

Interim Report  
January – September 03



**Jeeves increases the profit**

- \* Net turnover amounted to SEK 37.2 million (26.8) and increased 39 %
- \* Net result amounted to SEK 3.9 million (2.6) and Net margin was 10 % (9)
- \* Earnings per share was SEK 1.4 (0.9)
- \* Positive cash flow at SEK 4.0 million (6.3) and liquid assets amounted to SEK 15.4 million (11.4)

### Press releases since July 1<sup>st</sup>, 2003 - summary

- \* Increasingly more companies choose Jeeves, among these are Lindvalls Kaffe, Procurator and Papperskedjan

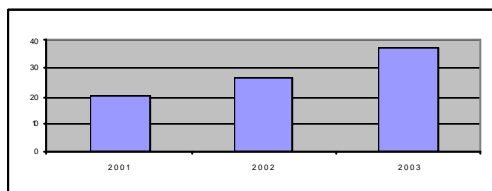
## Market

Market development shows some improvement, especially in Sweden. The list of prospective clients looks promising.

## Sales and Result

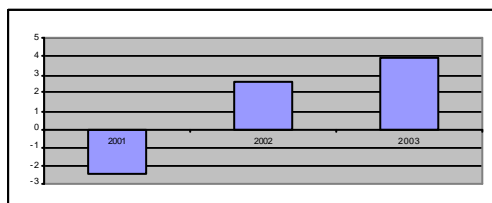
Net turnover for the period was SEK 37.2 million (26.8) of which 69 percent (81) comprised of license and maintenance revenues. Reveny System AB, which was acquired July 1st, 2002, has lifted net turnover for the period SEK 10.4 million primarily through consulting revenues.

The development of net turnover between 2001 and 2003 is presented below.



Graph 1. Net turnover January-September

The result after tax amounted to SEK 3.9 million (2.6) producing a result per share of SEK 1.4 (0.9). The development of operating income between 2001 and 2003 is presented below.



Graph 1. Operating income January-September

## Forecast

Based on the present market development, the Board forecast that we will be able to achieve our objectives of 10 percent net margin and 25 percent increase in net turnover.

Cash flow is expected to be positive for the full year.

## Investments

Investments in intangible fixed assets amounted to SEK 0.6 million (5.8), fully accounted for by SEK 0.6 million (0.6) of balanced development costs. Investments in machinery and equipment totaling SEK 0.3 million (0.4) have been made during the period.

## Financial Status

Cash flow during the period was positive at SEK 4.0 million (6.4). Liquid assets at period end amounted to SEK 15.4 million (10.5). Current ratio was 137 percent (116) and debt-equity ratio 39 percent (31).

## Product Development

Product development has continued with the same intensity, with a substantial focus on our web interface and e-commerce.

## Employees

The number of employees during the period averaged 43 (33) of whom 10 (9) were women.

### **Details of payments made to parties related to the company**

During the period, the company paid consultancy fees to companies related to the board chairman:  
- SEK 90 thousand

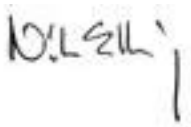
The Board of Directors is of the opinion that these fees were paid at market prices and for well-defined projects that were not part of the normal board and management work.

### **Financial Information**

Financial Statement	Feb. 4 <sup>th</sup> 2004
Annual Report	May 2004

The report has been briefly examined by the Company's auditors.

Stockholm, October 23, 2003



Nicolas Ehrling  
Chief Executive Officer

*For more information please contact  
CEO Nicolas Ehrling, +46 8 587 099 42 or  
CFO Björn Westberg, +46 8 587 099 45*

## Group Profit and Loss Statement

(SEK thousand)	notes	2003-07-01 2003-09-30	2002-07-01 2002-09-30	2003-01-01 2003-09-30	2002-01-01 2002-09-30	2002-01-01 2002-12-31
OPERATING REVENUE						
Net turnover	1	12 472	10 983	37 175	26 839	39 581
Capitalized work own use		278	279	661	596	877
Other revenues		0	0	15	0	0
<b>Total revenue</b>		<b>12 750</b>	<b>11 262</b>	<b>37 851</b>	<b>27 435</b>	<b>40 458</b>
OPERATING COSTS						
Merchandise		-322	-906	-821	-906	-1 091
General external costs		-2 795	-2 725	-10 645	-7 438	-11 160
Payroll expenses		-6 612	-5 952	-20 502	-14 433	-21 620
Depreciation, tangible and intang. assets		-624	-778	-2 032	-2 068	-2 834
Depreciation, goodwill		-75	-74	-223	-74	-149
<b>Total costs</b>		<b>-10 427</b>	<b>-10 435</b>	<b>-34 222</b>	<b>-24 919</b>	<b>-36 854</b>
<b>Operating income</b>		<b>2 322</b>	<b>827</b>	<b>3 628</b>	<b>2 516</b>	<b>3 604</b>
PROFIT FINANCIAL ON ITEMS						
Interest and similar revenues		128	81	379	168	281
Interest expenses and similar costs		-29	156	-75	-85	-90
<b>Total financial items</b>		<b>99</b>	<b>237</b>	<b>304</b>	<b>83</b>	<b>191</b>
<b>Resultat efter finansiella poster</b>		<b>2 421</b>	<b>1 064</b>	<b>3 932</b>	<b>2 599</b>	<b>3 795</b>
TAXES		0	0	0	0	23
<b>Earnings</b>		<b>2 421</b>	<b>1 064</b>	<b>3 932</b>	<b>2 599</b>	<b>3 818</b>

<b>Earnings per share, SEK</b>						
Per average no. shares		0,8	0,4	1,4	0,9	1,3
After dilution		0,8	0,4	1,3	0,9	1,3
<b>No. outstanding shares</b>						
Average no. Shares during the period		2 905 364	2 905 364	2 905 364	2 836 988	2 854 082
No. Shares at period end		2 905 364	2 905 364	2 905 364	2 905 364	2 905 364
No. Shares after full dilution at period end		2 981 864	2 981 864	2 981 864	2 981 864	2 981 864

## Group Balance Sheet

ASSETS	notes	2003-09-30	2002-09-30	2002-12-31
Goodwill		2 597	2 894	2 820
Other intangible fixed assets		4 246	5 717	5 353
Tangible fixed assets		536	718	587
Financial fixed assets		0	224	0
<b>Total fixed assets</b>		<b>7 379</b>	<b>9 553</b>	<b>8 760</b>
<b>Current assets</b>				
Inventory		77	45	30
Work in progress		70	0	215
Accounts receivable		10 925	8 475	17 750
Other receivables		2 874	1 432	1 064
Accrued license revenues		0	882	382
Deferred exp. and accrued revenue		871	1 632	1 633
Cash in hand and at the bank		15 423	9 172	11 456
<b>Total current assets</b>		<b>30 240</b>	<b>21 638</b>	<b>32 530</b>
<b>Total assets</b>		<b>37 619</b>	<b>31 191</b>	<b>41 290</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Restricted equity</b>				
Share capital		5 811	5 811	5 811
Restricted reserves		5 057	27 996	27 937
<b>Total restricted equity</b>		<b>10 868</b>	<b>33 807</b>	<b>33 748</b>
<b>Non-restricted equity</b>				
Loss brought forward		54	-26 635	-26 602
Net profit for the period		3 932	2 599	3 818
<b>Total non-restricted equity</b>		<b>3 986</b>	<b>-24 036</b>	<b>-22 784</b>
<b>Total equity</b>	2	<b>14 854</b>	<b>9 771</b>	<b>10 964</b>
<b>Provisions</b>		<b>0</b>	<b>584</b>	<b>250</b>
<b>Minority interests</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>				
<b>Long-term liabilities</b>				
Loans against promissory notes		500	750	550
Checking account facility		0	1 439	798
Other liabilities		250	0	250
<b>Total long-term liabilities</b>		<b>750</b>	<b>2 189</b>	<b>1 598</b>
Accounts payable		1 264	1 383	2 905
Advance payments from customers		589	0	666
Other liabilities		2 597	1 583	3 408
Deferred maintenance revenues		11 302	10 165	15 717
Accrued costs and deferred revenues		6 262	5 516	5 782
<b>Total short-term liabilities</b>		<b>22 014</b>	<b>18 647</b>	<b>28 478</b>
<b>Total equity and liabilities</b>		<b>37 619</b>	<b>31 191</b>	<b>41 290</b>
Pledged assets		1 500	none	1 500
Contingent liabilities		40	100	100

## Group Cash Flow Analysis

	2003-01-01 2003-09-30	2002-01-01 2002-09-30	2002-01-01 2002-12-31
<b>Cash flow from current operations</b>			
Earnings after net financial items	3 932	2 599	3 795
Adjustments for items not included in cash flow	0	0	
Depreciation	2 255	2 142	2 983
Losses on exchange	0	0	0
Change in interest debt	54	-74	-99
Translation difference	-250	-352	273
	<b>5 992</b>	<b>4 315</b>	<b>6 952</b>
Income tax paid	0	0	0
<b>Cash flow from current operations before changes in operating capital</b>	<b>5 992</b>	<b>4 315</b>	<b>6 952</b>
<b>Change in working capitals</b>			
Increase/decrease in inventories	-47	-26	-11
Increase/decrease in assets	6 304	5 561	-5 125
Increase/decrease in short term liabilities	-6 464	-3 527	10 695
<b>Cash flow from current operations</b>	<b>5 785</b>	<b>6 323</b>	<b>12 511</b>
<b>Cash flow from investments</b>			
Acquisition of subsidiary	0	-159	-159
Acquisition of financial assets	0	0	0
Acquisition of intangible assets	-661	-595	-6 151
Acquisition of tangible assets	-321	-396	-406
<b>Cash flow from investments</b>	<b>-982</b>	<b>-1 150</b>	<b>-6 716</b>
<b>Financing activities</b>			
Issue of new shares	0	0	1 100
Försäljning av optioner	12	150	149
Increase/decrease of long-term liabilities	-848	1 035	1 598
<b>Cash flow from financing activities</b>	<b>-836</b>	<b>1 185</b>	<b>2 847</b>
<b>PERIOD CASH FLOW</b>	<b>3 967</b>	<b>6 358</b>	<b>8 642</b>
Liquid assets at period start	11 456	2 753	2 753
Liquid assets assumed upon acquisition	0	61	61
<b>Liquid assets at period end</b>	<b>15 423</b>	<b>9 172</b>	<b>11 456</b>

## Group Segment Analysis

	Sweden		Other Nordics		Others		Total	
	2003	2002	2003	2002	2003	2002	2003	2002
REVENUES								
License and maintenance	23 130	18 258	1 219	1 028	1 338	4 222	25 687	23 508
Hardware	857	957	0	0	0	0	857	957
Consultancy and training	8 920	2 118	126	73	1 585	183	10 631	2 374
Total Revenue	32 907	21 333	1 345	1 101	2 923	4 405	37 175	26 839
								0
EARNINGS								
Income per area	17 280	12 133	924	864	-1 194	1 672	17 010	14 669
Non allocated costs							-13 382	-12 153
OPERATING INCOME							3 628	2 516
Financial items							304	83
EARNINGS							3 932	2 599

Jeeves primary segment is geographical area. Jeeves has only one product, the ERP system, which involves no additional reporting in secondary segments. Jeeves is mainly a software development company, where a large part of the cost is not allocable to the geographical areas.

## Accounting principles and notes

The interim report has been drawn up in accordance with the Swedish Annual Accounts Act and the recommendation RR 20 (interim reports) of the Swedish Financial Accounting Standards Council. The same accounting principles as for the annual accounts for 2002 have been applied, including the observance of the new recommendations of the Swedish Financial Accounting Standards Council that came into force January 1st 2003, and which bear on the Company's accounts.

The following new recommendations that are now adopted are RR 22 – Presentation of Financial Statement, RR 25 – Segment reporting, RR 26 – Events After the Balance Sheet and RR27 – Financial instruments. In this interim report, these recommendations do not have a monetary effect on the Company's result and financial position. After reviewing the other new recommendations that will be adopted as of 1 January 2003, the Company has come to the conclusions that these will not appreciably affect this report.

<b>Note 1 Net turnover</b>	<b>2003-07-01</b>	<b>2002-07-01</b>	<b>2003-01-01</b>	<b>2002-01-01</b>	<b>2002-01-01</b>
Comprises from the following:	<b>2003-09-30</b>	<b>2002-09-30</b>	<b>2003-09-30</b>	<b>2002-09-30</b>	<b>2002-12-31</b>
License and maintenance revenues	9 583	9 150	25 687	23 508	33 984
Hardware revenues	397	957	857	957	1 158
Consultancy and training revenues	2 492	1 155	10 631	2 374	4 439
	<b>12 472</b>	<b>11 262</b>	<b>37 175</b>	<b>26 839</b>	<b>39 581</b>
<b>Note 2 Changes in equity</b>			<b>2003-09-30</b>	<b>2002-09-30</b>	<b>2002-12-31</b>
Equity at period start			10 964	5 994	5 994
Net profit for the period			3 932	2 599	3 818
Acquisition			0	1 100	1 100
Options			12	149	149
Differences on conversion			-54	73	-97
<b>Equity at period end</b>			<b>14 854</b>	<b>9 771</b>	<b>10 964</b>

**About Jeeves**

*Jeeves Information Systems AB (JIS) develops business systems for medium -sized companies in the manufacturing, commercial, and service sectors. The company, which has a staff of 45, focuses on product development while sales are dealt with by 300 committed and expert employees and consultants with special and sector-specific skills within various business processes. JIS collaborates with 15 partners throughout the world, with partners being represented at 20 locations in Sweden alone. The company's main product is Jeeves Enterprise, which is installed at more than 900 companies and has over 13,000 users. The present operation started in 1992 and the company has been listed on the Stockholm Stock Exchange O-list since 1999.*

**About Jeeves Enterprise**

*The Jeeves Enterprise business system is a complete business system in a Windows environment, which thanks to its openness is an unbeatable platform for web applications and e-commerce. Thanks to our unique design, customer adaptations are preserved upon update to a later version. The software contains a comprehensive range of routines from Accounting, Logistics, Service, Time & Project to CRM (Customer Relationship Management) and SCM (Supply Chain Management). Jeeves Enterprise has a flexible and customizable user interface that also contains a powerful macrolanguage that is used for customer adaptations. The flexibility and adaptability available in Jeeves Enterprise also makes it a suitable solution for large-scale enterprises wanting a common business system for their medium-sized and smaller subsidiaries.*

**For more information:** [www.jeeves.se](http://www.jeeves.se)



Jeeves Information Systems AB (org no 556343-4215)  
Box 1042, SE-10138 Stockholm, Tel +46 8 587 099 00, Fax +46 8 587 099 99  
[info@jeeves.se](mailto:info@jeeves.se) [www.jeeves.se](http://www.jeeves.se)