



# INTERIM REPORT

## Orc Group Holding AB

### JANUARY 1 – SEPTEMBER 30, 2013

This interim report refers to Orc Group Holding AB (publ) - (formerly Cidron Delfi Intressenter AB (publ)) - and the Orc Group Holding group for the period from January 1 to September 30, 2013. At the beginning of 2012, Orc Group Holding AB acquired Orc group through a public tender offer directed to the shareholders in Orc Group AB (publ). Following the sale of Orc's former subsidiaries and sub-groups CameronTec and Neonet, continuing operations in the Orc Group Holding group consist solely of operations in Orc since October 2012. As a result, the comments in this report refer only to developments in Orc, and the tables that are presented on pages 1-6 refer to continuing operations in Orc adjusted for the impact of discontinued operations. The financial year of the Parent Company, and therefore also the Group, is now the calendar year. The financial statements starting on page 7 cover the period from July to September 2013 and January to September 2013, as well as the corresponding periods of 2012. The figures in brackets refer to the comparison period from the prior year, unless otherwise stated.

## CONTINUED INVESTMENTS IN NEW STRATEGY

	Jul 1, 2013	Jul 1, 2012	Jan 1, 2013	Jan 1, 2012
SEK MILLIONS	- Sep 30, 2013	- Sep 30, 2012	- Sep 30, 2013	- Sep 30, 2012
Operating revenue	105	127	325	393
Operating expenses *	-51	-68	-165	-214
<b>Adjusted EBITDA *</b>	<b>54</b>	<b>60</b>	<b>160</b>	<b>179</b>
Adjusted CAPEX **	-28	-27	-82	-83
EBITDA-CAPEX	26	33	78	96

\*) Adjusted EBITDA is defined as operating income after adjustment of operating expenses for amortization, depreciation and impairment losses, foreign exchange differences recognized in income pertaining to remeasurement of items in the balance sheet, non-recurring items and reversal of development costs not capitalized in the company's balance sheet. See table on page 2.

\*\*) Adjusted CAPEX is defined as investments in intangible assets and property, plant and equipment as reported in the cash flow statement, as well as reversal of development costs not capitalized in the company's balance sheet according to the above. See table on page 2.

- Operating revenue for the period from July to September 2013 reached SEK 105m (127), a decrease of 17%. Adjusted EBITDA was SEK 54m (60).
- Operating revenue for the period from January to September 2013 amounted to SEK 325m (393), down by 17%. Adjusted EBITDA was SEK 160m (179).
- Revenue was down compared to the corresponding periods of last year mainly as a result of declining demand in the global financial markets. The completed rationalization programs and adaptations to the current market conditions resulted in lower operating expenses. Investments in product development continued at an unchanged level.
- The equity/assets ratio remains strong at 31% (12).

## CEO TORBEN MUNCH COMMENTS:

"The process of implementing Orc's new strategy continued in the third quarter. This is taking place against a background of ongoing uncertainty in the global financial markets that has affected our customers, and therefore also the revenue, negatively.

Seasonal effects resulted in lower expenses compared to the previous quarter, which offset the drop in revenue so that Orc was able to report a stable EBITDA level for the third quarter of the year.

Our product development initiatives are continuing with sustained high intensity, at the same time that we are working to effectively demonstrate our products' improved functionality and areas of use for both new and existing customers.

The new members of the Executive Management have quickly assumed their new roles and we are focusing fully – together with all employees – on capitalizing on the short- and long-term opportunities offered by the market."

## STRATEGIC FOCUS

The Management has studied various alternatives to set Orc's strategic focus for the future. This work was completed in May and has resulted in a revised strategy that is now being implemented. The main points of the strategy are:

- A stronger focus on major customers, mainly large and mid-sized banks and trading firms active in derivatives trading. Over time, this will give Orc a more uniform customer base and lay the foundation for more effectively targeted marketing and sales.
- Further development of the Orc architecture and our products into an uniform, module-based platform that better meets the needs of our prioritized customer segments. With a platform of this type, it will also be easier to add new products and technologies through organic growth and acquisitions.
- Ongoing development of the Professional Services offering to expand and strengthen Orc's portfolio of software products.
- Broadening of Orc's potential market by targeting firms that conduct customer-driven trading. This will supplement Orc's current range of solutions, which mainly cater to customers active in proprietary trading.

## ADJUSTED EBITDA AND CAPEX

SEK MILLIONS	Jul 1, 2013 - Sep 30, 2013	Jul 1, 2012 - Sep 30, 2012	Jan 1, 2013 - Sep 30, 2013	Jan 1, 2012 - Sep 30, 2012
<b>Operating income</b>	<b>9</b>	<b>20</b>	<b>21</b>	<b>31</b>
Reversal of foreign exchange differences	3	1	1	6
Reversal of amortization, depreciation and impairment losses	28	28	83	81
Reversal of development costs not capitalized as work performed by the company for its own use	14	14	40	39
Reversal of non-recurring items	0	-3	15	22
<b>Adjusted EBITDA</b>	<b>54</b>	<b>60</b>	<b>160</b>	<b>179</b>
<b>Specification of adjusted CAPEX</b>				
Reported CAPEX	-14	-13	-42	-44
Reversal of development costs not capitalized as work performed by the company for its own use	-14	-14	-40	-39
<b>Adjusted CAPEX</b>	<b>-28</b>	<b>-27</b>	<b>-82</b>	<b>-83</b>

The table above shows the differences between reported operating income and adjusted EBITDA, and between reported CAPEX and adjusted CAPEX.

**Adjusted EBITDA** is defined as reported operating income before amortization, depreciation and impairment losses adjusted for foreign exchange differences recognized in income, non-recurring items and reversal of development costs not capitalized as work performed for the company's own use.

>> Foreign exchange differences refer to translation of items in the balance sheet, such as trade receivables and cash and cash equivalents, to Swedish kronor based on the closing day rate of exchange.

>> The entire cost for Orc's product- and development organization has been reversed, even the portion that is not capitalized as work performed for own use in the company's balance sheet. The same definition of EBITDA has been used in the terms of the senior secured bond that was placed in November 2012.

>> Non-recurring items refer to specific expenses or revenue that are not regularly recurring in operating activities.

**Adjusted CAPEX** is defined as investments in intangible assets and property, plant and equipment as reported in the cash flow statement, as well as reversal of development costs not capitalized as worked performed for own use in the company's balance sheet. The reversed amount is thus regarded as an investment.

Over time, EBITDA-CAPEX is a good indicator of the operating cash flow. See also comments under "Balance sheet and financial position".

## EARNINGS

	Jul 1, 2013	Jul 1, 2012	Jan 1, 2013	Jan 1, 2012
SEK MILLIONS	- Sep 30, 2013	- Sep 30, 2012	- Sep 30, 2013	- Sep 30, 2012
System revenue	102	126	319	388
Other revenue	3	1	6	5
<b>Operating revenue</b>	<b>105</b>	<b>127</b>	<b>325</b>	<b>393</b>
Cost of goods sold	-4	-8	-16	-17
Other external expenses	-24	-23	-71	-100
Personnel costs	-51	-61	-174	-199
Worked performed by the company for its own use and capitalized	14	14	41	41
Amortization, depreciation and impairment losses	-28	-28	-83	-81
Foreign exchange differences	-3	-1	-1	-6
<b>Operating expenses</b>	<b>-96</b>	<b>-107</b>	<b>-304</b>	<b>-362</b>
<b>Operating income</b>	<b>9</b>	<b>20</b>	<b>21</b>	<b>31</b>
Financial income	0	1	0	1
Financial expenses	-19	-27	-83	-79
<b>Net financial items</b>	<b>-19</b>	<b>-26</b>	<b>-83</b>	<b>-78</b>
<b>Income after financial items</b>	<b>-10</b>	<b>-6</b>	<b>-62</b>	<b>-47</b>
Income tax expense	3	-3	13	13
<b>Income for the period</b>	<b>-7</b>	<b>-9</b>	<b>-49</b>	<b>-34</b>
<b>Adjusted EBITDA</b>	<b>54</b>	<b>60</b>	<b>160</b>	<b>179</b>

### JULY 1 – SEPTEMBER 30, 2013

Operating revenue for the period from July to September 2013 fell by 17% compared to the same period of last year and amounted to SEK 105m (127). The decrease is mainly due to lower demand on the global financial market.

Total operating expenses for the period from July to September 2013 amounted to SEK -96m (-107), a decrease of 10% compared to the same period of last year that is mainly attributable to the wind-up of group-wide functions and other rationalization programs including adaptations to the current market conditions. Non-recurring items for the period from July to September 2013 amounted to SEK 0m (3), and adjusted for these items total expenses were down by 13% to SEK -96m (-110). The number of employees declined by two individuals during the quarter and at September 30, 2013, amounted to 215 (250), a decrease of 14% compared to the same period of last year.

Depreciation/amortization and impairment losses are mainly related to Orc Group Holding AB's acquisition of Orc Group AB, and refer to amortization of customer contracts and technology. Work performed by the company for its own use and capitalized refers to costs for Orc's software development. Around half of the paid development costs are capitalized in the balance sheet and amortized over a period of 7 to 10 years.

Operating income including non-recurring items amounted to SEK 9m (20) and net financial items totaled SEK -19m (-26). Financial expenses included an unrealized foreign exchange gain of SEK 5m on the note loan, since the loan is denominated in euros and the reporting currency is SEK, as well as interest and other expenses arising from Orc Group Holding AB's acquisition of Orc Group AB. The reported tax expense was SEK 3m (-3) and income for the period was SEK -7m (-9).

### JANUARY 1 – SEPTEMBER 30, 2013

Operating revenue for period from January to September 2013 was SEK 325m (393), which is equal to a decrease of 17%. Operating expenses amounted to SEK -304m (-362), which represents a cost reduction of 16% compared to the same period of last year. Non-recurring items for the period amounted to SEK -15m (-22), and consisted mainly of personnel costs related to changes in management functions and advisory expenses in connection with the completed set-off issue. Adjusted for non-recurring items, the cost reduction was 15%. Operating income including non-recurring items was SEK 21m (31). Net financial items amounted to SEK -83m (-78) and income tax expense was SEK 13m (13). Financial expenses included an unrealized foreign exchange loss of SEK -4m on the note loan. Income for the period was SEK -49m (-34).



## BALANCE SHEET AND FINANCIAL POSITION

SEK MILLIONS	Sep 30, 2013	Sep 30, 2012	Dec 31, 2012
<b>ASSETS</b>			
Intangible assets	1,911	1,960	1,946
Property, plant and equipment	20	29	27
Financial assets	2	2	2
Deferred tax asset	3	1	1
<b>Total non-current assets</b>	<b>1,936</b>	<b>1,992</b>	<b>1,976</b>
Trade receivables	53	76	91
Prepaid tax	6	27	7
Other current assets	19	20	23
Cash and cash equivalents	90	133	128
Assets in disposal group held for sale	-	509	-
<b>Total current assets</b>	<b>168</b>	<b>765</b>	<b>249</b>
<b>TOTAL ASSETS</b>	<b>2,104</b>	<b>2,757</b>	<b>2,225</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	645	343	486
Deferred tax liability	174	230	189
Non-current liabilities	1,102	654	1,259
<b>Total non-current liabilities</b>	<b>1,276</b>	<b>884</b>	<b>1,448</b>
Trade payables	10	14	26
Tax liabilities	0	3	4
Other current liabilities	173	1,312	261
Liabilities in disposal group held for sale	-	201	-
<b>Total current liabilities</b>	<b>183</b>	<b>1,530</b>	<b>291</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,104</b>	<b>2,757</b>	<b>2,225</b>

In October 2012, Orc Group AB sold its shares in CameronTec and Neonet to other owner companies in Nordic Capital Fund VII. Assets and liabilities held for sale at September 30, 2012, referred to items attributable to CameronTec and Neonet. These operations are thus no longer part of the Orc Group Holding group, which explains a large share of the decrease in total assets compared to the end of the third quarter of 2012.

In June 2013 Orc carried out a set-off issue in which a shareholder loan from Orc Group Holding AB's parent company was converted into equity in the form of preference shares. This led to an increase in consolidated equity of SEK 209m and a reduction in non-current interest-bearing liabilities by the same amount. The equity/assets ratio at the end of the period was 31% (12).

Total assets at the end of the period amounted to SEK 2,104m, of which SEK 1,911m consisted of intangible assets, primarily goodwill and other intangible assets arising in connection with Orc Group Holding AB's acquisition of Orc Group AB. Cash and cash equivalents totaled SEK 90m and equity was SEK 645m. Non-current liabilities include interest-bearing shareholder loans of SEK 597m from Orc Group Holding AB's parent company and note loans of SEK 504m. Other current liabilities have decreased by SEK 88m compared to December 31, 2012, which is mainly due to amortization of the utilized operating credits by SEK 65m at year-end 2012.

Cash and cash equivalents for the period from January to September 2013 decreased by SEK 38m, from SEK 128m to SEK 90m. Over time, currency-adjusted EBITDA-CAPEX is a good indicator of the operating cash flow for Orc. During the period, currency-adjusted EBITDA-CAPEX including non-recurring items amounted to SEK 62m. The difference between the actual change in cash and currency-adjusted EBITDA-CAPEX including non-recurring items refers mainly to amortization of operating credits for a total of SEK 65m and interest of SEK 17m paid on the note loan. The remainder is attributable to paid tax of SEK 7m, borrowings of SEK 6m, other paid financial items of SEK 7m and a negative change of SEK 10m in working capital. The negative change of SEK 10m in working capital is explained mainly by the fact that the decrease in prepaid revenue, trade payables and accrued expenses was offset by lower trade receivables. Prepaid revenue is found in the balance sheet under "Other current liabilities" and decreased by SEK 17m during the period as a result of lower billing. The decrease in trade payables and accrued expenses is primarily attributable to the fact that a large share of non-recurring costs for period from October to December 2012 were paid during the first quarter of 2013. The reduced trade receivables are mainly explained by the normalization of incoming payments from customers following a certain temporary delay in payments at year-end 2012 in connection with the Christmas and New Year holidays.



## FOREIGN EXCHANGE EFFECTS

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Movements in foreign exchange rates affect Orc in several ways. Assets and liabilities in foreign currency are revalued at every balance sheet date. Furthermore, certain balance sheet items in foreign currency are revalued on an ongoing basis, for example when a trade receivable is settled. Value gains/losses arising from revaluation of balance sheet items (mainly trade receivables) are recognized net as a separate item in the income statement. Orc's previous policy was not to continuously hedge operating cash flows in foreign currency. This policy is currently under review and may be changed. The note loan that was raised in November is deliberately denominated in euros in order to match interest expenses against operating revenue in the same currency.

Operating revenue and expenses are also affected by movements in foreign exchange rates, which have a direct impact on both the revenue and expense item. For the periods covered in this report, the net change that directly affects the income statement has not been material.

Of total operating revenue, approximately 40% consists of US dollars, 40% of euros and the remaining 20% of other currencies, primarily Swedish kronor and Australian dollars. Operating expenses, excluding amortization, depreciation and impairment losses, consist of approximately 45% Swedish kronor, 20% US dollars, 10% euros and 25% other currencies, primarily British pounds and Hong Kong dollars.



## EVENTS AFTER THE END OF THE REPORTING PERIOD

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No events have been reported after the closing date.



## PARENT COMPANY

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The Parent Company Orc Group Holding AB (publ) (556873-5913) was established at the end of 2011 and was registered with the Swedish Companies Registration Office for the first time on November 28, 2011. The company is owned by Cidron Delfi Intressenter Holding AB (556871-8141), which is in turn ultimately owned by Nordic Capital Fund VII and the Management of the Orc group.

As of April 2013, the Group's CFO is employed by Orc Group Holding AB.

Revenue in the Parent Company for the period from July to September 2013 amounted to SEK 1m (-). The increase refers to internal billing of services to other group companies. Operating income was SEK 0m (0), net financial items totaled SEK -26m (-26) and income after tax was SEK -20m (-19). Net financial items and income for the third quarter consist mainly of interest expenses on loans and financial expenses payable to the bank, as well as an unrealized foreign exchange gain of SEK 5m attributable to remeasurement of the note loan.

Investments in property, plant and equipment and intangible assets for the period from January to September 2013 amounted to - (-). At September 30, 2013, the Parent Company had cash and cash equivalents of SEK 1m (5). Non-restricted equity in the Parent Company on the same date was SEK 281m (358).

The Parent Company has no significant related party transactions other than transactions with group companies and board fees. All transactions with related parties are carried out on market-based terms.

The Parent Company's first financial year covers the period from November 28, 2011, to April 30, 2012. The financial year has now been modified and the company's second financial year ended on December 31, 2012. This means that the calendar year 2012 consists of two abbreviated financial years.



## ACCOUNTING POLICIES

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This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The Annual Accounts Act and RFR 2, Accounting for Legal Entities, are applied in the Parent Company. For both the Orc group and the Parent Company, the accounting policies are the same as those applied in the latest annual report unless otherwise stated below.

### NEW AND CHANGED ACCOUNTING STANDARDS IN 2013

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None of the standards and statements that have been published by the IASB and are effective for annual periods beginning on or after January 1, 2013, have had any significant impact on the financial statements for the Orc group.

### SIGNIFICANT ACCOUNTING POLICIES

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Below is a brief description of how the accounting policies are applied for a few key items in Orc's income statement and balance sheet. For more detailed information about Orc's significant accounting policies, see the most recently published annual report.

#### SYSTEM REVENUE

The Orc group's total revenue consists mainly of revenue from the sale of software licenses, which are billed quarterly in advance. Revenue is then recognized over the quarter to which the billing refers, but at the exchange rates ruling on the billing date.

New customers are not billed until a signed contract has been received and the customer has performed an acceptance test and approved the software.

#### TAXES

For loss carryforwards with an unlimited life, a deferred tax asset is recognized if the loss carryforward is expected to be usable.

#### GOODWILL

Because the useful life of goodwill is indefinite, the carrying amount of goodwill should be tested for impairment at least annually according to the principles described in the annual report. Orc determines the value of goodwill based on forecasted future cash flows for the cash-generating units. The value of goodwill is reviewed yearly, which normally takes place in the fourth quarter.

#### CAPITALIZED DEVELOPMENT COSTS

Orc's principle is to capitalize development costs attributable to separately identifiable projects that result in either new products or significant improvements in existing products and technology, and that can be expected to generate future economic benefits. Capitalized development costs are amortized on a straight-line basis over their estimated useful lives of 10 years from the date on which the asset is ready to use or from the quarter after capitalization has taken place. The amortization period of 10 years is based on an assessment of the useful lives of the products developed by Orc over the years.

#### INTANGIBLE ASSETS

Orc's intangible assets other than goodwill or capitalized development costs are amortized over a period of 7-10 years, depending on the nature and estimated useful life of the asset.

#### SEGMENT REPORTING

Orc's operations are divided into the three geographical markets EMEA, Americas and APAC, which also make up the Orc group's operating segments.

### SIGNIFICANT RISKS AND UNCERTAINTIES

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The most significant risks in Orc's operations have been assessed to lie in the company's ability to predict market needs and thereby adapt its technical solution to these, the ability to recruit and retain skilled employees, risks related to the IT infrastructure, foreign exchange risks and the risk for bad debt losses.

The ongoing uncertainty in the global financial markets is associated with a risk for continued cancellations of existing customer contracts, lower sales of new customer contracts and increased credit risks. Another significant risk factor to be taken into account is the risk for reduced liquidity in the global derivatives markets, which would most likely have a negative impact on Orc's customers and could therefore also affect staff reductions, new sales and credit risks.

Orc's ability to meet its payment obligations is dependent on sufficient liquidity. Profitable operations with healthy cash flows are essential for good liquidity. Another key factor is access to operating credits and various long-term financing solutions. Should access to credits cease, this could have a negative impact on Orc's solvency and financial position.



# CONDENSED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK MILLIONS	Jul 1, 2013 - Sep 30, 2013	Jul 1, 2012 - Sep 30, 2012	Jan 1, 2013 - Sep 30, 2013	Jan 1, 2012 - Sep 30, 2012
System revenue	102	126	319	388
Other revenue	3	1	6	5
<b>Operating revenue</b>	<b>105</b>	<b>127</b>	<b>325</b>	<b>393</b>
Cost of goods sold	-4	-8	-16	-17
Other external expenses	-24	-23	-71	-100
Personnel costs	-51	-61	-174	-199
Work performed by the company for its own use and capitalized	14	14	41	41
Amortization, depreciation and impairment losses	-28	-28	-83	-81
Foreign exchange differences	-3	-1	-1	-6
<b>Operating expenses</b>	<b>-96</b>	<b>-107</b>	<b>-304</b>	<b>-362</b>
<b>Operating income</b>	<b>9</b>	<b>20</b>	<b>21</b>	<b>31</b>
Financial income	0	1	0	1
Financial expenses	-19	-27	-83	-79
<b>Net financial items</b>	<b>-19</b>	<b>-26</b>	<b>-83</b>	<b>-78</b>
<b>Income after financial items</b>	<b>-10</b>	<b>-6</b>	<b>-62</b>	<b>-47</b>
Income tax expense	3	-3	13	13
<b>Income for the period from continuing operations</b>	<b>-7</b>	<b>-9</b>	<b>-49</b>	<b>-34</b>
Income for the period from discontinued operations	-	7	-	-31
<b>Income for the period</b>	<b>-7</b>	<b>-2</b>	<b>-49</b>	<b>-65</b>
Translation differences	-1	-1	-2	-5
<b>Other comprehensive income</b>	<b>-1</b>	<b>-1</b>	<b>-2</b>	<b>-5</b>
<b>Comprehensive income for the period</b>	<b>-8</b>	<b>-3</b>	<b>-51</b>	<b>-70</b>
Income for the period attributable to owners of the Parent Company	-7	-2	-49	-65
Comprehensive income for the period attributable to owners of the Parent Company	-8	-3	-51	-70
Earnings per share for the period attributable to owners of the Parent Company, basic and diluted	-1.24	-0.59	-8.96	-17.60
Average number of shares during the period, basic and diluted	5,745,912	4,181,416	5,476,253	3,713,993

## CONSOLIDATED BALANCE SHEET

SEK MILLIONS	Sep 30, 2013	Sep 30, 2012	Dec 31, 2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets			
Capitalized development costs	177	144	151
Goodwill	1,094	1,095	1,095
Other intangible assets	640	721	700
Property, plant and equipment			
Equipment	20	29	27
Financial assets	2	2	2
Deferred tax asset	3	1	1
<b>Total non-current assets</b>	<b>1,936</b>	<b>1,992</b>	<b>1,976</b>
<b>Current assets</b>			
Trade receivables	53	76	91
Prepaid tax	6	27	7
Other current assets	19	20	23
Cash and cash equivalents	90	133	128
Assets in disposal group held for sale	-	509	-
<b>Total current assets</b>	<b>168</b>	<b>765</b>	<b>249</b>
<b>TOTAL ASSETS</b>	<b>2,104</b>	<b>2,757</b>	<b>2,225</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6	4	5
Other contributed capital	731	409	522
Reserves	-7	-5	-5
Retained earnings	-36	-60	-60
Income for the period	-49	-5	24
<b>Total equity</b>	<b>645</b>	<b>343</b>	<b>486</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	174	230	189
Non-current liabilities	1,102	654	1,259
<b>Total non-current liabilities</b>	<b>1,276</b>	<b>884</b>	<b>1,448</b>
<b>Current liabilities</b>			
Trade payables	10	14	26
Tax liabilities	0	3	4
Other current liabilities	173	1,312	261
Liabilities in disposal group held for sale	-	201	-
<b>Total current liabilities</b>	<b>183</b>	<b>1,530</b>	<b>291</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,104</b>	<b>2,757</b>	<b>2,225</b>
<b>MEMORANDUM ITEMS</b>			
Pledged assets, attributable to disposal group held for sale	-	64	-
Pledged assets	1,957	-	1,979
Contingent liabilities	-	-	-



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the Parent Company

SEK MILLIONS	Share capital	Other contributed capital	Reserves	Retained earnings incl. income for the year	Total
<b>Opening balance, Jan 1, 2013</b>	<b>5</b>	<b>522</b>	<b>-5</b>	<b>-36</b>	<b>486</b>
Income for the year	-	-	-	-49	-49
Other comprehensive income	-	-	-2	-	-2
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-2</b>	<b>-49</b>	<b>-51</b>
<b>Transactions with owners</b>					
Set-off issue	1	209	-	-	210
<b>Total transactions with owners</b>	<b>1</b>	<b>209</b>	<b>-</b>	<b>-</b>	<b>210</b>
<b>Closing balance, Sep 30, 2013</b>	<b>6</b>	<b>731</b>	<b>-7</b>	<b>-85</b>	<b>645</b>

Attributable to owners of the Parent Company

SEK MILLIONS	Share capital	Other contributed capital	Reserves	Retained earnings incl. income for the year	Total
<b>Opening balance, Jan 1, 2012</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>
Income for the year	-	-	-	-65	-65
Other comprehensive income	-	-	-5	-	-5
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>-</b>	<b>-5</b>	<b>-65</b>	<b>-70</b>
<b>Transactions with owners</b>					
New share issue	4	409	-	-	413
<b>Total transactions with owners</b>	<b>4</b>	<b>409</b>	<b>-</b>	<b>-</b>	<b>413</b>
<b>Closing balance, Sep 30, 2012</b>	<b>4</b>	<b>409</b>	<b>-5</b>	<b>-65</b>	<b>343</b>

Attributable to owners of the Parent Company

SEK MILLIONS	Share capital	Other contributed capital	Reserves	Retained earnings incl. income for the year	Total
<b>Opening balance, May 1, 2012</b>	<b>4</b>	<b>409</b>	<b>0</b>	<b>-60</b>	<b>353</b>
Income for the year	-	-	-	24	24
Other comprehensive income	-	-	-5	-	-5
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-5</b>	<b>24</b>	<b>19</b>
<b>Transactions with owners</b>					
Set-off issue	1	113	-	-	114
<b>Total transactions with owners</b>	<b>1</b>	<b>113</b>	<b>-</b>	<b>-</b>	<b>114</b>
<b>Closing balance, Dec 31, 2012</b>	<b>5</b>	<b>522</b>	<b>-5</b>	<b>-36</b>	<b>486</b>

## CONSOLIDATED CASH FLOW STATEMENT

SEK MILLIONS	Jan 1, 2013 - Sep 30, 2013	Jan 1, 2012 - Sep 30, 2012
<b>OPERATING ACTIVITIES</b>		
Operating income from continuing operations	21	31
Operating income from discontinued operations	-	31
Adjustments for non-cash items		
Amortization, depreciation and impairment losses	83	81
Capital loss on the sale of non-current assets	0	0
Other non-cash items	0	11
Interest received	0	0
Interest paid, etc.	-24	-3
Income tax paid	-7	-29
<b>Cash flow from operating activities before changes in working capital</b>	<b>73</b>	<b>122</b>
<b>CHANGES IN WORKING CAPITAL</b>		
Change in trade receivables	36	22
Change in other operating receivables	4	33
Change in trade payables	-16	-8
Change in other operating liabilities	-35	-68
<b>Cash flow from operating activities</b>	<b>63</b>	<b>101</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of intangible assets	-41	-56
Acquisition of subsidiaries	0	-1,869
Purchase of property, plant and equipment	-1	-6
Change in financial assets	0	36
<b>Cash flow from investing activities</b>	<b>-42</b>	<b>-1,895</b>
<b>FINANCING ACTIVITIES</b>		
New share issue	-	413
Borrowings	6	1,630
Amortization of loans	-65	0
<b>Cash flow from financing activities</b>	<b>-60</b>	<b>2,043</b>
<b>Change in cash and cash equivalents</b>	<b>-38</b>	<b>249</b>
Cash and cash equivalents at beginning of period	128	0
Translation/foreign exchange difference in cash and cash equivalents	-1	
Cash and cash equivalents at end of period	90	249
Cash and cash equivalents attributable to continuing operations		
	90	133
Cash and cash equivalents attributable to disposal group held for sale		
	-	116
Cash flows attributable to disposal group held for sale:		
Cash flow from operating activities	-	-12
Cash flow from investing activities	-	28
Cash flow from financing activities	-	0

## SEGMENT REPORTING

SEK MILLIONS	Jul 1, 2013 - Sep 30, 2013	Jul 1, 2012 - Sep 30, 2012	Jan 1, 2013 - Sep 30, 2013	Jan 1, 2012 - Sep 30, 2012
Sweden	9	9	25	42
EMEA (excluding Sweden)	54	64	163	181
Americas	19	23	62	74
APAC	23	31	75	96
<b>Operating revenue</b>	<b>105</b>	<b>127</b>	<b>325</b>	<b>393</b>
System revenue	102	126	319	388
Other revenue	3	1	6	5
<b>Operating revenue</b>	<b>105</b>	<b>127</b>	<b>325</b>	<b>393</b>

## PARENT COMPANY INCOME STATEMENT

SEK MILLIONS	Jul 1, 2013 - Sep 30, 2013	Jul 1, 2012 - Sep 30, 2012	Jan 1, 2013 - Sep 30, 2013	Jan 1, 2012 - Sep 30, 2012
Operating revenue	1	-	2	-
Operating expenses	-1	0	-6	0
<b>Operating income</b>	<b>0</b>	<b>0</b>	<b>-4</b>	<b>0</b>
Financial income	0	-	0	-
Financial expenses	-26	-26	-101	-75
<b>Net financial items</b>	<b>-26</b>	<b>-26</b>	<b>-101</b>	<b>-75</b>
<b>Income after financial items</b>	<b>-26</b>	<b>-26</b>	<b>-105</b>	<b>-75</b>
Income tax expense	6	7	23	20
<b>Income for the period</b>	<b>-20</b>	<b>-19</b>	<b>-82</b>	<b>-55</b>
<b>Comprehensive Income for the period</b>	<b>-20</b>	<b>-19</b>	<b>-82</b>	<b>-55</b>
Income for the period attributable to owners of the Parent Company	-20	-19	-82	-55
Comprehensive Income for the period attributable to owners of the Parent Company	-20	-19	-82	-55

## PARENT COMPANY BALANCE SHEET

SEK MILLIONS	Sep 30, 2013	Sep 30, 2012	Dec 31, 2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
Shares in group companies	1,700	2,021	1,700
Deferred tax asset	37	20	14
<b>Total non-current assets</b>	<b>1,738</b>	<b>2,041</b>	<b>1,715</b>
<b>Current assets</b>			
Other current assets	47	-	63
Cash and cash equivalents	1	5	11
<b>Total current assets</b>	<b>48</b>	<b>5</b>	<b>75</b>
<b>TOTAL ASSETS</b>	<b>1,786</b>	<b>2,046</b>	<b>1,789</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity			
Share capital	6	4	5
Non-restricted equity			
Share premium reserve	731	409	522
Retained earnings	-374	0	-24
Income for the period	-82	-55	-350
<b>Total equity</b>	<b>281</b>	<b>358</b>	<b>153</b>
<b>Non-current liabilities</b>			
Non-current liabilities	1,480	653	1,614
<b>Total non-current liabilities</b>	<b>1,480</b>	<b>653</b>	<b>1,614</b>
<b>Current liabilities</b>			
Other current liabilities	25	1,035	22
<b>Total current liabilities</b>	<b>25</b>	<b>1,035</b>	<b>22</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,786</b>	<b>2,046</b>	<b>1,789</b>
<b>MEMORANDUM ITEMS</b>			
Pledged assets	1,700	-	1,706
Contingent liabilities	-	-	65

## CONSOLIDATED KEY RATIOS

With the exception of total assets and equity, the key ratios have been calculated for continuing operations.

SEK MILLIONS	Jul 1, 2013 - Sep 30, 2013	Jul 1, 2012 - Sep 30, 2012	Jan 1, 2013 - Sep 30, 2013	Jan 1, 2012 - Sep 30, 2012
Operating revenue	105	127	325	393
Operating income	9	20	21	31
Operating margin, %	9%	16%	6%	8%
Net financial items	-19	-26	-83	-78
Income for the period	-7	-9	-49	-34
Profit margin, %	-7%	-7%	-15%	-9%
Total assets	2,104	2,757	2,104	2,757
Cash and cash equivalents	90	133	90	133
Interest-bearing liabilities	1,101	1,789	1,101	1,789
Equity	645	343	645	343
Net debt	1,011	1,656	1,011	1,656
Equity/assets ratio, %	31%	12%	31%	12%



This interim report has not been examined by the company's auditors.

Stockholm, November 21, 2013  
Orc Group Holding AB  
on behalf of the Board of Directors

TORBEN MUNCH  
CEO





## ABOUT ORC GROUP

Orc is a leading provider of technology and services for the global financial industry. Since 1987, Orc delivers trading and market access solutions that are used by proprietary trading and market making firms, investment banks, hedge funds and brokerage houses worldwide.

Orc develops and provides the tools needed for running profitable trading or brokerage businesses in today's competitive and ever-changing markets.

With market presence in all major global financial centers, Orc provides sales and support services from its offices across the EMEA, the Americas and the Asia-Pacific regions.

Orc is owned by Orc Group Holding AB, which is in turn mainly owned by Nordic Capital Fund VII.

## STATUTORY DISCLOSURE

The information in this interim report is subject to the disclosure requirements of Orc Group Holding AB under the Swedish Securities Exchange and Clearing Operations Act and the Financial Instruments Trading Act. The information was released for publication on November 21, 2013, 8:00 a.m. CET.

## CONTACT INFORMATION

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A teleconference (in English) will be held on November 21 at 3:00 p.m. CET.

For more information, see the invitation at [www.orc-group.com](http://www.orc-group.com), Investor Relations, Press releases.

## FINANCIAL INFORMATION

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All financial information is posted on [www.orc-group.com](http://www.orc-group.com) immediately after publication.

## FINANCIAL CALENDAR

February 20, 2014

Year-end report 2013



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