

# FORMPIPE

## Year End Report January - December 2012

### PERIOD 1 JANUARY - 31 DECEMBER 2012

- Net sales SEK 201.2 million (112.5 million)
- System income SEK 142.9 million (105.3 million)
- EBITDA<sup>1</sup> SEK 57.7 million (30.4 million)
- EBITDA<sup>1</sup> margin 28.7 % (27.0 %)
- EBIT SEK 28.6 million (20.2 million) have been charged with acquisition costs of a one-off nature for SEK 6.9 million (-)
- Earnings before tax SEK 16.1 million (20.0 million), have been charged with acquisition costs of a one-off nature of SEK 15.4 million (-)
- Net profit/loss after tax SEK 13.7 million (14.7 million), have been charged with acquisition costs of a one-off nature of SEK 10.5 million (-)
- Earnings per share - before dilution SEK 0.36<sup>2</sup> (0.56<sup>2</sup>), have been charged with acquisition costs of a one-off nature for SEK 0.28<sup>2</sup> (-<sup>2</sup>)
- Cash flow from operating activities SEK 34.1 million (25.4 million)

### PERIOD 1 OCTOBER - 31 DECEMBER 2012

- Net sales SEK 87.3 million (34.5 million)
- System income SEK 53.9 million (31.9 million)
- EBITDA<sup>1</sup> SEK 27.2 million (9.3 million)
- EBITDA<sup>1</sup> margin 31.2 % (26.9 %)
- EBIT SEK 18.1 million (6.4 million)
- Earnings before tax SEK 15.8 million (6.4 million)
- Earnings after tax SEK 8.6 million (4.6 million)
- Earnings per share before dilution SEK 0.17<sup>3</sup> (SEK 0,18<sup>3</sup>)
- Cash flow from operating activities SEK 19.9 million

### INCOME STATEMENT SUMMARY

(SEK million)	Oct-Dec		Jan-Dec		Rolling 12 months	Full year 2011
	2012	2011	2012	2011		
Net sales	87.3	34.5	201.2	112.5	201.2	112.5
EBITDA <sup>1</sup>	27.2	9.3	57.7	30.4	57.7	30.4
EBIT - excluding acquisition-related costs	18.1	6.4	35.5	20,2	35.5	20,2
EBIT	18.1	6.4	28.6	20,2	28.6	20,2

### COMMENTS FROM THE GROUP CEO

*It is normal that Q4 is the strongest quarter for our business operations, and we are glad to report that this is also the case in 2012. Both Sweden and Denmark conclude the year with strong sales and profitability figures. Compared with the previous year we have increased sales by 155 % and EBITDA by 193 %. As a significant part of our business operations (the acquired company Traen) was only consolidated from August 2012, these comparative figures in relation to the previous year are not particularly meaningful. However, they do indicate clearly that we are a completely different, larger and more profitable company today than we were one year ago.*

*Greater comparability is achieved by the fact that we also report pro forma earnings towards the end of this interim report. An analysis of this also gives strong figures for both Q4 and for the year as a whole. It is worth emphasizing that we have increased profitability despite a lower turnover. The lower turnover is due to a combination of the phasing out of some older product offerings and slightly lower licence sales. More licence deals were made this year in Q4 in terms of numbers but none were the size of the deal made with the Swedish Tax Agency (SEK 6 million) in the same period last year.*

*We also achieved a significant breakthrough in Q4 for our product offering to the Life Science sector through the deal with Recipharm.*

*In conclusion, I would like to take the opportunity to highlight the stability in our income and our strong cash flow. Large parts of our income in the form of support and maintenance contracts, and our cloud services, are contractually repetitive. In addition to this, significant parts of our delivery income are of a repetitive nature in the form of upgrades to the latest version of our products. This stability in income in combination with good profitability means that the business operations generate a strong cash flow. This positive cash flow in Q4 amounted to SEK 20 million. The good cash flow of course creates a solid platform for continued forward-looking investments in new product offerings and markets, but also for rapid amortisation of the acquisition financing we took up in connection with the acquisition of Traen.*

## **SIGNIFICANT EVENTS DURING THE PERIOD OCTOBER - DECEMBER 2012**

### **ORDER FROM RECI PHARM**

Recipharm AB has signed an agreement for the EQMS product (Electronic Quality Management System), FormPipe Life Science, in order to manage and streamline quality processes and quality documentation. The total value of the order for FormPipe Software is SEK 2.5 million.

### **FRAMEWORK AGREEMENT WITH THE DANISH HEALTH AND MEDICINES AUTHORITY**

FormPipe Software's Danish subsidiary company Traen has been chosen as a supplier in the Danish Health and Medicines Authority's framework agreement for IT consultancy services. The framework agreement is for two years with the opportunity to extend this for a further two-year period. The value of the framework agreement is DKK 80-160 million. Traen was one of five suppliers in a procurement process where 30 suppliers were involved.

### **ORDER FROM A LARGE SWEDISH PUBLIC AUTHORITY**

FormPipe Software received an order for the ECM product FormPipe Platina from a Swedish public authority within the defence sector. The total order value is SEK 2 million and consists exclusively of licence and maintenance income.

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

FormPipe Software's subsidiary company Traen has won a supplementary order from a Danish municipal authority for the ECM product Acadre. The total order value is SEK 1.7 million and consists exclusively of licence and maintenance income.

### **ORDER FROM HALMSTADS FASTIGHETSAKTIEBOLAG**

FormPipe Software has won an order from the municipal property company Halmstads fastighetsaktiebolag (HFAB) for the ECM product FormPipe Platina. The estimated business value is SEK 1 million.

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

### **ORDER FROM TRELLEBORGS MUNICIPAL AUTHORITY**

FormPipe Software received a supplementary order from the Municipality of Trelleborg for the ECM product FormPipe W3D3. The business value of the order for FormPipe Software is SEK 1 million.

## **THE MARKET**

According to the Radar Group, ECM continues to be a high priority investment area for companies and organisations. Greater regulatory requirements and effective information management as a means of competition are important driving forces that have a tendency to be continually strengthened in connection with the increased amount of information. The Danish and Swedish licence markets for ECM software will, according to Gartner, amount to around SEK 750 million in 2013, which is an increase of almost 4 percentage points.

FormPipe Software targets the markets for the public sector in Sweden and Denmark as well as the international market for Life Science.

## **PUBLIC SECTOR**

### **DANISH PUBLIC SECTOR**

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

### **SWEDISH PUBLIC SECTOR**

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

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

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

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

**LIFE SCIENCE**

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

**THE FUTURE**

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

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

**FINANCIAL INFORMATION**

For pro forma information regarding the acquisition of Traen, please see the separate section on page 10.

**INCOME**

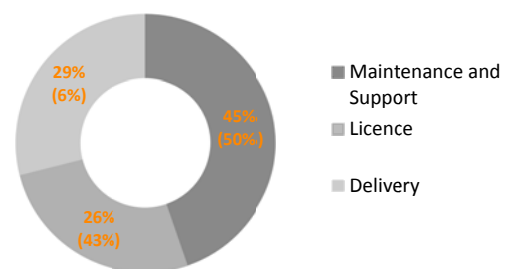
**JANUARY - DECEMBER 2012**

Net sales for the period totalled SEK 201.2 million (112.5 million). System income increased by 36 % from the previous year and totalled SEK 142.9 million (105.3 million). Total repetitive income for the period increased by 54 % from the previous year and totalled SEK 97.8 million (63.6 million), which is equivalent to 49 % of net sales. Exchange rate effects have had a negative impact on net sales of SEK 1.0 million in comparison with the previous year.

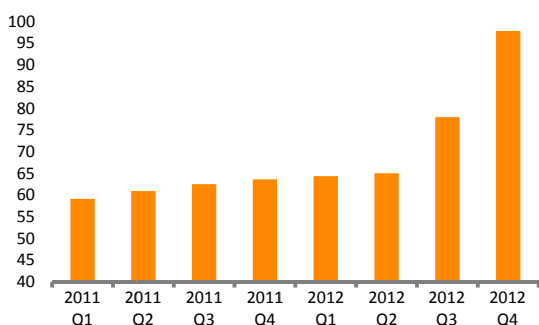
**OCTOBER - DECEMBER 2012**

Net sales for the period totalled SEK 87.3 million (34.5 million). System income increased by 69 % from the previous year and totalled SEK 53.9 million (31.9 million). Total repetitive income for the period increased by 125 % from the previous year and totalled SEK 35.8 million (15.9 million), which is equivalent to 41 % of net sales. Exchange rate effects have had a negative impact on net sales of SEK 0.3 million in comparison with the previous year.

**Breakdown of sales revenue, Jan - Dec 2012**



**Recurring revenue for the rolling 12-month period, SEK million**



**COSTS**

**JANUARY - DECEMBER 2012**

The operating costs for the period increased by 87 % and totalled SEK 172.6 million (92.3 million). Personnel costs rose by 105 % and totalled SEK 102.4 million (50.0 million). Selling expenses totalled SEK 20.4 million (16.2 million). Other costs totalled SEK 41.3 million (33.5 million). Costs of a one-off nature totalling SEK 6.9 million (-million) have been charged against earnings during the period and consist solely of transaction-related costs in connection with the acquisition of Traen A/S.

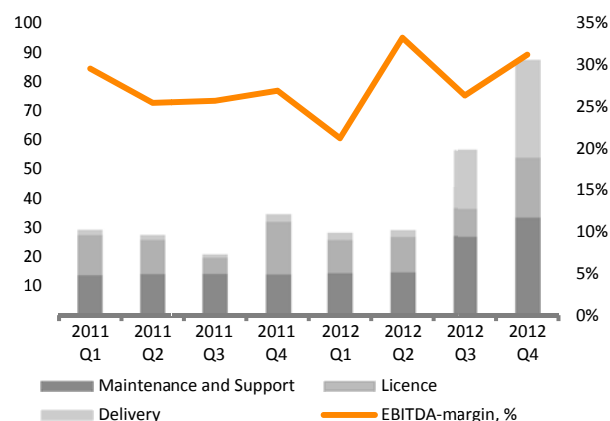
Hedging of acquisition financing has had a negative impact of SEK 8.6 million (SEK - million) on financial expenses. This cost is of a one-off nature.

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

**OCTOBER - DECEMBER 2012**

The operational costs for the period increased by 147 % and totalled SEK 69.3 million (28.1 million). Personnel costs rose by 209 % and totalled SEK 42.9 million (13.9 million). Selling expenses totalled SEK 9.0 million (5.5 million). Other costs totalled SEK 15.8 million (11.0 million).

**Sales and EBITDA margin (quarter), SEK million**



**EARNINGS**

**JANUARY - DECEMBER 2012**

Operating profit before depreciation and amortisation and acquisition-related costs (EBITDA) totalled SEK 57.7 million (30.4 million) with an EBITDA margin of 28.7 % (27.0 %). Operating profit totalled SEK 28.6 million (20.2 million) with an operating margin of 14.2 % (18.0 %). Exchange rate effects, (primarily exposure to DKK) have not had any significant impact on operating profit. Net profit/loss after tax amounted to SEK 13.7 million (14.7 million).

**OCTOBER - DECEMBER 2012**

Operating profit before depreciation and amortisation and acquisition-related costs (EBITDA) totalled SEK 27.2 million (9.3 million) with an EBITDA margin of 31.2 % (26.9 %). Operating profit totalled SEK 18.1 million (6.4 million) with an operating margin of 20.7 % (18.5 %). Exchange rate effects, (primarily exposure to DKK) have not had any significant impact on operating profit. Net profit/loss after tax amounted to SEK 8.6 million (4.6 million).

**FINANCIAL POSITION AND LIQUIDITY**

**CASH EQUIVALENTS**

Cash and cash equivalents at the end of the period amounted to SEK 14.1 million (12.8 million). The company had no interest-bearing liabilities at the end of the period (192.7 million). The company's net liabilities totalled SEK 178.6 million (-6.3 million).

The company has bank overdraft facilities for a total of SEK 10.0 million and for DKK 17 million, which were not utilised at the end of the period (- million).

**DEFERRED TAX ASSET**

During the period, deferred tax assets of SEK 1.6 have been capitalised, and the acquired company, Traen, has a deficit deduction of SEK 19.1 million already capitalised

from before the time of acquisition. The group's total capitalised deficit deduction amounted at the end of the period to SEK 27.1 million (6.4 million).

#### **EQUITY**

Equity at the end of the period amounted to SEK 240.0 million (130.4 million), which was equivalent to SEK 4.91 (5.20) per outstanding share at the end of the period. The strengthening of the Swedish krona has reduced the value of the group's net assets in foreign currencies by SEK 8.4 million (0.1 million) from the end of the year.

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

#### **EQUITY RATIO**

The equity ratio at the end of the period was 41 % (65 %).

#### **CASH FLOW**

##### **CASH FLOW FROM OPERATING ACTIVITIES**

Cash flow from operating activities for the period January - December totalled SEK 34.1 million (25.4 million).

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

##### **INVESTMENTS AND ACQUISITIONS**

Total investments for the period January - December amounted to SEK 147.5 million (18.2 million), of which investments affecting cash flow totalled SEK 145.1 million (14.2 million). The acquisition of Traen A/S has affected cash flow by SEK -125.8 million (SEK - million).

Investments in intangible assets totalled SEK 20.7 million (17.6 million), of which SEK 0.0 million (0.2 million) relates to investments in software and the remaining sum relates to capitalised product development costs.

Investments in tangible assets totalled SEK 1.0 million (0.5 million).

#### **FINANCING**

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

The company had interest-bearing loans at the end of the period totalling SEK 192.7 million (SEK - million).

Dividends of SEK 7.3 million (6.1 million) were paid in April to the company's shareholders, equivalent to SEK 0.60 (0.50) per share.

#### **PROPOSED APPROPRIATION OF PROFITS**

FormPipe Software's aim is over time to pay a dividend to shareholders of on average at least 30-50 per cent of the company's earnings after tax. Given the net liability that resulted from the financing of the acquisition of Traen, the company is giving priority in the 2012 financial year to amortisation in preference to paying dividends.

The Board therefore proposes to the Annual General Meeting on 25 April 2013 that it takes the decision to carry forward the profits in their entirety.

#### **OTHER**

##### **EMPLOYEES**

The number of employees at the end of the reporting period was 228 persons (69 persons).

##### **RISKS AND UNCERTAINTY FACTORS**

The significant risk and uncertainty factors for the group and the parent company, which include business and financial risks, are described in the annual report for the 2011 financial year and in the share issue prospectus of 12 June 2012.

##### **TRANSACTIONS WITH RELATED PARTIES**

No transactions with related parties have occurred during the period.

##### **ACCOUNTING POLICIES**

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

report. The financial reports of the parent company have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The same accounting policies and methods of calculation have been applied in the interim report and in the most recent annual report.

#### **ABOUT FORMPIPE SOFTWARE**

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

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

#### **CALENDAR FOR FINANCIAL INFORMATION**

25 April 2013	Annual General Meeting
3 May 2013	Interim report January - March
16 July 2013	Interim report January – June
25 October 2013	Interim report January – September
14 February 2014	Press release of unaudited figures for 2013

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

The Annual report and accounts will be available for shareholders on FormPipe Software's website [www.formpipe.se](http://www.formpipe.se) and at the head office at S:t Eriksgatan 117, Stockholm, Sweden in week 14, 2013.

#### **FINANCIAL INFORMATION**

Can be ordered from the head office by using the contact details listed below. All financial information will be avail-

able at [www.formpipe.se](http://www.formpipe.se) immediately after being published.

#### **CONTACT INFORMATION**

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Stockholm, 28 February 2014  
FormPipe Software AB  
The Board of Directors and the Managing Director

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**CONSOLIDATED INCOME STATEMENT SUMMARY**

(SEK 000)	Oct-Dec		Jan-Dec	
	2012	2011	2012	2011
<b>Net sales</b>	<b>87 317</b>	<b>34 474</b>	<b>201 155</b>	<b>112 519</b>
Selling expenses	-9 020	-5 517	-20 429	-16 223
Other costs	-15 815	-10 998	-41 281	-33 531
Personnel costs	-42 900	-13 886	-102 387	-50 027
Capitalised work for own account	7 649	5 197	20 686	17 633
<b>Operating profit/loss before depreciation/amortisation and comparative items (EBITDA)<sup>1</sup></b>	<b>27 231</b>	<b>9 270</b>	<b>57 744</b>	<b>30 369</b>
Acquisition-related costs	-	-	-6 882	-
Depreciation/amortisation	-9 171	-2 894	-22 265	-10 167
<b>Earnings (EBIT)</b>	<b>18 060</b>	<b>6 376</b>	<b>28 598</b>	<b>20 202</b>
Acquisition-related financial expenses	-	-	-8 558	-
Net financial income/expense	-2 308	24	-3 977	-192
Tax	-7 162	-1 797	-2 370	-5 308
<b>Net profit for the period</b>	<b>8 590</b>	<b>4 602</b>	<b>13 693</b>	<b>14 702</b>
<u>Of which the following relates to:</u>				
Parent company shareholders	8 521	4 602	13 618	14 702
Shareholding with no controlling influence	69	-	74	-
<u>Other comprehensive income</u>				
Translation differences <sup>2</sup>	4 749	-2 080	-8 425	-106
Other comprehensive income for the period, net after tax	4 749	-2 080	-8 425	-106
<b>Total comprehensive income for the period</b>	<b>13 339</b>	<b>2 522</b>	<b>5 268</b>	<b>14 596</b>
<u>Of which the following relates to:</u>				
Parent company shareholders	13 270	2 522	5 193	14 596
Shareholding with no controlling influence	69	-	74	-
<i>EBITDA margin, %</i>	<i>31.2 %</i>	<i>26.9 %</i>	<i>28.7 %</i>	<i>27.0 %</i>
<i>EBIT margin, %</i>	<i>20.7 %</i>	<i>18,5%</i>	<i>14,2%</i>	<i>18.0 %</i>
<i>Profit margin, %</i>	<i>9.8 %</i>	<i>13.4 %</i>	<i>6.8 %</i>	<i>13.1 %</i>
Earnings per share attributable to the parent company's shareholders during the period (SEK per share)				
- before dilution	0,17	0.18	0.36	0.59
- after dilution	0,17	0.18	0.36	0.59
Average no. of shares before dilution, in 000	48 935	25 053	38 254	24 935
Average no. of shares after dilution, in 000	48 935	25 053	38 254	24 949

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

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



**CONSOLIDATED BALANCE SHEET SUMMARY**

<b>(SEK 000)</b>	<b>31 Dec</b>	
	<b>2012</b>	<b>2011</b>
Intangible assets	437 114	146 682
Tangible assets	2 532	858
Financial assets	1 357	31
Deferred tax asset	27 142	6 414
Current assets (excl. cash equivalents)	103 024	33 979
Cash equivalents	14 111	12 794
<b>TOTAL ASSETS</b>	<b>585 280</b>	<b>200 758</b>
Equity	240 039	130 386
Shareholding with no controlling influence	1 716	-
Long-term liabilities	206 126	8 463
Current liabilities	137 399	61 908
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>585 280</b>	<b>200 758</b>
Interest-bearing net liabilities (-) / cash (+)	-178 580	12 794

**CASH FLOW STATEMENT SUMMARY**

<b>(SEK 000)</b>	<b>Oct-Dec</b>		<b>Jan-Dec</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Cash flow from operating activities before working capital changes	24 698	8 594	53 507	29 443
Cash flow from working capital changes	-4 833	1 161	-19 408	-4 089
<b>Cash flow from operating activities</b>	<b>19 865</b>	<b>9 755</b>	<b>34 099</b>	<b>25 354</b>
Cash flow from investing activities	-8 060	-3 145	-145 082	-14 215
<i>Of which acquisition of business activities</i>	-	-	-125 777	-
Cash flow from financing activities	-6 134	-97	112 776	-2 752
<i>Of which dividend paid</i>	-	-	-7 340	-6 117
<b>Cash flow for the period</b>	<b>5 671</b>	<b>6 513</b>	<b>1 793</b>	<b>8 387</b>
<b>Change in cash and cash equivalent</b>				
Cash and cash equivalent at the beginning of the period	8 253	6 317	12 794	4 410
Translation differences	187	-36	-476	-3
Cash flow for the period	5 671	6 513	1 793	8 387
<b>Cash and cash equivalent at the end of the period</b>	<b>14 111</b>	<b>12 794</b>	<b>14 111</b>	<b>12 794</b>
Free cash flow	11 805	6 610	14 794	11 139



**CHANGES IN CONSOLIDATED EQUITY**

(SEK 000)	Equity attributable to the parent company's shareholders				Shareholding with no controlling influence		Total
	Share capital	Other contributed capital	Translation reserves	Brought forward	Total	influence	
<b>Opening balance per 1 January 2011</b>	<b>1 200</b>	<b>66 706</b>	<b>-3 199</b>	<b>53 732</b>	<b>118 439</b>	-	<b>118 439</b>
Net profit for the period	-	-	-	14 702	14 702	-	14 702
Other comprehensive income items	-	-	-106	-	-106	-	-106
Dividend	-	-	-	-6 117	-6 117	-	-6 117
New share issue	23	3 151	-	-	3 174	-	3 174
Buy-back of share warrants	-	-87	-	-	-87	-	-87
Premium paid for warrant programme	-	382	-	-	382	-	382
<b>Closing balance per 31 December 2011</b>	<b>1 223</b>	<b>70 152</b>	<b>-3 305</b>	<b>62 317</b>	<b>130 386</b>	-	<b>130 386</b>
<b>Opening balance per 1 January 2012</b>	<b>1 223</b>	<b>70 152</b>	<b>-3 305</b>	<b>62 317</b>	<b>130 386</b>	-	<b>130 386</b>
Acquired shareholding with no controlling influence	-	-	-	-	-	1 642	1 642
Net profit for the period	-	-	-	13 693	13 693	74	13 767
Other comprehensive income items	-	-	-8 425	-	-8 425	-	-8 425
Dividend	-	-7 340	-	-	-7 340	-	-7 340
New share issue	3 670	107 756	-	-	111 426	-	111 426
Premium paid for warrant programme	-	298	-	-	298	-	298
<b>Closing balance per 31 December 2012</b>	<b>4 893</b>	<b>170 866</b>	<b>-11 730</b>	<b>76 010</b>	<b>240 039</b>	<b>1 716</b>	<b>241 755</b>

**8 QUARTERS IN SUMMARY**

(SEK 000)	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4
Support and maintenance	13 920	14 303	14 230	14 056	14 517	14 764	27 038	33 622
Licences	13 693	11 705	5 605	17 819	11 145	11 951	9 586	20 290
System income	27 613	26 008	19 835	31 875	25 662	26 715	36 624	53 912
Deliveries	1 803	1 689	1 096	2 599	2 467	2 365	20 005	33 405
<b>Net sales</b>	<b>29 416</b>	<b>27 697</b>	<b>20 931</b>	<b>34 474</b>	<b>28 129</b>	<b>29 080</b>	<b>56 629</b>	<b>87 317</b>
Selling expenses	-4 506	-3 931	-2 269	-5 517	-4 065	-2 146	-5 197	-9 020
Other costs	-7 243	-8 463	-6 826	-10 998	-7 693	-6 872	-10 901	-15 815
Personnel costs	-12 682	-13 057	-10 403	-13 886	-13 884	-14 407	-31 196	-42 900
Capitalised development costs	3 698	4 797	3 941	5 197	3 473	4 006	5 558	7 649
Total operating expenses	-20 734	-20 654	-15 557	-25 205	-22 169	-19 419	-41 736	-60 086
<b>EBITDA<sup>1</sup></b>	<b>8 683</b>	<b>7 043</b>	<b>5 375</b>	<b>9 269</b>	<b>5 960</b>	<b>9 661</b>	<b>14 893</b>	<b>27 231</b>
%	29.5 %	25.4 %	25.7 %	26.9 %	21.2 %	33.2 %	26.3 %	31.2 %
Comparative items <sup>1</sup>	-	-	-	-	-	-3 731	-3 151	-
Depreciation/amortisation	-2 080	-2 492	-2 703	-2 893	-2 954	-2 994	-7 146	-9 171
<b>EBIT</b>	<b>6 603</b>	<b>4 552</b>	<b>2 671</b>	<b>6 376</b>	<b>3 005</b>	<b>2 936</b>	<b>4 597</b>	<b>18 060</b>
%	22.4 %	16.4 %	12.8 %	18.5 %	10.7 %	10.1 %	8.1 %	20.7 %

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

## SEGMENT SUMMARY

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

(SEK 000)	Jan - Dec 2012			Group
	Sweden	Denmark	Eliminations	
Sales, external	92 287	108 868	-	201 155
Sales, internal	274	1 368	-1 642	-
<b>Total sales</b>	<b>92 561</b>	<b>110 236</b>	<b>-1 642</b>	<b>201 155</b>
Costs, external	-67 256	-76 155		-143 410
Costs, internal	-1 368	-274	1 642	-
<b>Operating profit/loss before depreciation/amortisation and comparative items (EBITDA)</b>	<b>23 937</b>	<b>33 808</b>	<b>-</b>	<b>57 744</b>
%	25.9 %	30.7 %		28.7 %

## CONSOLIDATED INCOME STATEMENT SUMMARY - PRO FORMA<sup>1</sup>

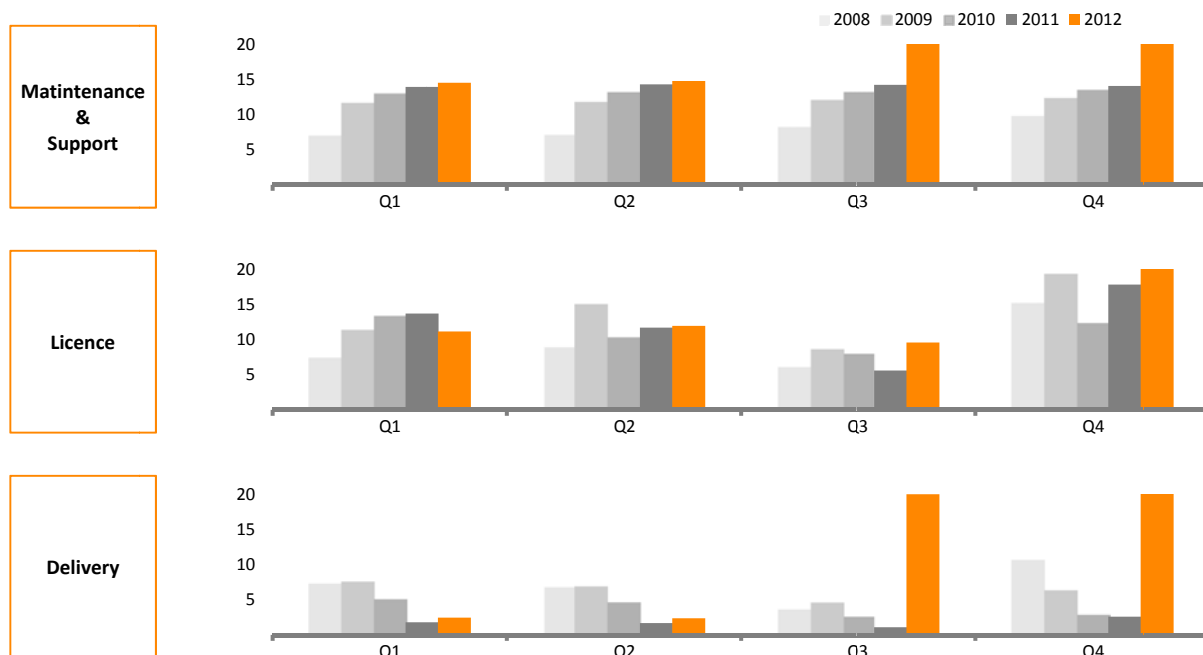
FormPipe Software, excl. acquisition (SEK 000)	Oct-Dec		Jan-Dec	
	2012	2011	2012	2011
Support and maintenance	15 248	14 056	59 505	56 509
Licences	14 830	17 819	44 032	48 823
Deliveries	4 321	2 599	10 584	7 187
<b>Net sales</b>	<b>34 399</b>	<b>34 474</b>	<b>114 121</b>	<b>112 519</b>
<b>EBITDA</b>	<b>10 575</b>	<b>9 269</b>	<b>28 797</b>	<b>30 370</b>
%	30.7 %	26.9 %	25.2 %	27.0 %
<b>Traen A/S<sup>2</sup></b> (SEK 000)	Oct-Dec		Jan-Dec	
	2012	2011	2012	2011
Support and maintenance	18 374	19 535	72 123	74 654
Licences	5 460	10 446	24 517	23 312
Deliveries	29 085	29 469	101 648	104 768
<b>Net sales</b>	<b>52 919</b>	<b>59 450</b>	<b>198 288</b>	<b>202 734</b>
<b>EBITDA</b>	<b>15 546</b>	<b>14 592</b>	<b>43 901</b>	<b>40 075</b>
%	29.4 %	24.5 %	22.1 %	19.8 %
<b>FormPipe Group pro forma</b> (SEK 000)	Oct-Dec		Jan-Dec	
	2012	2011	2012	2011
Support and maintenance	33 622	33 591	131 628	131 163
Licences	20 290	28 265	68 549	72 135
Deliveries	33 406	32 068	112 232	111 955
<b>Net sales</b>	<b>87 318</b>	<b>93 924</b>	<b>312 409</b>	<b>315 253</b>
<b>EBITDA</b>	<b>26 121</b>	<b>23 861</b>	<b>72 698</b>	<b>70 445</b>
%	29.9 %	25.4 %	23.3 %	22.3 %

<sup>1</sup> Not revised.

<sup>2</sup> Based on the same exchange rate as used for the consolidation of the group, 1.1450 SEK/DKK.

For greater comparability, the figures have been adjusted for items affecting income related to transactions.

**QUARTERLY SALES ANALYSIS**



**NUMBER OF SHARES**

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

**KEY RATIOS FOR THE GROUP**

	Jan-Dec	
	2012	2011
Net sales, SEK 000	201 155	112 519
EBITDA, SEK 000	57 744	30 369
EBIT, SEK 000	28 598	20 202
Net profit for the period, SEK 000	13 693	14 702
EBITDA margin, %	28.7 %	27.0 %
EBIT margin, %	14.2 %	18.0 %
Profit margin, %	6.8 %	13.1 %
Return on equity, % <sup>1</sup>	7.4 %	11.8 %
Return on working capital, % <sup>1</sup>	8.6 %	17.4 %
Equity ratio, %	41.0 %	64.9 %
Equity per outstanding share at the end of the period, SEK	4.91	5.20
Earnings per share - before dilution, SEK <sup>2</sup>	0.36	0.59
Earnings per share - after dilution, SEK <sup>3</sup>	0.36	0.59
Share price at the end of the period, SEK	5.85	7.47

<sup>1</sup> The value for the income measure included in the calculation is based on the most recent 12-month period

<sup>2</sup> Calculated on the average number of shares during the period - 38 254 (24 935) thousand

<sup>3</sup> Calculated on the average number of shares after dilution during the period - 38 254 (24 949) thousand

#### ACQUISITION OF SUBSIDIARY COMPANY

Traen Holding A/S ("Traen") was acquired on 1 August with the aim of expanding FormPipe Software's markets. Traen is the market leading supplier of ECM products and services to the public sector in Denmark. The acquisition refers to 100 % of the shares in Traen and has affected the group's balance sheet and cash equivalents as presented below. Since the date of acquisition, Traen has contributed SEK 87.6 million in sales and SEK 29.5 million in earnings before depreciation/amortisation and acquisition-related costs of a one-off nature (EBITDA). If the acquisition had taken place before 1 January 2012, Traen would have contributed SEK 198.3 million in sales and EBITDA of SEK 38.2 million.

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

The acquisition analysis is subject to final adjustment at the latest one year after the date of acquisition. During Q4 the acquisition balance was adjusted with SEK 2.7 million in regard to deferred tax, which also reduced goodwill by the corresponding sum.

#### Preliminary acquisition analysis

<b>(SEK 000)</b>	<b>Acquired carrying amount</b>
Tangible assets	1 883
Intangible assets	117 096
Financial assets	1 374
Deferred tax asset	23 079
Trade accounts receivable and other receivables	44 934
Cash equivalents	9 047
Interest-bearing liabilities	-163 821
Trade accounts payable and other liabilities	-87 937
Shareholding with no controlling influence	-1 642
<b>Acquired net assets</b>	<b>-55 986</b>
Goodwill	190 809
<b>Purchase price paid in cash</b>	<b>134 824</b>
- Cash equivalents in acquired company	-9 047
<b>Change in consolidated cash equivalents in connection with the acquisition</b>	<b>125 777</b>

**PARENT COMPANY INCOME STATEMENT SUMMARY**

<b>(SEK 000)</b>	<b>Oct-Dec</b>		<b>Jan-Dec</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Net sales</b>	<b>10 152</b>	<b>15 461</b>	<b>27 829</b>	<b>23 957</b>
Operating expenses				
Selling expenses	1 015	-470	-459	-1 433
Other costs	4 752	-4 927	-13 002	-14 272
Personnel costs	-5 673	-6 270	-26 433	-22 608
Depreciation/amortisation	-232	-264	-971	-1 027
Total operating expenses	-138	-11 931	-40 865	-39 340
<b>Operating profit/loss</b>	<b>10 014</b>	<b>3 530</b>	<b>-13 036</b>	<b>-15 383</b>
Result from participations in group companies	19 765	12 450	23 304	19 195
Other financial items	-55	27	-8 801	-325
Tax	-6 770	792	2 252	792
<b>Net profit for the period</b>	<b>22 954</b>	<b>16 799</b>	<b>3 718</b>	<b>4 280</b>

**PARENT COMPANY BALANCE SHEET SUMMARY**

<b>(SEK 000)</b>	<b>31 Dec</b>	
	<b>2012</b>	<b>2011</b>
Intangible assets	428	949
Tangible assets	656	627
Financial assets	433 262	124 604
Deferred tax asset	4 996	2 744
Current assets (excl. cash equivalents)	30 153	14 310
Cash and bank balances	5 315	12 035
<b>TOTAL ASSETS</b>	<b>474 811</b>	<b>155 268</b>
Restricted equity	22 584	18 914
Non-restricted equity	185 953	81 820
Total equity	208 538	100 734
Long-term liabilities	178 630	-
Current liabilities	87 644	54 535
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>474 811</b>	<b>155 268</b>

## DEFINITIONS

### **SYSTEM INCOME**

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

### **REPETITIVE INCOME**

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

### **EBITDA**

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

### **EBIT**

Operating profit/loss

### **FREE CASH FLOW**

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

### **EQUITY PER SHARE**

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

### **RETURN ON EQUITY**

Profit/loss after tax as a percentage of average equity.

### **RETURN ON WORKING CAPITAL**

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

### **OPERATING MARGIN BEFORE DEPRECIATION AND AMORTISATION (EBITDA MARGIN)**

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

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

Operating profit/loss after depreciation/amortisation as a percentage of net sales.

### **PROFIT MARGIN**

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

### **EQUITY RATIO**

Equity as a percentage of the balance sheet total.

### **EARNINGS PER SHARE - BEFORE DILUTION**

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

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

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