



ITIVITI

Year-end report

Itiviti Group Holding AB
January 1 – December 31, 2016



YEAR OF EXECUTION LAYS FOUNDATION FOR OPTIMISTIC LOOKOUT

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 year-end 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.

SEK THOUSANDS	Oct 1, 2016	Oct 1, 2015	Jan 1, 2016	Jan 1, 2015
	- Dec 31, 2016	- Dec 31, 2015	- Dec 31, 2016	- Dec 31, 2015
Operating revenue*	179,682	176,956	704,309	685,277
Operating expenses**	-86,692	-93,666	-337,187	-369,924
Adjusted EBITDA *	92,990	83,290	367,122	315,353
Adjusted CAPEX ***	-51,822	-51,241	-202,067	-179,579
EBITDA-CAPEX	41,168	32,049	165,056	135,774

*) 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 October to December 2016 was SEK 179,682k (176,956), an increase of 2% compared to the same quarter of 2015. Adjusted for foreign exchange effects, operating revenue increased by SEK 1 139k (0%). The increase is attributable to System revenue.
- Adjusted EBITDA was SEK 92,990k (83,290) and EBITDA-CAPEX was SEK 41,168k (32,049). Operating expenses and adjusted CAPEX, adjusted for one-off effects, fell by SEK 6,393k compared to the same period last year. Adjusted for foreign exchange effects, expenses were SEK 8,508k lower than in the same period of last year, down by 10%. The cost reduction is mainly attributable to synergy effects from the merger of Orc and CameronTec and decreased variable salary cost. This was counterbalanced by increased provisions for bad debt. The intense development of new products is reflected by a resumed high adjusted CAPEX level.

Comments from CEO Torben Munch:

"Having celebrated the anniversary of our new company and the Itiviti brand we clearly see the strengths of the comprehensive platform created by the integration of CameronTec. Building on this momentum and the possibilities resulting from the combination, 2016 was a year characterized by intense activity: we built and launched new solutions for regulatory compliance, agency trading business as well as for managed services, including the introduction of our managed connectivity platform, Itiviti Managed FIX, in the US.

Although we achieved growing revenues, market conditions included some headwinds: political events such as Brexit and the US election created uncertainty among clients, resulting in some cases in postponed investment decisions. Overall however the trends on which we base our strategy appear to materialize; with an increased focus on core activities among market participants and a resulting inclination to outsource trading infrastructure to third party providers. At the same time, customers seek to consolidate vendor relationships and use broader, cross-asset class solutions. Here Itiviti is well positioned with our modern technology platform, which we continuously extend further.

Another key theme is the introduction of MiFID II. 2016 saw our R&D spend increase to its highest level in five years, as we invest heavily to bring solutions to the significant regulatory challenges facing our customers.

On February 20 we also announced that we are redeeming our outstanding corporate bond before its expiry in November 2017, in favor of a new bank loan package with the Nordic bank DNB. We are pleased to have secured a long-term financing package at a significantly lower cost than the previous bond financing."

Adjusted EBITDA and CAPEX

SEK THOUSANDS	Oct 1, 2016 - Dec 31, 2016	Oct 1, 2015 - Dec 31, 2015	Jan 1, 2016 - Dec 31, 2016	Jan 1, 2015 - Dec 31, 2015
Operating income	-97,739	22,058	-17,629	-81,608
Reversal of foreign exchange differences	-4,214	2,777	-7,165	1,734
Reversal of amortization, depreciation and impairment losses	48,203	41,232	186,273	163,451
Reversal of development costs not capitalized as work performed by the company for its own use	3,106	5,761	17,854	27,229
Reversal of items affecting comparability ¹	6,684	16,056	46,836	49,411
Reversal of non-recurring items revenue	-3,050	-6,748	-9,349	-6,748
Reversal of fair value adjustment	-	2,070	-	13,800
Write-downs of intangible assets ¹	140,000	84	150,302	148,084
Adjusted EBITDA	92,990	83,290	367,122	315,353

Specification of adjusted CAPEX

Investments in intangible assets	-43,993	-40,031	-165,907	-140,986
Investments in property, plant and equipment	-5,198	-5,821	-19,092	-11,736
Reversal of non-recurring items in CAPEX	475	372	787	372
Reversal of development costs not capitalized as work performed by the company for its own use	-3,106	-5,761	-17,854	-27,229
Adjusted CAPEX	-51,822	-51,241	-202,067	-179,579

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". Also Write-downs of intangible assets are classified as items affecting comparability. See also page 16.

Earnings

SEK THOUSANDS	Oct 1, 2016 - Dec 31, 2016	Oct 1, 2015 - Dec 31, 2015	Jan 1, 2016 - Dec 31, 2016	Jan 1, 2015 - Dec 31, 2015
System revenue	170,946	169,700	670,921	631,364
Professional Services	11,786	11,934	42,737	46,861
Operating revenue	182,732	181,634	713,658	678,225
Cost of goods sold	-4,481	-3,463	-17,193	-15,851
Other external expenses	-44,304	-56,259	-172,640	-183,052
Personnel costs	-85,908	-87,737	-353,287	-366,818
Work performed by the company for its own use and capitalized	38,211	31,976	141,243	119,157
Amortization, depreciation and impairment losses	-188,203	-41,316	-336,575	-311,535
Foreign exchange differences	4,214	-2,777	7,165	-1,734
Operating expenses	-280,471	-159,576	-731,287	-759,833
Operating income	-97,739	22,058	-17,629	-81,608
Financial income	9,816	34,382	2,284	68,943
Financial expenses	-14,015	-38,570	-88,303	-136,653
Net financial items	-4,199	-4,188	-86,019	-67,710
Income after financial items	-101,938	17,870	-103,648	-149,318
Income tax expense	17,011	-4,397	19,470	25,893
Income for the period	-84,927	13,473	-84,178	-123,425
 Adjusted EBITDA	 92,990	 83,290	 367,122	 315,353

October 1 – December 31, 2016

Operating revenue for the period from October to December 2016 increased by SEK 1,098k compared to the same period last year and amounted to SEK 182 732k (181,634). Adjusted for the correction of SEK 0k (2,070) in the fair value of the acquired revenue in Tbricks and an adjustment of SEK -3 050k (-6 748) in the purchase price for LaSalleTech, revenue increased by SEK 2,726k, or +2%. Weakning of the Swedish krona, mainly against the US dollar, resulted in an increase in revenue of SEK 1 587k in the forth quarter of 2016 compared to the same quarter last year. System revenue excluding the above adjustments and foreign exchange effects rose by SEK 1 021k. Professional Services showed an increase of SEK 118k.

Operating expenses for the period from October to December 2016 adjusted for amortization, depreciation and impairment losses, items affecting comparability and foreign exchange effects, amounted to SEK -89,798k (-99,427), a decrease of SEK 9,627k compared to the same quarter of last year. The decline is due to synergy effects from the merger of Orc and CameronTec, an increase in capitalized work performed by the company for its own use, and capitalized development, relating to new products and services such as Itiviti Analyst, Order Management Systems, products for Foreign Exchange trading and Itiviti Managed FIX.

Aside from the eliminated exchange rate revaluations, operating expenses were affected by changes in foreign exchange rates compared to the same period last year. This had a negative impact of around SEK 2,100k, of which SEK 600k affected other external expenses. As a result, other external expenses adjusted for one-off items and foreign exchange effects fell by SEK 1 769k. The decrease is mainly attributable to synergy effects related to costs for office rental, marketing, insurance and other common group costs. The reduction was offset by increased provisions for bad debt losses, -4,005k (-1,448k).

Personnel costs excluding foreign exchange effects and one-off items were SEK 2 936k lower than in the same quarter last year. Realized synergy effects and lower variable salary components during the period contributed to a decrease in total personnel cost despite the number of employees increasing by on average 14 persons. The number of staff was 396 (379) by December 2016. The lower cost is a result of hiring mainly in St. Petersburg where salary levels are more favorable.

The quarter's amortization, depreciation and impairment losses of SEK -188,203k (-41,316) 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 146,887k is explained mainly by a write down of trade marks replaced by the launch of Itiviti and the company's new product offerings.

Items affecting comparability of adjusted EBITDA amounted to SEK -6 684k (-16,056) and consisted mainly of one-off items in connection with the merger of the legal groups Orc and CameronTec into Itiviti and a strategic review of the new group - see also page 16. The previous year's items affecting comparability primarily consisted of restructuring costs for office space in connection with the merger of Orc and CameronTec.

Operating income was SEK -97,739k (22,058) and net financial items amounted to SEK -4,199k (-4,188). Financial items include an unrealized foreign exchange effect on the note loan of SEK 3,906k (16,614), 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 17,011k (-4,397) and income for the period was SEK -84 927k (13,473).

January 1 – December 31, 2016

Operating revenue for the period from January to December 2016 increased by 35,433k compared to the same period last year and amounted to SEK 713,658k (678,225). Adjusted for corrections of SEK 0k (13,800) in the fair value of the acquired revenue in Tbricks and the purchase price for LaSalleTech of SEK -9,349k (-6 748), the increase was SEK 19,032k, or 3%. Weakening of the Swedish krona against the US dollar resulted in an increase in revenue of SEK 9,104k compared to last year. The remaining increase of SEK 9,928k 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 December 2016, adjusted for amortization, depreciation and impairment losses, one-off items and foreign exchange effects, amounted to SEK -355,041k (-397,153), down by SEK 42,112k compared to the same period of last year. Changes in foreign exchange rates, aside from the eliminated exchange rate revaluation, were favorable and reduced operating expenses by SEK 6,900k. The decrease is mainly attributable to a higher degree of capitalized development costs, cost reductions by synergy effects from the merged companies and a reduced need for provisions for bad debt losses. Personnel costs declined slightly compared to the same period last year as cost increases for the larger workforce was offset by lower costs for variable salary components.

The period's amortization, depreciation and impairment losses amounted to SEK -336,575k (-311,535). Both years were affected by one-off write-down of intangible assets -150,302k (-148,084). The -140,000k write-down 2016 relates mainly to trade marks not to be used in Itiviti's new products. In addition scrapping of technology in connection with the merger was recognized in an amount of SEK -10,302k. The remaining increase is explained by a larger part of capitalized developing costs amortized over a period of 3-10 years and higher capitalized customer acquisition costs.

Operating income was SEK -17 629k (-81,608) and net financial items amounted to SEK -86,019k (-67,710). Financial items include an unrealized foreign exchange effect on the note loan of SEK -25,914k (22,830), 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 19 740k (25 893) and income for the period was SEK -84 178k (-123,425).

Balance sheet and financial position

SEK THOUSANDS	Dec 31, 2016	Dec 31, 2015
ASSETS		
Intangible assets	2,412,712	2,561,471
Property, plant and equipment	28,366	21,032
Financial assets	77,503	76,490
Deferred tax asset	18,099	35,064
Total non-current assets	2,536,680	2,694,057
Trade receivables	131,145	123,617
Prepaid tax	5,471	1,281
Other current assets	34,448	36,879
Cash and cash equivalents	103,569	225,237
Total current assets	274,633	387,014
TOTAL ASSETS	2,811,313	3,081,071
EQUITY AND LIABILITIES		
Equity	1,638,423	1,558,476
Deferred tax liability	175,247	215,723
Non-current liabilities	577,821	566,171
Other appropriations	2,264	6,432
Total non-current liabilities	755,332	788,326
Trade payables	21,472	15,218
Tax liabilities	7,706	8,365
Other current liabilities	388,380	710,686
Total current liabilities	417,558	734,269
TOTAL EQUITY AND LIABILITIES	2,811,313	3,081,071

Total assets at the end of the period amounted to SEK 2,811,313k (3,081,071), of which SEK 2,412,712k (2,561,471) 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 77,503k (76,490) consist of a non-current receivable from the Parent Company Itiviti AB.

Cash and cash equivalents at December 31, 2016 amounted to SEK 103,569k (225,237) and decreased during the period from January to December by SEK -121,668k 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 December, currency-adjusted EBITDA-CAPEX including one-off items amounted to SEK -13,220k. The difference between the actual change in cash and currency-adjusted EBITDA-CAPEX including one-off items refers mainly to interest payments of SEK -57,312k and the repayment of bank loans for a total of SEK -232,924k. The remainder is explained by paid tax of SEK -6 555k, an increase in bank overdraft of SEK 31,840k, a positive change in working capital of SEK 27,302k and an adjustment of the Earn-out to LaSalle Tec of -9,417k.

Consolidated equity amounted to SEK 1,638,423k (1,558,476). 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 58% (51).

Non-current liabilities consist mainly of the note loan of SEK 570,453k (540,665). Other current liabilities decreased by SEK 316,711k 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; a new financing package was put in place on February 20, 2017.

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, 33% of euros, 6% of Swedish kronor, 6% of Sterling pounds and the remaining 6% of other currencies. Operating expenses, excluding amortization, depreciation and impairment losses, consist of approximately 35% Swedish krona, 23% US dollars, 15% Sterling pounds, 10% Hong Kong dollars, 8% euros, 5% rubles and 4% 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 15 920k. The change from year-end consists of a payment of 1,781k and an adjustment of the liability due to reduced expected outcome of 9,417 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.

CameronTec Intressenter Top Holding AB and CameronTec Intressenter Holding AB have during the year merged into CameronTec Intressenter AB.

A new financial agreement with DNB has been signed after the closing date including a replacement of the the bond loan.

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 October to December 2016 was SEK -444k (1,142). The decrease refers to internal billing of services to other group companies. Operating income was SEK -2,858k (83), net financial items totaled SEK 65,813k (96,939) and income after tax amounted to SEK 49,103k (75,411). Net financial items and income for the forth quarter consist mainly of group contribution of 75,273k (101 448) and interest expenses on the note loan, financial expenses payable to the bank and an unrealized foreign exchange gain of SEK 3,906k (16,614) attributable to remeasurement of the note loan.

Investments in property, plant and equipment and intangible assets for the period from October to December 2016 amounted to SEK - (-). At December 31, 2016, the Parent Company had cash and cash equivalents of SEK 782k (3 534). Non-restricted equity in the Parent Company on the same date was SEK 2,287,655k (1,271,084). The increase in equity of SEK 1,016,571k 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 year-end 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 January 1, 2016, have had any significant impact on the financial statements of the Group.

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	Oct 1, 2016 - Dec 31, 2016	Oct 1, 2015 - Dec 31, 2015	Jan 1, 2016 - Dec 31, 2016	Jan 1, 2015 - Dec 31, 2015
System revenue	170,946	169,700	670,921	631,364
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Net financial items	-4,199	-4,188	-86,019	-67,710
Income after financial items	-101,938	17,870	-103,648	-149,318
Income tax	17,011	-4,397	19,470	25,893
Income for the period	-84,927	13,473	-84,178	-123,425
Other comprehensive income that can be subsequently reclassified to the income statement				
Translation differences	1,601	-8,547	2,784	5,155
Other comprehensive income	1,601	-8,547	2,784	5,155
Comprehensive income for the period	-83,326	4,926	-81,394	-118,270
Income for the period attributable to owners of the Parent Company	-84,927	13,473	-84,178	-123,425
Comprehensive income for the period attributable to owners of the Parent Company	-83,326	4,926	-81,394	-118,270

Consolidated balance sheet

SEK THOUSANDS	Dec 31, 2016	Dec 31, 2015
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	1,538,217	1,532,304
Other intangible assets	520,143	770,166
Capitalized development costs	354,352	259,001
Property, plant and equipment		
Equipment	28,366	21,032
Financial assets	77,503	76,490
Deferred tax asset	18,099	35,064
Total non-current assets	2,536,680	2,694,057
Current assets		
Trade receivables	131,145	123,617
Prepaid tax	5,471	1,281
Other current assets	34,448	36,879
Cash and cash equivalents	103,569	225,237
Total current assets	274,633	387,014
TOTAL ASSETS	2,811,313	3,081,071
EQUITY AND LIABILITIES		
Equity		
Share capital	6,175	6,175
Other contributed capital	1,843,707	1,682,366
Reserves	37,466	34,682
Retained earnings	-164,747	-41,322
Income for the period	-84,178	-123,425
Total equity	1,638,423	1,558,476
Non-current liabilities		
Deferred tax liabilities	175,247	215,723
Non-current liabilities	577,821	566,171
Other appropriations	2,264	6,432
Total non-current liabilities	755,332	788,326
Current liabilities		
Trade payables	21,472	15,218
Tax liabilities	7,706	8,365
Other current liabilities	388,380	710,686
Total current liabilities	417,558	734,269
TOTAL EQUITY AND LIABILITIES	2,811,313	3,081,071

Note 1.

PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets	1,956,630	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	Total
				incl. Income for the year	
Opening balance, Jan 1, 2016	6,175	1,682,366	34,682	-164,747	1,558,476
Income for the year	-	-	-	-84,178	-84,178
Other comprehensive income	-	-	2,784	-	2,784
Total comprehensive income for the year	-	-	2,784	-84	-81,394
Transactions with owners					
Shareholders contribution	-	161,341	-	-	161,341
Total transactions with owners	-	161,341	-	-	161,341
Closing balance, Dec 31, 2016	6,175	1,843,707	37,466	-248,925	1,638,423

Attributable to owners of the Parent Company

SEK THOUSANDS	Share	Other contributed capital	Reserves	Retained earnings	Total
				incl. Income for the year	
Opening balance, Jan 1, 2015	6,175	1,374,207	29,527	-41,322	1,368,587
Income for the year	-	-	-	-123,425	-123,425
Other comprehensive income	-	-	5,155	-	5,155
Total comprehensive income for the year	-	-	5,155	-123,425	-118,270
Transactions with owners					
Shareholders contribution	-	308,159	-	-	308,159
Total transactions with owners	-	308,159	-	-	308,159
Closing balance, Dec 31, 2015	6,175	1,682,366	34,682	-164,747	1,558,476

Consolidated cash flow statement

SEK THOUSANDS	Jan 1, 2016 - Dec 31, 2016	Jan 1, 2015 - Dec 31, 2015
OPERATING ACTIVITIES		
Operating income	-17,629	-81,608
Adjustments for non-cash items		
Amortization, depreciation and impairment losses	336,573	311,216
Capital loss on the sale of non-current assets	-	-
Other non-cash items	-20,198	-6,107
Interest received	419	468
Interest paid	-57,312	-60,671
Income tax paid	-6,555	-7,362
Cash flow from operating activities before changes in working capital	235,298	155,936
CHANGES IN WORKING CAPITAL		
Change in trade receivables	-1,885	-3,845
Change in other operating receivables	573	16,011
Change in trade payables	2,829	1,075
Change in other operating liabilities	-135,557	54,962
Cash flow from operating activities	101,258	224,139
INVESTING ACTIVITIES		
Investments in intangible assets	-165,908	-140,985
Acquisition of subsidiaries	-1,781	-289,232
Disposal of subsidiaries	-	-
Investments in property, plant and equipment	-19,092	-11,741
Change in financial assets	-	-697
Cash flow from investing activities	-186,781	-442,655
FINANCING ACTIVITIES		
Change in overdraft facility	31,840	-
Amortization of debt	-232,963	-7,449
Shareholder contribution	161,342	308,159
Cash flow from financing activities	-39,781	300,710
Change in cash and cash equivalents	-125,304	82,194
Cash and cash equivalents at beginning of period	225,237	143,194
Translation/foreign exchange different in cash and cash equivalents	3,636	-151
Cash and cash equivalents at the end of period	103,569	225,237

Revenue by geographical area

SEK THOUSANDS	Oct 1, 2016 - Dec 31, 2016	Oct 1, 2015 - Dec 31, 2015	Jan 1, 2016 - Dec 31, 2016	Jan 1, 2015 - Dec 31, 2015
Sweden	12,711	6,478	45,369	41,677
EMEA (excl Sweden)	72,86	80,786	293,401	304,835
Americas	49,287	50,433	193,283	193,706
APAC	44,824	39,259	172,256	145,059
Other revenue	3,050	6,748	9,349	6,748
Fair value adjustment acc. to PPA	-	-2,070	-	-13,800
Operating revenue	182,732	181,634	713,658	678,225

Parent company income statement

SEK THOUSANDS	Oct 1, 2016 - Dec 31, 2016	Oct 1, 2015 - Dec 31, 2015	Jan 1, 2016 - Dec 31, 2016	Jan 1, 2015 - Dec 31, 2015
Operating revenue	-444	1,142	3,909	3,375
Operating expenses	-2,414	-1,059	-8,264	-4,574
Operating income	-2,858	83	-4,355	-1,199
Financial income	79,176	118,062	75,273	124,278
Financial expenses	-13,363	-21,123	-86,263	-83,318
Net financial items	65,813	96,939	-10,990	40,960
Income after financial items	62,955	97,022	-15,345	39,761
Income tax expense	-13,852	-21,611	3,374	-8,758
Income for the period	49,103	75,411	-11,971	31,003
Comprehensive income for the period	49,103	75,411	-11,971	31,003

Parent company balance sheet

SEK THOUSANDS	Dec 31, 2016	Dec 31, 2015
ASSETS		
Non-current assets		
Financial assets		
Shares in group companies	2,605,680	2,008,604
Long term receivable to parent company	72,837	72,838
Deferred tax asset	29,349	25,711
Total non-current assets	2,707,866	2,107,153
Current assets		
Other current assets	160,114	134,802
Cash and cash equivalents	782	3,534
Total current assets	160,896	138,336
TOTAL ASSETS	2,868,762	2,245,489
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	6,175	6,175
Non-restricted equity		
Share premium reserve	1,374,206	1,374,206
Retained earnings	919,245	-140,037
Income for the period	-11,971	30,740
Total equity	2,287,655	1,271,084
Non-current liabilities		
Non-current liabilities	570,453	963,554
Total non-current liabilities	570,453	963,554
Current liabilities		
Other current liabilities	10,654	10,852
Total current liabilities	10,654	10,852
TOTAL EQUITY AND LIABILITIES	2,868,762	2,245,489
PLEDGED ASSETS AND CONTINGENT LIABILITIES		
Pledged assets	2,605,680	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	Oct 1, 2016 - Dec 31, 2016	Oct 1, 2015 - Dec 31, 2015	Jan 1, 2016 - Dec 31, 2016	Jan 1, 2015 - Dec 31, 2015
Items affecting comparability in Other external expenses				
Vacant premises following acquisition	131	-9,292	-2,769	-12,087
Marketing expenses following launch of Itiviti	661	-	-1,843	-
Legal consultancy costs Orc/CameronTec merger	-1,102	-1,972	-6,622	-1,972
Strategic review of market opportunities following the creation of Itiviti	-4,149	-	-20,089	-
Consultancy costs after Tbricks and LaSalle Tech acquisition	-	-1,376	-	-10,386
Retroactive tax USA	-1,292	-1,978	-1,292	-1,978
Start-up cost for new business in Japan	-	-	-	-3,208
Total	-5,751	-14,619	-32,616	-29,631
Items affecting comparability in Personnel costs				
Redundancies following Orc/CameronTec merger	-934	-	-14,221	-
Redundancies following acquisitions	-	-1,437	-	-19,781
Total	-934	-1,437	-14,221	-19,781
Total items affecting comparability in Adjusted EBITDA	-6,684	-16,056	-46,836	-49,412
Items affecting comparability in amortizations and depreciations				
Write-down of technology following Orc/CameronTec merger	-	-	-10,302	-
Write-down of trade marks following Orc/CameronTec merger	-140,000	-	-140,000	-
Write-down of technology following Tbricks acquisition	-	-84	-	-148,084
Total	-140,000	-84	-150,302	-148,084
Total items affecting comparability	-146,684	-16,140	-197,138	-197,496

Consolidated key ratios

SEK THOUSANDS	Oct 1, 2016 - Dec 31, 2016	Oct 1, 2015 - Dec 31, 2015	Jan 1, 2016 - Dec 31, 2016	Jan 1, 2015 - Dec 31, 2015
Operating revenue	182,732	181,634	713,658	678,225
Operating income	-97,739	22,058	-17,629	-81,608
Operating margin	-53%	12%	-2%	-12%
Net financial items	-4,199	-4,188	-86,019	-67,710
Income for the period	-84,927	13,473	-84,178	-123,425
Profit margin	-46%	7%	-12%	-18%
Adjusted EBITDA	92,990	83,290	367,122	315,353
Adjusted EBITDA-margin	51%	46%	51%	46%
EBITDA-CAPEX	41,168	32,049	165,056	135,774
EBITDA-CAPEX-margin	23%	18%	23%	20%
Total assets	2,811,313	3,081,071	2,811,313	3,081,071
Cash and cash equivalents	103,569	225,237	103,569	225,237
Interest-bearing liabilities	570,454	566,171	570,454	566,171
Other Non-current liabilities	31,840	223,842	31,840	223,842
Equity	1,638,423	1,558,476	1,638,423	1,558,476
Net debt	498,725	564,776	498,725	564,776
Equity/assets ratio	58%	51%	58%	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 year-end report has not been examined by the company's auditors.

Stockholm, February 23, 2017
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 year-end 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 February 23, 2017, 8:00 a.m. CET.

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A teleconference (in English) will be held on February 23, 2017, at 3:00 p.m. CET.

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

Financial information

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

Financial calendar

April 28, 2017 Annual statement 2016
May 23, 2017 Q1 report 2017

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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.