-7 748	-30 727	-27 408
<b>Operating profit/loss</b>	<b>-8 226</b>	<b>-5 020</b>	<b>-13 050</b>	<b>-18 912</b>
Result from participations in group companies	-	-	3 539	6 745
Other financial items	-8 765	-57	-8 747	-351
Tax	9 022	-	9 022	-
<b>Net profit for the period</b>	<b>-7 969</b>	<b>-5 077</b>	<b>-9 236</b>	<b>-12 519</b>

**PARENT COMPANY BALANCE SHEET SUMMARY**

(SEK 000)	30 Sep		31 Dec
	2012	2011	2011
Intangible assets	555	1 082	949
Tangible assets	505	671	627
Financial assets	417 010	124 592	124 604
Deferred tax asset	11 766	1 952	2 744
Current assets (excl. cash equivalents)	15 832	2 232	14 310
Cash and bank balances	2 075	5 816	12 035
<b>TOTAL ASSETS</b>	<b>447 743</b>	<b>136 345</b>	<b>155 268</b>
Restricted equity	22 584	18 914	18 914
Non-restricted equity	172 999	65 021	81 820
Total equity	195 583	83 935	100 734
Long-term liabilities	175 018	2 367	-
Current liabilities	77 142	50 044	54 535
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>447 743</b>	<b>136 345</b>	<b>155 268</b>
Pledged assets			
Shares in subsidiary companies	302 025	111 858	96 416



## DEFINITIONS

### **SYSTEM INCOME**

The total of licence income and income from support and maintenance.

### **REPETITIVE INCOME**

Income of an annually recurring nature such as support and maintenance income and income from rental agreements in respect to licences.

### **EBITDA**

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

### **EBIT**

Earnings before interest and tax.

### **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**

Earnings after tax as a percentage of average equity.

### **RETURN ON WORKING CAPITAL**

Earnings 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 AMORTISATION (EBITDA MARGIN)**

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

### **OPERATING MARGIN (EBIT MARGIN)**

Earnings after depreciation/amortisation as a percentage of net sales.

### **PROFIT MARGIN**

Earnings 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**

Earnings after tax divided by the average number of shares during the period.

### **EARNINGS PER SHARE - AFTER DILUTION**

Earnings after tax adjusted for dilution effects divided by the average number of shares after dilution during the period.