2012

FORMPIPE

CALENDAR

Annual General Meeting
25 April 2013
Interim report January–March
3 May 2013
Interim report January–June
16 July 2013
Interim report January–September
25 October 2013
Year-end report for 2013
14 February 2014

ORDERING FINANCIAL INFORMATION

Financial information and other relevant corporate information is published on www.formpipe.se.

Information can also be ordered from: FormPipe Software AB, PO box 23131, 104 35 Stockholm and on info@formpipe.com

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DISTRIBUTION POLICY

The Annual Report 2012 shall be sent to major shareholders just before the AGM.

The Annual Report is also available as a downloadable PDF on www.formpipe.se.

FORMPIPE

THE LARGEST NORDIC ECM SUPPLIER TO THE PUBLIC SECTOR

FORMPIPE SOFTWARE IN BRIEF

FormPipe Software develops and provides high-quality information management software and solutions. The emphasis is on ECM products (Enterprise Content Management) for document and workflow management, archiving, preservation and the management of incoming and outgoing data. High product quality and stability results in cost reductions and efficiencies for FormPipe Software's customers.

FormPipe Software has a unique position in the ECM market with a stable and profitable customer base that provides resources to invest in new markets. FormPipe Software's main competitive advantage is product's of very high quality and a great understanding of how effective information management functions. The company focuses its products on the public sector, where the Company is the market leader, and on the Life Science sector, where the Company is challenging the established players with new and user-friendly products. The ECM market continues to grow and the future looks bright for FormPipe Software's competitive products and solutions, with an accessible market which will become many times larger.

THE YEAR IN BRIEF

The greatest impact on FormPipe Software's operations in 2012 was the acquisition of the Danish company Traen A/S. Following the acquisition, FormPipe Software is now the largest provider of ECM solutions to the public sector in the Nordic countries. The Danish operations have already been incorporated successfully into FormPipe Software and both the Swedish and Danish operations have developed in a profitable direction in 2012. Maintaining this strong performance and becoming a more profitable company, despite the high level of energy drained from the organisation during the acquisition phase, demonstrates our strength. This provides a good foundation for promoting future cross-selling opportunities and other synergies resulting from the acquisition. FormPipe Software is also making great strides forward in the Life Science sector through its business with Recipharm, a key to successful sales in markets other than Sweden.

GROWTH

+36%

Systems revenues increased by 36 percent compared to the previous year

REVENUE ALLOCATION

71%

71 percent of revenues are system revenues

PROFITABILITY

+42%

Operating profit for the year amounted to MSEK 28.6, compared to MSEK 20.2 the previous year.

CASH FLOW

+34.4 MSEK

Positive cash flow from operations of MSEK 34.4 million, MSEK 9.0 better than last year

> "Stable income and good profitability allows the operational activities to generate strong cash flow."

HIGHLIGHTS

FormPipe Software acquires Danish company Traen and triples its turnover, thereby becoming the leading ECM provider to the public sector in the Nordic countries.

FormPipe Software received an order from Recipharm worth MSEK 2.5, another strategically important order in the Life Science sector. The agreement concerns the EQMS product (Electronic Quality Management System), FormPipe Life Science, for managing and streamlining quality documentation and processes.

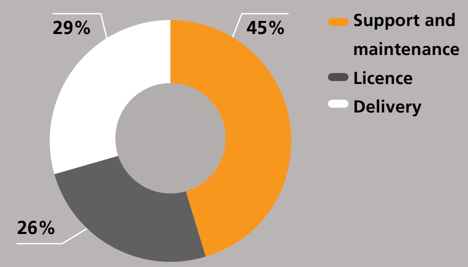
FormPipe Software received an order worth MSEK 4.6. An additional order for the ECM product W3D3 from a large Swedish public authority.

FormPipe Software's Danish subsidiary, Traen, received an order from a Danish municipality for the ECM product Acadre. The total order value amounts to MSEK 1.7 and consists exclusively of license and maintenance revenue.

FormPipe Software's Danish subsidiary Traen was selected as a supplier to the Danish Health and Medicines Authority's framework agreement regarding IT consultation. The framework agreement is valid for two years, with the possibility of a two-year extension. The total value stated in the framework agreement amounts to MDKK 80-160. Traen was one of five suppliers in a tender in which 30 providers participated.

THE YEAR IN BRIEF

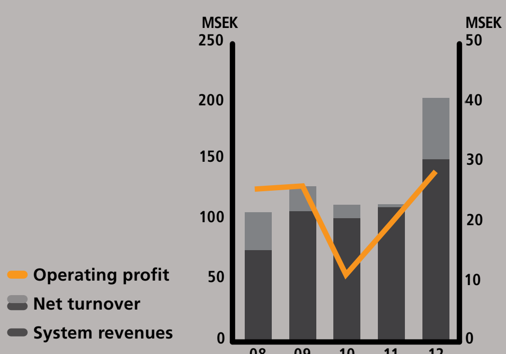
	2012	2011
Net sales, MSEK	201.2	112.5
System revenue, MSEK	142.9	105.3
EBITDA, MSEK	57.7	30.4
Operating profit, MSEK	28.6	20.2
Operating margin, %	14.2	18.0
Profit after tax, MSEK	13.7	14.7
Earnings per share before dilution, SEK	0.36	0.59



DISTRIBUTION SALES PROCEEDS

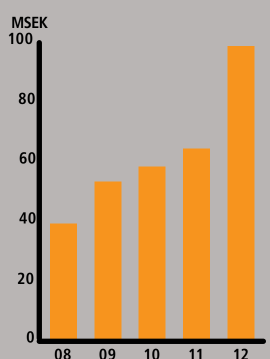
"A significant step forward in our offering to the Life Science sector."

NET TURNOVER/ OPERATING PROFIT



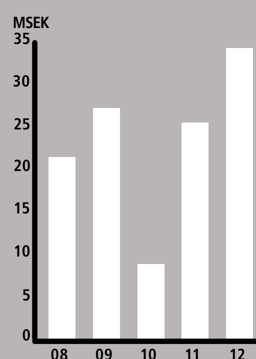
Net turnover and system revenue per year

RECURRING REVENUE



Recurring revenue per year

CASH FLOW



Cash flow per year from ongoing operations

ON OUR WAY TO BEING THE BIGGEST IN EUROPE

In 2012, FormPipe Software acquired Danish company Traen. With this acquisition, we indefatigably began the consolidation of the ECM market in Europe, which is, today, largely made up of local suppliers in each country. This applies in particular to ECM solutions for public sector customers. We are now the largest in Scandinavia and on the way to becoming the biggest in Europe. We are in fact already the second largest European supplier of ECM products.

EFFECTIVE MANAGEMENT

We have a unique position as a provider of ECM solutions to the public sector in Denmark and Sweden. Denmark is considered to be the country that has come the farthest in the introduction of ECM solutions in order to streamline the administrative processes within the public sector (e-government). Sweden is also a leading country in this area. Other European countries have a lot to learn from Denmark and Sweden in the use of ECM to streamline governance.

Life Science is an industry which, just like the public sector, faces great external requirements, in the form of laws and regulations, regarding control and traceability. For the Life Science sector, this means meeting the high standards of the FDA (The U.S. Food and Drug Administration) and the European Medicines Agency (EMA). The requirements are so high simply because patient safety cannot be compromised; it might mean the difference between life and death.

A STABLE MARKET

During 2012, the Company performed well in a stable market, and we achieved expected levels in both sales and profitability. The public sector markets in Denmark and Sweden continue to show great interest in our solutions and our customers are increasing their efficiency through ever larger solutions including ever more employees. The majority of our customers use our products as content management systems (CMS). The trend we are seeing is that our customers also see the potential of automating work flows using our solutions. Automating case management frees up resources for the organisation's officers so that they can deal more quickly with the small number of cases that require manual processing.

The general market climate in Denmark and Sweden is probably best described as normal. We previously experienced periods in which framework agreement procurements affected the market's demand both positively and negatively. The framework agreement is now of less importance as the EU rules on renewed competition means that the work of our customers procuring within the general agreement may be largely equated with making public procurements outside the general agreement. The framework agreement nevertheless plays a significant role in the market, and we are involved in all general agreements within our field in both Denmark and Sweden. Whether by public procurement or as a sub-order of a general agreement, we know of no other provider in a

"Strong cash flow provides a strong position from which to invest and participate in the continued consolidation of the ECM market."

better position than us. Besides having recognised quality solutions, we also have extensive knowledge and experience of public sector companies and their procurement procedures.

INCREASED TURNOVER AND PROFITABILITY

Given that we have recently completed a large acquisition it is makes no sense to make comparisons, but it's still nice to note that we will increase turnover by nearly 80 percent and EBITDA by almost 90 percent in comparison to last year. The year also witnessed another important advance in our Life Science business through the deal with Recipharm. Strengthened by this, we are now intensifying our efforts within this sector and further expanding our sales resources in northern Europe.

STABLE CASH FLOW AFFORDS SCOPE FOR GROWTH

Finally, I would like to highlight the stability of our revenues and strong cash flow. Large elements of our revenues, such as support and maintenance agreements and our cloud services are contractually recurrent. In addition, significant parts of our delivery revenues are recurrent, e.g. upgrades to the latest versions of our products. This stability in revenues, combined with healthy profitability means that the operational activities generate strong cash flows. Our strong cash flow creates affords us a good position to aggressively investment in future growth, such as expanded product ranges and new markets and continued consolidation in the European ECM market. The strong cash flow also enables rapid amortisation of the financing we took out for the acquisition of Traen, thus affording dividends for our shareholders.

Christian Sundin
CEO FormPipe Software

DATA MANAGEMENT OF HIGH QUALITY

FormPipe Software supplies high quality software for structured data management for organisations with exceptional requirements.

BUSINESS CONCEPT

FormPipe Software shall develop IT solutions to create unique business value for companies and organisations which see data management as a critical business process.

STRATEGIC TARGETS

FormPipe Software's strategy is to develop high quality ECM solutions for organisations with exceptional requirements. FormPipe Software's goal is to grow organically within selected industries and through strategic acquisitions.

BUSINESS MODEL

FormPipe Software develops and provides IT solutions for effective data management. The emphasis is on ECM solutions for document and case management, workflow automation, archiving, preservation and input and output management. High product quality and forward-looking industry knowledge generates cost and efficiency benefits for FormPipe Software's customers. FormPipe Software distributes its software and solutions through certified partners and the Company's delivery organisation. This model contributes to a balanced delivery capacity and continuously improved expertise within the industry.

FORMPIPE SOFTWARE'S STRATEGIC FOUNDATION

HIGH PROPORTION OF REGULAR INCOME

FormPipe Software's business model is based on license revenue for the Company's software products and related contractually recurring support and maintenance revenue, delivery revenue from installation projects and recurring revenues from upgrades.

Recurring development projects are generated through industry-specific holistic solutions that become more extensive as the customer's organisation improves. These development projects often lead to more users being involved, leading to increased license revenues and thus increased support and maintenance revenue.

FormPipe Software's also offers software as a service, in which operation, maintenance, upgrades and support are included in the ongoing contract. This affords FormPipe Software a stable, recurrent revenue stream as most customers continuously renew their contracts.

ACQUISITIONS

FormPipe Software actively work on evaluating and making acquisitions. The companies acquired must have products that strengthen FormPipe Softwares's ECM product range. Comprehensive solutions, recurrent revenues and industry expertise are key components in fitting into FormPipe Software's model.

CUSTOMERS AND QUALITY

FormPipe Software's main markets, the public sector and Life Science, have for a long time set extensive qualitative standards for data management systems. As a result, the Company has developed processes to allow it to deliver software and IT solutions of exceptional quality.

FormPipe Software's customers are at the heart of everything we do. We understand that our customers' circumstances are often complex and we always try to understand how we can create value for them. FormPipe Software strives to find new innovative solutions, but only when they are needed. FormPipe Software primarily looks for simple solutions that give customers the best return on their investment.

PARTNERS – A CHANNEL FOR GROWTH AND GREATER KNOWLEDGE

FormPipe Software's business model is based on a number of business and customer projects being realised through the Company's partner network. Open dialogue and responsiveness in cooperation leads to increased customer value and strong growth potential. Besides our partners, on a daily basis, being involved in many customers' operations, they see how and where FormPipe Software's products contribute to greater efficiency.

FormPipe Software is actively working to develop this partner network. There are currently more than 200 consultants from different partners selling, delivering and installing FormPipe Software's software among end customers. An extensive network of partners affords a greater reach in the market and opportunities to reach customers in new industries.

EFFECTIVE ORGANISATION AND HIGH LEVELS OF EXPERTISE

FormPipe Software has a decentralised organisation and management is characterised by direct and open communication. This means that decision-making paths are short and accessible to the customer. The company is knowledge-intensive, with employees with high levels of expertise and who show great dedication to their work.

Management's priority is to develop our personnel and attract new skilled employees. This is achieved by building up an open and stimulating corporate culture in which employees have the opportunity to grow in their jobs and develop within the organisation. The company offers all employees participation in share-related incentive programmes.

CORE VALUES

FormPipe Software's goal is that everyone in the Company promotes long-term customer relationships by always delivering on promises. Employees of FormPipe Software shall always feel proud and enjoy being at work. They shall foster good cooperation between employees, customers and partners of different viewpoints.

FormPipe Software's core values are: Confidence, pride, respect, teamwork and satisfaction.

FORMPIPE SOFTWARE'S CORE VALUES ARE:

Confidence
Pride
Respect
Teamwork
Satisfaction

CONTINUED GROWTH OF THE ECM MARKET

According to research company Gartner, the Danish and Swedish license market for ECM software will amount to approximately MSEK in 2013 – a growth of nearly 4 percent on 2012.

Gartner estimates that the global ECM market will have shown an annual growth of approximately 12 per cent by 2015. The Swedish and Danish markets for ECM software alone will, according to Gartner, amount to MSEK 750. Growth is largely driven by the comprehensive need of organisations and companies to streamline their operations and comply with legal requirements and regulations.

The ECM market is less cyclical than many other industries, as investment is necessary to ensure companies meet statutory rules and requirements and because ECM products yield comprehensive productivity and efficiency improvements.

FORMPIPE SOFTWARE'S MARKETS

FormPipe Software has two markets for the main segment of the public sector, Sweden and Denmark, and an international market for the Life Sciences. In 2012, Traen was acquired in Denmark. With this acquisition, FormPipe began the consolidation of the ECM market in Europe, which is, today, largely made up of local suppliers in each country. This applies in particular to ECM solutions for the public sector customer group. In which market FormPipe Software is now the largest supplier in Scandinavia and on its way to become the largest in Europe.

Public administrations in Europe aim to improve the efficiency, productivity and quality of their services. One major challenge is how to meet these demands for improvements with static or reduced budgets. The increasing demand for FormPipe Software's products is because these help to ensure customers meet legal and regulatory requirements and increase efficiency and productivity. These are important factors that drive demand for the Company's products within the public sector. According to the analyst company Radar Ecosystem, ECM continues to be a high priority investment area for the public sectors of Sweden and in Denmark.

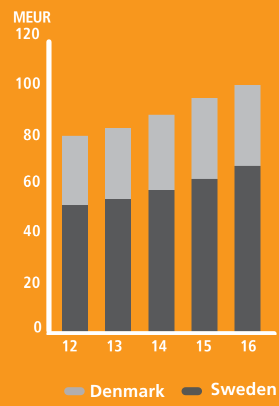
Swedish public sector

The public sector's total IT expenses in Sweden is estimated at about MSEK 46.5*. This means that IT expenses are the third largest cost item in the authorities' administrative allocation; second only to salaries and premises. IT is an important means to enhancing the quality of service to citizens and the government has clearly stated that the development of e-government is high on the policy agenda. Both FormPipe Software and external analyst companies estimate that the need for efficient administration will lead to the public sector in Sweden continuing to invest in new or existing ECM systems.

Efficient IT operations within the state, The E-delegation 2012

THE ECM MARKET IN SWEDEN AND DENMARK

System revenue



SOURCE: GARTNER SEPTEMBER 2012

RANKING OF ECM

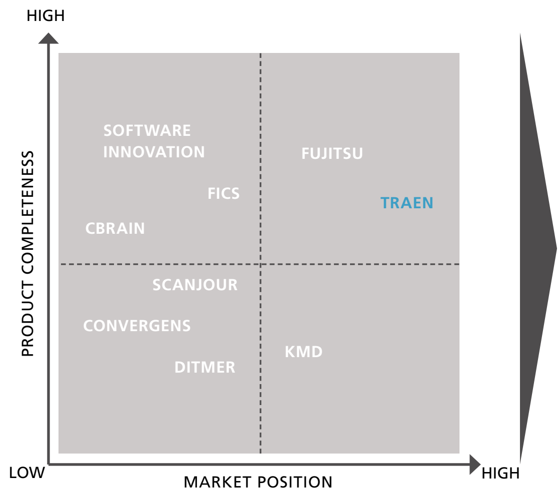
as a priority area in the public sector

6	3
2012	2013

ECM continues to rise in priority within the public sector.

SOURCE: RADAR ECOSYSTEM, ECM MARKET REPORT SWEDEN 2013.

TRAEN IS A MARKET LEADER IN DOCUMENT AND CASE MANAGEMENT FOR MUNICIPALITIES IN DENMARK.



Traen has a market share of approximately 45 percent. The remaining municipal market is divided among many small IT suppliers.

Traen's Acadre product is one of the most complete products on the market.

SOURCE: DEVOTEAM CONSULTING ESDH REPORT 2011 AND DATA FROM TRAEN

Danish public sector

The Danish public sector is the single largest market for FormPipe Software. The Danish subsidiary Traen is a market leader in the public sector and has a broad product range with related services in the ECM field (document, case, subsidy management, and self service/cooperation models). The Danish public sector is a precursor to effective and digital public administration in Europe. Europe is strongly focused on investing in IT support to increase internal efficiency.

Driving forces in the public sector

FormPipe Software's products make it easier for the public administrations in Denmark and Sweden to deal with challenges such as:

- increasingly tight economic conditions,
- increased demands for transparency and improved service from citizens and businesses
- an ageing population means that the tax bases are reduced at the same time as demand for quality services increases.

Life Science

FormPipe Software's market in Life Science is global and the market is largely governed by the regulations of the FDA (the U.S. Food and Drug Administration) and EMA (European Medicines Agency). There is a large unmet demand within the Life Science market for software for regulatory document and case management to support structured quality work. The pharmaceutical industry's is rigorously quality controlled, and this applies at all levels of the organisation, from research and development to the manufacturing and distribution of drugs.

Production and quality control are controlled by the drug industry's stringent quality regulations, Good Manufacturing Practice (GMP) and national drug agencies carry out inspections to ensure GMP compliance. Dealing with highly regulated processes places high demands on IT support, which must itself live up to the same high standards demanded of drug production. FormPipe Software's EQMS product*, FormPipe Life Science, fulfils these requirements. The product is a fully integrated complete solution that maximises both control and efficiency.

Driving forces in Life Science

The driving force for investment in ECM products for Life Science companies can be compared to the public sector in which increasingly strained financial conditions contribute to the need for cost-effective and transparent processes and solutions. The demand for innovative and cost-effective drugs continues to increase while the regulators, investors, providers and patients demand more value for money, i.e. the proven efficacy of the products, more transparency and access to information.

In recent years, the Life Science market has witnessed a rapid increase in regulations and industry standards. Companies have, therefore, taken an integrated approach to quality and regulatory compliance through the use of technology and the automation of key business processes. ECM solutions are needed to improve operational efficiency, reduce expenses for regulatory compliance and ensure control throughout the entire product life-cycle, thus reducing the risk of costly product recalls.

Key challenges for the life science companies include

- rapid increase in regulations and industry standards
- depressed economic conditions
- increased demands for transparency from investors
- knowledgeable consumers and regulators

**Electronic Quality Management System*

EFFECTIVE DATA MANAGEMENT WITH ECM

The term Enterprise Content Management (ECM) covers systems and solutions that manage and improve the utilisation of both structured and unstructured data. Examples of ECM solutions can be found in document management, workflow, automated information flows and electronic archiving.

The amount of data generated in today's information society is huge, and steadily increasing. Being able to select, automate and ensure that the right data reaches the right recipient becomes increasingly important.

Managing information correctly affords productivity and efficiency benefits, that provide competitive advantages for companies and increases the service levels of public organisations.

Enterprise Content Management (ECM) is the collective name for various technologies, products and systems that help companies and organisations create order in their management of information at all phases, from incoming information into long-term archiving. It is in this area that FormPipe Software has grown into a market leader within the public sector and a modern challenger in the Life Science industry.

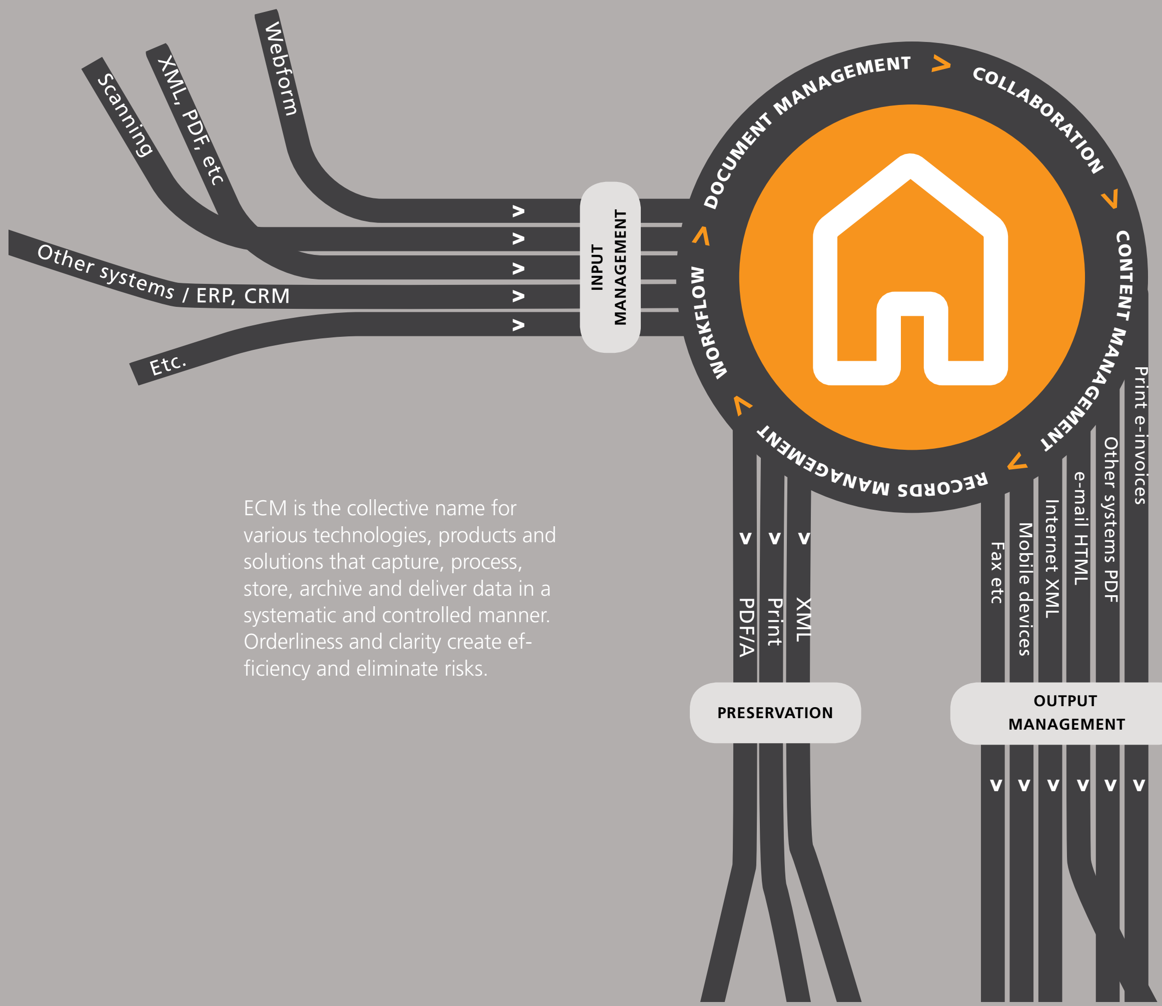
> "The digitisation of administration systems and services will continue."
>
> **Carnegie Research December 2012**

BENEFITS OF ECM

The benefits of ECM solutions are many. Effective data management increases competitiveness as staff can work more efficiently when they always have access to the correct data at the correct time, and can quickly share it with others. ECM solutions allow you to quickly redirect workflows in the event of changing circumstances in the market or changes in the organisation. ECM solutions make it possible to streamline core activities by automating time-consuming and manual tasks. They can also help to ensure that companies and organisations comply with legislation, regulations and regulatory requirements.

ECM IN BRIEF

- Stands for Enterprise Content Management.
- Streamlines and automates manual procedures.
- Creates order and clarity in data management.
- Provides the correct data to the correct person at the correct time.
- Manages all kinds of documents, emails and online information.
- Reduces risk through traceability and structured version management.
- Increases civic service and social utility through increased transparency, greater control and lower costs.
- Provides Life Science companies with the tools to improve traceability and create more efficient quality work.
- Creates structural capital through improved organisational processes.
- Enables new forms of collaboration between and within companies and organisations through common processes.



ECM is the collective name for various technologies, products and solutions that capture, process, store, archive and deliver data in a systematic and controlled manner. Orderliness and clarity create efficiency and eliminate risks.

Input/Output Management
The collection, organisation, transformation and distribution of data to and from various sources, applications and systems.

Document Management
The management of electronic documents with functions such as version control, registration and case management, linked and composite documents and integration with standard tools such as Microsoft Office.

Collaboration
Tools that allow several people to work with the same data in a shared environment, such as check in/check-out functionality.

Content Management
Functions for managing and publishing information and documents on the Internet/intranet.

Records Management
Compliance functions that control, track and safeguard various data types that are governed by legal requirements, such as the principle of public access to official records, the FDA and SOX, internal regulations and policy documents.

Workflow
Manual routine tasks can be wholly or partly automated by setting up digital workflows, such as approval processes and application processes or event-driven flows, to streamline business processes.

Preservation
The long-term retention of legal documents/files, official documents/files, medical data, etc. Functions for exporting, storing and retrieving data from electronic records in accordance with applicable standards, rules and legislation.

ACQUISITION OF TRAEN

The ECM market is consolidating and FormPipe Software is a driving force in this development. Through its acquisition of the Danish ECM company, Traen A/S, FormPipe Software has significantly improved its position. FormPipe Software is currently the largest ECM supplier in the public sector in the Nordic countries.

Before FormPipe Software decided to acquire Traen the Nordic market in particular was carefully mapped. The great similarity between FormPipe Software and Traen made it a natural choice.

Just like FormPipe Software in Sweden, Traen has a leading position supplying ECM solutions to the Danish public sector market. And just like FormPipe Software, Traen operates with strong, locally based products in a market characterised by high expectations of local knowledge and local adaptation.

The similarities also identified a number of very interesting areas of potential cross-sales of the companies' respective products.

Denmark is also a pioneer in digital document management within the public sector. A survey commissioned by the Swedish E-delegation, it concluded that the public sector in other Nordic countries should follow the Danish example.

WHY TRAEN?

TRAEN – MARKET LEADER WITHIN THE DANISH PUBLIC SECTOR

Traen and FormPipe Software's product ranges are, to a great extent, similar and are both targeted at the public sector but in different geographical markets. The acquisition of Traen is an essential step in FormPipe Software's strategy to grow through acquisitions and expand its geographic presence in the Nordic region. Following the acquisition, FormPipe Software is the leading ECM provider to the public sector in the Nordic countries. As early as 2012, the integration of Traen was a success, and just as FormPipe Software announced at the time of the acquisition, Traen has delivered on its goal of producing a better EBITDA margin in 2012 than in 2011.

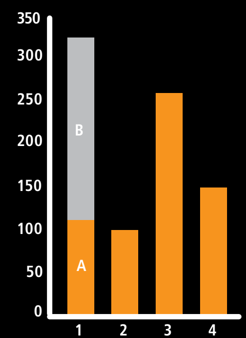
PROFITABLE BUSINESS WITH RECURRING REVENUE

A high level of recurring revenue is a key part of FormPipe Software's acquisition strategy, and this fits the acquisition profile of Traen very well. The proportion of Traen's delivery revenue is certainly higher than that of FormPipe Software, but a significant portion of this revenue delivery is recurring, e.g. upgrades to new versions of the products. Overall, the new FormPipe Software achieves a very high proportion of recurring revenue, which provides strong cash flow and creates scope for continued investment in growth and increased shareholder value.

SALES

compared to local competitors, MSEK

Following the acquisition, FormPipe Software is the leading supplier to the public sectors in the Nordic countries.



1A: FORMPIPE
1B: TRAEN
2: IDA INFRONT (SWE)
3: SOFTWARE INNOVATION (NO)
4: SCAN JOUR (DK)

SOURCE: CARNEGIE RESEARCH

FORMPIPE AND TRAEN'S PRODUCT SEGMENTS

FORMPIPE	Case & Document Management	Long-Term Archive	Life Science
TRAEN	Case & Document Management	Grants Management	

SOURCE: CARNEGIE RESEARCH

QUALITY PRODUCTS THAT PROVIDE OPPORTUNITIES FOR SALES GROWTH

The ECM market within the public sector in the Nordic region consists of local suppliers and the barrier to enter is high. As a market leading supplier in the Danish and Swedish markets opportunities for cross-selling are realised.

ECONOMIES OF SCALE IN PRODUCT DEVELOPMENT

In the long term, the merger also generates synergies in product development. There is the potential to reuse functionality from previously developed modules and solutions, but it is primarily in the development of new products that economies of scale are significant. These development projects will be able to address both markets' customer requirements for a marginal additional investment. Going forward, there is also the opportunity of cost savings through coordinated product development and synergy benefits for the new group's of four off-shore centres.

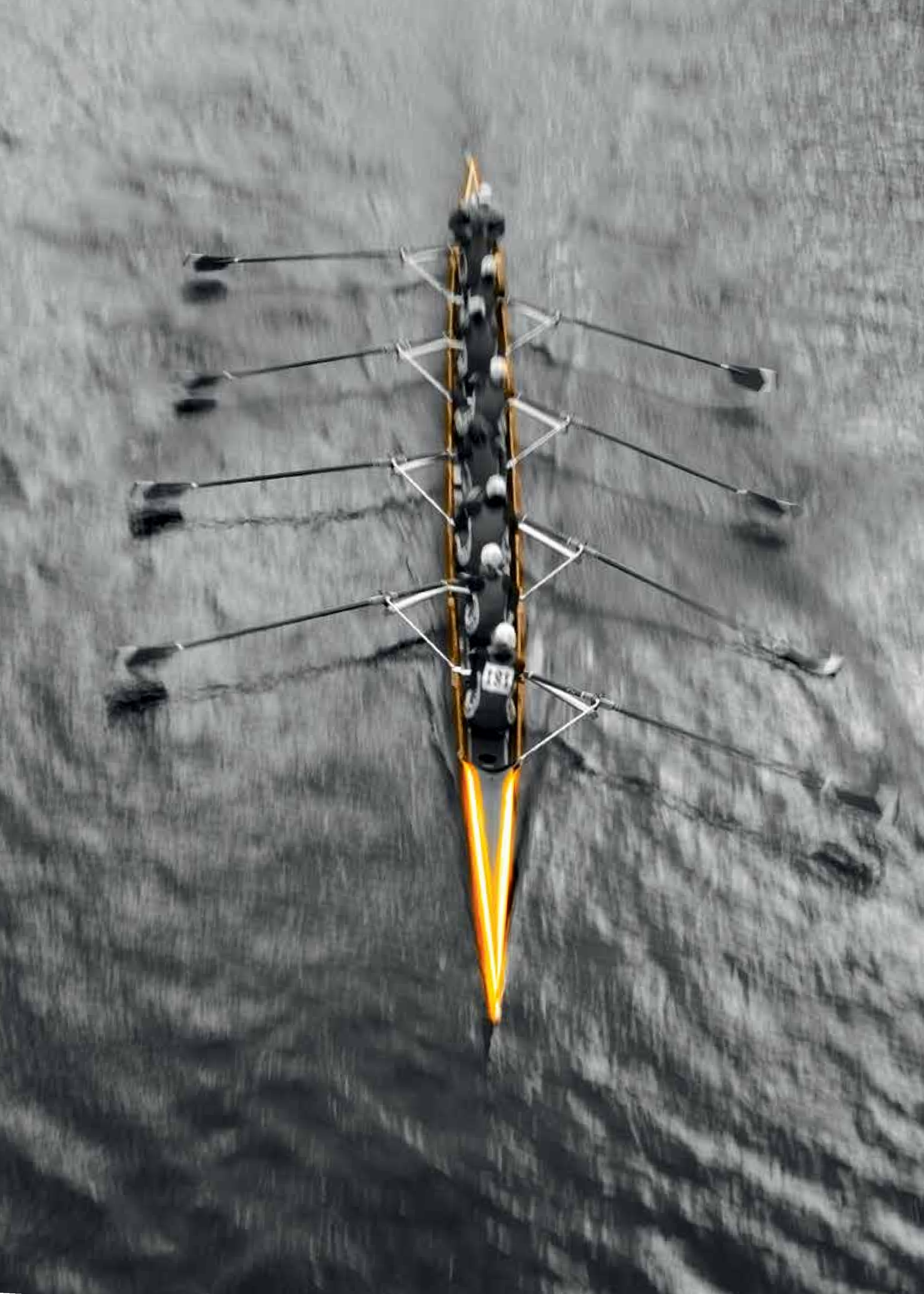
STABLE AND LOYAL CUSTOMER BASE

Traen has a large and loyal customer base, primarily in the public sector. Nearly 50 percent of Denmark's municipalities use the Company's ECM products for document and case management.

> "We believe that the Company now has a great opportunity to strengthen its market position by means of cross-selling."
>
> **Carnegie Research December 2012**

SUCCESSFUL ACQUISITIONS

FormPipe has extensive experience of acquiring companies and then successfully integrating them into the Company. In 2005, Digital Diary was acquired with the product W3D3, ALP Data was acquired in 2006 and in 2007 the Danish company EFS Technology was acquired with the product LaserNet. In 2008, EBI Systems was acquired with the Platinum product.



9 PRODUCTS

ACADRE

Acadre is an ECM system for electronic document and workflow management. The system is the most widely used by Danish municipalities and has grown from a vision of providing process-oriented support for the administrative work and process requirements of public organisations. Acadre can be integrated into any existing systems and provides a proven digital document and workflow management solution.

FORMPIPE LASERNET

FormPipe LaserNet is currently used by approximately 2,000 companies worldwide to streamline the management of outgoing and incoming commercial documents. LaserNet reduces customers' operating expenses by automating processes and distributing organisations' documents electronically. FormPipe LaserNet is often sold as an add-on module to various ERP systems such as SAP, Microsoft Dynamics, etc.

FORMPIPE LIFE SCIENCE

FormPipe Life Science meets legislative requirements and is the market's most modern EQMS product. It is powerful and flexible in its management of documents and processes for regulatory quality management. FormPipe LifeScience is modularly structured and the customer is offered the functionality the customer wants. FormPipe Life Science has finished processes such as document control, SOP management, deviation management, CAPA and training.

FORMPIPE LONG-TERM ARCHIVE

FormPipe Long-Term Archive is a system for long-term archiving which has been developed in close dialogue with the National Archives of Sweden. Regardless of the business system, or the requirements and structure of what is to be preserved, FormPipe Long-Term Archive can handle its long-term preservation.

FORMPIPE ONDEMAND

FormPipe OnDemand is a service product based on functionality from FormPipe Software's leading products. Within FormPipe OnDemand, FormPipe Software is responsible for upgrades, operations and maintenance. The customer can then focus on their core business and utilise all of the accessible functionality of the market's leading software for document and workflow management.

FORMPIPE PLATINUM

FormPipe Platina is a modern web-based and comprehensive ECM product for the quality-assured management and registration of documents and processes. Typical users of the product include public authorities, county councils and municipalities that have high traceability requirements, and where documentation processes are of central importance.

FORMPIPE W3D3

FormPipe W3D3 is a powerful web-based ECM product for data management and e-services. The product has a broad customer base within the public sector, where FormPipe W3D3 orders documents, files and workflows.

TAP

TAP is a configurable Business Process Management platform (BPM) that streamlines and automates business processes based on Service Oriented Architecture (SOA). The TAP platform is configurable and is based on a standard platform that enables fast and safe start-up.

TAS

TAS is a configurable standard platform for application and grant management. TAS is developed on the basis of the Company's long-term commitment to the public sector. Self-service and automated processes throughout the workflow ensures high accessibility and efficient and quality-assured management of grant cases.

6 CASES

EFFICIENT WORKFLOW AND INCREASED CIVIL SERVICE IN HOJE-TAASTRUP MUNICIPALITY

Optimised workflows, increased accessibility and higher efficiency are some of the benefits Høje-Taastrup municipality enjoyed after implementing the document and case management system Acadre from Traen.

SWEDAC IMPLEMENTED SWEDEN'S FASTEST E-ARCHIVE PROJECT

The goal of Swedac, the Swedish Board for Accreditation and Conformity Assessment, is to streamline its operations by fully digitizing data management – from case management to long-term archiving. Swedac chose FormPipe Long-Term Archive.

FORMPIPE MEETINGS AND TABLETS FOR POLITICIANS IN TYRESÖ MUNICIPALITY

Tyresö municipality has replaced the large quantities of paper that is printed and mailed to each politician before meetings. Now all material is gradually being made available digitally via the FormPipe Meetings app. Tyresö's stated goal is that all public meeting documents shall be digitalised by the end of 2015. By streamlining the committee's work with digital work models, tedious manual procedures are removed and quality is ensured.

KLIPPAN MUNICIPALITY INCREASES ITS CITIZEN SERVICES WITH FORMPIPE PLATINUM

Klippan municipality requested an open system that could handle traditional municipal cases with documents. But they also wanted a system that could be the engine and central warehouse for handling cases in general, whether initiated by the organisation or by the local residents. At the end of 2009, Klippan municipality chose Platina. In the of autumn 2012, they launched 30 e-services and thousands of cases are managed in the system each year.

NEW IT SOLUTION IN RECORD TIME FOR THE DANISH BUSINESS AND CONSTRUCTION AUTHORITY

The Danish Business And Construction Authority was hastily commissioned to administer applications and grants related to subsidies for the renovation of private homes. The time pressure on the introduction was unprecedented. In this situation The Danish Business And Construction Authority chose to use the TAS application system from Traen which they already used for other subsidy systems. The first few days were hectic. Within the first 24 hours, they had received and registered approximately 81,000 applications.

THE DANISH AGRIFISH AGENCY

The Danish AgriFish Agency administers grants and applications for agriculture, fishing, etc. in Denmark. This involves large sums of money, which largely come from the EU. The Danish AgriFish Agency chose Traen's configurable solution TAS to automate the processing because it provides the option of re-using functionality. This is important because the authority needs to be able to handle the changes that come with the extensive reforms.

"Functionality and integration options of current and future IT systems have been crucial aspects in the selection of document and workflow management systems."

JEAN RYGAARD,
IT Manager for Høje-Taastrup municipality

"Platina was the winner of the tender and has demonstrated it is capable of meeting the expectations we had of the system."

CARL-GUNNAR THOSTEMAN,
IT Manager for Klippan municipality

"As early as 2013, when we implement the EU's next CAP reform, we will make great savings. It is value for money for many years to come."

HANS S. CHRISTENSEN,
CFO of The Danish AgriFish Agency

Miriam Larsson
Resides: Uppsala
Age: 26
Occupation: Product Developer
Family: Partner
Leisure: "In addition to spending time with my partner, I read a lot, play computer games and swim."

A DRIVEN PRODUCT DEVELOPER

Since the spring of 2011 Miriam Larsson has been working in FormPipe Software's product development department, in an office in Uppsala city centre, a short distance from her home. "The job is fun and stimulating, and the Company is extremely customer-focused and listens to our suggestions," says Miriam Larsson.

Miriam Larsson's path to working with FormPipe Software is a little unusual. After completing her university studies in systems science, she entered the labour market and was struck by an advertisement from FormPipe Software looking for a product developer. Unfortunately she did not get the job.

– But I don't give up so easily! I had previously heard from a recruiter that FormPipe Software was a very, and I mean very, good company to work for. So I booked an appointment with the office manager and offered to work as an intern. He took the bait and when the internship was over, I was offered a permanent job," she says.

In FormPipe's Uppsala office, nearly 15 people work on product development. There are also more than 30 people in Ukraine who are managed from the Uppsala office. The company develops systems with extensive functionality and an important part of Miriam's and her colleagues' work is developing and adding functions to new releases.

– I love programming. To be involved in developing our products suits me down to the ground," she says.

GREATER OPPORTUNITIES IN A THREE TIMES AS LARGE A COMPANY

A typical day on the job starts with a quick morning meeting. At which the team reviews yesterday and the coming working day.

– Being able to brainstorm ideas and solutions in an open and straightforward manner is an important reason why we are doing well. I'm also motivated by the fact that it's great to work for FormPipe Software," she says.

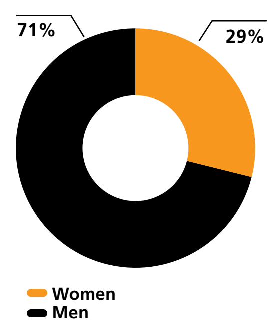
In 2012, FormPipe Software acquired the Danish company Traen and the acquisition has meant that FormPipe has grown substantially.

– Management values our suggestions and there are great opportunities to develop within the Company, especially now we have become so much bigger.

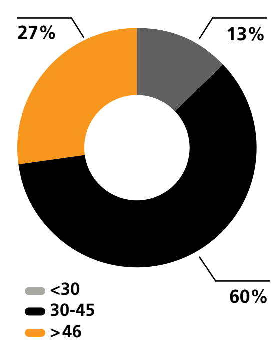
After a relatively short time FormPipe Software asked Miriam Larsson if she could train the Company's partners.

"I took the bait, and it's really rewarding training our partners. It's always fun to try new duties, even though my heart yearns for programming," she says.

PROPORTION OF MEN AND WOMEN



AGE DISTRIBUTION



The average age is 40

SHARES

FormPipe Software's shares are listed on NASDAQ OMX Stockholm under the abbreviation FPIP. Market capitalisation at year-end amounted to MSEK 286.

SHARE CAPITAL

The share capital amounts to SEK 4,893,458.80 divided into 48,934,588 shares with a quota value of SEK 0.10. Each share is entitled to one vote and each vote-entitled person may vote at the AGM for the full number of owned and represented shares. All shares have equal rights to a share of the Company's assets and earnings.

SHARE PRICE AND SHARE TRADING IN 2012

In 2012, FormPipe Software's share price fell from SEK 7.52* to SEK 5.85 (closing price as at 28 December). The highest price paid during the year was SEK 8.59* on 20 February. The lowest price paid was SEK 4.36 on 14 August. In 2012, a total of 21 million* shares were traded, with a value equivalent to MSEK 111.

**Adjusted to take account of the rights issue in connection with the acquisition of Traen*

RIGHTS ISSUE

In 2012, FormPipe Software implemented a new share issue with preferential rights for shareholders in order to finance the acquisition of Traen Holding A/S. The issue was concluded in the month of July at a ratio of 3:1, which means that 36,700,941 shares were issued. The rights issue had a split effect, which means that historical rates have been adjusted by a factor of 2,048. The company raised MSEK 111.1, net of issue expenses, from the rights issue

DIVIDEND

FormPipe Software's goal is, over time, to pay dividends to shareholders at an average of at least 30-50 percent of the Company's profit after tax. Given the net debt the financing of the acquisition of Traen incurred, the Company is prioritising amortisations ahead of dividends for the financial year 2012. The Board therefore proposes that the AGM on 25 April 2013 to approve that the retained earnings is carried forward in its entirety.

INCENTIVE PROGRAM

The warrant programme for staff from 2010 expired during the year. The program's subscription price was not achieved, however, whereupon no options were exercised and no new shares were issued. The AGM of 27 March 2012 decided to offer staff a new incentive programme based on warrants. This program consists of 200,000 subscription warrants and shall run for three years.

SHAREHOLDERS

The listing of FormPipe Software's ownership structure is based on information from Euroclear on 31 December 2012. The twenty largest shareholders accounted for 64.8 (62.3) percent of the capital. In total, FormPipe Software had approximately 2,000 shareholders as at of the above date.

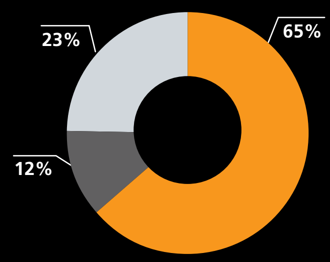
SHARE CAPITAL DEVELOPMENT

Year	Extent	Transaction	Number of shares	Total number SEK	Total number of shares	Par value/ share
2004	Oct.	Share capital	100,000	100,000	100,000	1.00
2004	Nov.	Split 10:1	900,000	–	1,000,000	0.10
2004	Dec.	Non-cash issue	4,799,970	479,997	5,799,970	0.10
2005	Dec.	New issue Digital Diary AB	615,000	61,500	6,414,970	0.10
2005	Dec.	Offset issue	1,917,909	191,791	8,332,879	0.10
2006	Sep.	New issue ALP Data in Linköping AB	454,545	45,455	8,787,424	0.10
2007	Sep.	New issue EFS Technology A/S	1,011,236	101,124	9,768,660	0.10
2008	Sep.	New issue EBI System AB	1,937,521	193,752	11,736,181	0.10
2010	Mar.	New issue redemption of options	268,323	26,832	12,004,504	0.10
2011	Mar.	New issue redemption of options	229,143	22,914	12,233,647	0.10
2012	July	Rights issue	36,700,941	3,670,094	48,934,588	0.10
		Share capital 31/12/2012	**48,934,588**	**4,893,458**	**48,934,588**	**0.10**

SHARE STRUCTURE AND NUMBER OF SHARES 31/12/2012

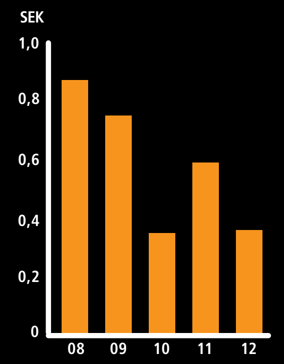
	Number of shares	%
Provider Capital Sweden AB	5,090,548	10.40
The insurance company, Avanza Pension	3,966,448	8.11
Swedbank Robur Småbolagsfond Sverige	3,063,848	6.26
Nordnet Pensionsförsäkring AB	2,768,103	5.66
Humle Småbolagsfond	1,671,500	3.42
Didner & Gerge Småbolag	1,521,376	3.11
Länsförsäkringar Småbolagsfond	1,472,656	3.01
UBS AG CLIENTS ACCOUNT	1,449,477	2.96
AB Wallinder & Co	1,376,632	2.81
SEB Sverigefond Småb. ch/risk	1,240,000	2.53
Handelsbanken Fonder AB Re Jpmel	1,232,188	2.52
Bp2s Paris/No Convention	1,210,000	2.47
Andra AP-fonden	1,000,000	2.04
Nykredit Bank	897,755	1.83
Lindeberg, Erik	806,812	1.65
Sundin, Christian	696,068	1.42
Svenska Handelsbanken SA	616,036	1.26
Alfredson, Joakim	560,853	1.15
Jonsson, Christer	555,190	1.13
Stiftelsen Chalmers Tekniska	500,000	1.02
Others	17,239,098	35.24
Total	**48,934,588**	**100.00**

DISTRIBUTION OF SHARE OWNERSHIP

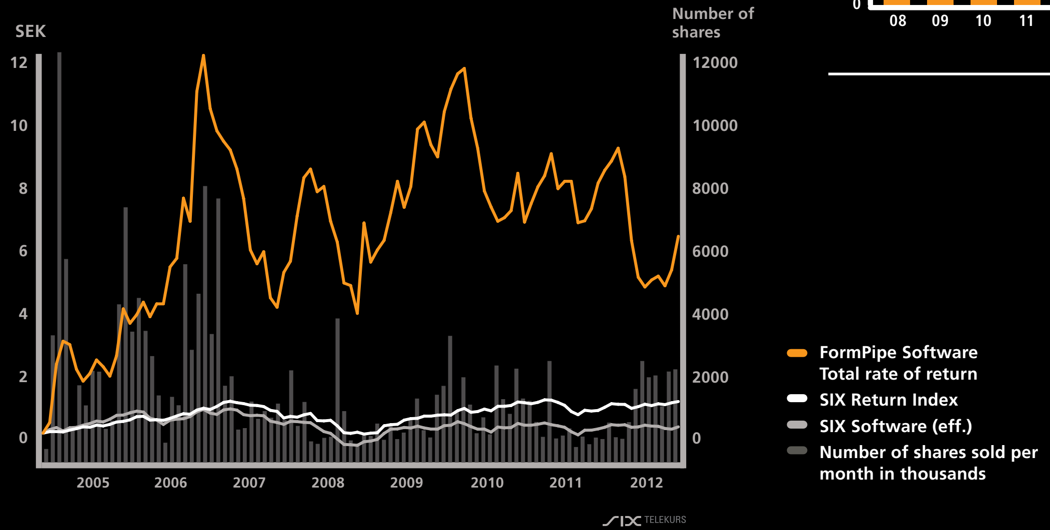


Total holdings of shareholders who own:
- more than 500,000 shares
- between 100,000 and 499,999
- shares under 99,999 shares

RESULT PER SHARE



FORMPIPE SOFTWARE'S SHARES – TOTAL RATE OF RETURN



FIVE YEARS SUMMARY

	2008	2009	2010	2011	2012
Sales					
Net turnover	100.0	127.6	112.0	112.5	201.2
System revenue	71.6	102.1	96.7	105.3	142.9
Support and maintenance	33.7	47.6	52.5	56.5	89.9
Licence	38.0	54.6	44.2	48.8	53.0
Delivery	28.4	25.5	15.4	7.2	58.2
Recurring revenue	38.6	52.7	57.6	63.6	97.8
Growth and allocation					
Sales growth, %	54.2	27.6	-12.2	0.4	78.8
Growth in systems revenue, %	66.3	42.6	-5.3	9.0	35.7
Systems revenue's percentage of net sales, %	71.6	80.0	86.3	93.6	71.0
Recurring revenue's percentage of net sales, %	38.6	41.3	51.4	56.5	48.6
Margins					
Operating margin before amortisation and exceptional items (EBITDA),%	32.1	27.5	17.8	27.0	28.7
Operating margin (EBIT) %	26.1	20.8	9.7	18.0	14.2
Margin of profit, %	18.9	14.1	7.7	13.1	6.8
Return on equity					
Return on operating capital, %	29.1	23.8	9.7	17.4	10.7
Return on capital employed, %	26.0	22.2	9.8	16.3	10.4
Return on equity,%	23.9	15.8	7.2	11.8	7.4
Return on total capital employed, %	15.3	13.7	6.2	10.5	7.3
Capital structure					
Operating capital	113.0	109.8	114.0	117.6	416.7
Capital employed	123.3	121.7	118.4	130.4	420.4
Equity	107.0	121.7	118.4	130.4	241.8
Interest bearing net debt (+)/cash(-)	6.0	-11.8	-4.4	-12.8	178.6
Solvency, %	51.7	63.7	63.7	64.9	42.1
Cash flow and liquidity					
Cash flow from operating activities	21.4	27.1	8.9	25.4	34.4
Cash flow from investment activities	-6.5	-9.6	-13.0	-14.2	-145.1
Cash flow from financing activities	-18.7	-15.7	-2.9	-2.8	102.0
Annual cash flow	-3.9	1.7	-7.0	8.4	-8.7
Free cash flow	18.7	7.8	5.4	11.1	15.1
Cash & cash equivalents	10.3	11.8	4.4	12.8	3.6
Personnel					
Number of employees, annual mean	63	79	77	69	136
Number of employees, end of period	78	79	74	72	226
Share data					
Number of shares at year-end, thousands	24,034	24,034	24,583	25,053	48,935
Average number of shares before dilution, thousands	21,389	24,034	24,446	24,935	38,254
Average number of shares after dilution, thousands	21,958	24,095	24,680	24,949	38,254
Earnings per outstanding share, SEK	0.79	0.75	0.35	0.59	0.28
Earnings per average number of shares before dilution, SEK	0.88	0.75	0.35	0.59	0.36
Earnings per average number of shares after dilution, SEK	0.87	0.75	0.35	0.59	0.36
Earnings per average number of shares before dilution and exceptional items affecting comparability, SEK	0.87	0.75	0.50	0.59	0.64
Equity per average number of shares, SEK	5.00	5.06	4.84	5.23	6.32

THE BOARD

HANS MÖLLER
Chairman
Born 1955
Elected 2009
Shareholding related legal person 5,090,548

Other directorships Chairman of Provider Capital Sweden AB. Board member of Pilum AB (publ).

BO NORDLANDER
Board member
Born 1956
Elected 2009
Shareholding related legal person 5,090,548

Other directorships Board member of SIX Financial Information Sweden AB.

STAFFAN TORSTENSSON
Board member
Born 1972
Elected 2005
Shareholding 20,000

Other directorships Board member of Tuida Holding AB.

JON PETTERSSON
Board member
Born 1965
Elected 2007
Shareholding –

Other directorships Director of Swedol AB (publ), Invexe AB Rubber Company AB. Söderkyl AB och Svenska Familjehem AB.

GROUP MANAGEMENT

KRISTINA LINDGREN
Adjunct Board member
Born 1959
Elected 2013
Shareholding –

Other directorships
–

JACK SPIRA
Board member
Born 1953
Elected 2012
Shareholding –

Other directorships
–

JOAKIM ALFREDSON
CFO
Born 1975
Employed 2007
Shareholding 560,853
Subscription warrants 71,622

CHRISTIAN SUNDIN
CEO
Born 1971
Employed 2006
Shareholding 696,068
Subscription warrants 105,222

MANAGEMENT DENMARK

Thomas à Porta
Country Manager

Anders Stahl Eriksen
CFO

Sten Nygaard-Andersen
CTO

Kristine Stenhuus
Director of Client Services

Simon Svarrer
Director of Sales and Marketing

Anders Terp
Head of BA Input &
Output Management

Ronny Schandorph
HR Director

MANAGEMENT SWEDEN

Christian Sundin
Country Manager

Joakim Alfredson
CFO

Rasmus Staberg
CTO

Erik Lindeberg
Director of Sales and Marketing,
Head of BA Life Science

Mauritz Wahlqvist
Head of BA Public Sector

Daniel Rosenfors
Head of Marketing

Mats Persson
Head of Product Management

Lina Elo
HR Director

DIRECTORS' REPORT

The Board and CEO of FormPipe Software AB (publ), organisation number 556668-6605, hereby submit their annual report for the fiscal year 2012.

GROUP STRUCTURE

FormPipe Software AB (publ) is the Parent Company of a Group with seven wholly owned subsidiaries: FormPipe Software Uppsala AB, FormPipe Software Linköping AB, FormPipe Software Skellefteå AB, FormPipe Software A/S, Traen Holding A/S, Traen A/S and Traen Ltd. and a 65 % owned subsidiary, Traen AB.

Traen Group Holding A/S was acquired during the year and consolidated from 1 August 2012.

FormPipe Software AB (publ) is listed on NASDAQ OMX Stockholm under the abbreviation FPIP.

ABOUT FORMPIPE SOFTWARE

FormPipe Software is a software company specialising in ECM (Enterprise Content Management). The company develops and delivers ECM products for structuring information in large companies, public authorities and organisations. FormPipe Software's software helps organisations to capture, manage, preserve and contextualise information. Reduced expenses, minimised risk exposure and structured information are the benefits realised from using the Company's ECM products.

FormPipe Software is focused on the public sector markets in Sweden and Denmark and the international market for Life Science.

Business model

FormPipe Software's business model is based on signing long-term licenses and maintenance agreements, and assisting customers with implementing and customizing the Company's software to the customer's specific needs. FormPipe Software reports its revenues in three classes: license revenue, support and maintenance revenue and delivery revenue. The customer pays the license upon signing the agreement and payment for the maintenance agreement, which entitles the customer to upgrades and software support, is paid annually in advance. A small but growing part of FormPipe Software's revenue comes from the sale of so-called OnDemand services, whereby customers pay a monthly fee covering the license entitlements and the maintenance agreement. Delivery Revenues are continuously recognised during the project.

Through the acquisition of Traen in 2012, FormPipe Software gained a strong position in the Danish market for ECM products supplied to the public sector. In addition to product development and support, Traen's activities include extensive supply line strength. Through implementing, upgrading and customizing the Company's own software Traen has established a delivery organisation with high profitability and predictability. FormPipe Software intends, during 2013, to strengthen its delivery capacity on the Swedish market.

One important sales channel for FormPipe Software is the Company's certified partners who sell and implement the Company's products. FormPipe's extensive partner network allows the Company to reach customers who the Company would not be able to process with their own resources, which is ultimately expected to yield increased sales and profitability leverage in the Company's business model.

The majority of FormPipe Software's customers are in the public sector, which is advanced in its use of ECM products. Since 2010, the Company has also devoted significant resources to shaping its Life Science products, which is similar to the public sector in that it is tightly regulated by a central body. For participants in the Life Science market, American FDA is the controlling body. These regulations are complied with globally, making this sector a suitable springboard into the international market. FormPipe Software offers very competitive products to the Life Science sector that intelligently and efficiently resolve customers' problems.

FormPipe Software offers the following products:

ACADRE : A leading ECM product directed at Danish municipalities with stable and standard functionality including structured document and workflow management.

FORMPIPE LASERNET: An ECM product that organises, transforms and distributes data to and from various sources, applications and systems.

FORMPIPE LIFE SCIENCE: The market's most modern EQMS product for regulatory quality management. FormPipe Life Science has built-in functionality for SOP management, deviation management, CAPA and training.

FORMPIPE LONG-TERM ARCHIVE: A system for preserving digital information over long periods. The system has been developed in close dialogue with the Swedish National Archives and is based on the OAIS model.

FORMPIPE PLATINA: A powerful and flexible ECM product with strong process functionality for document, case and record management.

FORMPIPE ONDEMAND: An ECM product based on the functionality of FormPipe Software's leading products. FormPipe Software is responsible for upgrades, operation and maintenance.

FORMPIPE W3D3: A leading ECM product for the Swedish public sector with stable and standard functionality, including structured document and case management.

TAP: A configurable Business Process Management platform (BPM) that streamlines and automates business processes based on Service Oriented Architecture (SOA).

TAS: A configurable standard platform for application and grant management.

FISCAL YEAR 2012

The financial year of 2012 was characterised by the acquisition of the Traen Group which was consolidated from 1 August 2012. Traen enjoys a strong position in ECM products supplied to the Danish public sector and in 2011 had net sales of approximately MSEK 200 million and has approximately 160 employees. The acquisition was financed through a rights issue with preferential rights for the shareholders of MSEK 125, and a bank loan of MSEK 63 and MDKK 103. After the acquisition, the Danish company is responsible for approx. 2/3 of revenue.

The acquisition and rights issue was published on 7 May 2012 and was negatively received by the market, with a substantially lower share price as a result. The reception can be partially explained by the troubled macroeconomic situation prevailing in Europe and the world in this period, while both the operational and financial risks of the Company increased as a result of the acquisition.

Operations aimed at the Swedish public sector have developed positively. The rules have changed slightly from previous years after the new general agreement came into force. This has proved more complex than previous agreements with the result that many customers choose to enter into public procurements themselves rather than use existing general agreements. This has led to a slightly modified competitive situation in the market and generally longer lead times in the sales process. Meanwhile, the Company's existing customer base has begun to value the products' capability and has begun to expand their utilisation throughout their organisations, which further drives sales.

Operations targeted at the Danish public sector had a relatively good year. The beginning of the year was, however, below expectations, prompting a minor restructuring. This had the desired effect, and in the second half of the year, the Company showed very strong results. The market has been characterised by some agreements being delayed and not being completed in 2012 as planned. These are expected to be completed during the first half of 2013.

FormPipe Life Science is a fully integrated electronic Quality Management System solution (EQMS) that maximises control and efficiency for companies in the Life Science sector. The system provides full support for complying with the prevailing regulations of FDA 21 CFR Part 11 and EU appendix 11 with requirements that include, for example, data security, data integrity, traceability /auditing and electronic signatures. The sector is characterised by long and thorough evaluation processes by suppliers, as customers are very sensitive to disruptions to their production, and providers must be validated in accordance with the FDA's requirements and guidelines. FormPipe Software has, in 2012, continued to strengthen its product offerings to the Life Science sector. During the year FormPipe Software's products attracted national and international attention and the prospectus has been further qualified. The order in December from Recipharm strengthens the Company's belief that FormPipe Life Science is a competitive alternative in this sector.

OUTLOOK FOR 2013

Expectations for 2012 were cautiously optimistic following 2010 and 2011's uncertain the general agreement situation in the Swedish public sector. As predicted, in 2012, transaction tempo decreased due to the more complex procurement procedures now available to them. Prior to 2013, assumptions were relatively unchanged in terms of new customer sales. The company's existing clients seem ambitious and wish to expand the use of FormPipe Software's products within their organisations, which is driving the Company's sales.

Demand for digitisation solutions for the public sector in Denmark is expected to continue. The driving factors in the market are the requirements to digitise and streamline the public sector's management which requires the development of new innovative solutions, which will result in good growth opportunities in the Company's core business. The adjustments the Company undertook in the first half of 2012 have also had the desired effect of putting the Company in a strong position for 2013. With FormPipe Software's acquisition of Traen, the Company has also improved its financial stability, and is thus better able to fully capitalise on its strong position in the market.

At the end of 2012, the Company received the important breakthrough order from Recipharm for FormPipe Life Science. This proves that FormPipe Software has competitive products for the life science industry, which strengthens the belief that the Company can to deliver on the high interest that the products attracted in this industry. Although the procurement processes aimed towards these customers are long, the Company hopes to land a number of transactions in Sweden in 2013, while actively beginning work in the international markets.

THE MARKET

According to Radar Group, ECM continues to be a high priority investment area for companies and organisations. Increased regulatory requirements and effective information management as competitive tools are key drivers that tend to be continuously strengthened with increased amounts of information. According to Gartner, the Danish and Swedish market for ECM software amounts to approximately MSEK 750 in 2013, an increase of almost 4 percentage points.

FormPipe Software focuses on the public sector markets in Sweden and Denmark and the international market for Life Science.

Public sector

Danish public sector

The Danish public sector is the single largest market for FormPipe Software. The Danish subsidiary Traen is the market leader in the public sector and has a broad product range and related services in the ECM field. The Danish public sector is a leading example of effective and digital public administration in Europe and is strongly focused on investing in IT support to increase internal efficiency.

Swedish public sector

FormPipe Software has an extensive ECM product range aimed at the Swedish public sector for compliance with regulatory requirements and enabling effective and digital public administration. Going forward, the Company expects, in agreement with external analysis companies, that the need for effective management will result in the Swedish public sector continuing to invest in existing or new IT systems to achieve this.

Challenges/driving forces in the public sector

The public administrations, in both Sweden and Denmark, are under pressure to improve the efficiency, productivity and quality of their services. All of these challenges must be met with unchanged or even reduced budgets. Information and communication technologies help public administrations deal with challenges such as:

- Increasingly tight economic conditions.
- Increased demands for transparency and improved services from citizens and businesses.
- Demographic reality that forces us, in future, to do more with less.

Life Science

In the private sector, FormPipe Software is very focused on becoming an established supplier of software for quality management (EQMS) to the Life Science industry. This industry is like the public sector, stringent regulatory requirements. The market is governed by the regulations of the FDA and the EMA, which makes the sector country independent and opens up an export market far greater than the Company's current primary markets.

SIGNIFICANT EVENTS DURING THE YEAR

Acquisition of Danish Traen Holding A/S

On 7 May 2012, FormPipe Software signed an agreement to acquire all of the shares in the Danish software and services company Traen, an ECM company, for approximately MSEK 300 million on a cash and debt free basis. The acquisition was financed through a rights issue of MSEK 125 million and bank financing. Traen was consolidated into the Group from 1 August 2012.

Rights issue of MSEK 125

On 2 July 2012 the preferential rights issue for MSEK 125 before issue expenses was completed. The issue was fully subscribed and meant that the number of shares and votes in the Company increased by 36,700,941 to a total of 48,934,588. The share capital increased by SEK 3,670,094 to SEK 4,893,459.

FormPipe life science orders from reciprocal Recipharm

In December the Company received an order from Recipharm for the EQMS product (Electronic Quality Management System), FormPipe Life Science, to manage and streamline their quality and process documentation. The order value amounted to MSEK 2.5 million and concerned four of the ten subsidiaries in the Recipharm Group.

Other significant orders

During the year, FormPipe Software received a large number of orders, some of which have been very large and thus had a positive impact on net profit and loss.

SIGNIFICANT EVENTS AFTER YEAR END

Besides some press-released order, no significant events occurred after year end.

COMMENTS ON THE INCOME STATEMENT

A five-year review shows that the Company enjoyed historically strong sales growth, partly driven by acquisitions and steadily high profitability. 2010 saw declining sales and profitability. This is partly explained by the Company's strategic choice to become a product company and thereby relinquishing shipping revenues to its partners. 2011 was the first full year after the completion of the conversion and system revenues amounted to 94 percent of revenue. The acquisition of Traen, which was consolidated from 1 August has led to greatly increased sales in 2012, and profitability continued to improve.

Revenue

Net turnover for the period increased by 79 percent to MSEK 201.2 (112.5). System revenues increased by 36 percent from the previous year and amounted to MSEK 142.9 (105.3). The period's total recurring revenue increased by 54 percent from the previous year and amounted to MSEK 97.8 (63.6), representing 49 percent of net turnover. Currency rates affected sales negatively by MSEK 1.0 on the previous year.

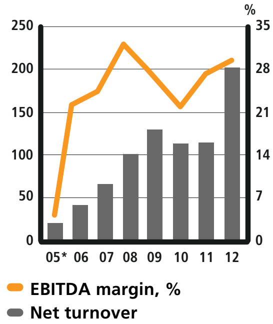
The acquisition of Traen has affected the Group's net sales and revenue allocation. Traen contributed MSEK 87.6 in revenue, of which MSEK 39.4 relates to systems revenue.

Expenses

Annual operational expenses increased by 87 percent on the previous year and amounted to MSEK 172.6 (92.3).

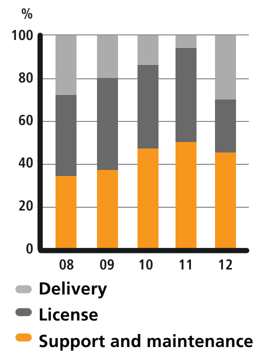
Much of FormPipe Software's operational expenses are associated with personnel. Personnel expenses for the year amounted to MSEK 102.4 (50.0), an increase of 105 percent. The number of employees at year-end amoun-

Net turnover and profitability

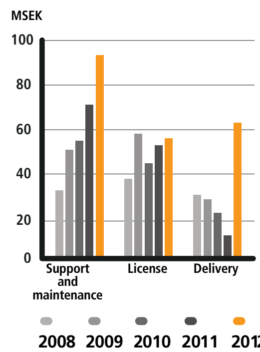


* To achieve comparability between periods and for previous accounting periods that have not been converted to IFRS (2005) EBITDA (Earnings before interest, taxes, depreciation and amortisation) was used.

Allocation of sales revenue



Sales development by income type



ted to 226 (69) persons and the average during the year was 136 (72) persons. The distribution of personnel, salaries and remuneration are shown in note 7.

Sales expenses amounted to MSEK 20.4 (16.2) and consist primarily of sales commissions to partners and the cost of third-party products.

Other expenses amounted to MSEK 48.2 (33.5). The item includes the cost of a recurring item of MSEK 6.9 (-) consisting exclusively of transaction-related costs associated with the acquisition of Traen.

Capitalised development work at the Company's own expense during the year amounted to MSEK 20.7 (17.6).

The financial costs have increased as a result of the drawn down loan financing of MSEK 63 and MDKK 103 in connection with the acquisition of Traen and amounted to MSEK 4.2 (0.3). Net financial items amounted to MSEK -12.6 (-0.2) and included non-recurring costs of MSEK 8.6 consisting of transaction-related costs associated with the acquisition of Traen.

The annual income tax expense amounted to MSEK 2.4 (5.3) and was impacted by acquisition-related costs with different tax treatment.

Results

Operating income before depreciation and acquisition-related costs of a non-recurring character (EBITDA) for the year amounted to MSEK 57.7 (30.4), with an EBITDA margin of 28.7 (27.0) percent.

Operating profit for the year amounted to MSEK 28.6 (20.2, representing an operating margin of 14.2 (18.0) percent. Operating earnings were loaded with non-recurring costs of MSEK 6.9 (-). Exchange rate effects (mainly exposure to DKK) have not materially affected the operating results in a comparison of the average rates for 2012 and 2011 (see Note 10).

The result before tax amounted to MSEK 16.1 (20.0, representing an operating margin of 8.0 (17.8) percent. The result before tax is charged with non-recurring costs amounting to MSEK 15.4 (-).

The result amounted to MSEK 13.7 (14.7), representing a margin of 6.8 (13.1) percent and distributed per share according to the table below. The annual result before tax is charged with non-recurring costs amounting to MSEK 10.5 (-).

Earnings per share	2012	2011
Number of shares outstanding at year-end*	48 934 588	25 052 636
Average number of shares before dilution*	38 254 048	24 935 324
Average number of shares after dilution*	38 254 048	24 949 345
Profit for the year, KSEK	13 693	14 702
Earnings per outstanding share, SEK	0.28	0.59
Earnings per average number of shares before dilution, SEK	0.36	0.59
Earnings per average number of shares after dilution, SEK	0.36	0.59

* The historical number of shares has been calculated on the basis of the terms of the new share issue with preferential rights for the shareholders.

Parent Company

The Parent Company's net sales totalled MSEK 27.8 (24.0) and profit after financial items was MSEK 1.5 (3.5). The result includes results from participation in Group companies of MSEK 23.3 (19.2).

NOTES ON THE BALANCE SHEET

Investments and acquisitions

Total investments for the period January to December was MSEK 147.5 (18.2).

Intangible assets

FormPipe Software continuously invests resources in the product development of new and existing applications. During the year, a total of MSEK 20.7 (17.6) was capitalised for product development. Other investments in intangible assets amounted to MSEK 0.0 (0.2).

Tangible assets

Investments in tangible assets amounted to SEK 1.0 (0.5) million and consisted primarily of computer offices and office equipment.

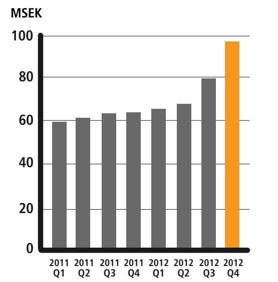
Financial position and liquidity

Cash & cash equivalents

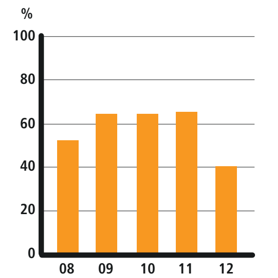
Cash and cash equivalents at the end of the period were MSEK 3.6 (12.8). The company has an unused overdraft totalling MSEK 10.0 and MDKK 17 as at period end (MSEK 0.0). FormPipe Software had, at year-end, interest-bearing debt amounting to MSEK 182.2 (0.0) and the Company's net debt amounted to MSEK 178.6 (-12.8).

The company has a strong cash flow and in the current situation, feels no external funding is necessary. A strongly negative new level of orders may have an impact on the operating cash flow so the emergence of short-term financing needs can never be ruled out. Management believes, however, that no such requirements will arise in forthcoming periods.

Recurring revenue rolling 12 months



Solvency



Tax

During the year, MSEK 1.6 of deferred tax assets were capitalised, and the acquired Company, Traen, already had activated carry-forwards amounting to MSEK 19.1. The Group's total non-capitalised loss carry forwards at year-end were MSEK 27.1 (6.4).

Equity

Equity at year-end was MSEK 240.0 (130.4), which was equivalent to SEK 4.91 (5.20) per outstanding share. The strengthening of the Swedish Krona has reduced the value of the Group's net foreign currency assets by MSEK 8.4 (0.1) from the previous year.

In July, FormPipe Software completed a rights issue of 36,700,941 shares, which increased the share capital by SEK 3,670,094,10. Net of issue expenses (including expenses of the guarantee consortium) of MSEK 13.7, issue raised MSEK 111.1.

Interest-bearing liabilities

During the acquisition of Traen, FormPipe Software took up an interest-bearing loan of MSEK 63.0 and MDKK 103.2 to refinance the existing debt of Traen and to finance elements of the transaction. Of the total loan, MSEK 42.0 and MDKK 68.8 was amortised over five years.

At year-end interest-bearing liabilities amounted to MSEK 182.2 (0.0).

Solvency

The Group's solvency amounted, at year-end, to 42 (65) percent.

NOTES ON THE CASH FLOW STATEMENT

Cash flow from operating activities amounted to MSEK 34.4 (25.4). The transaction related non-recurring expenses included in the operating activities affected cash flow by MSEK -6.9 (-).

Annual cash flow from investing activities amounted to MSEK -145.1 (-14.2), of which the cash flow effects of the acquisition of Traen amounted to MSEK -125.8 (-).

Cash flow-affecting investments in intangible assets amounted to MSEK 18.3 (13.7) and investments in tangible assets amounted to MSEK 1.0 (0.5).

The annual cash flow from financing activities amounted to MSEK 102.0 (-2.8) and consist of paid issue liquidity net of MSEK 111.1 (3.2), premiums paid from the new warrant programme to the staff of MSEK 0.3 (0.4), the taking up of interest-bearing debt of net MSEK 178.6 (-), redemption of currency hedging related to the acquisition MSEK -8.6 (-), amortisation of interest-bearing debt of MSEK -172.2 (-0.1) and dividends paid to shareholders of MSEK -7.3 (-6.1).

The Group's total cash flow for the year amounted to MSEK -8.7 (8.4).

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

The most significant uncertainties in FormPipe Software's activities concern the Company's sales and the Company's ability to attract and retain skilled personnel.

FormPipe Software's net sales of MSEK 201.2 (112.5) consisted of 49 (57) percent of recurring revenue. Recurring revenue is annually recurring and thus constitutes a stable and secure base for the Company's earnings. The remaining revenue comes from new license sales and delivery projects and is subject to greater uncertainty as they are affected by customer demand and changing market conditions.

Since a large part of Traen's revenue comes from delivery activities, the acquisition has helped to reduce the Group's share of recurring revenue. This has increased the operational risk in the Company and has made FormPipe Software more dependent on establishing and nurturing customer relationships. As Traen's delivery activities mainly refer to its own product portfolio, the risk from this type of consulting activity is considered low. Large parts of our activities refer to upgrades which are simple to plan and implement, which in turn contributes to sustainable activities. Traen has historically demonstrated flexibility and speed in adjusting the workforce in times of low demand.

FormPipe Software's human capital is important and the availability of skilled personnel is a critical success factor. The company is responding to this by offering staff market-adjusted and competitive compensation packages. Over time, however, the availability of staff with the right skills varies, which can result in increased expenses for the Company.

The sensitivity analysis below shows the impact on FormPipe Software's result, before tax, for 2012, which amounted to MSEK 16.1 million, in the event of changes to a number of factors:

Exposure analysis	Changes	Impact on profit before tax, MSEK
Demand for licenses	+/– 5%	+/– 2.6
Demand for deliveries	+/– 5%	+/– 2.9
Personnel	+/– 5%	–/+ 5.1
STIBOR/CIBOR*	+/- 100 bps	–/+ 1.8
DKK/SEK	+/– 5%	+/– 0,8

* The change in STIBOR is calculated as the full year effect based on interest-bearing debt at year end.

A further description of the risks and uncertainties to which the Company is exposed can be found in Note 4.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

The AGM approved the Board's proposal for guidelines on remuneration to the Company's CEO and other senior executives as follows. The AGM's approval is broadly consistent with the principles previously applied to remuneration. The guidelines apply to agreements entered into after the AGM of 2012, or to remuneration changes thereafter. The Board has not appointed a remuneration committee, but instead the Board shall handle all questions on remuneration and other conditions of employment.

The company shall offer competitive conditions, allowing the Company to recruit and retain skilled personnel. Remuneration to the executive management shall consist of fixed salary, variable remuneration, long term incentive programmes, pensions, severance conditions and other customary benefits. Remuneration is based on the individual's commitment and performance relative to predetermined targets, both individual and joint objectives within the Company. Evaluation of individual performance is continuous. The fixed salary is generally reviewed once per year and shall take into account the individual's qualitative performance.

The fixed salary of the CEO and other senior executives should be competitive. Variable remuneration shall take into account the individual's levels of responsibility and influence. The size of the variable remuneration is related to the level of fulfilment of financial targets stipulated by the Group's Board. The variable remuneration shall be a maximum of 30 to 40 percent in addition to fixed salary. All variable remuneration programmes have defined maximum award and vesting limits. For 2012, the goals were not met, and thus, no variable remuneration was paid in the financial year 2012. The Company has a share-based incentive programme, aimed at all staff (including the CEO and other senior executives) in order to promote the Company's long-term interests. The option programme runs for three years. The Board shall evaluate whether an additional option programme or any other form of share-based or share price related incentive programme should be proposed to the AGM. The CEO and other senior executives shall receive defined-contribution pension plans. The retirement age of the CEO and senior executives is 65. Pension provisions shall be based solely on fixed salary. In the event of the CEO's dismissal by the Company, the CEO shall receive six months' notice and six months' severance pay. Other income the CEO receives during the severance period shall be deducted from the severance pay. In the event of termination by the CEO, six months notice shall apply. Between the Company and other senior executives, a mutual notice period of 3 to 6 months shall apply. In the event the Company is the subject of a public tender which results in at least 30 percent of the Company's shares belonging to the same shareholder, the CEO is entitled, following the Company's or the CEO termination, to a severance payment equal to 12 months' fixed salary at the time of the termination's announcement. Such severance pay is deductible from other income, shall be paid in full upon termination of employment and replaces the severance pay that the CEO is normally entitled to in accordance with his/her contract.

The AGM authorised the Board to deviate from the proposed guidelines above if there are particular reasons for this in individual cases.

The AGM of 2013 proposed that guidelines for remuneration to senior executives remain unchanged from 2012.

SHARE STRUCTURE

FormPipe Software's shares traded under the abbreviation FPIP on NASDAQ OMX Stockholm. Each FormPipe Software share entitles the holder to one vote at the AGM with equal rights to the Company's assets and profits.

FormPipe Software's share capital at the end of 2012 amounted to SEK 4893,458.80 divided among 48,934,588 shares.

As at 31 December 2012, FormPipe Software had 550,000 subscription warrants registered for employees. Subscription warrants can increase the number of shares and voting rights in the Company by a maximum of 2.0 percent. At year-end FormPipe Software had two signed subscription warrant programmes outstanding. The share issue in relation to the redemption of the warrant programme 2011/2013 may increase the share capital by a maximum of SEK 63,000 and 630,000 shares. The share issue in relation to the redemption of the subscription warrant programme 2012/2015 may increase the share capital by a maximum of SEK 36,000 and 630,000 shares.

At the end of 2012, FormPipe Software had no shares in its own custody.

At the end of 2012, there were no agreements restricting the right to transfer shares.

PROPOSED ALLOCATION OF PROFITS

Appropriation of profits	**SEK**
The following retained earnings are available to the AGM:	
Non-restricted reserves	182 235 600
Profit for the year	3 717 868
	185 953 468
The Board proposes that:	
To be carried forward	185 953 468
	185 953 468

The Board proposes that no dividend be paid for the fiscal year 2012 (SEK 7,340,188), meaning that all profits are entirety carried forward.

The basis for its proposal to carry forward the retained earnings, is because the Board, in accordance with chapter 17, Article 3 (2) (3) of the Companies Act, assessed the Parent Company and Group's consolidation requirements, liquidity, financial position in general and the ability to free up its short and long-term undertakings. The Board believes that the appropriation of earnings is well suited to the Company's nature, scope and risks, and the Parent Company and Group's capital requirements.

According to the annual report, the Parent Company's solvency is 42 percent.

The Group's equity at period end amounted to MSEK 240.0 (130.4) and net debt to MSEK 178.6 (-12.8).

CORPORATE GOVERNANCE REPORT

FormPipe Software's corporate governance report can be found on page 60 of the Annual Report.

THE GROUP'S INCOME STATEMENT

KSEK	Note	2012	2011
Net turnover		201,155	112,519
Operating expenses			
Sales expenses		-20,429	-16,223
Other expenses	6	-41,281	-33,531
Staff expenses	7	-102,387	-50,027
Work performed at own expense		20,686	17,633
Acquisition-related non-recurring items	28	-6,882	–
Depreciation		-22,265	-10,168
Total operating expenses		-172,557	-92,317
Operating profit/loss		**28,598**	**20,202**
Finance income	8, 10	217	98
Finance expenses	8, 10	-4,194	-290
Acquisition-related non-recurring items	8, 28	-8,558	–
Profit/loss after financial items		**16,063**	**20,010**
Income tax expense	9, 23	-2,370	-5,308
Annual profit/loss		**13,693**	**14,702**
Attributable to:			
Parent Company's shareholders		13,619	14,702
Shareholding with non-controlling interest		74	–
Other comprehensive income			
Conversion differentials		-8,053	-106
Other comprehensive income for the period, net of tax		-8,053	-106
Comprehensive income for the year		**5,640**	**14,596**
Attributable to:			
Parent Company's shareholders		5,566	14,596
Shareholding with non-controlling interest		74	–

KSEK		2012	2011
Earnings per share based on profit attributable to the parent company's shareholders during the year (expressed in SEK per share)			
– before dilution	11	0.36	0.59
– after dilution	11	0.36	0.59
– before dilution adjusted for items affecting comparability	11	0.64	0.59
Average number of shares before dilution, thousands	11	38,254	24,935
Average number of shares after dilution, thousands	11	38,254	24,949

THE GROUP'S BALANCE SHEET

KSEK	Note	31 Dec 2012	31 Dec 2011
ASSETS			
Fixed assets			
Intangible assets	13		
Capitalised expenditure		116,026	35,544
Goodwill		289,336	109,865
Other intangible fixed assets		31,753	1,274
Total intangible fixed assets		**437,114**	**146,682**
Tangible fixed assets	14		
Computer equipment and inventory		2,532	858
Total tangible fixed assets		**2,532**	**858**
Long-term investments	15		
Other financial assets		1,357	31
Total financial fixed assets		**1,357**	**31**
Long-term receivables	23		
Deferred tax assets		27,142	6,414
Total long-term receivables		**27,142**	**6,414**
Total fixed assets		**468,145**	**153,985**
Current assets			
Inventories and work in progress			
Inventories	17	14	4
Ongoing work at own expense	17	19,564	–
Total inventories and work in progress		**19,578**	**4**
Current receivables			
Accounts receivable	16, 18	72,005	29,208
Current tax receivables		2,079	1,871
Other receivables		499	47
Prepaid expenses and accrued revenue	19	8,864	2,849
Total current receivables		**83,447**	**33,976**
Cash & cash equivalents	16, 20	3,636	12,794
Total current assets		**106,660**	**46,773**
TOTAL ASSETS		**574,805**	**200,758**

THE GROUP'S BALANCE SHEET

KSEK	Note	31 Dec 2012	31 Dec 2011
EQUITY			
Share capital	21	4,893	1,223
Other contributed capital		177,908	70,152
Conversion reserves		-11,357	-3,305
Balanced profit		68,596	62,317
Equity pertaining to the Parent Company's shareholders		**240,039**	**130,386**
Shareholding with non-controlling interest		1,716	–
Total equity		**241,755**	**130,386**
LIABILITIES			
Long-term liabilities			
Borrowing	22	154,333	–
Deferred tax liabilities	23	17,021	8,463
Total long-term liabilities		**171,354**	**8,463**
Current liabilities			
Borrowing	22	24,296	–
Accounts payable	16	11,612	5,720
Other liabilities	24	24,350	5,258
Other provisions	25	4,293	–
Accrued expenses accrued prepaid income	26	97,145	50,930
Total current liabilities		**161,695**	**61,908**
Total liabilities		**333,049**	**70,371**
TOTAL EQUITY AND LIABILITIES		**574,805**	**200,758**

KSEK	Note	31 Dec 2012	31 Dec 2011
Pledged securities			
Mortgages	15	300,905	96,416

THE GROUP'S CHANGES IN EQUITY

KSEK	Note	Equity attributable to Parent Company's shareholders: Share capital	Other contributed capital	Conversion reserve	Balanced profit	Total	Shareholdings without controlling impact	Total equity
Equity 1 January 2011		**1,200**	**66,706**	**-3,199**	**53,732**	**118,439**	–	**118,439**
Total Results								
Result for the period		–		–	14,702	14,702	–	14,702
Other comprehensive income items		–		-106	-	-106	–	-106
Total comprehensive income		–	–	**-106**	**14,702**	**14,596**	–	**14,596**
Transactions with shareholders								
Dividend	12	–	–	–	-6,117	-6,117	–	-6,117
New issue	21	23	3,151	–	–	3,174	–	3,174
Repurchase of subscription warrants	21	–	-87	–	–	-87	–	-87
Premium paid for the options programme	21	–	382	–	–	382	–	382
Total transactions with shareholders		**23**	**3,446**	**–**	**-6,117**	**-2,648**	–	**-2,648**
Equity 31 December 2011		**1,223**	**70,152**	**-3,305**	**62,317**	**130,386**	–	**130,386**
Equity 1 January 2012		**1,223**	**70,152**	**-3,305**	**62,317**	**130,387**	–	**130,387**
Total results								
Result for the period		–	–	–	13,618	13,618	74	13,693
Other comprehensive income items		–	–	-8,053	–	-8,053	–	-8,053
Total comprehensive income		**–**	**–**	**-8,053**	**13,618**	**5,565**	**74**	**5,640**
Transactions with shareholders								
Acquired non-controlling interest			–	–	–	–	1,642	1,642
Dividend	12	–	–	–	-7,340	-7,340	–	-7,340
New issue	21	3,670	107,458	–	–	111,128	–	111,128
Premium paid for the options programme	21	–	298	–	–	298	–	298
Total transactions with shareholders		**3,670**	**107,756**	**–**	**-7,340**	**104,086**	**1,642**	**105,728**
Equity 31 December 2012		**4,893**	**177,908**	**-11,357**	**68,596**	**240,039**	**1,716**	**241,755**

THE PARENT COMPANY'S INCOME STATEMENT

KSEK	Note	2012	2011
Net turnover		27,829	23,957
Operating expenses			
Sales expenses		-459	-1,433
Other expenses	6	-13,002	-14,272
Staff expenses	7	-26,433	-22,608
Depreciation		-971	-1,027
Total operating expenses		-40,865	-39,340
Operating profit/loss		**-13,036**	**-15,383**
Profit/loss from shares in Group companies	8, 10	23,304	19,195
Financial income	8, 10	6,936	71
Financial expenses	8, 10, 28	-15,738	-395
Profit/loss after financial items		**1,467**	**3,488**
Tax on annual profit/loss	9, 23	2,252	792
Annual profit/loss		**3,718**	**4,280**

The Parent Company has no items to report in Other comprehensive income Other comprehensive income is not recognised.

THE PARENT COMPANY'S BALANCE SHEET

KSEK	Note	31 Dec 2012	31 Dec 2011
ASSETS			
Fixed assets			
Intangible assets	13		
Capitalised expenditure		114	234
Goodwill		314	715
Total intangible fixed assets		**428**	**949**
Tangible fixed assets	14		
Computer inventories		639	571
Inventories		17	56
Total fixed assets		**656**	**627**
Long-term investments			
Shares in subsidiary companies	15	277,831	124,573
Other financial assets		31	31
Interest-bearing receivables from group companies		133,561	–
Total financial fixed assets		**411,422**	**124,604**
Long-term receivables			
Deferred tax assets	23	4,996	2,744
Total long-term receivables		**4 996**	**2 744**
Total fixed assets		**417,503**	**128,923**
Current assets			
Inventories	17	14	4
Total stock		**14**	**4**
Short term receivables			
Interest-bearing receivables from group companies		20,556	–
Accounts receivable	18	631	760
Current tax receivables		863	400
Receivables of Group companies		28,766	12,450
Prepaid expenses and accrued revenue	19	1,164	696
Total current receivables		**51,979**	**14,307**
Cash & cash equivalents	20	5,315	12,035
Total current assets		**57,308**	**26,345**
TOTAL ASSETS		**474,811**	**155,268**

THE PARENT COMPANY'S BALANCE SHEET

KSEK	Note	31 Dec 2012	31 Dec 2011
EQUITY			
Restricted equity			
Share capital	21	4,893	1,223
Reserve fund		17,691	17,691
		22,584	18,914
Free equity capital			
Share premium		146,760	46,345
Balanced profit		35,475	31,195
Annual profit/loss		3,718	4,280
		185,953	**81,820**
Total equity		**208,537**	**100,734**
LIABILITIES			
Long-term liabilities			
Liabilities to credit institutions	22	154,334	–
Total long-term liabilities		**154,334**	–
Current liabilities			
Liabilities to credit institutions	22	24,296	–
Accounts payable		1,466	952
Liabilities to Group companies		68,960	39,180
Other liabilities	24	4,260	3,179
Accrued expenses accrued prepaid income	26	12,958	11,224
Total current liabilities		**111,940**	**54,535**
Total liabilities		**266,274**	**54,535**
TOTAL EQUITY AND LIABILITIES		**474,811**	**155,268**

KSEK		31 Dec 2012	31 Dec 2011
Pledged securities			
Mortgages	15	300,905	96,416

THE PARENT COMPANY'S CHANGES TO EQUITY

KSEK	Note	Share capital	Reserve fund	Share premium	Other free equity	Total equity
Equity 1 January 2011		**1,200**	**17,691**	**49,016**	**31,195**	**99,102**
Total Results						
Annual profit/loss		–	–	–	4,280	4,280
Total comprehensive income		**–**	**–**	**–**	**4,280**	**4,280**
Transactions with shareholders						
Dividend	12	–	–	-6,117	–	-6,117
New issue	21	23	–	3,151	–	3,174
Repurchase of subscription warrants	21	–	–	-87	–	-87
Premium paid for the options programme	21	–	–	382	–	382
Total transactions with shareholders		**23**	**–**	**-2,671**	**–**	**-2,648**
Equity 31 December 2011		**1,223**	**17,691**	**46,345**	**35,475**	**100,734**
Equity 1 January 2012		**1,223**	**17,691**	**46,345**	**35,475**	**100,734**
Total Results						
Annual profit/loss		–	–		3,718	3,718
Total comprehensive income		**–**	**–**		**3,718**	**3,718**
Transactions with shareholders						
Dividend	12	–	–	-7,340	–	-7,340
New issue	21	3,670	–	107,458	–	111,128
Premium paid for the options programme	21	–	–	298	–	298
Total transactions with shareholders		**3,670**	**–**	**100,416**	**–**	**104,085**
Equity 31 December 2012		**4,893**	**17,691**	**146,760**	**39,193**	**208,537**

CASH FLOW ANALYSIS

KSEK	Note	The Group 2012	The Group 2011	Parent Company 2012	Parent Company 2011
Cash flow from operating activities					
Operating profit/loss		28,598	20,202	-13,036	-15,383
Adjustment for items not included in cash flow					
– Depreciation		22,265	10,168	971	1,027
– Provisions	25	4 293	–	–	–
– Other items		2 382	-3,937	95	–
Other liquidity-effecting items					
Profit/loss from shares in Group companies		–	–	23,304	18,700
Interest received		137	98	2 033	566
Interest paid		-3 005	-201	-2 452	-327
Income taxes paid		-1,850	3,113	-437	3,743
Cash flow from ongoing activities before changes in working capital		**52 820**	**29,443**	**10,478**	**8,328**
Increase (-) / Decrease (+) of inventories		2,558	8	-10	8
Increase (-) / Decrease (+) of accounts receivable		-23,875	-3,120	128	479
Increase (-) / decrease (+) in other current receivables		-3,770	-499	-15 524	235
Increase (+) / Decrease (-) in accounts payable		592	913	514	-636
Increase (+) / Decrease (-) in other current liabilities		6,049	-1,391	32,168	7,270
Cash flow from changes in working capital		**-18,446**	**-4,089**	**17,276**	**7,357**
Cash flow from operating activities		**34,374**	**25,354**	**27,754**	**15,685**
Cash flow from investment activities					
Investments in subsidiaries	28	-125,777	–	-153,257	–
Purchase of intangible fixed assets	13	-18,275	-13,730	–	-152
Purchase of tangible fixed assets	14	-1,011	-479	-480	-361
Purchase of financial assets	15	-20	-5	-155,401	-5
Cash flow from investment activities		**-145,083**	**-14,215**	**-309,138**	**-518**
Cash flow from financing activities					
New issue	21	111,136	3,174	111,136	3,174
Issue of subscription warrants	21	290	382	290	382
Repurchase of subscription warrants	21	–	-87	–	-87
Borrowings	22	178,629	–	179,057	–
Amortisation of loans	28	-180,713	-103	-8,478	-3,827
Dividends paid	12	-7,340	-6,117	-7,340	-6,117
Cash flow from financing activities		**102,002**	**-2,752**	**274,665**	**-6,475**
Annual cash flow		**-8,707**	**8,388**	**-6,719**	**8,692**
Conversion differentials in cash and equivalents		-452	-4	–	–
Cash and cash equivalents at beginning of year		12,794	4,410	12,035	3,343
Cash and cash equivalents at year end	20	**3,636**	**12,794**	**5,315**	**12,035**

NOTE 1 General Information

FormPipe Software AB (Parent Company) and its subsidiaries (collectively the Group) sells software and consulting services for capturing, organizing and distributing information.

The Group has offices in Sweden and Denmark and primarily sells its products in Sweden and Denmark.

The Parent Company is a limited liability company and is domiciled in Sweden. The head office address is FormPipe Software AB (publ), Box 231 31, 104 35 Stockholm, Sweden. Our visiting address is St Eriksgatan 117 in Stockholm, Sweden.

The Parent Company is listed on NASDAQ OMX Stockholm.

On 3 April 2013, the Board approved the publication of the consolidated financial statements.

NOTE 2 Summary of significant accounting policies

The most important accounting principles applied to the Group and Parent Company accounts are set out below. These principles have been consistently applied to all of the years presented, unless otherwise stated.

BASIS OF THE PREPARATION OF THE REPORT

The consolidated financial statements for the FormPipe Software Group have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Rules for Groups, and International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. The consolidated financial statements have been prepared in accordance with the historical cost method apart from what pertains to financial assets valued at fair value through the income statement.

The Parent Company's financial statement is prepared in accordance with the Annual Accounts Act and RFR 2. The accounting policies comply with the Group's, unless otherwise indicated.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates to this end. It also requires that management exercises its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates have a substantial impact on the consolidated financial statements are disclosed in Note 4.

New and amended standards adopted by the Group

None of the IFRS and IFRIC interpretations which are mandatory for the financial year beginning 1 January 2012 for the first time, are expected to have a material impact on the Group.

New standards for, amendments to and interpretations of existing standards where the amendment has not yet entered into force and has not been applied in advance by the Group

None of the IFRS and IFRIC interpretations of existing standards which have been published but not yet come into force are expected to have a material impact on the Group and have not been previously adopted.

CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries

Subsidiaries are all companies (including companies for particular purposes) for which the Group has the power to prepare financial and operative strategies in a way that usually accompanies a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another company. The Group also assesses whether control exists, although it does not have a shareholding of more than half of the voting rights but still has the ability to control the financial and operating policies through de facto control. De facto control may arise in circumstances where the proportion of the Group's voting rights in relation to the size and dispersion of other shareholders' voting rights gives the Group the ability to control the financial and operative strategies, etc. Subsidiaries included in the consolidated statements from and including the date on which control is transferred to the Group. They are excluded from the consolidated financial statement from and including the date that control ceases.

The acquisition method is used to report the Group's acquisitions. The purchase price for the acquisition of a subsidiary comprises the fair value of the assets transferred, liabilities incurred by the Group to the former owners of the acquired company and the shares issued by the Group. The purchase price also includes the fair value of any asset or liability resulting from an agreement on a conditional purchase price. Identifiable assets acquired and liabilities assumed in a business acquisition are initially measured at their fair values on the acquisition date. For each acquisition – i.e., acquisition for acquisition – the Group determines whether non-controlling interests in the acquired company are recognised at fair value or the proportionate share of the recognised value of the acquired company´s identifiable net assets.

Acquisition-related expenses are expensed as incurred.

If the business acquisition is carried out in stages, the previously held equity share in the acquired company is revalued at its fair value as at the acquisition date. Any resulting gain or loss shall be recognised in earnings.

Any contingent purchase price to be transferred by the Group shall be recognised at fair value as at the acquisition date. Subsequent changes in the fair value of a contingent purchase price classified as an asset or liability shall be recognised in accordance with IAS 39 either in the profit or loss account or in other comprehensive income. Contingent purchase price classified as equity shall not be revalued and any subsequent adjustment shall be recognised in equity.

Goodwill shall be initially measured as the amount by which the total purchase price and fair value of non-controlling interest exceeds the fair value of identifiable assets acquired and liabilities assumed. If the purchase price is lower than the fair value of the acquired company's net assets, the difference shall be recognised directly in the income statement.

Internal Group transactions, balances, income and expenses incurred on transactions between Group companies shall be eliminated. Profits and losses resulting from internal Group transactions that are recognised in assets shall also be eliminated. The accounting policies of subsidiaries have been changed where appropriate to ensure a consistent application of the Group's principles.

Group contributions relinquished by the Parent Company to a subsidiary shall be recognised as an increase in shares in the subsidiary and a review of whether impairment of these shares is required shall be carried out. Group contributions the Parent Company receives from subsidiaries shall be recognised in accordance with the same principles applied to customary dividends from subsidiaries, as financial income.

Conversion of foreign currencies

Functional currency and reporting currency

Items included in the financial statements of each of the Group's entities are assessed in the currency used in the economic environment in which the entity operates (the functional currency). The consolidated financial statement uses SEK, which is the Parent Company's functional and reporting currency.

Transactions and balances

Transactions in foreign currency shall be converted to the functional currency at the exchange rate as at the transaction date. Exchange rate gains and losses resulting from the settlement of such transactions and from the conversion of monetary assets and liabilities denominated in foreign currencies at the rate on the balance sheet date shall be recognised in the income statement.

Conversion differences from non-monetary financial assets and liabilities shall be recognised as part of the fair value profits/losses.

Subsidiaries

The results and financial position of all Group companies using a functional currency other than the reporting currency shall be converted to the Group's reporting currency as follows:

a) assets and liabilities for each balance sheet shall be converted at the rate as at closing day.
b) income and expenses for each income statement shall be converted at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date, in which case income and expenses shall be converted at the rate on the transaction date).
c) all resulting exchange differences shall be recognised in other comprehensive income.

In the event of consolidation, exchange rate differences arising from the conversion of net investments in foreign operations shall be moved to other comprehensive income. In the event of the disposal of a foreign company, in whole or in part, the exchange rate differences shall be recognised in other comprehensive income in the income statement as part of the realised profit/loss.

Goodwill and fair value adjustments arising from the acquisition of a foreign company shall be treated as assets and liabilities of this company and converted at the closing day rate.

CASH FLOW STATEMENT

The cash flow statement has been prepared according to the indirect method.

SEGMENT REPORTING

Operational segments are recognised in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the performance of the operational segments results. The Group has appointed this function to the Group's CEO who makes strategic decisions.

TANGIBLE FIXED ASSETS

All tangible fixed assets are recognised at acquisition value minus depreciation. Included in acquisition value are expenditures which can directly be attributed to the acquisition of assets.

Subsequent expenses are included in the asset's recognised amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the asset can be reliably measured. The recognised amount of the replaced part is removed from the balance statement. All other repairs and maintenance are recognised as expenses in the income statement in the period they occur.

Depreciation on assets, to allocate their acquisition value or revalued amounts to their estimated residual value over the estimated useful life, shall be carried out linearly in accordance with the following:

- Computer inventories 3 years
- Inventories 3-5 years

The assets' residual values and their useful lives are reviewed on each balance sheet date and adjusted if appropriate.

The recognised value of an asset is immediately written down to its recoverable value if the disclosed value of an asset exceeds its estimated recoverable value.

Gains and losses upon disposal are determined by comparison between the sales proceeds and the recognised value and are recognised in other incomes/expenses – net in the income statement.

INTANGIBLE ASSETS

Goodwill

Goodwill consists of the amount whereby the cost value exceeds the fair value of the Group's share of the acquired subsidiary's identifiable net assets on the date of acquisition. Goodwill on the acquisition of subsidiaries is included as intangible assets. Goodwill that is recognised separately is tested annually for impairment and recognised at acquisition value less accumulated depreciation. Impairment of goodwill is not reversed. Gains or losses on disposal of an entity include the recognised value of goodwill relating to the entity sold.

Customer relationships

Acquired customer relationships are recognised at acquisition value. Customer relationships have a finite useful lifetime and are recognised at acquisition value less accumulated depreciation and impairment losses. Depreciation is applied linearly in order to allocate the cost of customer relationships over their estimated useful lifetime (5 years).

Technology

Acquired technology is recognised at acquisition value. Technology has a finite useful lifetime and is recognised at acquisition value less accumulated depreciation and impairment losses. Depreciation is applied linearly in order to allocate the cost of technology over its estimated useful lifetime (3 years).

Brand names

Acquired brand names are recognised at acquisition value. Brand names have a finite useful lifetime and are recognised at acquisition value less accumulated depreciation and impairment losses. Depreciation is applied linearly in order to allocate the cost of brand names over their estimated useful lifetime (3 years).

Patents

Acquired patents are recognised at acquisition value. Patents have a finite useful lifetime and are recognised at acquisition value less accumulated depreciation and impairment losses. Depreciation is applied linearly in order to allocate the cost of patents over their estimated useful lifetime (3-5 years).

Proprietary software

Expenses for the maintenance of software are expensed as incurred. Development expenses directly attributable to the development and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

(a) it is technically feasible to complete the software so that it can be used
(b) the Company intends to complete the software and to use or sell it
(c) there are opportunities to use or sell the software
(d) it can be demonstrated how the software will generate probable future financial benefits
(e) adequate technical, financial and other resources to complete the development and use or sell the software are available
(f) expenditure attributable to the software during its development can be measured reliably.

Directly attributable expenses that are carried forward as part of the software, including expenses for employees and a fair share of indirect expenses.

Other development expenditures that do not meet these criteria are expensed as incurred. Development expenses previously expensed are not recognised as assets in the subsequent period.

Development expenses for software recognised as assets are written off over their estimated useful lives, not exceeding five years.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are written off are estimated with regard to value deflation whenever events or changes in circumstances indicate that the disclosed value is perhaps not recoverable. A depreciation is carried out amounting to the sum with which the asset's recognised value exceeds its recoverable value. The recoverable amount is the higher of an asset's fair value less selling expenses and its value in use. When estimating the requirement of depreciation, value assets are grouped at the lowest levels where there are separate identifiable cash flows (cash generated units). For assets other than financial assets and goodwill that have previously been written down, an assessment is made of whether reversal is required at each balance sheet date.

FINANCIAL ASSETS AND LIABILITIES

The Group classifies its financial assets and liabilities in the following categories: financial assets and liabilities at fair value through the profit or loss account and financial assets and liabilities valued at accrued acquisition value. The classification depends on the purpose for which the financial assets and liabilities were acquired.

(a) Financial assets and liabilities measured at acquisition value

Financial assets valued at accrued acquisition value relate to loans and receivables which are financial assets but not derivatives, with fixed or determinable payments that are not quoted on an active market. They consist of Accounts Receivable, Other receivables and Cash and Cash Equivalents in the balance sheet and are included in current assets, with the exception of items with maturities greater than 12 months after the balance sheet date, which are classified as fixed assets.

Financial liabilities valued at accrued acquisition value consist of borrowings and accounts payable in the balance sheet, where the acquisition value is the fair value on acquisition date. For borrowing, this represents the amount received reduced for any transaction expenses.

Financial assets and liabilities measured at accrued acquisition value are recognised after the acquisition date at accrued acquisition value using the effective interest method.

(b) Financial assets and liabilities measured at fair value through the income statement

Financial assets and liabilities assessed at fair value through the income statement are financial assets/liabilities held for trading. A financial asset/liability is classified in this category if it is acquired principally for the purpose of being sold in the near future. Derivatives are classified as being held for trading unless they are identified as hedging. Assets and liabilities in this category are classified as current assets/current liabilities, with the exception of items with maturities longer than 12 months after the balance sheet date which are classified as fixed assets/non-current liabilities. The item, recognised in the Group's balance sheet, includes the Group's derivative instruments that do not meet the criteria for hedge accounting, and liabilities in foreign currencies to institutions other than banks.

Financial assets and liabilities assessed at fair value through the profit or loss account are recognised subsequent to the acquisition date at fair value.

Purchases and sales of financial assets and liabilities are recognised on the trade date – the date on which the Group commits to purchasing or selling the asset. Financial instruments are initially recognised at fair value plus transaction expenses, which applies to all financial assets and liabilities not recognised at fair value through the income statement. Financial assets and liabilities assessed at fair value through the income statement are initially recognised at fair value, whereas attributable transaction expenses are recognised in the profit or loss account. Financial assets/liabilities are removed from the balance sheet when the right/obligation to receive/pay cash flows from the instrument has expired or have been transferred and the Group has transferred practically all risks and rewards associated with ownership/obligation.

Profits and losses arising from changes in the fair value of financial assets and liabilities assessed at fair value through the income statement, are income-recognised in the period in which they arise and are included in the income statement item Financial income/expenses – net.

The fair values of quoted securities are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques such as the use of information about recent arm's length transactions, reference to the fair value of another instrument that is substantially the same, discounted cash flow and option valuation models. Market information is used to the greatest extent possible and company-specific information is used as little as possible.

On each balance sheet date, the Group assesses whether there is objective evidence of impairment of a financial asset or group of financial assets.

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Derivative instruments are recognised on the contract date and are assessed at fair value, both initially and in subsequent revaluations. The Group's derivative instruments do not meet the criteria for hedge accounting. The derivative instrument is classified as financial assets/liabilities at fair value through the income statement. Changes in the fair value of such derivative instruments are recognised net in the income statement under the item Financial income/expenses.

The Group has no derivative instruments as at balance sheet date.

INVENTORIES

Inventories are recognised at the lower of the acquisition value and net sales value. The acquisition value is determined using the first-in, first-out (FIFO) method. The acquisition value of finished goods and work in progress comprises expenses for hardware in the form card readers for the business area NetMaker and converted delivery-income. Borrowing expenses are not included. The net realizable value is the estimated selling price in the ongoing activity, less applicable variable selling expenses.

ACCOUNTS RECEIVABLE

Accounts receivable are initially recognised at fair value and subsequently at accrued acquisition value using the effective interest method, less any provision for impairment. The recognised value, less any impairment, for accounts receivable are assumed to approximate their fair value, as these items are short-term in nature. A provision for the impairment of accounts receivable is created when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Significant financial difficulties for the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, resulting in default or delinquency in payments (overdue for more than 30 days) are considered indicators that the impairment of an account receivable may be imminent. The size of the provision is the difference between the asset's recognised value and the present value of the estimated future cash flow, discounted with the original effective interest. The asset's recognised value is reduced through the use of an impairment account and the loss is recognised in the income statement under Sales Expenses. When an account receivable cannot be collected, it is written off against the impairment account for account receivables. Subsequent recoveries of amounts previously written off are credited against Sales Expenses in the income statement.

CASH & CASH EQUIVALENTS

Cash and cash equivalents include cash, bank deposits and other short term investments with maturities of three months from the acquisition date. Bank overdrafts are recognised in the balance sheet as borrowings among Current liabilities.

SHARE CAPITAL

Ordinary shares are classified as equity.

Transaction expenses directly attributable to the issue of new shares or options are recognised, net of tax, in equity as a deduction from the issue proceeds.

ACCOUNTS PAYABLE

Accounts payable are initially recognised at fair value and subsequently at accrued acquisition value using the effective interest method. The recognised values of accounts payable are assumed to approximate their fair values as these items are short-term in nature.

BORROWING

Borrowings are initially recognised at fair value, net of transaction expenses. Borrowings are subsequently recognised at accrued acquisition value and any difference between amounts received (net of transaction expenses) and the redemption value is recognised in the income statement, distributed over the loan period, using the effective interest method.

The fair value of the liability component of convertible debentures is determined through the use of market interest rated for an equivalent non-convertible debenture. This amount is recognised as a liability at the accrued acquisition value until the liability is terminated through conversion or redemption. The remaining portion of the amount is attributed to the option component. This is recognised in equity, net of tax.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

DEFERRED INCOME TAX

The current tax cost is calculated on the basis of the tax regulations enacted on the balance sheet date or which have been enacted or substantively enacted in countries where the Parent Company's subsidiaries operate and generate taxable income. Management periodically evaluates claims made in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and, when deemed appropriate, make provisions for amounts expected to be paid to the tax authorities.

Deferred tax is recognised in full, using the balance sheet method, on all temporary differences arising between the taxable value of assets and liabilities and their recognised value in the Group's financial statements. The deferred tax is not recognised if it arises as a result of a transaction which constitutes the initial recognition of an asset or liability which is not a commercial acquisition and, at the time of the transaction, affects neither the accounting nor taxable result. Deferred income taxes is calculated using the applicable tax rates (and laws) which have been enacted or substantially enacted as at the balance sheet date and which are expected to apply when the related deferred income tax claim is realised or the deferred income tax liability is settled.

Deferred tax claims are recognised to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred tax is calculated on temporary differences arising on shares in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

EMPLOYEE BENEFITS

Pension obligations

The Group has defined contribution pension plans. A defined contribution benefit pension plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity does not retain sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The fees are recognised as employee expenses when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction of future payments may accrue to the Group.

Subscription warrant programme

From time to time, the Group offers share-based compensation plans, where the adjustment is made in shares. A premium equal to the fair value of options is paid by the employee on the awarding date. The option premium is credited to Additional contributed capital. Payments received for the shares, net of any directly attributable transaction expenses are credited to the share capital (nominal value) and other deferred capital when the options are exercised.

For all outstanding options, the consideration form personnel is based on a marketable price, determined by the Black Scholes valuation model. No benefit or remuneration is paid to the employees and therefore no personnel expenses are recognised in the income statement in accordance with IFRS 2.

Remuneration upon resignation

Termination benefits are payable when employment is terminated by the Group before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for such compensation. The Group recognises the expenses for redundancy payments when it is demonstrably bound to give notice of dismissal to the employee in accordance with a detailed formal plan, with no possibility of revocation, or to pay compensation upon dismissal resulting in an offer made to encourage voluntary retirement from employment. Benefits due after more than 12 months from the balance sheet date are discounted to present value.

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Parent Company's shareholders after certain adjustments. The Group recognises a provision when there is a legal obligation or informal obligation as a result of past practices.

PROVISIONS

Provisions for restructuring expenses and legal claims are recognised when the Group has a legal or informal obligation as a result of past events. It is probable that an outflow of resources will be required to settle the undertaking and that the amount has been calculated in a reliable manner. Provisions for restructuring include expenses for lease terminations and severance payments. Provisions are not recognised for future operating losses.

Provisions are assessed at the net present value of the amount expected to be required to settle the obligation. In this regard, a discount rate before tax that reflects current market assessments of the time-dependent value of money and the risks specific to the provision is used. The increase in the provision which is dependent on the passage of time is recognised as interest expense.

REVENUE RECOGNITION

Revenue comprises the fair value of the what is received or is to be received for goods and services sold in the Group's operating activities. Revenue is recognised net of VAT, returns and discounts and after the elimination of Intra-Group sales.

The Group recognises revenue when the amount can be measured reliably, when it is probable that future financial benefits will flow to the Company and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measured until all obligations relating to the sale have been satisfied or expired. The Group bases its estimates on historical results, taking into consideration the type of customer, type of transaction and special circumstances of each case.

Sales of goods

The Group develops and sells software. The sale of license rights are recognised as income upon completion of delivery as agreed and when no significant obligations remain after the delivery date. Support and maintenance agreements associated with license sales are billed in advance and recognised as income linearly over the contract period.

Sales of services

The Group sells consulting and training services, which are provided based on temporal or fixed-price agreements.

Revenue from temporal agreements are recognised at contractual prices as worked hours are delivered.

For sales revenue from fixed-price agreements for services, the percentage of completion method is applied. The percentage of completion method means that revenues are recognised based on how large a share completed services constitute of the total services to be performed (degree of completion). Sales revenue from fixed-price agreements for services are generally recognised in the period in which services are delivered, linearly distributed over the agreement period.

If any circumstances arise that can change the original revenues estimates, expenses or degree of completion, the estimates are reviewed. These reviews can result in increases or decreases in estimated revenues or expenses and impact revenues during the period when the circumstances that caused the change came to management's attention.

The Group offers certain agreements in which customers can buy a license which includes one year service. Once such an agreement, with several parts, the amount that represents the fair value of the license in relation to the fair value of the sales contract is recognised as revenue from the sale of the license as a whole. Revenues from the service element, which represent the fair value of the service element in relation to the fair value of the sales agreement, shall be distributed over the service period. The fair value of each element is determined on the basis of current market prices for these elements when sold separately.

Income from interest

Interest income is recognised as income over the term by using the effective interest method.

LEASING

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made during operating leases (net of any incentives from the lessor) are charged to the income statement linearly over the lease period. The Group has only operating leases.

DIVIDENDS

Dividends paid to the Parent Company's shareholders are recognised as liabilities in the Group's financial statements in the period in which the dividends are approved by the Parent Company's shareholders.

EXCEPTIONAL ITEMS

Exceptional items are recognised separately in the financial statements when it is necessary to explain the Group's results. Exceptional items refers to material items of income or expense items which are recognised separately because of the importance of their nature or amount.

NOTE 3 Financial Risk Management

FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (currency risk, fair value interest rate risk, cash flow risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on unpredictability in the financial markets and seeks to minimise any potential adverse effects on the Group's financial results. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central finance department in accordance with policies established by the Board. FormPipe Software's financial policy is approved by the Board with one year's validity. The financial policy determines guidelines for the management of financial risks within the Group. FormPipe Software's fiscal policy aims to achieve the highest possible return on the Company's liquid assets, or the lowest possible borrowing expenses when the Company is in a net debt situation, with a tightly limited and controlled level of risk and adequate liquidity at all times to meet the Company's payment obligations.

The Group identifies, evaluates and hedges financial risks in close cooperation with the Group's operating entities. The Board establishes written policies for overall risk management and for specific areas such as currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

a) Market risk

(i) Currency risk

The Group operates internationally and is exposed to currency exchange risk arising from various currency exposures, primarily with respect to DKK. Currency exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

As the currency flows of FormPipe Software's Swedish operations are almost exclusively in SEK, there is no need for currency hedging. In regards to the Danish operations, FormPipe Software has elected to only hedge DKK for individual, significant and known payments, which are then hedged through futures at Group level.

The Group's risk management policy is to hedge known and significant future cash flows.

The Group has investments in foreign operations, whose net assets are exposed to currency risks. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings in the relevant foreign currencies.

If SEK had been weakened/strengthened by 10 percent compared to DKK, with all other variables remaining constant, the annual income for 2012 would have been KSEK 870 (270) higher/lower and equity as at 31 December 2012 (including annual income) would have been KSEK 238 (5,627) higher/lower.

(ii) Price risk

The Group has no investments in shares and is therefore not exposed to any price risk. Neither is the Group exposed to any price risk on commodities and staple goods.

(iii) Interest rate risk relating to cash flows and fair values.

As the Group has no significant interest-bearing assets, the Group's revenue and cash flow from ongoing operating activities are substantially independent of changes in market interest rates on assets.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to interest rate risk relating to cash flow. Borrowings issued at fixed rates expose the Group to interest rate risk relating to the fair value.

At the end of the period, interest-bearing borrowings amount to KSEK 63,000 with a variable interest rate linked to STIBOR and KDKK 103,200 with a variable interest rate linked to CIBOR. A change of 10 bps in the underlying reference rates would impact net income and equity by plus/minus KSEK 56.

(b) Credit risk

Credit risk is managed at Group level. Credit risk arises from cash and cash equivalents and deposits in banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and agreed transactions. If customers are credit rated by an independent rating agencies, these ratings are used. In cases where there is no independent credit risk, an assessment is made of the customer's creditworthiness in which their financial position is taken into account, as well as past experience and other factors. Individual risk limits are determined on the basis of internal or external credit assessments in accordance with the limits determined by the Board. The use of credit limits is regularly monitored.

Much of FormPipe Software's sales are to the public sectors in Sweden and Denmark. This means that the risk in these customer receivables is largely non-existent. A certain portion of the Group's sales are to the private sector, mainly in Sweden and Denmark. However, these transactions are smaller and more numerous, and the risk in these receivables can be considered well-spread. Historically, bad debts in the Group are virtually non-existent.

(c) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents and short-term investments in a liquid market, available funding through agreed credit facilities and the ability to close market positions.

Management also monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The table to the right analyses the Group's financial liabilities that will be settled net, broken down by the time remaining until the contractual maturity date from the balance sheet date. The amounts shown in the table are the contractual non-discounted cash flows. The amounts falling due within 12 months correspond to their booked amounts, because the effect of discounting is immaterial.

KSEK	< 1 year	1–2 years	2–5 years	>5 years
2012				
Bank loans	24,296	24,296	72,891	60,743
Accounts payable and other liabilities	40,255	–	–	–
Total	**64,551**	**24,296**	**72,891**	**60,743**
2011				
Accounts payable and other liabilities	10,978	–	–	–
Total	**10,978**	**–**	**–**	**–**

The company's net debt at year end amounted to KSEK 178,580 (-12,794).

MANAGING CAPITAL RISK

Capital is defined as total equity. The Group's objectives for capital are to safeguard the Group's ability to continue its activities over the long term, so that it can continue to generate returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Decisions on adjusting the capital are taken by the Board based on what is deemed to provide long term maximum returns to shareholders.

As the Group's strategy is based in part on acquisition, the Group's debt may fluctuate significantly from year to year. The Board and Group management continuously evaluates its future liabilities and decides, on the basis of a collective assessment, now the Group's resources shall be managed.

ESTIMATION OF FAIR VALUE

The fair value of financial instruments traded in active markets (such as financial assets valued at fair value through the income statement) is based on quoted market prices as at the balance sheet date. The quoted market price used for the Group's financial assets is the current bid price.

Financial instruments are valued on the basis of classification in the fair value hierarchy in accordance with the following levels:

1. Quoted prices (unadjusted) on active markets for identical assets or liabilities
2. Observable data on the asset or liability other than quoted prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations)
3. Data on the asset or liability that is not based on observable market data (i.e. unobservable data)

As at the end of 2012, the Group holds no (-) MSEK financial instruments.

The recognised value, less any impairment, for accounts receivable and accounts payable are assumed to approximate their fair value, as these items are short-term in nature. The fair value of financial debts is calculated, for disclosure purposes, through discounting the future contracted cash flow to the current market interest rate which is available to the Group for similar financial instruments.

NOTE 4 Important accounting estimates and evaluations for accounting purposes

Estimations and assumptions are appraised continually and based on historical experience and other factors, including expectations concerning future events which are said to be plausible under prevailing circumstances.

The Group makes assessments and assumptions for the future. The estimations for accounting purposes which are the result of these will, by definition, not always correspond to the real result. The estimates and assumptions that may cause a risk of material adjustments to recognised values of assets and liabilities within the next financial year are outlined below.

Testing of goodwill impairment

The Group annually tests whether there should be any impairment of goodwill. The recoverable amounts for cash-generating entities have been determined on the basis of value in use. Value in use is assessed on the basis of projected future cash flows for each cash generating entity. The impairment test involves assumptions on expected growth, gross margins and discount rates, which are further described in Note 13.

Customer relationships, technology and the trademark

The Group has made estimates of the useful lifetimes of customer relationships, technology and trademarks identified in the acquisition analysis, which affect the recognised expenses of depreciation in the income statement and the valuation of assets in the balance sheet.

Capitalised expenditure

Development expenses are capitalised on the basis of what is described in the "Intangible Assets" section in Note 2. The Group has made estimates of useful lifetimes, which affect the recognised expenses of depreciation in the income statement and the valuation of assets in the balance sheet.

Deferred tax receivables

Deferred tax receivables are capitalised on the basis of what is described in the "Deferred income" section in Note 2. The Group has made assessments of the extent to which there will be future taxable profits against which the accumulated tax losses can be utilised.

NOTE 5 Segment information

Operational segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing operational segment results. The Group has appointed the Group's CEO to this function.

The chief operating decision maker considers activities from a geographic perspective; Sweden and Denmark. The segment has the same activity and business model, i.e. developing and selling ECM software and services. ECM is the collective name for various technologies, products and solutions that capture, process, store, archive and deliver data in a systematic and controlled manner.

The operating segment is judged on net turnover and earnings based on a measurement called EBITDA. This measurement is defined as operating income before depreciation, acquisition related costs and other non-recurring exceptional items.

With the acquisition of Danish Traen Holding A/S on 1 August 2012, the Company meets the conditions IFRS 8 requires to divide the Company into operating segments. As this segmentation is new as at 2012, there are no historical comparative figures.

2012	Sweden	Denmark	Eliminations	The Group
Sales, external	92,287	108,868	–	201,155
Sales, internal	274	1,368	-1,642	–
Total sales	**92,561**	**110,236**	**-1,642**	**201,155**
Expenses, external	-67,256	-76,155	–	-143,411
Expenses, internal	-1,368	-274	1,642	–
Total expenses	**-68,624**	**-76,429**	**1,642**	**-143,411**
EBITDA	**23,937**	**33,807**	**–**	**57,744**
Acquisition-related expenses				-6,882
Depreciation				-22,265
EBIT				**28,598**
Acquisition-related financial expenses				-8,558
Net financial items				-3,977
Tax				-2,370
Annual profit/loss				**13,693**

Assets

The operating segment is not assessed through the management of assets and liabilities, but they are managed by financial management.

Group-wide information

A breakdown of the revenue from all products and services as follows:

	2012	2011
Licences	52,972	48,823
Support and maintenance	89,941	56,509
Delivery services	58,242	7,187
Total	**201,155**	**112,519**

Customer information

The Group is headquartered in Sweden. Revenues from external customers in Sweden amounted to KSEK 92,287 (83,195) and total revenue from external customers in other countries amounts to KSEK 108,868 (29,324).

Revenues of approximately KSEK 28,396 (-) pertain to a single external customer and is attributable to the Denmark segment.

NOTE 6 Remuneration for auditors

	The Group		Parent Company	
	2012	2011	2012	2011
Pricewaterhouse Coopers AB				
Auditing	623	203	380	130
Auditing in addition to the auditing assignment	170	53	170	53
Other services	1,897	15	1,897	15
Group total	**2,690**	**271**	**2,448**	**198**

The audit assignment refers to remuneration for the statutory audit, i.e. such work that was necessary to issue the audit report, as well as audit advice provided in connection with the audit assignment. In addition to the audit assignment covering 2012 and 2011, the audit company shall review the third quarter. Other services include consultancy time in 2012, primarily related to the acquisition of Traen.

NOTE 7 Personnel, management and the Board

Salaries and other remuneration for all employees divided between the Parent Company and subsidiary	2012	2011
The Parent Company		
Salary and other remuneration	15,958	13,807
Pensions	2,124	1,867
Social contributions	5,819	4,969
The subsidiaries		
Salary and other remuneration	56,873	20,795
Pensions	3,803	1,243
Social contributions	5,417	3,572
The Group		
Salary and other remuneration	72,831	34,602
Pensions	5,927	3,110
Social contributions	11,236	8,540

	The Group		Parent Company	
Number of employees at year-end	**2012**	**2011**	**2012**	**2011**
FormPipe Software Stockholm	25	26	25	24
FormPipe Software Uppsala	18	17		
FormPipe Software Linköping	13	12		
FormPipe Software A/S (Denmark)	13	14		
Traen A/S (Denmark)	144	–		
Traen Ltd. (England)	1	–		
Traen AB, Stockholm	12	–		
Total staff employed	**226**	**69**	**25**	**24**
Average number of employees	**136**	**72**	**25**	**25**

Accounting of senior executives benefits		Basic salary/ Board	Variable remune-ration	Pension costs	Other remune-ration	Total
Hans Möller (Chairman)	2012	180	–	–	100	280
Hans Möller (Chairman)	2011	180	–	–	–	180
Staffan Torstensson	2012	100	–	–	–	100
Staffan Torstensson	2011	100	–	–	–	100
Lennart Pihl	2012	–	–	–	–	–
Lennart Pihl	2011	100	–	–	–	100
Jon Pettersson	2012	100	–	–	–	100
Jon Pettersson	2011	100	–	–	–	100
Bo Nordlander	2012	100	–	–	–	100
Bo Nordlander	2011	100	–	–	–	100
Jack Spira	2012	100	–	–	–	100
Jack Spira	2011	–	–	–	–	–
Kristina Lindgren	2012	55	–	–	–	55
Kristina Lindgren	2011	–	–	–	–	–
CEO Christian Sundin	2012	1,686	–	439	93	2,218
CEO Christian Sundin	2011	1,476	–	375	120	1,972
Other senior executives	2012	7,720	–	963	1,235	9,919
Other senior executives	2011	3,338	–	759	201	4,298
Total 2012		10,041	–	1,402	1,431	12,720
Total 2011		5,394	–	1,134	337	6,865

	The Group		Parent Company	
The Board	**2012**	**2011**	**2012**	**2011**
Board members				
Women	1	–	1	–
Men	5	5	5	5

Boards of subsidiaries	Women 2012	Men 2012	Women 2011	Men 2011
FormPipe Software Uppsala AB	–	1	–	1
FormPipe Software Linköping AB	–	1	–	1
FormPipe Software A/S	–	3	–	3
FormPipe Software Skellefteå AB	–	1	–	1
Traen Holding A/S	–	3	–	–
Traen A/S	–	3	–	–
Traen Ltd.	–	1	–	–
Traen AB	–	3	–	–

The Board of a subsidiary has not received any remuneration during 2012. There are no pension commitments to the Board. There are also no severance payments to the Board. In consultation with the Board, the CEO determines each year the fixed salary of senior executives and decides on any changes. Any salary changes occur on 1 January.

	The Group		Parent Company	
Management team	**2012**	**2011**	**2012**	**2011**
Management team (including CEO)				
Women	2	1	1	1
Men	9	4	4	4

CEO

In addition to a fixed salary, the CEO also receives a performance-based bonus. The performance bonus is related to the level of fulfilment of financial objectives stipulated by the Group's Board. The performance bonus may only amount to a maximum 40 percent above the fixed salary. In 2012, the financial targets were not achieved and no performance bonus has thus been paid or reserved for the period. The CEO received no directors' remuneration.

Variable remuneration

The Company offers a fixed salary and a performance-based bonus to senior executives, and sales commission on their sales to salespersons. The size of the performance-based bonus to senior executives is related to the level of fulfilment of financial targets stipulated by the Group's Board. The performance bonus may only amount to a maximum 30 percent above the fixed salary. All variable remuneration programmes have defined maximum award and vesting limits.

Pensions

The CEO's retirement age is 65. The CEO's pension plan represents 25 percent of the fixed salary.

Redundancy payment

In the event of the CEO's dismissal by the Company, the CEO shall receive six months' notice and six months' severance pay. Other income the CEO receives during the severance period shall be deducted from the severance payment. Upon termination by the CEO, a six month notice period shall apply. The Company and the other senior executives shall observe a mutual notice period of 3 to 6 months. In the event the Company is the subject of a public takeover bid which results in at least 30 percent of the Company's shares being owned by the same shareholder, the CEO has, in the event the Company or the CEO 's dismissal, the right to a special severance payment equivalent to 12 months' fixed salary at the time of the termination notice. Such severance pay is deductible from other income, shall be paid in full upon termination of employment and replaces the severance pay that the CEO is normally entitled to in accordance with his/her contract. There is no severance pay for other senior executives.

Continued Note 7 Staff, Management and Board

Absenteeism as percentages	The Group 1) 2012	The Group 1) 2011	Parent Company 2012	Parent Company 2011
Total absence during regular working hours	8.8	2.7	1.1	1.9
of which long-term sick leave	*	*	*	*
Distributed by age				
Age < 29	1.6	*	*	*
Age 30-49	7.0	2.0	1.3	2.0
Age > 50	1.9	*	*	*
Distributed by gender				
Women	2.4	*	*	*
Men	7.0	2.0	1.2	2.0

For the FormPipe Software Group, total absenteeism amounted to 8.8 percent of the total working hours in 2012. No significant difference exists between genders or age groups.

*If the number of employees in one gender or age group is 10 or less no statement is provided. Nor is there any statement where it is possible to attribute absenteeism to a particular employee.

1) Group absenteeism only pertains to the Swedish Group companies.

NOTE 8 Financial income and costs

	The Group 2012	The Group 2011	Parent Company 2012	Parent Company 2011
FINANCIAL INCOME:				
Dividends	–	–	3,539	6,745
Received Group contributions	–	–	19,765	12,450
Interest income	137	98	3,317	71
Exchange differences	80	–	3,496	–
Other financial income	–	–	–	–
	216	**98**	**30,117**	**19,266**
FINANCIAL EXPENSES:				
Interest expenses	-3,718	-29	-3,165	-190
Foreign exchange differences	–	-88	-3,416	-69
Transaction-related financial expenses	-8,558	–	-8,558	–
Other financial expenses	-477	-172	-477	-137
Total	**-12,752**	**-290**	**-15,615**	**-395**

In connection with the acquisition of Traen Holding A/S, currency hedging was implemented in in DKK for loan financing. The net effect of currency hedging was KSEK -8,558 (-).

NOTE 9 Income tax

	The Group 2012	The Group 2011
Current tax	1,117	413
Deferred tax	1,253	4,895
	2,370	**5,308**

Deferred tax relating to loss carry forwards of KSEK -792 (-1,952), utilised by accumulated loss carry forwards from prior years of KSEK 2,317 (361) and deferred tax expenses related to intangible assets of KSEK 3,371 (2,595).

All Group deficits are capitalised as deferred tax assets.

The income tax on the Group's profit before tax differs from the theoretical amount that should have arisen from using weighted average tax rates on profits of the consolidated companies thus:

	The Group 2012	The Group 2011	Parent Company 2012	Parent Company 2011
Profit/loss before tax	16,063	20,010	1,466	3,487
Income tax calculated in accordance with national tax rates applicable to income in each relevant	4,009	5,215	386	917
Tax exempt income	-796	-1,069	-931	-1,775
Non-deductible expenses	-267	17	-2,683	66
The difference between accounting and tax depreciation	-724	317	–	–
Tax assignable to previous years.	-187	13	–	–
Tax attributable to intangible assets	15	814	–	–
Revaluation effect of amended tax rates in Sweden	321	–	976	–
Tax expenses	**2,370**	**5,308**	**-2,252**	**-792**

The weighted effective tax rate was 14.8 (26.5) percent. The low tax rate was due to the revaluation of deferred tax liabilities and liabilities due to changes in tax rates in Sweden, and deductible expenses in connection with the acquisition of Traen which were not charged to the income statement.

NOTE 10 Exchange rate differences – net

Exchange Rates (against SEK)	Average rate Jan–Dec 2012	Average rate Jan–Dec 2011	Balance sheet date rate 31 Dec 2012	Balance sheet date rate 31 Dec 2011
DKK	1.17	1.21	1.16	1.20

Exchange Rates (against SEK)	Average rate Aug–Dec 2012	Average rate Aug–Dec 2011	Balance sheet date rate 31 Dec 2012	Balance sheet date rate 31 Dec 2011
DKK	1.15	–	1.16	1.20

Exchange differences are recognised in the income statement as follows:

	The Group 2012	The Group 2011	Parent Company 2012	Parent Company 2011
Other income and expenses – net	-12	-110	-8	1
Financial items – net	80	-88	80	-69

NOTE 11 Earnings per share

Before dilution

Earnings per share before dilution are calculated by dividing the profit attributable to the Parent Company's shareholders by the weighted average number of ordinary shares outstanding during the period, excluding repurchased shares held as shares of the Parent Company.

	2012	2011
Profit attributable to the Parent Company's shareholders	13,618	14,702
Weighted average number of outstanding shares (In thousands)	38,254	24,935
Earnings per share before dilution (SEK per share)	**0.36**	**0.59**

After dilution

For calculating earnings per share after dilution, the weighted average number of outstanding ordinary shares is adjusted for the dilution effect of all potential ordinary shares. The Parent Company has one category of potential ordinary shares with dilution effect: share options. For share options, a calculation is made of the number of shares that the customer acquired at fair value (determined as the average market price for the Parent Company's shares), for an amount equivalent to the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated in accordance with the above is compared with the number of shares that should have been issued assuming that the share options are exercised.

	2012	2011
Profit attributable to the Parent Company's shareholders	13,618	14,702
Net profit used to determine earnings per share after dilution	13,618	14,702
Weighted average number of outstanding ordinary shares (thousands)	38,254	24,935
Adjustments for:		
– share options 2009–2011 (thousands)	–	14
– share options 2010–2012 (thousands)	–	–
– share options 2011–2013 (thousands)	–	–
– share options 2012–2015 (thousands)	–	–
Weighted average number of ordinary shares for calculating earnings per share, dilution (thousands)	**38,254**	**24,949**
Earnings per share before dilution (SEK per share)	**0.36**	**0.59**

New issue

During July 2012, the Company completed a rights issue of 36,700,941 shares at a ratio of 3:1. As an effect of the rights issue, historical data on the number of shares and share prices has been calculated using a factor of 2.048.

NOTE 12 Dividend per share

The AGM of 25/04/2013 will propose that the profit be carried forward in its entirety for the fiscal year 2012, and no dividend shall be issued (2011: SEK 0.60 per share equivalent total SEK 7,340,188).

NOTE 13 Intangible assets

THE GROUP Fiscal year 2011,	Goodwill	Capitalised expenditure	Customer relationships	Technology	Brand names	Total
Initial recognised amount	110,042	25,558	2,841	–	211	**138,651**
Increase through operations-acquisition	–	–	–	–	–	**–**
Exchange rate differences	-177	-28	-8	–	–	**-213**
Purchases	–	17,751	–	–	–	**17,751**
Depreciation	–	-7,738	-1,559	–	-211	**-9,508**
Closing Book value	109,865	35,544	1,274	–	–	**146,682**
As at 31 December 2011						
Acquisition value	109,865	57,906	8,547	2,205	954	**179,478**
Accumulated depreciation	–	-22,362	-7,275	-2,205	-954	**-32,796**
Recognised value	109,865	35,544	1,274	–	–	**146,682**
Fiscal year 2012						
Initial recognised amount	109,865	35,544	1,274	–	–	**146,682**
Increase through operations acquisition	190,809	80,765	33,718	–	2,613	**307,905**
Exchange rate differences	-11,338	-3,950	-1,700	–	-132	**-17,120**
Purchases	–	20,711	–	–	–	**20,711**
Depreciation	–	-17,043	-3,679	–	-342	**-21,064**
Closing Book value	289,336	116,026	29,613	–	2,139	**437,114**
As at 31 December 2012						
Acquisition value	289,336	155,432	40,565	2,205	3,435	**490,974**
Accumulated depreciation	–	-39,406	-10,953	-2,205	-1,296	**-53,860**
Recognised value	289,336	116,026	29,613	–	2,139	**437,114**

Capitalised expenditure mainly relates to the cost of product development.

continued Note 13 Intangible assets

PARENT COMPANY

Fiscal year 2011	Goodwill	Capitalised expenditure	Total
Opening balance	1,117	197	**1,314**
Purchases	–	152	**152**
Depreciation	-402	-115	**-517**
Closing balance	**715**	**234**	**949**
As at 31 December 2011			
Acquisition value	4,057	775	**4,833**
Accumulated depreciation	-3,342	-542	**-3,884**
Recognised value	**715**	**234**	**949**
Fiscal year 2012			
Opening balance	715	234	**949**
Purchases	–	–	**–**
Depreciation	-401	-120	**-521**
Closing balance	**314**	**114**	**428**
As at 31 December 2012			
Acquisition value	4,057	775	**4,833**
Accumulated depreciation	-3,743	-661	**-4,404**
Recognised value	**314**	**114**	**428**

Impairment testing of Group goodwill

The Group's goodwill at year end amounted to KSEK 289,336 (109,865). Goodwill is not amortised within being impairment tested annually. Goodwill is monitored by the Group's finance department. For the purposes of assessing impairment, assets have been allocated at the lowest level for which there are separately identifiable cash flows (cash-generating units (CGU)) i.e. by country or segment of the Group. A breakdown of the Group's goodwill in the cash-generating units provide KSE 60,780 for Sweden and KSEK 228,556 for Denmark. 2012 is the first year that the Group has identified more CGUs which is why goodwill was not previously allocated.

Impairment testing of all units is based on the calculation of the value in use. This value is based on future cash flow forecasts, where the first five years have been based on the business plan established by the Company's management.

Critical variables and the method to tax these values for the five-year explicit forecast period are described below.

Forecast period and long-term growth rate

The explicit forecast period is five years. The cash flow beyond the explicit forecast period has been assigned an annual growth rate of 2 (3) percent, which is slightly higher than the expected overall GDP growth and is explained by the Company operating in a growth industry with good prospects for high growth beyond the explicit forecast period.

Explicit growth and margins

The growth rate and expense development during the first five years are based on a combination of external data for analysis of the market relevant to the business, management experience and assessment of the Company's market position.

Discount factor

The discount factor is calculated as the Group's weighted average cost of capital, including risk premium. The projected cash flows were discounted using a discount rate of 12.0 (13.0) percent before tax.

Exposure analysis

For all of the cash-generating units, the recoverable amount exceeds the recognised amount. Management believes that a reasonable and possible change (+/- 1 percentage point) to the critical variables above should not have so great an effect that each of them would reduce the recoverable amount to a value that is lower than the recognised amount.

NOTE 14 Material fixed assets, Group

GROUP

Fiscal year 2011	Data-Inventories	Inventories	Total
Opening balance	627	385	**1,012**
Increase through operational acquisition	–	–	**–**
Exchange rate differences	–	–	**–**
Purchases	357	122	**479**
Disposals	–	–	**–**
Depreciation	-399	-234	**-633**
Reversal of accumulated depreciation on disposals	–	–	**–**
Closing balance	**586**	**272**	**858**
As at 31 December 2011			
Acquisition value	2,457	1,276	**3,733**
Accumulated depreciation	-1,871	-1,004	**-2,875**
Recognised value	**586**	**272**	**858**
Fiscal year 2012			
Opening balance	586	272	**858**
Increase through acquisition	1,791	–	**1,791**
Exchange rate differences	–	–	**–**
Purchases	923	85	**1,008**
Disposals	–	–	**–**
Depreciation	-972	-153	**-1,125**
Reversal of accumulated depreciation on disposals	–	–	**–**
Closing balance	**2,327**	**205**	**2,532**
As at 31 December 2012			
Acquisition value	5,171	1,361	**6,532**
Accumulated depreciation	-2,844	-1,156	**-4,000**
Recognised value	**2,327**	**205**	**2,532**

PARENT COMPANY

The fiscal year 2011	Data-inventories	Inventories	Total
Opening balance	619	156	**775**
Purchases	338	23	**361**
Disposals	–	–	**–**
Depreciation	-387	-123	**-510**
Reversal of accumulated depreciation on disposals	–	–	**–**
Closing balance	**571**	**56**	**627**
As at 31 December 2011			
Acquisition value	2,167	707	**2,874**
Accumulated depreciation	-1,597	-651	**-2,248**
Recognised value	**571**	**56**	**627**

Fiscal year 2012	Data-inventories	Inventories	Total
Opening balance	571	56	**627**
Purchases	480	–	**480**
Disposals	–	–	–
Depreciation	-412	-38	**-451**
Closing balance	**639**	**17**	**656**
As at 31 December 2012			
Acquisition value	2,647	707	**3,355**
Accumulated depreciation	-2,009	-690	**-2,698**
Redovisat värde	**639**	**17**	**656**

NOTE 15 Financial assets

	Parent Company	
Shares in subsidiaries	**2012**	**2011**
Opening acquisition value	124,573	124,573
The year's acquisitions	153,257	–
Closing accumulated acquisition value	**277,831**	**124,573**

	Group		Parent Company	
Other financial fixed assets	**2012**	**2011**	**2012**	**2011**
Other financial assets	1,357	31	31	31
Closing value financial assets	**1,357**	**31**	**277,861**	**124,604**

Pledged securities relating to shares in subsidiary.

Subsidiaries	Seat	Legal form	Org. no.	Owner share %	Book value
FormPipe Software Uppsala AB	Uppsala	Limited Liability Company	556463-9861	100	18,371
FormPipe Software Linköping AB	Linköping	Limited Liability Company	556389-0564	100	16,977
FormPipe Software A/S	Brøndby	Limited Liability Company	26366216	100	61,048
FormPipe Software Skellefteå AB	Skellefteå	Limited Liability Company	556601-0087	100	28,177
Traen Holding A/S	Ballerup	Limited Liability Company	20811307	100	153,257
-Traen A/S	*Ballerup*	*Limited Liability Company*	*29177015*	*100*	–
-Traen Ltd.	*Reading*	*Limited Liability Company*	*06377974*	*100*	–
-Traen AB	*Solna*	*Limited Liability Company*	*556411-3479*	*65*	–

NOTE 16 Financial instruments by category

31 December 2012	Measured at amortised acquisition value	Valued at fair value through the statement	Total
Assets in the balance sheet			
Customer receivables and other receivables excluding interim receivables	72,504	–	**72,504**
Cash & cash equivalents	3,636	–	**14,111**
Total	**76,140**	**–**	**86,615**
Liabilities in the balance sheet			
Borrowings	178,629		**192,691**
Accounts payable and other liabilities excluding non-financial liabilities	11,612	–	11,612
Total	**190,241**	**–**	**204,303**

31 December 2011	Measured at amortised acquisition value	Valued at fair value through the statement	Total
Assets in the balance sheet			
Accounts receivable and other receivables excluding interim receivables	29,256	–	**29,256**
Cash and cash equivalents	12,794	–	12,794
Total	**42,050**	**–**	**42,050**
Liabilities in the balance sheet			
Accounts payable and other liabilities excluding non-financial liabilities	5,720	–	5,720
Total	**5,720**	**–**	**5,720**

The credit ratings in the category, loans and customer receivables shall be assessed by external credit rating. Impairment losses on receivables has historically been very rare. Liquidity consists entirely of cash.

NOTE 17 Inventories

The cost of inventories recognised as an expense and included in current assets/finished goods, totalling KSEK 14 (4).

NOTE 18 Accounts receivable

	The Group		Parent Company	
	2012	2011	2012	2011
Accounts receivable	72,005	29,208	631	760
Total	**72,005**	**29,208**	**631**	**760**

The Group has no long-term accounts receivable. The fair value of short-term accounts receivable are consistent with recognised value.

As at 31 December 2012, accounts receivable amounted to KSEK 72,005 (29,208). These consisted of KSEK 23,899 (22,677) and KDKK 41,643 (5444). Of these trade receivables of 72,005 thousand was considered impaired if 325 (111) thousand exist. The age analysis of accounts receivable is as follows:

	The Group		Parent Company	
Overdue accounts receivables as at balance sheet date	2012	2011	2012	2011
Less than 3 months	51,703	12,117	423	312
More than 3 months	2,293	1,027	-14	-21
Total	**53,995**	**13,144**	**409**	**291**

As at 31 December 2012 the Group had anticipated bad debt losses of KSEK 325 (111), for this reason, a provision for bad debts was recognised on 31 December 2012 of KSEK 325 (111).

Other categories within accounts receivable and other receivables do not include any assets requiring impairment.

The maximum exposure to credit risk as at balance sheet date is the fair value of each class of receivable mentioned above. The Group has no pledged collateral.

NOTE 19 Prepaid costs accrued income

	The Group		Parent Company	
	2012	2011	2012	2011
Prepaid insurance	474	462	231	221
Prepaid IT expenses	1,699	530	602	263
Prepaid rental expenses	312	350	–	152
Accrued income	5,222	1,464	–	–
Other	1,155	43	331	60
Total	**8,864**	**2,849**	**1,164**	**696**

NOTE 20 Cash and cash equivalents

	The Group		Parent Company	
	2012	2011	2012	2011
Cash and bank	3,636	12,794	5,315	12,035
Total	**3,636**	**12,794**	**5,315**	**12,035**

Overdraft facilities amount to KSEK 10,000 and KDKK 17,000 and were not utilised by year end.

NOTE 21 Share

Total number of shares is 48,934,588 (12,233,647) with a nominal value of 0.1 (0.1) per share. All issued shares are paid to the full.

New issue

During July 2012, the Company completed a new issue of 36,700,941 shares at a ratio of 3:1. As an effect of the rights issue, historical data on the number of shares and share prices has been calculated using a factor of 2.048.

Share options

On 15 May 2012, the Company offered the staff the option of acquiring company subscription warrants. A total of 200,000 subscription warrants were issued. Each subscription warrant entitles the holder to subscribe to 1.8 new shares in the Company for the period from 16 February 2015 to 27 February 2015 at a price of SEK 9.66 per new share. The paid option premium, at a total of SEK 298,000, is recognised as an increase in contributed capital. Redemptionprices and the number of shares that each subscription warrant entitles the holder to subscribe to have been converted in accordance with the terms of the option terms as a result of the new share issue with preferential rights for the shareholders.

On 11 March 2011, the Company offered the staff the option of acquiring company subscription warrants. The programme was fully subscribed and a total of 350,000 subscription warrant were taken up. Each warrant entitles the holder to subscribe to 1.8 new shares in the Company during the period 4 February2013 to 13 February 2013 at a price of SEK 9.72 per new share. The paid option premium, at a total of SEK 381,500, is recognised as an increase in contributed capital. Redemptionprices and the number of shares that each subscription warrant entitles the holder to subscribe to have been converted in accordance with the terms of the option terms as a result of the new share issue with preferential rights for the shareholders. This program expired without subscription.

On 12 March 2010, the Company offered the staff the option of acquiring company subscription warrants. The programme was fully subscribed and a total of 350,000 subscription warrant were taken up. Each warrant entitles the holder to subscribe for one new share in the Company during the period from 6 February 2012 to 15 February 2012 at a price of SEK 25.76 (12.58 after conversion) per new share. The paid option premium, at a total of SEK 616 000, is recognised as an increase in contributed capital. This program expired without subscription.

For all outstanding options, the consideration form personnel is based on a marketable price, determined by the Black Scholes valuation model. No benefit or remuneration is paid to the employees and therefore no personnel expenses are recognised in the income statement in accordance with IFRS 2.

Changes in the number of share options outstanding and their related weighted average redemption prices are as follows:

	2012		2011	
	Average redemption price of SEK per share	Options (no.)	Average redemption price of SEK per share	Options (no.)
As at 1 January	11.15	700,000	9.19	840,000
+ Assigned	9.66	200,000	9.72	350,000
– Forfeited	–	–	–	–
– Utilised	–	–	6.76	-229,143
– Overdue	12.58	-350,000	6.76	-260,857
As at 31 December	**9.70**	**550,000**	**11.15**	**700,000**

At period end, the Company has two (two) outstanding subscription warrant option programme with the following maturity date and redemption prices:

	Redemption price	Shares 2012	2011
2012-02-15	12.58	–	350,000
2013-02-13	9.72	350,000	–
2015-02-27	9.66	200,000	–
		550,000	**350,000**

The weighted average fair value of options assigned during 2012, determined with the help of the Black-Scholes valuation model, was SEK 1.49 (1.09) per option. Significant inputs into the model were weighted average share prices of SEK 14.50 (14.59) as at the assignment date, the redemption price of SEK 17.40 (17.51) per new share, volatility of 27 percent (30), expected options of 1,000 (705) days and annual risk-free interest rate of 1.03 (2.25) percent. The options do not give the right to dividends which have been considered in the calculation of the option premium.

NOTE 22 Borrowings

Long-term	**2012**	**2011**
Bank loans	154,333	–
Total long-term	**154,333**	**–**
Short-term		
Bank loans	24,296	–
Total short-term	**24,296**	–
Total borrowings	**178,629**	–

The bank loan was borrowed by the Parent Company and runs until 2017 with a variable interest rate. As at year end, the variable interest was an average of 3.87 (-) percent. The SEK loan is linked to STIBOR and the DKK loan is linked to CIBOR. The security for the bank loans consists of shares in subsidiaries. Furthermore, the bank loan is subject to customary conditions, primarily concerning EBITDA on net debt.

The amounts recognised are consistent with the fair values as the discount rate is equal to the loan rate.

Recognised amounts, per currency, for the Group's borrowings are as follows:

	2012	**2011**
DKK	119,216	–
SEK	59,413	–
Total	**178,629**	**–**

The Group has credit facilities amounting to KSEK 30,332 divided between KSEK 10,000 (20,000) and KDKK 20,332 (-). As at year end, the credit facility was unused KSEK (-). The credit facilities have variable interest rates.

NOTE 23 Deferred income tax

Deferred tax assets and tax liabilities are net accounted when there is a legal right to set-off current tax assets and tax liabilities and when deferred taxes relate to the same tax authority.

The Group has no offset tax assets and liabilities.

	2012	**2011**
Deferred tax assets	27,142	6,414
Deferred tax liabilities	17,021	8,463

Gross amendments in deferred tax assets are as follows:

	2012	**2011**
Opening balance	6,414	7,939
Increase through acquisition	23,079	–
Recognised in the income statement	2,252	792
Utilisation of losses carried forward	-3,467	-2,317
Exchange rate differences	-1,136	–
Closing balance	**27,142**	**6,414**

The deferred tax assets are expected to be utilised within the next 5 years.

Gross amendments in respect of deferred tax assets distributed in asset classes:

	Deficit deductions	**other**	**Total**
As at 1 January 2011	7,939	–	**7,939**
Recognised in the income	792	–	**792**
statement Utilisation of tax	-2,317	–	**-2,317**
As at 31 December 2011	**6,414**	–	**6,414**
Increase through acquisition	23,079	–	**23,079**
Recognised in the income statement	2,252	–	**2,252**
Utilisation of losses carried forward	-3,467	–	**-3,467**
Exchange rate differences	-1,136	–	**-1,136**
As at 31 December 2012	**27,142**	–	**27,142**

Deferred tax assets are recognised for tax under losses carried forward to the extent that it is probable that they may be made profitable through future taxable profits. All Group deficits are capitalised as deferred tax assets. In 2012, KSEK 3,467 (2,317) of losses carried forward were utilised and KSEK 2,252 (792) were capitalised. In addition, the acquired operations contributed KSEK 23,079 (-), then of which the taxable value as at 31 December 2012 amounted to KSEK 27,142 (6 4141).

Gross amendments regarding deferred tax liabilities are as follows:

	2012	**2011**
Opening balance	8,463	5,104
Increase through acquisition	9,083	–
Recognised in the income statement	38	3,371
Exchange rate differences	-563	-12
Closing balance	**17,021**	**8,463**

Of the deferred tax liabilities of KSEK 17,021, KSEK 2,800 were assessed to have be utilised over the next 12 months. The remaining amount will be utilised within the next 5-year period.

cont. Note 23 Deferred income tax

Gross changes regarding deferred tax liabilities are divided into asset classes:

	Intangible assets	Other	Total
As at 1 January 2011	5,104	–	**5,104**
Recognised in the income statement	3,371	–	**3,371**
Utilisation of losses carried forward	-12	–	**-12**
As at 31 December 2011	8,463	–	**8,463**
Increase through acquisition	9,083	–	**9,083**
Recognised in the income statement	38	–	**38**
Exchange rate differences	-563	–	**-563**
As at 31 December 2012	17,021	–	**17,021**

Deferred taxes recognised are recognised in intangible assets relate to fair value adjustments to acquired assets and capitalised development costs.

Reversal of deferred tax liabilities related to amortisation of acquired intangible assets in 2012 amounted to KSEK 846 (294) and amortisation of capitalised development costs amounted to KSEK 2,350 (615).

NOTE 24 Other liabilities

	Group		Parent Company	
	2012	2011	2012	2011
Current liabilities				
Value added tax	8,741	4,473	3,805	2,735
Other current liabilities	15,609	785	455	445
Total other liabilities	**24,350**	**5,258**	**4,260**	**3,179**

NOTE 25 Other provisions

	Restructuring	Total
As at 1 January 2011	4,566	**4,566**
Recognised in the income statement	-4,566	**-4,566**
As at 31 December 2011	**–**	**–**
Recognised in the income	4,293	**4,293**
statement Utilised during the	–	**–**
year Reversal, not utilised	–	**–**
As at 31 December 2012	**4,293**	**4,293**

A restructuring program was implemented in Traen A/S in order to utilise the Group's resources in the best way. This work has resulted in the loss of a number of jobs. At the end of the year, this work was not completed, which is why a provision has been entered into the annual accounts. The provision of KSEK 4,293 as at 31 December 2012 is expected to be utilised, in its entirety, in the first half of 2013.

NOTE 26 Accrued expenses and prepaid income

	Group		Parent Company	
	2012	2011	2012	2011
Personnel-related accrued expenses	11,383	8,234	5,433	4,317
Prepaid income	71,900	39,258	5,266	5,727
Other accrued expenses	13,862	3,437	2,259	1,179
Total	**97,145**	**50,930**	**12,958**	**11,224**

NOTE 27 Commitments

Commitments related to operational leasing – where a Group company is the lessee. The Group leases a number of premises and offices with notice periods of 2 to 4 years. Leases have varying terms, index clauses and renewal rights. The Group also leases various office equipment and vehicles under cancellable only operational leases. The notice period for the Group in these agreements is one month. Leasing costs amounting to KSEK 969 (270).

The future aggregate minimum lease payments under non-termination operating leases are as follows:

	2012	2011
Within 1 year	393	522
Between 1 and 5 years	773	610
More than 5 years	–	–
	1,166	**1,132**

NOTE 28 Acquisitions

Acquisition of Traen Holding A/S – 1 August 2012

In order to broaden FormPipe Software's markets the Group acquired Traen Holding A/S ("Traen") on 1 August. Traen is the leading supplier of ECM products and services to the public sector in Denmark. The acquisition was for 100 percent of the shares in Traen and has affected the Group's balance sheet and cash equivalents as shown below. Since the date of acquisition Traen has contributed MSEK 87.6 in sales and KSEK 29.5 million in earnings before interest, taxes, depreciation and amortisation (EBITDA). If the acquisition had occurred on 1 January 2012, Traen would have contributed MSEK 198.3 in turnover, MSEK 38.2 in EBITDA.

There was goodwill in the acquisition consisting of synergies and staff. Adjustments to the recognised value are represented by the acquired overestimate relating to customer relationships and trademarks. The effect of deferred taxes were also taken into account for this adjustment. No portion of the recognised goodwill is expected to be income tax deductible.

The acquisition balance sheet is the subject of final adjustments no later than one year after the acquisition date.

The purchase price and the recognised amount of identifiable net assets:	
Tangible assets	1,883
Intangible assets	117,096
Financial assets	1,374
Deferred tax assets	23,079
Accounts receivable and other assets	44,934
Cash & cash equivalents	9,047
Interest-bearing liabilities	-172,215
Accounts payable and other liabilities	-79,543
Shareholding with non-controlling interest	-1,642
Net assets acquired	**-55,986**
Goodwill	190,809
Purchase price paid in cash	**134,824**
– Cash and cash equivalents in acquired company	-9,047
Changes in the Group's cash and cash equivalents fro the acquisition	**125,777**

There are no agreed earn-outs.

Adjustments to the fair value of identifiable intangible assets were made for customer relationships and brand. Depreciation on these assets is linear. Of the total of KSEK 36,332, KSEK 33,718 relates to customer relationships and have been amortised over five years and KSEK 2,614 to trademarks which will be amortised over three years.

The acquisition balance sheet is prepared at the average acquisition rate of SEK/DKK 1.2150. The acquired net assets and goodwill shall be converted on the relevant balance sheet date.

Acquisition-related expenses are recognised in the Group's income statement under Acquisition-related non-recurring items, in which KSEK 6,882 relates to operational expenses and KSEK 8,558 relates to financial expenses.

NOTE 29 Information on affiliated companies

Related parties refers to:

- Enterprises that directly or indirectly exert a controlling influence over FormPipe Software AB through one or more intermediaries.
- Individuals owning, directly or indirectly, a share of the votes of FormPipe Software AB that gives them significant influence over the enterprise, and close members of the family of any such individual.
- Key personnel with responsibility for planning and control of activities, such as members of the Board and executives.

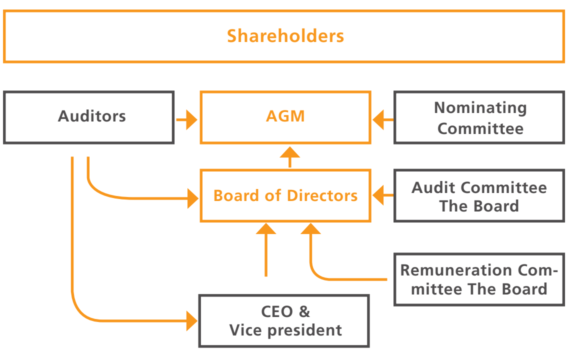
FormPipe Software has no transactions with related parties as defined in IAS 24 Related Party Disclosures (see above) to report beyond those listed in Note 7 Staff, management and the Board.

Transactions between companies within the Group are governed by the Company's transfer pricing policy and are at arm's length.

CORPORATE GOVERNANCE REPORT

FormPipe Software is a Swedish public company headquartered in Stockholm. During 2012, the Group conducted operations in Sweden and Denmark. Governance, management and control of FormPipe Software is divided among the shareholders at the AGM, the Board of Directors, CEO in accordance with the Swedish Companies Act, existing company statutes, NASDAQ OMX Stockholm's rules for issuers and the Swedish Code of Corporate management. FormPipe Software's corporate governance report for 2012 describes FormPipe Software's corporate governance, management and administration and internal control of financial reporting. The Swedish Code of Corporate Governance is based on "comply or explain", which means that companies applying the Code may deviate from the regulations if it is clearly explained why and what was done instead.

FORMPIPE SOFTWARE'S REPORTING STRUCTURE



Corporate governance is basically about how the Company will be managed and operated from a shareholder perspective. FormPipe Software's corporate governance is regulated by both external regulations and internal policies.

Examples of external regulations

- The Companies Act
- NASDAQ OMX Stockholm's regulations regarding share issuers
- Applicable accounting legislation
- The Swedish code for corporate governance

Examples of internal regulations

- Articles of Association
- Instructions and charter for Board of Directors and CEO
- Internal policies, manuals and guidelines

SHAREHOLDERS

As at 31 Dec. 2012 FormPipe Software had approximately 2,000 shareholders owning a total of 48,934,588 shares. The largest individual shareholder as at 31 Dec. 2012 was Provider Capital Sweden AB with 10.4 percent of the votes and capital. In all, the Company's twenty largest shareholders held 64.8 percent of the votes and capital.

ANNUAL GENERAL MEETING

The AGM refers to the annual AGM, to which the annual report will be presented. The right of shareholders to decide on FormPipe Software's affairs are exercised at the AGM Meeting, which is the Company's highest governing body. Some of meeting's mandatory tasks are to determine the consolidated balance sheet and income statement, determine the distribution of earnings, remuneration policies for executives and exemption from liability of the Board and CEO. Following proposals from the nomination committee (see below), the AGM elects member of the board until the end of the next AGM.

AGM 2012

FormPipe Software's Annual General Meeting was held on 27 March 2012 in the Company's offices in Stockholm. Lawyer Jonah Hussies was elected chairman. The Company's Board of Directors, Management, the Nomination Committee and the auditors were present at the meeting.

The Company's shareholders were informed in advance on www.formpipe.se of the time and location of the meeting and of their right to have a matter treated at the meeting. All shareholders who, on the record day, were directly recorded in the share register and who registered their participation in time were given the right to attend the meeting and vote for their shares.

The following decisions were taken:

- Determination of the income statement and balance sheet for the financial year 2011.
- Dividend of SEK 0.60 per share.
- Election of Board members Hans Roller, Bo Nordlander, JonPettersson, Jack Spira and Staffan Torstensson.
- Hans Möller was reselected as Chairman.
- Ther Board was authorised to acquire and transfer its own shares.
- Authorisation was given to repurchase subscription warrant from the 2011/2013 series.
- Issue of subscription warrants to staff.
- Guidelines for remuneration to senior executives.

The AGM's minutes are posted on the website two weeks after the meeting. Material from the meeting, such as summons, records and information on the nomination committee can be found on FormPipe Software's website www.formpipe.se.

Annual General Meeting 2013

FormPipe Software's 2013 AGM held on 25 April in the Company's headquarters in Stockholm. To register for the 2013 AGM, there shall, in due time, be information available on www.formpipe.se. It also describes how the respective shareholders may have a matter discussed at the meeting.

NOMINATING COMMITTEE

The nominating committee begins by evaluating the incumbent Board. The nominating committee's work will be characterised by openness and discussion to obtain a well-balanced Board. The nominating committee nominations for FormPipe Software's Board of directors for the upcoming term are then put to the AGM. The nomination committee also makes suggestions on the Board and auditors' remuneration and, where appropriate, the selection of auditors. The 2012 AGM decided that the nomination committee for the 2013 AGM shall consist of three members. The Chairman of the Board contacted the three largest shareholders or shareholder groups in accordance with Euroclear Sweden AB's share register as at 30 September 2012. These owners each appoint a representative to the nominating committee for the period until a new committee is appointed by mandate by the next AGM. The nominating committee's composition is published on the Company's website on November 30 which deviates from the code's section relating to this information being published six months before the AGM. The company justifies this deviation by claiming that a six-month period is not consistent with the Company's desire for a short period between the formation of the nominating committee and the AGM. For the nomination committee's complete principles, see the document "The nomination committee's proposed motivated statement" prior the 2012 AGM onwww.formpipe.se.

The Nomination Committee's members for the 2013 AGM are:

Erik Hermansson, Chairman of the Nomination Committee, representing Humle Småbolagsfond, 1,671,500 shares.

Hans Möller, representing Provider Capital Sweden AB, 5,090,548 shares.

Adam Nyström, representing Didner & Gerge Småbolagsfond, 1,521,376 shares.

ARTICLES OF ASSOCIATION

The Articles of Association stipulate that FormPipe Software is a public limited company, the business operations of which are to directly or indirectly conduct operations in the business areas stipulated below, and activities compatible therewith: Internet and intranet consulting solutions, consulting in the fields of information management and data, development and design of computer software/products and the sale of mentioned products/services in combination with the appropriate hardware, and management and trade in securities and real estate. FormPipe Software's share capital shall be at least two million SEK and a maximum of SEK 8,000,000. The number of shares shall be a minimum of 20,000,000 and a maximum of 80,000,000. The Board shall consist of three to six members, with three substitutes. The complete articles of association can be downloaded at www.formpipe.se.

THE BOARD OF DIRECTORS

Duties of the Board

The Board's duty is to manage the Company's affairs. In addition to prevailing laws and recommendations, FormPipe Software's Board of Directors is regulated by the Articles of Association, which contain rules on the division of responsibilities between the Board and the CEO, on financial reporting, investments and financing. The Articles of Association are determined once a year.

Responsibilities of the Board of Directors

FormPipe Software's Board of Directors has overall responsibility for the Company's organisation and management, and for ensuring that the guidelines for the management of the Company's funds are appropriately structured. The Board is responsible for the management of the Company in accordance with applicable laws and regulations, as well as the NASDAQ OMX Stockholm's rules for issuers and the Swedish Code of Corporate Governance. The Board is responsible for developing and monitoring the Group's strategies, plans and objectives, the acquisition and disposal of businesses, major investments, appointments and remuneration of Group management and the ongoing monitoring of business operations during the year. The Board of Directors annually establishes the annual accounts, current business plan, operational policies and the CEO rules of procedure.

The Board's work in 2012

The AGM of 27 March 2012 elected board members Hans Möller, Chairman; Jon Pettersson, Director; Jack Spira, Director; Staffan Torstensson, Director and Bo Nordlander, Director. The Board held 15 minuted meetings which, among other business, dealt with the financial position of the Company, financial reporting, business operations orientation, market assessments, strategic operational plans and organisational issues.

Chairman of the Board

The Chairman of the Board of Directors, Hans Möller, supervises the work of the Board of Directors so as to ensure it is conducted in compliance with laws and regulations applicable. The Chairman monitors operations through a dialogue with the CEO and is responsible for other members receiving the information necessary for high quality discussions and decisions. The Chairman also participates in evaluation and development issues pertaining to the Group's senior executives.

Composition of the Board of Directors

During a fiscal year, FormPipe Software generally holds four regular meetings and one statutory meeting directly after the AGM. Extraordinary Board meetings are held when necessary. The Board consists of five members wit no substitutes. The CEO is not on the Board, but attends all Board meetings as a rapporteur, except when the CEO's work is evaluated. The CEO reports to the Board of Directors regarding the operations of the Group and ensures that the Board of Directors receives factual and relevant data on which to base decisions. The table below shows the Board members, and the Board's assessment concerning the independence of the Company and shareholders.

The Board 2012	Participants/ number of meetings	Audit Com.	Remun. Com.	Indepen-dent
Hans Möller, born in 1955, Chairman	15/15	Yes	Yes	Deemed dependent
Jon Pettersson, born in 1965, Board member	15/15	Yes	Yes	Deemed independent
Jack Spira, born in 1953, Board member	15/15	Yes	Yes	Deemed independent
Staffan Torstensson, born in 1972, Board member	14/15	Yes	Yes	Deemed independent
Bo Nordlander, born in 1956, Board member	13/15	Yes	Yes	Deemed dependent
Kristina Lindgren, born in 1959, co-opted	4/4	Yes	Yes	Deemed independent

The composition of FormPipe Software's Board of Directors meets the requirements of NASDAQ OMX Stockholm and the Swedish Code of Corporate Governance regarding independent Board members. For more information on each Board member, read more onwww.formpipe.se, Investor Relationships, Corporate Governance.

The Board of Directors' rules of procedure

The rules of procedure were established on 27 March 2012 and shall be audited annually at the inaugural Board meeting. The rules of procedure are revised as necessary. The rules of procedure contain the Board of Directors' duties and responsibilities, the Chairman's duties, auditing issues and also specify which reports and financial information that the Board of Directors needs in advance of each regular board meeting. Furthermore, the rules of procedure provide instructions for the CEO. An appendix regarding the Board's work as the audit committee has been developed and established at the inaugural Board of 27 March 2012. The rules of procedure also provide guidelines for the Board of Directors' work as Remuneration Committee

AUDIT AND REMUNERATION COMMITTEE

The Board of Directors acts in full Audit and Remuneration Committee capacity. The work description outlining the work of an audit committee has been established as an appendix to the existing rules of procedure. The work as Remuneration Committee is governed by the applicable rules of procedure. The rules of procedure with the appendix were adopted at the inaugural Board meeting on 27 March 2012. In 2012, the Audit and Remuneration Committee held regular meetings in conjunction with the scheduled Board meeting. During the autumn of 2011 the committees had separate meetings to discuss these issues (two meetings of the Audit Committee and three of the Remuneration Committee).

CEO AND GROUP MANAGEMENT

CEO Christian Sundin manages the Group and its activities, within the framework established by the Board.

Christian Sundin
CEO
Born in 1971
Employed since 2006
Shares: 696,068
Warrants: 105,222

Christian worked as CFO at FormPipe Software before taking over as CEO in 2007. Christian has a professional background in Ericsson with extensive experience in implementing large IT systems. Christian is an economist by education. Christian has no significant activities outside of FormPipe Software and has no significant shareholdings or partnerships in any company other than FormPipe Software.

The latest applicable instructions to the President were established by the Board on 27 March 2012. The CEO produces the necessary background information needed for decision making at Board meetings and also justifies proposed resolutions. The Chairman of the Board of Directors has an annual assessment interview with the CEO in accordance with CEO instructions and applicable requirements. The CEO leads the Group executive and makes decisions in consultation with other management members. The Group executive has monthly, minuted meetings at which it discusses operational matters. In addition, the Group executive submits an annual business plan to be approved by the Board. The business plan is monitored through monthly reports from each function within the Company where the review focuses primarily on growth and cost control. In addition to weekly meetings, most members of the Group management meet on a daily basis at company headquarters. The rapid development of the Company makes daily contact a prerequisite for effective, efficient control and management. Group executive management consists of the heads of major business areas within the FormPipe Software group.

AUDITORS

For the auditing of the Company's annual report, accounts and the Board and President's administration, one or two auditors, with up to two substitutes, were appointed at the AGM. The Auditor in charge is Niklas Renström from PricewaterhouseCoopers.

INTERNAL CONTROL OF FINANCIAL REPORTING FOR FISCAL YEAR 2012

This report has been prepared in accordance with the Swedish Code of Corporate Governance and is thus limited to internal control of financial reporting. The Board is responsible for the corporate governance of FormPipe Software and thus internal control. The overall aim is to protect the Company's assets and thereby shareholders' investments. The Board is also responsible for ensuring that the financial statements are prepared in accordance with relevant legislation. The quality assurance of FormPipe Software financial reporting is achieved through the Board of Directors reviewing all critical auditing issues and financial statements from the Company. This requires that the Board of Directors deals with issues of internal control, compliance, significant uncertainties in recognised values, any uncorrected errors, events after the balance sheet date, changes in accounting estimates, any irregularities and other matters affecting financial reporting quality.

Description of the organisation of internal controls

Control environment – an active and committed Board is the foundation for effective internal control. FormPipe Software's Board has established clear processes and procedures for its work. An important part of the Board's work is to develop and approve a set of basic policies, guidelines and frameworks for financial reporting. The Company's governing document is entitled "The Board of Directors' procedures and instructions regarding the division of labour between the Board of Directors and the CEO and instructions regarding financial reporting to the Board of Directors of FormPipe Software (including subsidiaries and affiliates)". The purpose of the policy is to create the foundation for good internal control. Monitoring and revision process is a continuous process and is communicated to all employees involved in financial reporting. The Board of Directors assesses results and business performance on a monthly basis through an appropriate reporting package containing a performance report, operational key data and other significant operational and financial information. The Board acts in its full capacity of Audit Committee. The Board has reviewed and evaluated the procedures for accounting and financial reporting and monitored and evaluated the external auditors' performance, qualifications and independence. In 2012, the Board of Directors held a review with, and received a written report from, the Company's external auditors. Other established policies adopted as the basis for internal control in FormPipe Software's Financial, Information and IT policies. FormPipe Software operates according to a function-based organisational structure in which each function manager is a member of the Company's executive management team and is responsible for the performance of the function. All functions within FormPipe Software have the same structure, accounting systems, chart of accounts and policies which facilitates the creation of appropriate procedures and control.

Risk assessment – FormPipe Software continuously and actively works on risk analysis, risk assessment and management to ensure that the risks to which the Company is exposed are managed in an appropriate manner within the established framework. The risk assessment considers, for example, the Company's administrative procedures for invoicing and contract management. Also, significant balance sheet and income statement items where the risk of material misstatement is present are kept under constant review. Within company operations, these risks are mainly present in new sales items and recurring revenue. Risk assessment is performed regularly by senior management and reported on a monthly basis to the Board of Directors by the CEO.

Control Activities – Policies and guidelines define how accurate accounting, reporting and disclosure should be conducted, and how control activities should be executed. FormPipe Software works according to its Financial Guidelines, where control activities such as reconciliation, approval flows, account reconciliation, financial systems, comparing dimensions etc. are outlined. Control manages the risks that the Board of Directors deems essential for internal control of financial reporting. Control consists of an organisation with clearly outlined responsibilities and procedures and clearly assigned job functions. Examples of control activities include reporting of decision-making processes and decision procedures for significant decisions (such as major new customers, investments, contracts etc.) and also reviewing all financial reports presented.

Information and communication – the Company's governing documentation in the form of policies, guidelines and manuals for internal and external communication are continuously updated and communicated internally through appropriate channels, such as internal meetings, internal news e-mails and intranet. For communication with external parties there is a clear policy setting out all the guidelines for how information should be communicated – the Company's Information Policy. The purpose of this policy is to ensure that FormPipe Software's information obligations under existing rules for issuers are all met in a correct and complete manner.

Follow-up and monitoring – the monitoring of internal controls is appropriate and is an ongoing process within the Company. The Board of Directors meets the Company auditors at least once a year for a review of current status, without the presence of the CEO or other members of executive management. The Board also ensures that the auditors briefly review the financial report from the third quarter. Finally, the Board of Directors also submits a brief report on how the internal controls were implemented during the year. The Board of Directors evaluates, on an annual basis, whether a separate function for an internal audit is to be appointed in FormPipe Software. The position is that the Board of Directors currently handles this process on a continuous basis in a satisfactory manner, which is why an internal audit function has not been established.

GUIDELINES TO EXECUTIVE COMPENSATION

The AGM approved the Board's proposal for guidelines on remuneration to the Company's CEO and other senior executives as follows. The AGM's approval is broadly consistent with the principles previously applied to remuneration. The guidelines apply to agreements entered into after the AGM of 2012, or to remuneration changes thereafter. The Board has not appointed a remuneration committee, instead the Board shall handle all questions on remuneration and other conditions of employment.

The company shall offer competitive conditions, allowing the Company to recruit and retain skilled personnel. Remuneration to the executive management shall consist of fixed salaries, variable remuneration, long term incentive programmes, pensions, severance conditions and other customary benefits. Remuneration is based on the individual's commitment and performance relative to predetermined targets and individual and joint objectives within the Company. Evaluation of individual performance is continuous. The fixed salary is generally reviewed once per year and shall take into account the individual's qualitative performance.

The base salary for the CEO and other senior executives must be competitive. The variable remuneration shall take into account the individual's level of responsibility and degree of influence. The size of the variable remuneration is related to the level of fulfilment of financial targets stipulated for the Group by the Board. The variable remuneration shall be a maximum of 30 to 40 percent in addition to fixed salary. All variable remuneration programmes have defined maximum award and vesting limits. For 2012, the goals were not met, and thus, no variable remuneration was paid in the financial year 2012. The Company has a share-based incentive programme, aimed at all staff (including the CEO and other senior executives) in order to promote the Company's long-term interests. The Board continuously evaluates whether additional option schemes, or any other form of share-based or share-based incentive programmes should be proposed to the AGM. The CEO and other senior executives shall receive defined-contribution pension plans. The retirement age of the CEO and senior executives is 65. Pension provisions shall be based solely on fixed salary. If the CEO is dismissed by the Company, the CEO shall receive six months notice and six months' severance pay. Other income the CEO receives during the severance period shall be deducted from the severance payment. Upon termination by the CEO, a six month notice period shall apply. The company and the other senior executives shall observe a mutual notice period of 3 to 6 months. There is no severance pay for other senior executives. In the event the Company is the subject of a public take over bid which results in at least 30 percent of the Company's shares belonging to the same shareholder, the CEO is entitled, following the Company's or the CEO's termination, to a severance payment equal to 12 months' fixed salary at the time of the termination's announcement. Such severance pay is deductible from other income, shall be paid in full upon termination of employment and replaces the severance pay that the CEO is normally entitled to in accordance with his/her contract.

The AGM authorised the Board to deviate from the above guidelines above if there are particular reasons for this in individual cases.

The proposed guidelines for the AGM of 2013 regarding remuneration to senior executives remain unchanged from 2012.

REMUNERATION

Remuneration of the Board

The 2011 AGM determined that the total remuneration of the Board members for the current year would amount to SEK 580,000, of which SEK 180,000 goes to the Chairman and SEK 100,000 to each Board member, respectively The Chairman has also received a fee of SEK 100,000 as remuneration for time spent on the acquisition of Traen Holding A/S (Note 7).

Remuneration to the CEO and Executive Management

Christian Sundin's basic remuneration in 2012 amounted to SEK 1,686,000 and variable remuneration in accordance with budgetary targets. In 2012, the variable portion amounted to SEK 0 and a pension of SEK 439,000. Other remuneration was SEK 93,000 (Note 7).

Remuneration of Senior Executives

The basic salary total for other senior executives totalled SEK 2,012 to SEK 7,720,000. The variable remuneration for the same period amounted to SEK 0 and a pension of SEK 963,000. Other remuneration totalled SEK 1,235,000 (Note 7).

Remuneration of the auditor

The auditors' remuneration is in accordance with the nomination committee's recommendation on an ongoing basis. In 2012, the auditor and audit firm received a total fee of SEK 2,690,000. This amount covers the work related to auditing, continuous consulting services and other forms of reviews (Note 6).

ANNUAL REPORT SIGNING

The Board and the CEO certify that the consolidated financial statement have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU and give a true and fair view of the Group's financial position and results. The annual accounts have been prepared in accordance with generally accepted accounting principles and give a true and fair view of the Parent Company's financial position and results. The management report for the Group and the Parent Company provide a fair overview of the Group's and the Parent Company's financial positions and performance and describe significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 3 April 2013

Jon Pettersson
Board Member

Jack Spira
Board Member

Staffan Torstensson
Board Member

Bo Nordlander
Board Member

Hans Möller
Chairman of the Board

Our audit report was issued 3 April 2013

PricewaterhouseCoopers AB

Niklas Renström
Authorised Public Accountant

AUDITOR'S REPORT

To the AGM of FormPipe Software AB (publ.),
Corp. ID.556668-6605

REPORT ON FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL ACCOUNTS

We have audited the annual accounts and Group accounts of FormPipe Software AB (publ) for the year 2012. The company's annual report and Group financial accounts are included in the printed version of this document on pages 29-64.

The Board of Directors and the CEO are responsible for the financial accounts and Group accounts

The Board and the CEO are responsible for preparing annual accounts and Group accounts which give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act, and for the internal control deemed necessary by the Board and the CEO to prepare an Annual Report and consolidated accounts that are free of material misstatements, whether due to fraud or error.

The auditor's responsibilities

It is our responsibility to comment on the annual report and administration on the basis of our audit. We conducted the audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we comply with ethical business requirements and plan and perform the audit to obtain reasonable assurance that the Annual Report and the Consolidated Annual Report are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and other disclosures in the Annual Report and the Consolidated Annual Report. The auditor decides which actions to take, including the assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In this risk assessment, the auditor considers the elements of the internal control that are relevant to how the Company presents the Annual Report and the Consolidated Annual Report in order to present a true and fair view, for the purpose of performing the assessments that are appropriate in the circumstances, but not to state an opinion on the effectiveness of the Company's internal control. An audit also includes an assessment of the appropriateness of the accounting policies applied and their application by the Board of Directors and the Managing Director on preparing the Annual Report, as well as evaluating the overall presentation of the Annual Report and the Consolidated Annual Report.

We consider the audit evidence we have obtained to be sufficient and appropriate as the basis for our opinion.

Opinion

It is our belief that the Annual Report and the Consolidated Annual Report are presented in accordance with the Annual Accounts Act and in all material respects present a true and fair view of the financial position of the Parent Company and the Group as of 31 December 2012 and of their financial results and cash flows for the year in accordance with the Annual Accounts Act. The Group's financial statements have been prepared in accordance with the Annual Accounts Act and give a substantially true and fair view of the Group's financial position as at 31 December 2012 and of its financial earnings and cash flows for the year in accordance with International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act. A corporate governance report has been prepared. The Management's Review is consistent with the other elements of the Annual Report and the Consolidated Annual Report.

We therefore recommend that the ADM approves the income statements and balance sheet of the Parent Company and Group.

REPORT ON THE OTHER REQUIREMENTS IN ACCORDANCE WITH LEGISLATION AND OTHER REGULATIONS

In addition to our audit of the financial accounts and Group financial statements, we have also performed an audit of the proposed appropriations of the Company's profit or loss and the Board's and the CEO's management of FormPipe Software AB (publ) for 2012.

The Board of Directors and the CEO's responsibilities

The Board of Directors is responsible for the proposal for allocation of the Company's profit or loss, and the Board of Directors and CEO are responsible for the management of the Company in accordance with the Swedish Companies Act.

The auditor's responsibilities

On the basis of our audit, it is our responsibility to state an opinion, with reasonable certainty, on the proposal for allocation of the Company's profit or loss and on the management of the Company. We conducted our audit in accordance with thoroughly accepted auditing standards in Sweden.

As a basis for our opinion on the proposal on appropriations of the Company's profit or loss, we examined whether the proposal complies with the Companies Act.

As the basis for our opinion concerning the discharge of responsibility, in addition to our audit of the Annual Report and the Consolidated Annual Report I have examined significant decisions, measures and circumstances of the Company in order to assess whether any member of the Board of Directors or the CEO has any indemnification liability to the Company. We have also examined whether any Board member or the CEO have in any other way acted in breach of the Limited Companies Act, the Annual Report Act or the Articles of Association.

We consider the audit evidence we have obtained to be sufficient and appropriate as the basis for our opinion.

Opinion

We recommend that the Annual General Meeting adopts the distribution of profits in accordance with the proposal in the Management's Review and grants the members of the Board of Directors and the CEO discharge of their responsibility for the financial year.

Stockholm, 3 April 3 2013
PricewaterhouseCoopers AB

Niklas Renström
Authorised Public Accountant

DEFINITIONS

INCOME STATEMENT

EBITDA
Operating income before depreciation and amortisation, acquisition related expenses and other non-recurring exceptional items.

EBIT
Operating income

SALES

Recurring revenue
Annual recurring revenues, such as support and maintenance revenues, management contracts, revenues and income from licensing leases.

System revenue
The sum of license income and income from support and maintenance agreements.

MARGINS

Gross margin (EBITDA margin)
Operating income before depreciation and amortisation, acquisition-related expenses and other items affecting comparability of¬ recurring items as a percentage of net sales.

Operating margin (EBIT margin)
Operating income as a percentage of net sales.

Profit margin
Net income as a percentage of net sales.

RETURN ON EQUITY

Return on operating capital
Operating profit as a percentage of average operational capital.

Return on capital employed
Operating income plus financial income as a percentage of average capital employed.

Return on equity
Profit for the year as a percentage of average equity.

Return on total capital
Operating income plus financial income as a percentage of average capital.

CAPITAL STRUCTURE

Operating capital
Total assets less non-interest-bearing liabilities including deferred tax and cash and cash equivalents, marketable securities and other interest-bearing debts.

Capital employed
Balance sheet total less non-interest-bearing liabilities, including deferred tax.

Interest-bearing net debt
Interest-bearing liabilities less cash and cash equivalents.

Solvency
Equity as a percentage of total assets.

CASH FLOW AND LIQUIDITY

Free cash flow
Cash flow from ongoing operating activities less cash flow from investing activities excluding business acquisitions.

Cash & cash equivalents
Cash and cash equivalents and short term investments.

SHARE DATA

Earnings per number of outstanding share
Profit for the year divided by number of outstanding shares at year end.

Profit per average number of shares
Profit for the year divided by average number of shares during the year.

Profit per average amount of shares after dilution
Profit for the year adjusted for dilution divided by the average number of outstanding shares during the year.

Equity per share
Equity at year-end divided by average number of shares during the year.

GLOSSARY

BPM
Business Process Management is a systematic approach used to improve and automate an organisation's business processes.

CAPA
Corrective Action and Preventive Action – rules used in GMP (Good Manufacturing Practice) and before means that deviations must be corrected and prevented with the reasons for the deviation are investigated.

CRM
Customer Relationship Management. Governance, organisation and administration of customers and customer relationships in a company.

ECM
Enterprise Content Management including systems and solutions that manage and improve the utilisation of structured to unstructured information.

EMA
European Medicines Agency – European pharmaceutical authority.

ERP
Enterprise Resource Planning – activities governing documents business system.

EQMS
Electronic Quality Management System. IT support for streamlining quality management at all levels – from research and development of drug manufacturing and distribution.

FDA
Food & Drug Administration – the U.S. government inspection authority for food and drugs.

FPIP
Short name for FormPipe Software's shares.

GAMP
Good Automation Manufacturing Practice – is the most widely used and internationally accepted standard for the validation of computer systems in pharmaceutical production.

GMP
Good Manufacturing Practice is a set of rules that governs manufacturing, including packaging of pharmaceutical products, food and health foods.

QMS
Quality Management System. A known example is the ISO 9000 family. The Life Science industry sets high standards in terms of quality management.

SOA
Service Oriented Architecture involves a distributed IT system organised as a structure of interconnected services.

SOP
Standard Operating Procedures. Detailed written to ensure consistency of performance of a particular function. SOP is used to a high degree in the pharmaceutical industry.

XML
Extensible Markup Language. A universal markup language used for exchanging data between different information systems.

ANNUAL REPORT PRODUCED BY FORMPIPE SOFTWARE
IN COLLABORATION WITH STHLM KOMMUNIKATION & IR AB.
PHOTO: JEANETTE HÄGGLUND, MATTON IMAGES & GETTY IMAGES
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