



## **Jeeves Information Systems AB (publ)**

Financial statement January – December 2002

### **Summary**

**Jeeves – the most profitable ERP supplier on the Stockholm Stock Exchange.**

**Jeeves achieved a positive operating result before depreciation and net interest income (EBITDA) of SEK 1.9 million (0.3), and an operating result after tax of SEK 1.2 million (-2.2) for this quarter. For the entire period, Jeeves achieved a positive operating result before depreciation and net interest income (EBITDA) of SEK 6.6 million (-0.2), and an operating result after tax of SEK 3.8 million (-4.7).**

**Turnover increased during this quarter by 123 % compared to same quarter last year. The full year Turnover increased by 49 % compared to the previous year.**

**The acquisition of Reveny System AB, which took place on July the 1<sup>st</sup>, 2002, is continuing to go according to plan. Reveny is generating a positive result of SEK 0.6 million from July to December.**

**Cash on hand is SEK 11.5 million (2.8) and cash flow is SEK 10.5 million higher compared to year 2001.**

### **Market**

The Market in Sweden is still showing an increase in our prospect stock. The fourth quarter gave some closed deals but the majority is due for decision during year 2003. Most of the European markets are still relatively weak. Despite this weak market, our focused efforts in Europe have produced good result in many markets, among those are France and Slovakia.

### **Acquisition of Reveny System AB**

On 1 July Jeeves acquired Reveny System AB. The integration is so far going as planned, customer meetings have been arranged and certain efficiency measures have been implemented. There are now 15 employees in Reveny. Reveny's effect on the group's full year result is primarily an increase of SEK 6.7 million in turnover and of SEK 6.1 million in costs, including SEK 0.1 million in depreciation of goodwill. Reveny only had an effect on the result in the 3<sup>rd</sup> and 4<sup>th</sup> quarters, as Reveny has only been a part of the group as of 1 July 2002. Reveny received a large supplementary order from ICA, one of the largest grocery retail groups in Sweden.

### **Sales and results**

Net turnover for the quarter increased by 123 percent, compared to last year, to SEK 12.7 million (6.0), of which approximately 75 percent (88) was license and maintenance revenue. For the full year, net turnover increased by 49 % to SEK 39.5 million (26.5), of which approximately 83 percent (87) was license and maintenance revenue.

The result after tax improved during the quarter by SEK 3.3 million, compared to last year, to SEK 1.2 million (-2.2) and the result per share was SEK 1.3 (-1.7). Over the entire period the result after tax improved by SEK 8.5 million to SEK 3.8 million (-4.7) and the result per share was SEK 1.3 (-1.7).



Our positive full year result makes Jeeves the most profitable ERP supplier on the Stockholm Stock Exchange.

### **Investments**

Investments in intangible fixed assets amounted to SEK 6.0 million (2.1), which comprised of goodwill with acquisitions of SEK 2.9 million and assumed development costs of SEK 2.3 million linked to the acquisition of Reveny, and also balanced development costs of SEK 0.9 million (1.5). Investments in machinery and equipment have been made during the period for SEK 0.4 million (0.1).

### **Financial status**

Cash flow during the period was positive at SEK 8.7 million (-1.8), due largely to a higher level of invoicing of maintenance income during the first quarter. Liquid assets at the end of the quarter amounted to SEK 11.5 million (2.8). Liquid assets at the end of January 2003 amounted to SEK 15 million. Current ratio was 114 per cent (104) and the debt-equity ratio was 27 per cent (25).

### **Product development**

Jeeves Enterprise is one of the market's most advanced business systems, employing unique technical solutions. Product development during the period has above all focused on improving functionality and technology.

### **Employees**

The number of employees during the period averaged 39 (30) persons of whom 10 (8) were women. At the year end, total number of employees were 45.

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

During the period, the company paid consultancy fees totaling SEK 120 thousand to companies related to individuals in the company's management and companies related to individuals on the company's Board of Directors. These fees have been distributed as follows.

- to companies related to the board chairman: SEK 120 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.

### **Dividend**

The board proposes that no dividends will be paid.

### **Annual Report**

The Annual Report will be available at the company premises at Kungsgatan 74, Stockholm after the 20<sup>th</sup> of April. It will also be available electronically from our web site [www.jeeves.se](http://www.jeeves.se)

### **Annual Shareholders' Meeting**

The annual shareholders' meeting will be held on the 15<sup>th</sup> of May, 4 pm at Jeeves premises, Kungsgatan 74, Stockholm.



**Financial information**

Interim report for the first quarter 2002:  
Interim report for the second quarter 2002:  
Interim report for the third quarter 2002:

May 15<sup>th</sup>, 2002  
August 19<sup>th</sup>, 2002  
October 23<sup>rd</sup>, 2002

The company's auditors have briefly examined the report.

Stockholm, 5 February 2001

*Nicolas Ehrling*  
Chief Executive Officer

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**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 850 companies with over 11,000 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 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 makes it a suitable solution for major companies wanting a common business system for their medium-sized and smaller subsidiaries.*

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



## Group Profit and Loss Statement, Balance Sheet and Cash Flow Analysis

### Group Profit and Loss Statement

(SEK thousand)

notes

		2002-10-01	2001-10-01	2002-01-01	2001-01-01
		2002-12-31	2001-12-31	2002-12-31	2001-12-31
<b>OPERATING REVENUE</b>					
Net turnover	1	12 742	6 002	39 581	26 522
Capitalized work own use		281	285	877	1 509
Other revenues		0	17	0	196
<b>Total revenue</b>		<b>13 023</b>	<b>6 304</b>	<b>40 458</b>	<b>28 227</b>
<b>OPERATING COSTS</b>					
Merchandise		-185	0	-1 091	0
General external costs		-3 722	-2 152	-11 160	-12 403
Payroll expenses		-7 187	-3 875	-21 620	-15 997
Depreciation, tangible and intangible assets		-766	-1 893	-2 834	-3 855
Depreciation, goodwill		-75	-728	-149	-889
<b>Total costs</b>		<b>-11 935</b>	<b>-8 648</b>	<b>-36 854</b>	<b>-33 144</b>
<b>Operating income</b>		<b>1 088</b>	<b>-2 344</b>	<b>3 604</b>	<b>-4 917</b>
<b>PROFIT FINANCIAL ON ITEMS</b>					
Interest and similar revenues		113	109	281	256
Interest expenses and similar costs		-5	0	-90	-31
<b>Total financial items</b>		<b>108</b>	<b>109</b>	<b>191</b>	<b>225</b>
<b>Resultat efter finansiella poster</b>		<b>1 196</b>	<b>-2 235</b>	<b>3 795</b>	<b>-4 692</b>
<b>TAXES</b>					
		23	0	23	0
<b>Earnings</b>		<b>1 219</b>	<b>-2 235</b>	<b>3 818</b>	<b>-4 692</b>

### Earnings per share, SEK

Per average no. shares	0,4	-0,8	1,3	-1,7
After dilution	0,4	-0,8	1,3	-1,7

### No. outstanding shares

Average no. Shares during the period	2 905 364	2 802 800	2 854 082	2 802 800
No. Shares at period end	2 905 364	2 802 800	2 905 364	2 802 800
No. Shares after full dilution at period end	2 981 864	2 860 000	2 981 864	2 860 000



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<b>Group Balance Sheet</b>	notes	<b>2002-12-31</b>	<b>2001-12-31</b>
<b>ASSETS</b>			
Intangible fixed assets		8 173	4 306
Tangible fixed assets		587	722
Financial fixed assets		0	224
<b>Total fixed assets</b>		<b>8 760</b>	<b>5 252</b>
Inventory		30	19
Work in progress		215	0
Accounts receivable		17 750	13 680
Other receivables		1 064	639
Accrued license revenues		382	741
Deferred exp. and accrued revenue		1 633	699
Cash in hand and at the bank		11 456	2 753
<b>Total current assets</b>		<b>32 530</b>	<b>18 531</b>
<b>Total assets</b>		<b>41 290</b>	<b>23 783</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Restricted equity</b>			
Share capital		5 811	5 606
Restricted reserves		27 937	26 952
<b>Total restricted equity</b>		<b>33 748</b>	<b>32 558</b>
<b>Non-restricted equity</b>			
Loss brought forward		-26 602	-21 872
Net loss for the period		3 818	-4 692
<b>Total non-restricted equity</b>		<b>-22 784</b>	<b>-26 564</b>
<b>Total equity</b>	2	<b>10 964</b>	<b>5 994</b>
<b>Provisions</b>		<b>250</b>	<b>0</b>
<b>Minority interests</b>		<b>0</b>	<b>2</b>
<b>LIABILITIES</b>			
Loans against promissory notes		550	0
Checking account facility		798	0
Other liabilities		250	0
<b>Total long-term liabilities</b>		<b>1 598</b>	<b>0</b>
Accounts payable		2 905	1 319
Advance payments from customers		666	0
Other liabilities		3 408	2 974
Deferred maintenance revenues		15 717	10 038
Accrued costs and deferred revenues		5 782	3 456
<b>Total short-term liabilities</b>		<b>28 478</b>	<b>17 787</b>
<b>Total equity and liabilities</b>		<b>54 051</b>	<b>34 255</b>
Pledged assets		1 500	1 200
Contingent liabilities		100	120



**Group Cash Flow Analysis**

**Cash flow from current operations**

	<b>2002-01-01</b>	<b>2001-01-01</b>
	<b>2002-12-31</b>	<b>2001-12-31</b>
Earnings after net financial items	3 795	-4 692
Adjustments for items not included in cash flow	0	0
Depreciation	2 983	4 744
Losses on exchange	0	7
Change in interest debt	-99	-56
Translation difference	-663	0
	<b>6 016</b>	<b>3</b>
Income tax paid	0	-68

**Cash flow from current operations**

**before changes in operating capital** **6 016** **-65**

**Change in working capitals**

Increase/decrease in inventories	-11	25
Increase/decrease in assets	-2 839	-2 880
Increase/decrease in short term liabilities	6 307	4 273
<b>Cash flow from current operations</b>	<b>9 473</b>	<b>1 353</b>

**Cash flow from investments**

Acquisition of subsidiary	-159	0
Acquisition of financial assets	0	-224
Acquisition of intangible assets	-877	-2 145
Acquisition of tangible assets	-388	-126
<b>Cash flow from investments</b>	<b>-1 424</b>	<b>-2 495</b>

**Financing activities**

Issue of new shares	149	0
Increase/decrease of long-term liabilities	444	-701
<b>Cash flow from financing activities</b>	<b>593</b>	<b>-701</b>

**PERIOD CASH FLOW**

**8 642** **-1 843**

Liquid assets at period start	2 753	4 596
Liquid assets assumed upon acquisition	61	0
Conversion difference	0	0
<b>Liquid assets at period end</b>	<b>11 456</b>	<b>2 753</b>

**Accounting principles and notes**

This 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 2001 have been applied, including the observance of the new recommendations of the Swedish Financial Accounting Standards Council that came into force 1 January 2002, and which bear on the Company's accounts.

The new recommendations that have the greatest impact on the Company's accounts are RR 15 - Intangible Fixed Assets and RR 17 - Impairment of Assets. These recommendations have not entailed changes to the interim report in question since the accounting of the Company's intangible fixed assets is in line with the requirements that have been laid down for capitalization, and the Company's assets are continually examined with respect to the need for writing down. After reviewing the other new recommendations that should be adopted as of 1 January 2002, the Company has come to the conclusions that these will not appreciably affect on this report.

The new accounting recommendations that are now adopted are:

RR 1:00	Consolidated accounts
RR 15	Intangible fixed assets
RR 16	Provisions, contingent liabilities and contingent assets
RR 17	Impairment of assets
RR 19	Discontinuing operations
RR 21	Borrowing costs
RR 23	Information on related parties

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**Note 1 Net turnover**

Net turnover is allocated as different revenue types as follows:

	Quarter		Full Year	
	2002-10-01	2001-10-01	2002-01-01	2001-01-01
	2002-12-31	2001-12-31	2002-12-31	2001-12-31
License and maintenance revenues	9 529	5 287	33 037	22 976
Hardware revenues	201		1 158	
Consultant and training revenues	3 012	715	5 386	3 546
	<b>12 742</b>	<b>6 002</b>	<b>39 581</b>	<b>26 522</b>

Last years net turnover includes non-recurrent revenue of SEK 1,350 thousand received from a customer in connection with renegotiation of a maintenance agreement

**Note 2 Change of equity**

	2002-12-31	2001-12-31
Equity at period start	5 994	10 742
Loss in period	3 818	-4 692
Acquisition	1 100	0
Option rights	149	0
Translation differences	-97	-56
Equity at period end	<b>10 964</b>	<b>5 994</b>