



ITIVITI

Interim report

Itiviti Group Holding AB
January 1 – September 30, 2016



FOCUS ON INNOVATION AND GLOBAL EXECUTION

At the beginning of April, Itiviti Group Holding AB (formerly Orc Group Holding AB) announced that the merger with CameronTec Group had been completed. In order to simplify the new group's structure, the legal entities were combined by transferring CameronTec Intressenter Top Holding AB to Itiviti Group AB from the Parent Company Itiviti AB. In connection with the transaction in March 2016, the new group's financing arrangements were optimized through repayment of a bank loan. The loan was repaid with existing cash and bank overdraft facilities. The interim report presents the results for the combined new group, in which all historical data has been restated. The new group is referred to below as Itiviti.

	Jul 1, 2016 - Sep 30, 2016	Jul 1, 2015 - Sep 30, 2015	Jan 1, 2016 - Sep 30, 2016	Jan 1, 2015 - Sep 30, 2015
SEK THOUSANDS				
Operating revenue*	173,125	177,717	524,627	508,321
Operating expenses**	-75,294	-85,610	-250,494	-276,259
Adjusted EBITDA *	97,831	92,107	274,133	232,062
Adjusted CAPEX ***	-45,356	-43,152	-150,245	-128,338
EBITDA-CAPEX	52,475	48,955	123,888	103,724

*) Operating revenue 2015 and 2016 are adjusted with an add-back of the fair value adjustment of the carrying amount of deferred income in Tbricks upon acquisition, which has been carried out in accordance with IFRS as well as an adjustment of the purchase price for LaSalleTech. See table on page 3.

**) 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 3.

***) 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 3.

- Operating revenue for the period from July to September 2016 was SEK 173,125k (177,717), a decrease of 3% compared to the same quarter of 2015. Adjusted for foreign exchange effects, operating revenue declined by SEK -760k (0%). The decrease is attributable to Professional Services, while System revenue rose marginally.
- Adjusted EBITDA was SEK 97,831k (92,107) and EBITDA-CAPEX was SEK 52,475k (48,955). Operating expenses and adjusted CAPEX, adjusted for one-off effects, fell by SEK 7,800k compared to the same period of last year. Adjusted for foreign exchange effects, expenses were SEK 5,562k lower than in the same period of last year, down by 4%. The number of employees has increased by around 15, but thanks to synergy effects from the merger of CameronTec and Orc and a lower result of variable salary components in the period, personnel costs decreased. Bad debt losses were virtually nonexistent, which together with other synergy effects also led to lower operating expenses. A strong focus on development of Itiviti's new product offering explains the increase in adjusted CAPEX.

Comments from CEO Torben Munch:

"The third quarter did not fully live up to our expectations in terms of top line growth, while market trends are developing as envisaged. In the area of trading, a slow consolidation of smaller players is underway. As Itiviti has long foreseen this change, we have targeted our offering to increasingly cater to higher tier trading firms, banks and brokers; a shift now reflected in our sales pipeline. However, addressing larger organizations often means extended sales cycles, which has impacted revenue in the quarter.

In recent weeks we started to formally market Itiviti's full regulatory solutions. This offering was met with significant market interest from the very outset, resulting in some clients signing contracts even before the actual launch. We can now demonstrate a full suite of products addressing the challenges facing our clients in the new regulatory environment. In addition, we have launched the Itiviti Managed Connectivity Platform, enabling clients to concentrate on their core activities by offering a leaner, smarter way of running FIX connectivity.

The key to staying relevant in our highly competitive industry is continuous innovation. Itiviti's Tbricks by Itiviti and Catalys by Itiviti development platforms match today's highest standards, while offering future potential with regard to flexibility, functionality and performance. We are always pleased when these efforts are recognized, most recently by CV Magazine as Itiviti was presented with the 2016 Technology Innovator Award.

A new landscape has emerged, separating vendors with modern platforms and those hampered by legacy issues. Insights and vision are not enough – you must also possess the right tools to implement these in high performance, high functionality solution capable of addressing real client needs as they emerge.

Itiviti continues to grow, with new clients and new products. We now have more than 390 staff globally, compared to around 375 one year ago. We retain a sharp focus on our cost base, but never at the expense of profitable innovation."



Adjusted EBITDA and CAPEX

SEK THOUSANDS	Jul 1, 2016 - Sep 30, 2016	Jul 1, 2015 - Sep 30, 2015	Jan 1, 2016 - Sep 30, 2016	Jan 1, 2015 - Sep 30, 2015
Operating income	43,173	44,087	80,111	-103,667
Reversal of foreign exchange differences	763	-2,549	-2,951	-1,044
Reversal of amortization, depreciation and impairment losses	46,835	39,455	148,372	270,220
Reversal of development costs not capitalized as work performed by the company for its own use	4,104	6,148	14,748	21,468
Reversal of items affecting comparability ¹	9,255	2,896	40,152	33,355
Reversal of non-recurring items revenue	-6,299	-	-6,299	-
Reversal of fair value adjustment	-	2,070	-	11,730
Adjusted EBITDA	97,831	92,107	274,133	232,062
Specification of adjusted CAPEX				
Investments in intangible assets	-38,928	-34,040	-121,915	-100,955
Investments in property, plant and equipment	-2,636	-2,964	-13,894	-5,915
Reversal of non-recurring items in CAPEX	312	-	312	-
Reversal of development costs not capitalized as work performed by the company for its own use	-4,104	-6,148	-14,748	-21,468
Adjusted CAPEX	-45,356	-43,152	-150,245	-128,338

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 the exchange.

>> In calculating adjusted EBITDA, the entire cost for Itiviti'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.

>> Reversal of fair value adjustment refers to the add-back of the fair value adjustment of the carrying amount of prepaid income in Tbricks at the date of acquisition, which has been carried out in accordance with IFRS.

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".

¹ Items affecting comparability refer to material items and events related to changes in the Group's structure or industry that are relevant for understanding the Group's future development on a like-for-like basis. This line was previously called "Reversal of non-recurring items". See also page 16.



Earnings

	Jul 1, 2016	Jul 1, 2015	Jan 1, 2016	Jan 1, 2015
SEK THOUSANDS	- Sep 30, 2016	- Sep 30, 2015	- Sep 30, 2016	- Sep 30, 2015
System revenue	169,248	163,755	499,975	461,664
Professional Services	10,176	11,892	30,951	34,927
Operating revenue	179,424	175,647	530,926	496,591
Cost of goods sold	-4,159	-3,960	-12,711	-12,389
Other external expenses	-39,829	-38,805	-128,336	-130,532
Personnel costs	-77,888	-81,587	-267,379	-275,342
Work performed by the company for its own use and capitalized	33,223	29,698	103,032	87,181
Amortization, depreciation and impairment losses	-46,835	-39,455	-148,372	-270,220
Foreign exchange differences	-763	2,549	2,951	1,044
Operating expenses	-136,251	-131,560	-450,815	-600,258
Operating income	43,173	44,087	80,111	-103,667
Financial income	116	11	546	217
Financial expenses	-25,541	-35,353	-82,367	-63,739
Net financial items	-25,425	-35,342	-81,821	-63,522
Income after financial items	17,748	8,745	-1,710	-167,189
Income tax expense	-1,849	-6,238	2,459	30,290
Income for the period	15,899	2,507	749	-136,899
Adjusted EBITDA	97,831	92,107	274,133	232,062

July 1 – September 30, 2016

Operating revenue for the period from July to September 2016 increased by SEK 3,777k compared to the same period of last year and amounted to SEK 179,424k (175,647). Adjusted for the correction of SEK 0k (2,070) in the fair value of the acquired revenue in Tbricks and an adjustment of SEK -6,299k (0) in the purchase price for LaSalleTech, revenue decreased by SEK 4,592k, or -3%. Strengthening of the Swedish krona, mainly against the US dollar, resulted in a decrease in revenue of SEK 3,832k arising from foreign exchange effects in the third quarter of 2016 compared to the same quarter last year. System revenue excluding the above corrections and foreign exchange effects rose by SEK 879k. Professional Services showed a corresponding decrease of SEK 1,639k that was mainly attributable to the Americas region.

Operating expenses for the period from July to September 2016 adjusted for amortization, depreciation and impairment losses, items affecting comparability and foreign exchange effects, amounted to SEK -79,398k (-91,624), a decrease of SEK 12,226k compared to the same quarter of last year. The decrease is among other due to synergy effects from the merger of Orc and CameronTec and an increase in work performed by the company for its own use and capitalized pertaining to new products such as Itiviti Analyst, Order Management Systems (OMS), products for Foreign Exchange trading and Managed Connectivity Platform.

Aside from the eliminated exchange rate revaluations, operating expenses have been affected by changes in foreign exchange rates compared to the same period of last year. This has had a negative impact of around SEK 1,000k, of which SEK 628k has affected other external expenses. As a result of this, other external expenses adjusted for one-off items and foreign exchange effects decreased by SEK 4,604k. Bad debt losses amounted to SEK -25k in the quarter, compared to SEK -2,127k in the third quarter of 2015. Use of external consultants was lower, primarily in the Americas, as a result of fewer Professional Services projects.

Personnel costs excluding foreign exchange effects and one-off items were SEK 3,303k lower than in the same quarter on last year. The number of employees September 30, 2016, was 391 (375), but by hiring mainly in St. Petersburg it has been possible to minimize the increase in costs. Realized synergy effects and a lower result of variable salary components during the period contributed to a decrease in total personnel costs.

The quarter's amortization, depreciation and impairment losses of SEK -46,835k (-39,455) refer to amortization of acquired client contracts and technology, capitalized work performed by the company for its own use pertaining to costs for Itiviti's software development and amortization of expenses for client acquisition. Most of the company's development costs are capitalized in the consolidated balance sheet and amortized over a period of 3 to 10 years. The increase of



SEK 7,380k is explained mainly by the higher share of capitalized development costs and capitalized client acquisition costs.

Items affecting comparability amounted to SEK -9,255k (-2,896) and consisted mainly of one-off items in connection with the merger of the legal groups Orc and CameronTec into Itiviti, see also page 16. The previous year's one-off items primarily consisted of restructuring costs in connection to the acquisition of Tbricks.

Operating income was SEK 43,173k (44,087) and net financial items amounted to SEK -25,425k (-35,342). Financial items include an unrealized foreign exchange effect on the note loan of SEK -12,936k (-11,676), since the loan was denominated in euros and the reporting currency is SEK. Other financial expenses refer to interest and other expenses arising from Itiviti Group Holding AB's acquisition of Itiviti Group AB. The reported tax expense was SEK -1,849k (-6,238) and income for the period was SEK 15,899k (2,507).

January 1 – September 30, 2016

Operating revenue for the period from January to September 2016 increased by 34,335k compared to the same period last year and amounted to SEK 530,926k (496,591). Adjusted for the correction of SEK 0k (11,730) in the fair value of the acquired revenue in Tbricks and adjustment of the purchase price for LaSalleTech of SEK 6,299k (0), the increase was SEK 16,306k, or 3%. Weakening of the Swedish krona, mainly against the US dollar, resulted in an increase in revenue of SEK 7,540k arising from foreign exchange effects in the first nine months of 2016 compared to the same period of last year. The remaining increase of SEK 8,766k is explained by higher sales of Tbricks by Itiviti, VeriFIX by Itiviti, Catalys by Itiviti and Managed Services.

Operating expenses for the period from January to September 2016, adjusted for amortization, depreciation and impairment losses, one-off items and foreign exchange effects, amounted to SEK -265,243k (-297,728), down by SEK 32,485k compared to the same period of last year. The decrease is mainly attributable to a higher degree of synergy effects from the merged companies, capitalized development costs and lower bad debt losses. The increased number of employees resulted in higher personnel costs compared to the same period of last year. Changes in foreign exchange rates, aside from the eliminated exchange rate revaluation, have been favorable and reduced operating expenses by SEK 7,400k.

The period's amortization, depreciation and impairment losses amounted to SEK -148,372k (-270,220). The decrease is explained mainly by the fact that the Group recorded an impairment loss of SEK 148,000k on the book value of the technology attributable to Itiviti's platform in the first quarter of 2015. The impairment loss was recognized in connection with the decision to primarily develop products based on Tbricks' trading platform. In 2016, a scrapping of technology in connection with the merger was recognized in an amount of SEK 9,943k.

Operating income was SEK 80,111k (-103,667) and net financial items amounted to SEK -81,821k (-63,522). Financial items include an unrealized foreign exchange effect on the note loan of SEK -29,820k (6,216), since the loans were denominated in euros and US dollars and the reporting currency is SEK. Other financial expenses refer to interest and other expenses arising from Itiviti Group Holding AB's acquisition of Itiviti Group AB. The reported tax expense was SEK 2,459k (30,290) and income for the period was SEK 749k (-136,899).

Balance sheet and financial position

SEK THOUSANDS	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
ASSETS			
Intangible assets	2,547,351	2,562,362	2,561,471
Property, plant and equipment	24,895	17,731	21,032
Financial assets	77,245	80,416	76,440
Deferred tax asset	33,623	22,666	35,064
Total non-current assets	2,683,114	2,683,175	2,694,007
Trade receivables	103,739	104,617	123,617
Prepaid tax	2,355	0	1,281
Other current assets	32,067	46,435	35,525
Cash and cash equivalents	70,324	203,435	225,237
Total current assets	208,485	354,487	385,660
TOTAL ASSETS	2,891,599	3,037,662	3,079,667
EQUITY AND LIABILITIES			
Equity	1,721,749	1,553,549	1,558,476
Deferred tax liability	213,518	199,345	215,723
Non-current liabilities	581,510	581,107	566,171
Other appropriations	2,211	7,083	6,432
Total non-current liabilities	797,239	787,535	788,326
Trade payables	14,914	16,702	15,218
Tax liabilities	2,081	2,724	8,365
Other current liabilities	355,616	677,152	709,282
Total current liabilities	372,611	696,578	732,865
TOTAL EQUITY AND LIABILITIES	2,891,599	3,037,662	3,079,667

Total assets at the end of the period amounted to SEK 2,891,599k (3,037,662), of which SEK 2,547,351k (2,562,362) consisted of intangible assets, primarily goodwill and other intangible assets arising in connection with acquisitions of Orc Group AB, Tbricks, LaSalleTech and Greenline. Financial assets of SEK 77,245k (80,416) consist of a non-current receivable from the Parent Company Itiviti AB.

Cash and cash equivalents at September 30, 2016 amounted to SEK 70,324k (203,435) and decreased during the period from January to September by SEK -154,913k after a substantial loan payment was made in March 2016. Over time, currency-adjusted EBITDA-CAPEX is a good indicator of the operating cash flow for the Group. During the period from January to September, currency-adjusted EBITDA-CAPEX including one-off items amounted to SEK 89,723k. The difference between the actual change in cash and currency-adjusted EBITDA-CAPEX including one-off items refers mainly to interest payments of SEK -31,865k and the repayment of bank loans for a total of SEK -232,924k. The remainder is explained by paid tax of SEK -4,947k, an increase in bank overdraft of SEK 30,165k and a negative change in working capital of SEK -3,020k.

Consolidated equity amounted to SEK 1,721,749k (1,553,549). The increase consists mainly of a shareholder contribution of SEK 161,342k that was used to redeem a loan to the Parent Company Itiviti AB. The equity/assets ratio at the end of the period was 60% (51).

Non-current liabilities consist mainly of the note loan of SEK 573,391k (556,310). Other current liabilities decreased by SEK 355,070k compared to December 31, 2015, which is mainly explained by the repayment of SEK -232,924k of the



bank loan that existed at year-end 2015 and the above-mentioned redeemed loan to the Parent Company Itiviti AB. The note loan matures in the last quarter 2017; new financing alternatives are under evaluation.

Foreign exchange effects

Movements in foreign exchange rates affect Itiviti in several ways. Current assets (primarily trade receivables) and liabilities in foreign currency are remeasured at every balance sheet date and the value change is reported net as a separate item in operating income. Revaluation of cash and non-current liabilities is recognized in net financial items.

Itiviti's policy is to not continuously hedge operating cash flows in foreign currency, although this policy is under continuous review and may be changed as needed. The note loan that was raised in November 2012 is deliberately denominated in euros in order to match interest expenses and operating revenue currency.

Operating revenue and expenses are also affected by movements in foreign exchange rates. For the periods covered in this report, the net change that directly affects the income statement has been described above.

Of total operating revenue, approximately 49% consists of US dollars, 34% of euros, 6% of Swedish kronor, 6% of Sterling pounds and the remaining 5% of other currencies. Operating expenses, excluding amortization, depreciation and impairment losses, consist of approximately 35% Swedish krona, 22% US dollars, 15% Sterling pounds, 10% Hong Kong dollars, 8% euros, 5% rubles and 5% other currencies.

Financial instruments

Itiviti's financial instruments consist mainly of trade receivables, cash and cash equivalents, trade payables, accrued supplier expenses and interest-bearing liabilities. The nature and size of the financial assets and liabilities have not changed significantly compared to those that applied in connection with the latest annual closing. In all material aspects, the fair values of the financial instruments are assessed to approximate their carrying amounts.

Contingent consideration, which are carried at fair value in the statement of financial position, are valued according to Level 3 in IFRS 13 Fair-value hierarchy. The calculation of contingent consideration depends on the value of signed customer contracts. There is a cap on the contingent consideration that limit how much debt can be. The maximum contingent consideration amounted at balance sheet date to 22,969k. The change from year-end consists of a payment of 1,747k and an adjustment of the liability due to reduced expected outcome of 6,299 k.

Events under and after the reporting period

On November 30, 2015, Itiviti AB acquired 100% of the shares in CameronTec Intressenter Top Holding AB from Cidron Delfi S.a.r.l. On March 30, 2016 Itiviti Group AB acquired CameronTec Intressenter Top Holding AB from Itiviti AB. From an accounting standpoint, this is a transaction under common control in which Itiviti Group AB has taken over CameronTec Intressenter Top Holding AB. IFRS 3 does not apply to transactions under common control and no revaluation of assets and liabilities in CameronTec Intressenter Top Holding AB has taken place. The comparative figures have been restated as if CameronTec Intressenter Top Holding AB had been part of the Group during the comparison period.

No events have been reported after the closing date.

Parent company

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

Revenue in the Parent Company for the period from July to September 2016 was SEK 1,474k (518). The increase refers to internal billing of services to other group companies. Operating income was SEK -537k (-617), net financial items



totalled SEK -25,984k (-32 683) and income after tax amounted to SEK -20,686k (-25,983). Net financial items and income for the third quarter consist mainly of interest expenses on the note loan, financial expenses payable to the bank and an unrealized foreign exchange loss of SEK -12,936k (-11,046) attributable to remeasurement of the note loan.

Investments in property, plant and equipment and intangible assets for the period from July to September 2016 amounted to SEK - (-). At September 30, 2016, the Parent Company had cash and cash equivalents of SEK 2,208k (934). Non-restricted equity in the Parent Company on the same date was SEK 2,232,377k (1,189,497). The increase in equity of SEK 1,042,880k consists mainly of the shareholder contribution of SEK 1,028,279k from the Parent Company Itiviti AB. The shareholder contribution was received to settle a liability of SEK 431,203k to the subsidiary Itiviti Group AB and to send a shareholder contribution of SEK 597,075k to the same. Itiviti Group AB later acquired the shares in CameronTec Intressenter Top Holding AB for SEK 1,028,279k.

Itiviti Group Holding AB 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 nature and scope of related party transactions during the period are essentially the same as in 2015.

Accounting policies

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 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 2016

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, 2016, have had any significant impact on the financial statements of the Group. Itiviti evaluates published standards that have not yet been effective.

Significant accounting policies

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

System revenue

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

Taxes

For loss carryforwards, 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. Itiviti determines the value of goodwill based on forecasted future cash flow for the cash-generating unit.

Capitalized development costs

Itiviti'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 3 to 10 years. The amortization begins when the asset starts to be used. The amortization period of 3 to 10 years is based on an assessment of the useful lives of the products developed by Itiviti over the years.



Intangible assets

Itiviti's intangible assets other than goodwill, trademark or capitalized development costs are amortized over a period of 3 to 10 years, depending on the nature and estimated useful life of the asset. Because the useful life of trademark is indefinite, the carrying amount of trademark should be tested for impairment at least annually according to the principles described in the annual report.

The commissions that arise on the date of sale and are directly attributable to the acquisition of the client contract are recognized in intangible assets in the balance sheet. Contracts that are signed with clients have a fixed term (normally 12 months) and are amortized on a straight-line basis over this period. The investment in the form of paid commission compensation is recognized in investing activities in the cash flow statement.

Segment

Itiviti's operations are managed and measured in one segment and are divided into the geographical markets EMEA (incl. Sweden), Americas and APAC.

Significant risks and uncertainties

The most significant risks in Itiviti'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, the risk for bad debt losses and international economic sanctions that prevent the company from fulfilling its obligations to clients and employees.

The ongoing uncertainty in the global financial markets is associated with a risk for cancellations of existing client contracts, lower sales of new client 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 Itiviti's clients and could therefore also affect staff reductions, new sales and credit risks.

Itiviti'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 Itiviti's solvency and financial position.

More information is found in the annual report.



Condensed financial statements

Consolidated statement of comprehensive income

SEK THOUSANDS	Jul 1, 2016 - Sep 30, 2016	Jul 1, 2015 - Sep 30, 2015	Jan 1, 2016 - Sep 30, 2016	Jan 1, 2015 - Sep 30, 2015
System revenue	169,248	163,755	499,975	461,664
Professional Services	10,176	11,892	30,951	34,927
Operating revenue	179,424	175,647	530,926	496,591
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Other external expenses	-39,829	-38,805	-128,336	-130,532
Personnel costs	-77,888	-81,587	-267,379	-275,342
Work performed by the company for its own use and capitalized	33,223	29,698	103,032	87,181
Amortization, depreciation and impairment losses	-46,835	-39,455	-148,372	-270,220
Foreign exchange differences	-763	2,549	2,951	1,044
Operating expenses	-136,251	-131,560	-450,815	-600,258
Operating income	43,173	44,087	80,111	-103,667
Financial income	116	11	546	217
Financial expenses	-25,541	-35,353	-82,367	-63,739
Net financial items	-25,425	-35,342	-81,821	-63,522
Income after financial items	17,748	8,745	-1,710	-167,189
Income tax	-1,849	-6,238	2,459	30,290
Income for the period	15,899	2,507	749	-136,899
Other comprehensive income that can be subsequently reclassified to the income statement				
Translation differences	1,007	1,531	1,183	13,702
Other comprehensive income	1,007	1,531	1,183	13,702
Comprehensive income for the period	16,906	4,038	1,932	-123,197
Income for the period attributable to owners of the Parent Company	15,899	2,507	749	-136,899
Comprehensive income for the period attributable to owners of the Parent Company	16,906	4,038	1,932	-123,197



Consolidated balance sheet

SEK THOUSANDS	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	1,533,152	1,533,200	1,532,304
Other intangible assets	686,796	799,491	770,166
Capitalized development costs	327,403	229,671	259,001
Property, plant and equipment			
Equipment	24,895	17,731	21,032
Financial assets	77,245	80,416	76,440
Deferred tax asset	33,623	22,666	35,064
Total non-current assets	2,683,114	2,683,175	2,694,007
Current assets			
Trade receivables	103,739	104,617	123,617
Prepaid tax	2,355	0	1,281
Other current assets	32,067	46,435	35,525
Cash and cash equivalents	70,324	203,435	225,237
Total current assets	208,485	354,487	385,660
TOTAL ASSETS	2,891,599	3,037,662	3,079,667
EQUITY AND LIABILITIES			
Equity			
Share capital	6,175	6,175	6,175
Other contributed capital	1,843,707	1,682,366	1,682,366
Reserves	35,865	43,229	34,682
Retained earnings	-164,747	-41,322	-41,322
Income for the period	749	-136,899	-123,425
Total equity	1,721,749	1,553,549	1,558,476
Non-current liabilities			
Deferred tax liabilities	213,518	199,345	215,723
Non-current liabilities	581,510	581,107	566,171
Other appropriations	2,211	7,083	6,432
Total non-current liabilities	797,239	787,535	788,326
Current liabilities			
Trade payables	14,914	16,702	15,218
Tax liabilities	2,081	2,724	8,365
Other current liabilities	355,616	677,152	709,282
Total current liabilities	372,611	696,578	732,865
TOTAL EQUITY AND LIABILITIES	2,891,599	3,037,662	3,079,667
PLEGDED ASSETS AND CONTINGENT LIABILITIES			
Pledged assets	2,089,065	2,366,481	2,295,734
Contingent liabilities	-	-	-



Consolidated statement of changes in equity

Attributable to owners of the Parent Company

SEK THOUSANDS	Share	Other contributed capital	Reserves	Retained earnings incl. Income for the year	Total
Opening balance, Jan 1, 2016	6,175	1,682,366	34,682	-164,747	1,558,476
Income for the year	-	-	-	749	749
Other comprehensive income	-	-	1,183	-	1,183
Total comprehensive income for the year	-	-	1,183	749	1,932
Transactions with owners					
Shareholders contribution	-	161,341	-	-	161,341
Total transactions with owners	-	161,341	-	-	161,341
Closing balance, Sep 30, 2016	6,175	1,843,707	35,865	-163,998	1,721,749

Attributable to owners of the Parent Company

SEK THOUSANDS	Share	Other contributed capital	Reserves	Retained earnings incl. Income for the year	Total
Opening balance, Jan 1, 2015	6,175	1,374,207	29,527	-41,322	1,368,587
Income for the year	-	-	-	-136,899	-136,899
Other comprehensive income	-	-	13,702	-	13,702
Total comprehensive income for the year	-	-	13,702	-136,899	-123,197
Transactions with owners					
Shareholders contribution	-	308,159	-	-	308,159
Total transactions with owners	-	308,159	-	-	308,159
Closing balance, Sep 30, 2015	6,175	1,682,366	43,229	-178,221	1,553,549



Consolidated cash flow statement

SEK THOUSANDS	Jan 1, 2016 - Sep 30, 2016	Jan 1, 2015 - Sep 30, 2015
OPERATING ACTIVITIES		
Operating income	80,111	-103,667
Adjustments for non-cash items		
Amortization, depreciation and impairment losses	148,372	270,220
Capital loss on the sale of non-current assets	-	-
Other non-cash items	-9,359	-1,465
Interest received	263	217
Interest paid	-32,128	-35,515
Income tax paid	-7,683	-7,418
Cash flow from operating activities before changes in working capital	179,576	122,372
CHANGES IN WORKING CAPITAL		
Change in trade receivables	23,041	15,195
Change in other operating receivables	2,468	8,851
Change in trade payables	-873	1,957
Change in other operating liabilities	-22,263	-2,494
Cash flow from operating activities	181,949	145,881
INVESTING ACTIVITIES		
Investments in intangible assets	-121,915	-100,956
Acquisition of subsidiaries	-1,747	-289,232
Disposal of subsidiaries	-	-
Investments in property, plant and equipment	-13,894	-5,915
Change in financial assets	-	-
Cash flow from investing activities	-137,556	-396,103
FINANCING ACTIVITIES		
Change in overdraft facility	30,165	-
Amortization of debt	-232,964	-
Shareholder contribution	-	308,159
Cash flow from financing activities	-202,799	308,159
Change in cash and cash equivalents	-158,406	57,937
Cash and cash equivalents at beginning of period	225,237	143,194
Translation/foreign exchange different in cash and cash equivalents	3,493	2,304
Cash and cash equivalents at the end of period	70,324	203,435



Revenue by geographical area

SEK THOUSANDS	Jul 1, 2016 - Sep 30, 2016	Jul 1, 2015 - Sep 30, 2015	Jan 1, 2016 - Sep 30, 2016	Jan 1, 2015 - Sep 30, 2015
Sw eden	12,044	11,220	32,659	35,199
EMEA (excl Sw eden)	71,307	77,835	220,539	224,049
Americas	46,313	49,590	143,996	143,273
APAC	43,461	39,072	127,433	105,800
Other revenue	6,299	-	6,299	-
Fair value adjustment acc. to PPA	-	-2,070	-	-11,730
Operating revenue	179,424	175,647	530,926	496,591

Parent company income statement

SEK THOUSANDS	Jul 1, 2016 - Sep 30, 2016	Jul 1, 2015 - Sep 30, 2015	Jan 1, 2016 - Sep 30, 2016	Jan 1, 2015 - Sep 30, 2015
Operating revenue	1,474	518	4,353	2,232
Operating expenses	-2,011	-1,135	-5,850	-3,514
Operating income	-537	-617	-1,497	-1,282
Financial income	0	0	0	6,216
Financial expenses	-25,984	-32,683	-76,803	-62,194
Net financial items	-25,984	-32,683	-76,803	-55,978
Income after financial items	-26,521	-33,300	-78,300	-57,260
Income tax expense	5,835	7,317	17,226	12,589
Income for the period	-20,686	-25,983	-61,074	-44,671
Comprehensive income for the period	-20,686	-25,983	-61,074	-44,671



Parent company balance sheet

SEK THOUSANDS	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
ASSETS			
Non-current assets			
Financial assets			
Shares in group companies	2,605,680	2,008,604	2,008,604
Long term receivable to parent company	72,837	76,590	72,838
Deferred tax asset	37,366	47,321	25,711
Total non-current assets	2,715,883	2,132,515	2,107,153
Current assets			
Other current assets	111,161	55,469	134,802
Cash and cash equivalents	2,208	934	3,534
Total current assets	113,369	56,403	138,336
TOTAL ASSETS	2,829,252	2,188,918	2,245,489
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	6,175	6,175	6,175
Non-restricted equity			
Share premium reserve	1,374,206	1,374,206	1,374,206
Retained earnings	919,245	-140,038	-140,037
Income for the period	-61,074	-44,671	30,740
Total equity	2,238,552	1,195,672	1,271,084
Non-current liabilities			
Non-current liabilities	573,391	971,006	963,554
Total non-current liabilities	573,391	971,006	963,554
Current liabilities			
Other current liabilities	17,309	22,240	10,852
Total current liabilities	17,309	22,240	10,852
TOTAL EQUITY AND LIABILITIES	2,829,252	2,188,918	2,245,489
PLEGGED ASSETS AND CONTINGENT LIABILITIES			
Pledged assets	2,605,680	2,008,604	2,008,604
Contingent liabilities	-	-	-



Items affecting comparability

Items affecting comparability refer to material items and events related to changes in the Group's structure or industry that are relevant for understanding the Group's development on a like-for-like basis. These items were previously called "non-recurring items".

The Group's EBITDA is adjusted for items affecting comparability in order to enable the reader to monitor and analyze the underlying profitability adjusted for items that affect comparability between periods.

Items affecting Operating expenses

SEK THOUSANDS	Jul 1, 2016 - Sep 30, 2016	Jul 1, 2015 - Sep 30, 2015	Jan 1, 2016 - Sep 30, 2016	Jan 1, 2015 - Sep 30, 2015
Items affecting comparability in Other external expenses				
Vacant premises following acquisition	-855	-484	-2,903	-2,827
Marketing expenses following launch of Itiviti	-698	-	-2,505	-
Legal consultancy costs following Orc/CameronTec merger	-2,069	-	-5,521	-
Strategic review of market opportunities following the creation of Itiviti	-4,864	-	-15,940	-
Consultancy costs after Tbricks and LaSalle Tech acquisition	-	-945	-	-8,983
Start-up cost for new business in Japan	-	-798	-	-3,208
Total	-8,485	-2,227	-26,868	-15,018
Items affecting comparability in Personnel costs				
Redundancies following Orc/CameronTec merger	-770	-	-13,284	-
Redundancies following acquisitions	-	-669	-	-18,337
Total	-770	-669	-13,284	-18,337
Total items affecting comparability in Adjusted EBITDA	-9 255	-2 896	-40 152	-33 355
Items affecting comparability in amortizations and depreciations				
Write-down of technology following Orc/CameronTec merger	-	-	-9,943	-
Write-down of technology following Tbricks acquisition	-	-	-	-148,000
Total	-	-	-9,943	-148,000
Total items affecting comparability	-9,255	-2,896	-50,095	-181,355



Consolidated key ratios

SEK THOUSANDS	Jul 1, 2016 - Sep 30, 2016	Jul 1, 2015 - Sep 30, 2015	Jan 1, 2016 - Sep 30, 2016	Jan 1, 2015 - Sep 30, 2015
Operating revenue	179,424	175,647	530,926	496,591
Operating income	43,173	44,087	80,111	-103,667
Operating margin	24%	25%	15%	-21%
Net financial items	-25,425	-35,342	-81,821	-63,522
Income for the period	15,899	2,507	749	-136,899
Profit margin	9%	1%	0%	-28%
Adjusted EBITDA	97,831	92,107	274,133	232,062
Adjusted EBITDA-margin	55%	52%	52%	47%
EBITDA-CAPEX	52,475	48,955	123,888	103,724
EBITDA-CAPEX-margin	29%	28%	23%	21%
Total assets	2,891,599	3,037,662	2,891,599	3,037,662
Cash and cash equivalents	70,324	203,435	70,324	203,435
Interest-bearing liabilities	573,391	556,310	573,391	556,310
Other Non-current liabilities	30,165	233,838	30,165	233,838
Equity	1,721,749	1,553,549	1,721,749	1,553,549
Net debt	533,232	586,713	533,232	586,713
Equity/assets ratio	60%	51%	60%	51%

Definitions

Net debt: Interest-bearing liabilities + Other Non-current liabilities – Cash and cash equivalents
See Annual Report 2015 for other definitions of key ratios and page 3.

The key ratios reported are those that are continuously monitored by the company's management.



Statement of assurance

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

Stockholm, November 15, 2016
Itiviti Group Holding AB

TORBEN MUNCH
CEO



About Itiviti

Itiviti is a world-leading technology provider for the capital markets industry. Trading firms, banks, brokers and institutional clients rely on Itiviti's technology, solutions and expertise to streamline their daily operations, while gaining sustainable competitive edge in global markets.

With 13 offices serving more than 400 customers worldwide, Itiviti was formed by uniting Orc Group, a leader in trading and electronic execution, and CameronTec Group, the global standard in financial messaging infrastructure and connectivity. From its establishment in 2016, Itiviti has a staff of 400 and estimated annual revenue of SEK 700 million.

Itiviti is committed to continuous innovation to deliver trading infrastructure built for today's dynamic markets, offering highly adaptable platforms and solutions that enable clients to stay ahead of competitive and regulatory challenges.

Itiviti Group Holding AB is owned by Itiviti AB, in which Nordic Capital Fund VII is the principal shareholder.

For more information visit: itiviti.com

Statutory disclosure

The information in this interim report is subject to the disclosure requirements of Itiviti 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 15, 2016, 8:00 a.m. CET.

Contact information

CEO Torben Munch

Phone: +46 8 506 477 35

CFO Tony Falck

Phone: +46 8 506 477 24

A teleconference (in English) will be held on November 15, 2016, at 3:00 p.m. CET.

For more information, see the invitation at itiviti.com.

Financial information

Can be ordered from:

Itiviti Group, Investor Relations,
Box 7742, SE-103 95 Stockholm

Phone: +46 8 506 477 00

Fax: +46 8 506 477 01

E-mail: ir@itiviti.com

All financial information is posted on Itiviti.com immediately after publication.

Financial calendar

February 15, 2017 Q4 Year-end report

Itiviti Group Holding AB (publ)

Corp. ID no. 556873-5913

Kungsgatan 36

Box 7742

SE-103 95 Stockholm

Phone: +46 8 506 477 00

Fax: +46 8 506 477 01

info@itiviti.com

itiviti.com

N.B. The English text is a translation of the Swedish text. In case of discrepancy between the Swedish and the English text, the Swedish version shall prevail.