

## Year-end Report for Image Systems AB (publ) January-December 2014

### Business area Digital Vision sold

#### Fourth quarter, continuing operations

- Net revenue amounted to MSEK 35.7 (28.0).
- Operating profit EBITDA amounted to MSEK 5.4 (–1.8).
- Operating profit amounted to MSEK 3.4 (–3.9).
- Profit after taxes amounted to MSEK 2.2 (–4.9).
- Order bookings amounted to MSEK 23.6 (20.5).
- The gross margin was 69 (63) percent.
- Earnings per share before and after dilution amounted to SEK 0.25 (–0.55).

#### January-December, continuing operations

- Net revenue amounted to MSEK 101.5 (99.5).
- Operating profit EBITDA amounted to MSEK 2.1 (–5.5).
- The operating result amounted to MSEK –4.4 (–12.2).
- The result after taxes amounted to MSEK –9.8 (–16.2).
- Order bookings amounted to MSEK 99.5 (98.5).
- The order backlog amounted to MSEK 27.6 (18.5).
- The gross margin was 74 (66) percent.
- Earnings per share before and after dilution amounted to MSEK –1.11 (–3.91).

#### Fourth quarter, including discontinued operations

- The result after taxes amounted to MSEK –15.1 (–8.0).
- Earnings per share before and after dilution amounted to MSEK –1.17 (–0.91).

#### January-December, including operations being discontinued

- The result after taxes amounted to MSEK –51.7 (–22.8).
- Earnings per share before and after dilution amounted to MSEK –5.32 (–5.53).

#### President's statement

The fourth quarter for continuing operations was gratifyingly, the best ever in terms of result for Image Systems. Compared to what was the case one year ago, we are reporting improved numbers across the board, from order bookings all the way to after-tax result. This gives us hope for the future for the remaining businesses after the sale of the loss-ridden Digital Vision business area. The sale was carried out 28 November with the effect that consolidated earnings were charged with, essentially, items not affecting cash flow in the amount of MSEK 17.3 in the form of impairment of assets and liquidation costs.

Revenue from continuing operations increased by just short of 30 percent compared to the year before, and profit EBITDA for the fourth quarter was higher by more than MSEK 7 to MSEK 5.4. This was achieved as both RemaSawco and Motion Analysis recorded revenue growth and record-high operating margins.

For the full year revenue increased by just over 2 percent and the operating result was improved by MSEK 8 for continuing operations with a positive EBITDA result. This is certainly a step in the right direction, but we need to increase the rate improvement further in order to achieve sustainable profitability and to allow us to take advantage of growth opportunities. The financial situation remains challenging and we are working on improving working capital and a strengthening our capital base. With two remaining profitable businesses, the prerequisites for achieving this are better than in a long time.

RemaSawco reported strong quarterly earnings and an operating margin of close to 20 percent, driven in part by a few major installations, as well as a good supplementary and support business. In view of the order backlog at the beginning of the quarter, our expectations for a superior fourth quarter were fulfilled, accounting for a majority of the business area's earnings. Order bookings, however, were somewhat lower than expected, with a slightly cautious demand for sawn timber in our home markets. It is difficult to predict when demand will pick up from today's low levels, thus affecting our customers' willingness to invest. We are of the opinion, however, that the climate is slightly better than a few years ago.

In addition to the strength in earnings, the co-operation agreement with Raptor Integration for the North American market was a highlight of the period. Raptor has extensive experience in the North American sawmill market and acts as integration specialist for the market's best products in the area of lumber handling for the purpose of assisting sawmills to raise efficiency and profitability. We are pleased that Raptor Integration has chosen to partner with us on the world's largest sawmill market, which currently is also a growth market. In summary, given the conditions in the sawmill market, a result at the same level as last year is a good achievement in spite of lower revenue.

Motion Analysis reports order bookings for the quarter at a significantly higher level than the year before. Revenue increased by more than 60 percent and the operating margin was a record high 38 percent for the period. The primary reason for the sharp improvement is stronger US demand for our products, more and better distributors globally, and lower operating costs. The business area reports growth for the full year of 35 percent and higher earnings by more than MSEK 7, equivalent to an operating margin of 28 percent, far exceeding our expectations. We will continue our efforts to ensure that our distributors sell our products successfully, also broadening our customer base further. In addition hereto we continue to develop new market-leading products in the field of measuring technology.

## **Net revenue and result**

### **Fourth quarter**

#### **Continuing operations**

Order bookings amounted to MSEK 23.6 (20.5) and the order backlog as of 31 December was MSEK 27.6 (18.5). Revenue amounted to MSEK 35.7 (28.0). Operating profit EBITDA was MSEK 5.4 (-1.8).

Profit after taxes amounted to MSEK 2.2 (-4.9). Revenue and operating result before depreciation and amortization by business area is reported on page 4.

### **Discontinued operations**

Costs in conjunction with the disposal of Digital Vision burdened the result with MSEK 17.3, mainly relating to impairment of current assets and liquidation costs.

### **January-December**

#### **Continuing operations**

Order bookings amounted to MSEK 99.5 (98.5) and the order backlog as of 31 December was MSEK 27.6 (18.5). Revenue amounted to MSEK 101.5 (99.5). The gross margin was 74 (66) percent. Depreciation according to plan was charged to earnings in the amount of MSEK 6.5 (6.7), of which amortization of consolidated surplus value amounted to MSEK 6.1 (6.1).

Operating profit EBITDA amounted to 2.1 (-5.5). Net finance items amounted to MSEK -5.4 (-4.0) because of increased borrowing and arrangement fees. The owner loan is reported at accrued acquisition value and has not been restated to fair value since the term of the loan is short. The result after taxes was MSEK -9.8 (-16.2).

### **Discontinued operations**

Business area Digital Vision was sold on 28 November to English company 54E Street Ltd for MSEK 6.1. The sale gave rise to a loss of MSEK 41.9, equivalent to the operating loss in Digital Vision until the sale on 28 November of MSEK 22.1, plus write-downs and impairment losses in the amount of MSEK 13.2, a consolidated capital loss of MSEK 1.8, and accumulated FX differences of MSEK 4.8.

### **Capital expenditures and financial position**

The Group's investments in non-current assets amounted to MSEK 0.3 (0.2), totally relating to the acquisition of RemaControl AS. Available liquid funds, including the unutilised portion of a committed credit facility, amounted to MSEK 5.5 (10.1) as of 31 December 2014. The equity ratio as of 30 December was 17 (50) percent. The operative cash flow amounted to MSEK -15.8 (-25.1). The net debt to equity ratio was 2.4 (0.3).

### **Research and development**

Together with SP-Trå, RemaSawco is developing a system, AIS-Applikation, Integration, Spårbarhet, which combines modern, optical three-dimensional measuring with an X-ray measuring frame. A traceability system will also be developed to allow tracking the flow from log to sawn timber at the individual level.

Motion Analysis has launched a new product – DIC (Digital Image Correlation), which is a new technology area to be integrated into the existing array of products. DIC will be sold both as a software licence and as a hardware-integrated total solution to end customers. DIC is used primarily in the fields of material testing and research.

### **Parent Company**

Parent Company net revenue amounted to MSEK 21.3 (35.6) and the operating result was MSEK -31.5 (-7.2). The result after taxes amounted to MSEK -66.4 (-41.6), and was charged with a capital loss on the sale of Digital Vision in a total amount of MSEK 36.2. Investments on non-current assets amounted to MSEK 0.0 (0.0). The Parent Company's available liquid funds as of 30 December 2014 amounted to MSEK 0.1 (5.9). The Parent Company's equity as of 30 December 2014 amounted to MSEK -12.1 (54.3). The equity ratio was negative (65) percent.

### **Control balance sheet**

The Board of Directors has compiled a control balance sheet as of 17 December due to the sale of Digital Vision. It shows that the Parent Company's share capital is intact when surplus values in the subsidiary shares are taken into account. The Board's plan to cure the shortage is to carry out a share capital reduction and to float a new issue. See also under Risks and uncertainty factors.

### **Related party transactions**

On 12 April Image Systems obtained a loan in the amount of MSEK 16.6. As of 30 September Image Systems obtained an extension of earlier loans in the amount of MSEK 27.0 and accrued interest of MSEK 3.3, a total of MSEK 30.3, from the principal owners, Tibia Konsult, LMK and Horninge. The loan matures on 31 March 2015 and carries interest at a rate of 15 percent p.a. During the fourth quarter technical

consultancy services were purchased (FPGA development) from a company related to the Chairman, Thomas Wernhoff. The contract was concluded according to market conditions and the cost for the period was less than MSEK 0.2, and a total of MSEK 0.4 during 2014.

**Personnel**

The average number of employees was 73 (76).

**Share capital and number of shares outstanding**

As of 31 December 2014 the share capital was SEK 35,291,008. The number of shares outstanding as of 31 December 2014 was 8,822,752.

**Dividend**

The Board of Directors proposes that no dividend be paid for the 2014 financial year.

**Annual General Meeting**

The Annual General Meeting will be held at 2:00 p.m., 11 June 2015 on the Company's premises at Ågatan 40 in Linköping.

**Election committee**

The election committee consisting of Karl-Johan Wattsgård, Peter Ragnarsson and Thomas Wernhoff will be presenting their suggestions well in advance of the Annual General Meeting.

**Accounting policies**

This Interim Report has been compiled in accordance with International Financial Reporting Standards (IFRS) as adopted by EU. The Interim Report for the Image Systems Group has been compiled in accordance with IAS 34 Interim financial reporting and the Swedish Annual Accounts Act. The new and amended standards to be applied from 1

January 2014 had no material impact on the Group's financial reports.

In all other respects the accounting standards and calculation methods are unchanged compared to those applied in the 2013 Annual Report, except that the amortisation period for trademarks has been lowered from 15 years to 10 years.

The Interim Report for the Parent Company Image Systems AB is compiled in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board.

The Interim Report has been compiled under the assumption of continuing operations on a going concern basis. Refer also to Risks and uncertainty factors.

**Risks and uncertainty factors**

The Company's weak financial position is a risk factor and there is a need to increase operating capital in order to repay the Company's short-term financial liabilities. The Board of Directors intends to propose the issuance of new shares with pre-emptive rights for existing shareholders. The Board of Directors has reasonable expectations that the extra general meeting of shareholders will approve the proposal of the Board of Directors regarding a new issue with pre-emptive rights for existing shareholders, and that such issue will be fully subscribed. Based hereon, the Board of Directors is of the opinion that the financial statements shall be prepared in accordance with the going concern principle. The financial statements do not contain the adjustments that would be required if the Group were not to continue its operations.

The Group's other principal risk and uncertainty factors include business risks associated with contracts with customer and suppliers, as well as other factors in the surrounding world, such as the risk of changes in foreign currency exchange rates.

A complete report of the Group's significant financial and business risks will be found in the Board of Director Report and under Note 3 in the Annual Report for 2013. No other significant risks are deemed to have emerged during the period.

**Review report**

This year-end report has not been subject to review by the Company's auditors.

Linköping, 11 February 2015

Hans Isoz  
President

**Reporting schedule:**

<i>Annual Report 2014 will be available on the Company's website</i>	<i>Week of 4 May, 2015</i>
<i>Interim Report January-March 2015</i>	<i>6 May, 2015</i>
<i>2015 Annual General Meeting</i>	<i>11 June, 2015</i>
<i>Interim Report April-June 2015</i>	<i>20 August, 2015</i>
<i>Interim Report July-September 2015</i>	<i>5 November, 2015</i>
<i>Year-end Report 2015</i>	<i>11 February, 2016</i>

The information in this interim report is being published by Image Systems AB in accordance with the Swedish Act on Trading in Financial Instruments. The information herein was provided for publication at 3:00 p.m. (CET), 11 February 2015.

The interim reports will be available to the public at the Company's website [www.imagesystems.se](http://www.imagesystems.se)

Questions will be answered by:

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Image Systems AB, Ågatan 40, SE-582 22 Linköping, SWEDEN. Organisation number: 556319-4041.

## Summary Consolidated Income Statements

MSEK	Note	Oct-Dec 2014	Oct-Dec 2013	Full year 2014	Full year 2013
<b>CONTINUING OPERATIONS</b>					
Revenue		35.7	28.0	101.5	99.5
Raw materials and supplies		-10.9	-10.4	-25.9	-33.6
Other external costs		-5.2	-4.6	-18.2	-16.8
Personnel costs		-14.5	-14.7	-55.6	-54.5
Depreciation and amortisation of & impairment charges against tangible non-current assets		-2.0	-2.1	-6.5	-6.7
Other operating revenue		0.3	-	0.3	-
Other operating costs		-	-0.1	-	-0.1
<b>Operating result</b>		<b>3.4</b>	<b>-3.9</b>	<b>-4.4</b>	<b>-12.2</b>
Net finance items		-1.2	-1.0	-5.4	-4.0
<b>Result before taxes</b>		<b>2.2</b>	<b>-4.9</b>	<b>-9.8</b>	<b>-16.2</b>
Taxes		-	-	-	0.0
<b>Continuing operations result for the period</b>		<b>2.2</b>	<b>-4.9</b>	<b>-9.8</b>	<b>-16.2</b>
Result from discontinued operations	1	-17.3	-3.1	-41.9	-6.6
<b>Result after taxes</b>		<b>-15.1</b>	<b>-8.0</b>	<b>-51.7</b>	<b>-22.8</b>
Of which attributable to the Parent Company's equity holders		-15.1	-8.0	-51.7	-22.8
<b>CONTINUING OPERATIONS</b>					
Earnings per share <sup>1)</sup>		0.25	-0.55	-1.11	-3.93
Earnings per share after dilution <sup>1)</sup>		0.25	-0.55	-1.11	-3.93
<b>DISCONTINUED OPERATIONS</b>					
Earnings per share <sup>1)</sup>		-1.96	-0.36	-4.75	-1.61
Earnings per share after dilution <sup>1)</sup>		-1.96	-0.36	-4.75	-1.61
<b>KONCERNEN INKL. AVVECKLAD VERKSAMHET</b>					
Earnings per share <sup>1)</sup>		-1.71	-0.91	-5.86	-5.54
Earnings per share after dilution <sup>1)</sup>		-1.71	-0.91	-5.86	-5.54
Average number of shares outstanding		8,822,752	8,822,752	8,822,752	4,117,284
Average number of shares outstanding, after dilution		8,822,752	8,822,752	8,822,752	4,117,284

## Summary Consolidated Report of Comprehensive Result

Result for the period		-15.1	-8.0	-51.7	-22.8
<b>Other comprehensive result</b>					
<b>Items that may later be transferred to the income statement</b>					
Translation differences		0.3	0.0	0.1	-0.2
Tax relating to items that may be transferred		-	-	-	-
<b>Total other comprehensive result</b>		<b>0.3</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.2</b>
<b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>		<b>-14.8</b>	<b>-8.0</b>	<b>-51.6</b>	<b>-23.0</b>
Of which attributable to the Parent Company's equity holders		-14.8	-8.0	-51.6	-23.0

<sup>1)</sup> Calculated based on the average number of shares outstanding.

## SEGMENT REPORTING

Group (continuing operations) Revenue and result by segment	Oct-Dec 2014	Oct-Dec 2013	Full year 2014	Full year 2013
RemaSawco	28.4	23.3	78.6	84.5
Motion Analysis	7.3	4.7	22.9	15.0
<b>Total revenue</b>	<b>35.7</b>	<b>28.0</b>	<b>101.5</b>	<b>99.5</b>
<b>EBITDA</b>				
RemaSawco	5.3	0.9	5.6	5.6
Motion Analysis	2.8	0.0	6.5	-1.4
Administration, consolidation items	-2.7	-2.7	-10.0	-9.7
<b>EBITDA Total</b>	<b>5.4</b>	<b>-1.8</b>	<b>2.1</b>	<b>-5.5</b>
Depreciation and amortisation of & impairment charges against tangible non-current assets	-2.0	-2.1	-6.5	-6.7
<b>Operating result</b>	<b>3.4</b>	<b>-3.9</b>	<b>-4.4</b>	<b>-12.2</b>
Net finance items	-1.2	-1.0	-5.4	-4.0
<b>Result before taxes</b>	<b>2.2</b>	<b>-4.9</b>	<b>-9.8</b>	<b>-16.2</b>
Taxes	-	0.0	-	0.0
<b>Result for the period</b>	<b>2.2</b>	<b>-4.9</b>	<b>-9.8</b>	<b>-16.2</b>
<b>DISCONTINUED OPERATIONS</b>				
<b>NOTE 1</b>				
Revenue	3.5	10.1	24.4	44.4
Operating costs	-7.8	-12.6	-40.3	-33.6
<b>EBITDA Total</b>	<b>-4.3</b>	<b>-2.5</b>	<b>-15.9</b>	<b>-5.5</b>
Depreciation and amortisation of & impairment charges against tangible non-current assets	-0.2	-0.8	-2.2	-3.5
<b>Operating result</b>	<b>-4.5</b>	<b>-3.1</b>	<b>-18.1</b>	<b>-6.6</b>
<b>Result before taxes</b>	<b>-4.5</b>	<b>-3.1</b>	<b>-18.1</b>	<b>-6.6</b>
Taxes	-	-	-	-
<b>Result for the period</b>	<b>-4.5</b>	<b>-3.1</b>	<b>-18.1</b>	<b>-6.6</b>
<b>Termination costs</b>				
Impairment charges and termination costs	-6.2	-	-17.2	-
Capital loss	-1.8	-	-1.8	-
FX differences (accumulated FX differences)	-4.8	-	-4.8	-
<b>Result from discontinued operations</b>	<b>-17.3</b>	<b>-3.1</b>	<b>-41.9</b>	<b>-6.6</b>

## Summary Consolidated Balance Sheets

MSEK	31 December 2014	31 December 2013
<b>Non-current assets</b>		
Intangible non-current assets	53.0	65.5
Tangible non-current assets	0.1	1.3
Financial non-current assets	5.2	8.6
<b>Total non-current assets</b>	<b>58.3</b>	<b>75.4</b>
<b>Current assets</b>		
Inventories	5.9	15.5
Trade receivables	23.4	29.9
Other short-term receivables	5.5	7.8
Cash and cash equivalents	1.2	5.7
<b>Total current assets</b>	<b>36.0</b>	<b>58.9</b>
<b>TOTAL ASSETS</b>	<b>94.3</b>	<b>134.3</b>
<b>Equity</b> (attributable to the Parent Company's equity holders in its entirety)	<b>16.1</b>	<b>67.7</b>
<b>Long-term liabilities and provisions</b>		
Loans from credit institutions	0.4	2.5
Other provisions	0.4	0.4
<b>Total long-term liabilities and provisions</b>	<b>0.8</b>	<b>2.9</b>
<b>Current liabilities</b>		
Loans from credit institutions	8.8	11.1
Debenture loans	30.9	12.0
Trade payables	11.2	11.6
Other current liabilities	26.5	29.0
<b>Total current liabilities</b>	<b>77.4</b>	<b>63.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>94.3</b>	<b>134.3</b>

## Summary Report of Consolidated Equity

	Full year 2014	Full year 2013
Opening equity according to the balance sheet	67.7	41.8
Result for the year	-51.7	-22.8
Other comprehensive result for the period	0.1	-0.2
<b>Total comprehensive result for the period</b>	<b>-51.6</b>	<b>-23.0</b>
New issue	-	48.9
<b>Closing equity according to the balance sheet</b>	<b>16.1</b>	<b>67.7</b>

## Summary Consolidated Cash Flow Statements

MSEK	Oct-Dec 2014	Oct-Dec 2013	Full year 2014	Full year 2013
<b>Cash flow from operating activities</b>				
Before changes in working capital	-7.3	-5.4	-25.7	-13.3
<b>Changes in working capital</b>				
Increase (-)/Decrease (+) in inventories	0.4	-0.6	-2.5	-0.9
Increase (-)/Decrease (+) in receivables	-2.6	1.2	7.3	-4.1
Increase (+)/Decrease (-) in current liabilities	9.3	1.3	3.1	-8.0
<b>Total changes in working capital</b>	<b>7.1</b>	<b>1.9</b>	<b>7.9</b>	<b>-13.0</b>
<b>Cash flow from operating activities</b>	<b>-0.2</b>	<b>-3.5</b>	<b>-17.8</b>	<b>-26.3</b>
<b>Investment activities</b>				
Acquisition of subsidiaries	-	-	-0.3	-0.1
Acquisition of tangible non-current assets	-	-0.1	-	-0.1
Change in financial non-current assets	0.2	0.3	2.3	1.4
<b>Cash flow from investment activities</b>	<b>0.2</b>	<b>0.2</b>	<b>2.0</b>	<b>1.2</b>
<b>Operating cash flow</b>	<b>0.0</b>	<b>-3.3</b>	<b>-15.8</b>	<b>-25.1</b>
<b>Financing activities</b>				
New issue	-	-	-	48.9
Increase (+) in loans	-	12.0	17.7	30.9
Decrease (-) in loans	-2.7	-3.3	-6.4	-49.2
<b>Cash flow from financing activities</b>	<b>-2.7</b>	<b>8.7</b>	<b>11.3</b>	<b>30.6</b>
<b>Cash flow for the period</b>	<b>-2.7</b>	<b>5.4</b>	<b>-4.5</b>	<b>5.5</b>
Cash and cash equivalents at beginning of period	3.9	0.3	5.7	0.2
Translation difference in cash and cash equivalents	0.0	0.0	0.0	0.0
<b>Cash and cash equivalents at end of period</b>	<b>1.2</b>	<b>5.7</b>	<b>1.2</b>	<b>5.7</b>

## Key Financial indicators

Group (continuing operations)	Oct-Dec	Oct-Dec	Full year	Full year
	2014	2013	2014	2013
Order bookings, MSEK	23.6	20.5	99.5	98.5
Order backlog, MSEK	27.6	18.5	27.6	18.5
Gross margin, %	69	63	74	66
Operating margin, %	9.5	neg	neg	neg
Profit margin, %	6.2	neg	neg	neg
Return on capital employed, %	6.1	neg	neg	neg
Return on equity, %	13.8	neg	neg	neg
Equity ratio, %	17	50	17	50
Debt equity ratio	2.4	0.3	2.4	0.3
Net investments in non-current assets, MSEK	0.0	0.0	0.0	0.2
Depreciation and impairment of Non-current assets, MSEK	2.0	2.1	6.5	6.7
Average number of employees	68	75	73	76
Number of shares outstanding at end of period, million	8.82	8.82	8.82	8.82
Average number of shares outstanding, million	8.82	8.82	8.82	4.12
Earnings per share <sup>1)</sup> , SEK	0.25	-0.55	-1.11	-3.91
Cash flow per share <sup>1)</sup> , SEK	0.00	-0.37	-1.79	-6.09
Equity per share <sup>2)</sup> , SEK	1.81	7.68	1.81	7.68

<sup>1)</sup> Calculated based on average number of shares outstanding.

<sup>2)</sup> Calculated based on number of shares outstanding at end of period.

## Quarterly survey

Group (continuing operations)	2014				2013			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order bookings, MSEK	23.6	18.0	37.0	20.9	20.5	16.7	36.8	24.5
Revenue, MSEK	35.7	21.0	23.7	21.1	28.0	25.4	28.1	18.0
Gross margin, %	69	80	76	76	63	69	63	73
Operating result before depreciation and amortisation (EBITDA), MSEK	5.4	1.3	-1.1	-3.5	-1.8	1.2	-0.8	-4.1
Operating result (EBIT), MSEK	3.4	-0.2	-2.6	-5.0	-3.9	-0.4	-2.4	-5.5
Operating margin, %	9.5	neg	neg	neg	neg	neg	neg	neg
Return on equity, %	13.8	neg	neg	neg	neg	neg	neg	neg
Equity ratio, %	17	30	38	49	50	57	22	27
Earnings per share, SEK	0.25	-0.29	-0.45	-0.62	-0.55	-0.29	-2.27	-3.47
Cash flow per share, SEK	0.00	0.01	-1.78	-0.02	-0.37	-3.01	-3.75	-2.05
Equity per share, SEK	1.81	3.62	5.57	6.56	7.68	8.58	17.16	19.71
Average number of shares outstanding, million	8.82	8.82	8.82	8.82	8.82	4.12	1.76	1.76

## Definitions

### Margins

*Operating margin, %*

Operating result relative to net revenue.

*Profit margin, %*

Result before taxes relative to net revenue.

### Profitability

*Return on average capital employed, %*

Operating result, less interest income, relative to average capital employed. Capital employed refers to balance sheet total, less non-interest-bearing liabilities.

### Capital structure

*Equity ratio, %*

Equity at end of period relative to balance sheet total.

*Net debt equity ratio*

Interest-bearing liabilities at end of period, less cash and cash equivalents, relative to equity.

### Other

*Net investments in non-current assets, MSEK*

Net investments in non-current assets during the period.

*Direct costs for research and development, MSEK*

Costs for research and development during the period.

*Average number of employees*

Average number of employees during the period.

### Per-share data

*Number of shares outstanding at end of period, million*

Number of shares outstanding at end of period.

*Average number of shares outstanding, million*

Average number of shares outstanding during the period.

*Earnings per share, SEK*

Result after taxes, divided by average number of shares outstanding.

*Cash flow per share, SEK*

Operative cash flow divided by average number of shares outstanding.

*Equity per share, SEK*

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



## Summary Parent Company Income Statements

MSEK	Oct-Dec 2014	Oct-Dec 2013	Full year 2014	Full year 2013
Revenue	3.0	4.9	21.3	35.6
Raw materials and supplies	-4.5	-4.9	-24.5	-23.2
Other external costs	-8.6	-2.1	-14.6	-6.7
Personnel costs	-5.3	-2.9	-12.8	-10.8
Depreciation and amortisation of & impairment charges against tangible non-current assets	-0.2	-0.4	-1.4	-1.6
Other operating revenue	0.2		0.5	
Other operating costs	-	-0.1	-	-0.5
<b>Operating result</b>	<b>-15.4</b>	<b>-5.5</b>	<b>-31.5</b>	<b>-7.2</b>
Result from Group companies	-25.6	-	-36.2	-32.9
Net finance items	-2.7	-0.3	-4.9	-2.6
<b>Result before taxes</b>	<b>-43.7</b>	<b>-5.8</b>	<b>-72.6</b>	<b>-42.7</b>
Year-end allocations	6.2	1.1	6.2	1.1
Taxes	-	-	-	-
<b>Net result for the period</b>	<b>-37.5</b>	<b>-4.7</b>	<b>-66.4</b>	<b>-41.6</b>

## Parent Company Report of comprehensive result

Net result for the period	-37.5	-4.7	-66.4	-41.6
Other comprehensive result	-	-	-	-
<b>Total other comprehensive result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>	<b>-3.75</b>	<b>-4.7</b>	<b>-66.4</b>	<b>-41.6</b>

## Summary Parent Company Balance Sheets

MSEK	31 December 2014	31 December 2013
<b>Non-current assets</b>		
Intangible non-current assets	-	5.8
Tangible non-current assets	-	0.4
Financial non-current assets	31.3	35.6
<b>Total non-current assets</b>	<b>31.3</b>	<b>41.8</b>
<b>Current assets</b>		
Inventories	-	10.0
Trade receivables	2.6	5.7
Due from Group companies	6.2	21.6
Other short-term receivables	1.2	1.2
Cash and cash equivalents	0.1	2.9
<b>Total current assets</b>	<b>10.1</b>	<b>41.4</b>
<b>TOTAL ASSETS</b>	<b>41.4</b>	<b>83.2</b>
<b>Equity</b>	<b>-12.1</b>	<b>54.3</b>
<b>Current liabilities</b>		
Loans from credit institutions	0.6	-
Debenture loans	30.3	12.0
Due to Group companies	6.6	4.3
Trade payables	4.8	4.0
Other current liabilities	11.2	8.6
<b>Total current liabilities</b>	<b>53.5</b>	<b>28.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>41.4</b>	<b>83.2</b>

## Summary Report of Changes in Parent Company's Equity

MSEK	31 December 2014	31 December 2013
Opening equity according to the balance sheet	54.3	47.0
Net result for the period	-66.4	-41.6
Other comprehensive result for the period	-	-
<b>Total comprehensive result for the period</b>	<b>-66.4</b>	<b>-41.6</b>
New issue	-	48.9
<b>Closing equity according to the balance sheet</b>	<b>-12.1</b>	<b>54.3</b>

## Summary Parent Company Cash Flow Statements

MSEK	Oct-Dec 2014	Oct-Dec 2013	Full year 2014	Full year 2013
<b>Cash flow from current operations</b>				
<b>Before changes in working capital</b>	<b>-13.5</b>	<b>-4.3</b>	<b>-32.3</b>	<b>-7.0</b>
<b>Changes in working capital</b>				
Increase (-)/Decrease (+) of inventories	0.0	-0.9	-2.2	-0.4
Increase (-)/Decrease (+) of receivables	3.4	3.5	3.2	-4.1
Increase (+)/Decrease (-) of current liabilities	7.9	-4.1	9.9	-8.8
<b>Total changes in working capital</b>	<b>11.3</b>	<b>-1.5</b>	<b>10.9</b>	<b>-13.3</b>
<b>Cash flow from operating activities</b>	<b>-2.2</b>	<b>-5.8</b>	<b>-21.4</b>	<b>-20.3</b>
<b>Investment activities</b>				
Decrease in financial non-current assets	0.1	0.3	2.4	1.4
Loans to subsidiaries	2.1	0.4	0.6	-11.4
<b>Cash flow from investment activities</b>	<b>2.2</b>	<b>0.7</b>	<b>3.0</b>	<b>-10.0</b>
<b>Operating cash flow</b>	<b>0.0</b>	<b>-5.1</b>	<b>-18.4</b>	<b>-30.3</b>
<b>Financing activities</b>				
New issue	-	-	-	48.9
Increase (+) in loans	-	12.2	15.6	28.6
Decrease (-) in loans	-0.1	-4.2	-	-44.5
<b>Cash flow from financing activities</b>	<b>-0.1</b>	<b>8.0</b>	<b>15.6</b>	<b>33.0</b>
<b>Cash flow for the period</b>	<b>-0.1</b>	<b>2.9</b>	<b>-2.8</b>	<b>2.7</b>
Cash and cash equivalents at beginning of period	0.2	0.0	2.9	0.2
<b>Cash and cash equivalents at end of period</b>	<b>0.1</b>	<b>2.9</b>	<b>0.1</b>	<b>2.9</b>