



# INTERIM REPORT

ORC GROUP HOLDING AB  
JANUARY 1 – SEPTEMBER 30, 2015

ORC

## COMBINATION WITH CAMERONTEC BRINGS WEALTH OF OPPORTUNITIES

SEK THOUSANDS	Jul 1, 2015 - Sep 30, 2015	Jul 1, 2014 - Sep 30, 2014	Jan 1, 2015 - Sep 30, 2015	Jan 1, 2014 - Sep 30, 2014
Operating revenue*	123,343	97,743	357,101	294,342
Operating expenses	-57,651	-51,403	-193,779	-161,645
<b>Adjusted EBITDA**</b>	<b>65,692</b>	<b>46,340</b>	<b>163,322</b>	<b>132,697</b>
Adjusted CAPEX***	-32,722	-28,693	-97,822	-84,684
<b>EBITDA-CAPEX</b>	<b>32,970</b>	<b>17,647</b>	<b>65,500</b>	<b>48,013</b>

\*) Operating revenue is 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.

\*\*) 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 2015 was SEK 123,343k (97,743), an increase of 26% compared to the same period of 2014. Adjusted for foreign exchange effects, revenue was up by SEK 11,400k, most of which is attributable to the acquisition of Tbricks. In a comparison with Q2 2015, revenue has increased by SEK 3,833k. After adjustment for foreign exchange effects, revenue rose by SEK 1,368k, with the APAC region accounting for most of the increase.
- > Adjusted EBITDA was SEK 65,692k (46,340) and adjusted EBITDA-CAPEX amounted to SEK 32,970k (17,647). Operating expenses and CAPEX, adjusted for one-off effects, were higher than in the corresponding period of last year, which is mainly explained by a weaker Swedish krona and higher operating expenses following the acquisition of Tbricks. Despite an increase in the number of staff by average 45 employees, staff costs remained in line with the same period last year, as recruitments have taken place mainly in St Petersburg, where salary levels typically are lower.
- > EBITDA-CAPEX for the third quarter of the 2015 was SEK 32,970k, compared to SEK 19,704k in the second quarter of the year. The improvement is mainly attributable to seasonal effects of personnel cost. Also the second quarter was impacted from costs for an internal global conference in Stockholm.

## COMMENTS FROM CEO TORBEN MUNCH:

"In October we announced that Orc is joining forces with CameronTec, an industry leader in the financial messaging, connectivity and onboarding area. While the companies will continue to operate separately in two business divisions under a joint holding company, we expect the enhanced product offering, realized through cross selling, to greatly benefit our clients.

Orc's business experienced continued positive momentum in the third quarter, driven to a large extent by the Americas, but with strong sales performance also in the other regions. The business environment remains challenging for our clients and regulators across the globe are adding to the complexity as they step up requirements on our industry. Orc views this situation as a business opportunity. We continue to invest in our products and services to stay abreast of new regulations, in order to capitalize on the changes and support our clients in adapting to the new obligations without business disruption.

As for market conditions, the picture varies across the globe, with some regions noting healthy trading volumes whereas others, notably China, are currently meeting some challenges. Overall, we are excited about the future as we together with CameronTec embark on a new phase of our journey, equipped with a set of modern products and attractive services."

## ADJUSTED EBITDA AND CAPEX

SEK THOUSANDS	Jul 1, 2015 - Sep 30, 2015	Jul 1, 2014 - Sep 30, 2014	Jan 1, 2015 - Sep 30, 2015	Jan 1, 2014 - Sep 30, 2014
<b>Operating income</b>	26,698	12,484	-139,982	30,126
Reversal of foreign exchange differences	-1,354	-1,758	1,445	-3,577
Reversal of amortization, depreciation and impairment losses	31,310	31,637	246,318	92,299
Reversal of development costs not capitalized as work performed by the company for its own use	6,148	3,559	21,468	13,057
Reversal of non-recurring items	820	418	22,343	792
Reversal of fair value adjustment	2,070	-	11,730	-
<b>Adjusted EBITDA</b>	<b>65,692</b>	<b>46,340</b>	<b>163,322</b>	<b>132,697</b>
<b>Specification of adjusted CAPEX</b>				
Reported CAPEX	-26,574	-25,134	-76,354	-71,627
Reversal of development costs not capitalized as work performed by the company for its own use	-6,148	-3,559	-21,468	-13,057
<b>Adjusted CAPEX</b>	<b>-32,722</b>	<b>-28,693</b>	<b>-97,822</b>	<b>-84,684</b>

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

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

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

>> All costs for Orc's product and development organization have been excluded, including 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 cash flow".

## EARNINGS

	Jul 1, 2015 - Sep 30, 2015	Jul 1, 2014 - Sep 30, 2014	Jan 1, 2015 - Sep 30, 2015	Jan 1, 2014 - Sep 30, 2014
SEK THOUSANDS				
System revenue	118,046	94,655	333,286	286,166
Professional Services	3,227	3,088	12,085	8,176
Other revenue	-	-	-	-
<b>Operating revenue</b>	<b>121,273</b>	<b>97,743</b>	<b>345,371</b>	<b>294,342</b>
Cost of goods sold	-4,881	-5,685	-14,832	-14,629
Other external expenses	-23,382	-18,534	-83,412	-56,427
Personnel costs	-56,972	-52,474	-200,140	-167,780
Work performed by the company for its own use and capitalized	20,616	21,313	60,794	63,342
Amortization, depreciation and impairment losses	-31,310	-31,637	-246,318	-92,299
Foreign exchange differences	1,354	1,758	-1,445	3,577
<b>Operating expenses</b>	<b>-94,575</b>	<b>-85,259</b>	<b>-485,353</b>	<b>-264,216</b>
<b>Operating income</b>	<b>26,698</b>	<b>12,484</b>	<b>-139,982</b>	<b>30,126</b>
Financial income	7	993	6,245	340
Financial expenses	-25,843	-25,683	-40,695	-90,384
<b>Net financial items</b>	<b>-25,836</b>	<b>-24,690</b>	<b>-34,450</b>	<b>-90,044</b>
<b>Income after financial items</b>	<b>862</b>	<b>-12,206</b>	<b>-174,432</b>	<b>-59,918</b>
Income tax	-1,178	2,151	37,307	12,013
<b>Income for the period</b>	<b>-316</b>	<b>-10,055</b>	<b>-137,125</b>	<b>-47,905</b>
<b>Adjusted EBITDA</b>	<b>65,692</b>	<b>46,340</b>	<b>163,310</b>	<b>132,697</b>

### JULY 1 – SEPTEMBER 30, 2015

Operating revenue for the period from July to September 2015 increased by SEK 23,530k compared to the same period of last year and amounted to SEK 121,273k (97,743). Adjusted for correction of the fair value of the acquired revenue in Tbricks of SEK 2,070k, the increase was SEK 25,600k, or 26%. Weakening of the Swedish krona, primarily against the US dollar, led to an increase in revenue of SEK 14,200k owing to foreign exchange effects in the third quarter of 2015 compared to the same quarter of last year, while the remaining increase of SEK 11,400k is explained by the acquisition of Tbricks. Professional Services were on par with the same quarter of last year and resulted in revenue of SEK 3,227k (3,088).

Operating expenses for the period from July to September 2015, adjusted for amortization, depreciation and impairment, non-recurring items and foreign exchange effects, totaled SEK -63,799k (-54,962), up by SEK 8,837k compared to the same quarter of last year. Weakening of the Swedish krona, primarily against the US dollar, has aside from the eliminated foreign exchange remeasurements also resulted in higher operating expenses compared to the same quarter of last year of approximately SEK 4,340k. The remaining increase in expenses are explained by higher travel expenses, IT-related expenses and other operating expenses following the acquisition of Tbricks, and, to a certain extent, increased bad debt losses. Personnel costs, adjusted for foreign exchange effects, were on par with the same quarter of last year despite the fact that the number of employees has risen by an average of 45 and amounted to 266 (218) at the end of September 2015. This was made possible in that a greater share of the workforce is based in St. Petersburg.

The quarter's depreciation, amortization and impairment losses of SEK -31,310k (-31,637) refer to amortization of client contracts and technology, capitalized cost for worked performed for own use relating to costs for Orc's software development and amortization of client acquisition costs. Just over two thirds of the total cost for the expenses for development are capitalized in the consolidated balance sheet and are amortized over a period of 7-10 years. Non-

recurring items amounting to SEK -820k (-418) consist of restructuring costs primarily for employees and premises in connection with Orc's acquisition of Tbricks.

Operating income including non-recurring items was SEK 26,698k (12,484) and net financial items amounted to SEK -25,836k (-24,690). Financial items include an unrealized foreign exchange difference of SEK -11,676k (900) on the note loan, since the loan is denominated in euros and the reporting currency is SEK. Other financial expenses refer to interest and other expenses arising from Orc Group Holding AB's acquisition of Orc Group AB. The reported tax expense was SEK -1,178k (2,151) and income for the period was SEK -316k (-10,055).

#### **JANUARY 1 – SEPTEMBER 30, 2015**

Operating revenue for the first three quarters of the year was SEK 345,371k (294,342), which is equal to an increase of 17%. Adjusted for correction of the fair value of the acquired revenue in Tbricks of SEK 11,730k, the increase was SEK 62,759k, or 21%. Weakening of the Swedish krona against the US dollar and the euro explains SEK 33,500k of the increase. The remainder of the increase is primarily attributable to the acquisition of Tbricks. The share of revenue from Professional Services has continued to grow and amounted to SEK 12,085k (8,176).

Operating expenses amounted to SEK -485,353k (-264,216), of which the period's amortization, depreciation and impairment losses of SEK -246,318k (-92,299) account for most of the cost increase. In the first quarter of 2015, an impairment loss for development costs of SEK -148,000k was recognized on the book value of technology attributable to Orc's platform. The impairment loss was recorded in connection with the decision to mainly develop products based on Tbricks' trading platform going forward. The remaining value of SEK 206,080k will be amortized on a straight-line basis over the period in which the Orc platform is expected to continue generating revenue. This period is currently estimated at 5 years. After this period, essentially all revenue is expected to be generated by the new Orc Tbricks platform. Amortization and depreciation of SEK -98,318k (-92,299) is mainly related to Orc Group Holding AB's acquisition of Orc Group AB and Orc's acquisition of Tbricks. The increase of SEK 6,019k compared to the same period of last year is due primarily to the higher degree of work performed for own use and capitalized and the acquisition of Tbricks.

Operating expenses adjusted for amortization, depreciation and impairment losses, non-recurring items and foreign exchange effects totaled SEK -215,247k (-174,702), an increase of SEK 40,546k, or 19%. Weakening of the Swedish krona, primarily against the US dollar, has aside from the eliminated foreign exchange remeasurements also resulted in higher operating expenses in 2015 compared to the same period of last year of approximately SEK 19,040k. The remaining increase is explained mainly by an increase in other external expenses for travel and IT-related expenses following the acquisition of Tbricks, but also by higher bad debt losses and the earlier mentioned internal global conference. Personnel costs have risen through the addition of 40 employees compared to the same period of last year, but since approximately 70 of these are based in Russia, the average salary cost per employee has decreased compared to the previous year. Non-recurring items amounting to SEK -22,341k (-792) consist of restructuring costs primarily for employees and premises in connection with Orc's acquisition of Tbricks.

Operating income including non-recurring items was SEK -139,982k (30,126), net financial items amounted to SEK -34,450k (-90,044) and income tax was SEK 37,307k (12,013). Net financial items included an unrealized foreign exchange difference of SEK 6,216k (-14,310) on the note loan. Income for the period was SEK -137,125k (-47,905).

## BALANCE SHEET AND CASH FLOW

SEK THOUSANDS	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014
<b>ASSETS</b>			
Intangible assets	2,025,736	1,892,010	1,886,231
Property, plant and equipment	12,176	15,718	11,583
Financial assets	3,426	1,864	1,956
Deferred tax asset	497	361	393
<b>Total non-current assets</b>	<b>2,041,835</b>	<b>1,909,953</b>	<b>1,900,163</b>
Trade receivables	65,065	30,997	42,678
Prepaid tax	429	2,277	1,435
Other current assets	104,849	64,138	102,759
Cash and cash equivalents	127,089	111,652	100,131
<b>Total current assets</b>	<b>297,432</b>	<b>209,064</b>	<b>247,003</b>
<b>TOTAL ASSETS</b>	<b>2,339,267</b>	<b>2,119,017</b>	<b>2,147,166</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>1,435,708</b>	<b>605,534</b>	<b>1,262,161</b>
Deferred tax liability	136,983	155,217	153,784
Non-current liabilities	556,310	1,177,189	559,651
Other appropriations	1,244	976	1,136
<b>Total non-current liabilities</b>	<b>694,537</b>	<b>1,333,382</b>	<b>714,571</b>
Trade payables	13,265	11,099	11,810
Tax liabilities	2,024	1,350	5,270
Other current liabilities	193,732	167,652	153,354
<b>Total current liabilities</b>	<b>209,021</b>	<b>180,101</b>	<b>170,434</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,339,267</b>	<b>2,119,017</b>	<b>2,147,166</b>

Total assets at the end of the period amounted to SEK 2,339,267k (2,119,017), of which SEK 2,025,736k (1,892,010) consisted of intangible assets, primarily goodwill and other intangible assets arising in connection with Orc Group Holding AB's acquisition of Orc Group AB and Orc's acquisition of Tbricks. Other current assets amounted to SEK 104,849k (64,138) and have increased by SEK 40,711k, which is mainly explained by an unsettled group contribution of SEK 40,734k from Cidron Delfi Intressenter Holding AB for 2014. Cash and cash equivalents totaled SEK 127,089k (111,652).

Equity amounted to SEK 1,435,708k (605,534) and the equity/assets ratio at the end of the period was 61% (29). In November 2014 Orc carried out the conversion of a shareholder loan of SEK 643,050k through a set-off issue in which Orc issued 428,986 preference shares to the parent company Cidron Delfi Intressenter Holding AB. In January 2015 the Group received a shareholder contribution of SEK 308,159k in connection with the acquisition of Tbricks.

Non-current liabilities in the Group amounted to SEK 694,537k (1,333,382), a decrease of SEK 638,845k. Non-current liabilities include an interest-bearing shareholder loan from Orc Group Holding AB's parent company of SEK 0k (638,596) and a note loan of SEK 556,310k (538,593), where the change is explained mainly by conversion of the shareholder loan to equity of SEK 643,050k but also by foreign exchange effects on the note loan.

Cash and cash equivalents for the period from January to September 2015 rose by SEK 26,958k, from SEK 100,131k to SEK 127,089k. Operating activities generated a cash flow of SEK 73,910k (112,954) after changes in working capital. The change in working capital of SEK -6,342k (22,332) is mainly attributable to additional prepaid income in connection with the acquisition of Tbricks, an increase in trade receivables and a decrease in other liabilities. Cash flow from investing activities was SEK -46,535k (-71,334) and consisted mainly of capitalized development costs of SEK -60,794k (-63,342), client acquisition expenses of SEK -10,003k (-6,791) and acquired cash and cash equivalents of SEK 31,026k attributable to the acquisition of Tbricks. As earlier, the Group had an unutilized overdraft facility of SEK 145,000k at the end of the period.

## FOREIGN EXCHANGE EFFECTS

Movements in foreign exchange rates affect Orc in several ways. Assets (primarily cash and 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 the income statement. Orc's policy is to not continuously hedge operating cash flows in foreign currency. However, 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 against operating revenue in the same currency.

Operating revenue and expenses are also affected by movements in foreign exchange rates, which have a direct impact on both the revenue and expense item. For the periods covered in this report, the net change that directly affects the income statement has been described above.

Of total operating revenue approximately 45% consists of euros, 33% of US dollars, 9% of Swedish kronor and the remaining 10% of other currencies, primarily Australian dollars and Sterling pounds. Operating expenses, excluding amortization, depreciation and impairment losses, consist of approximately 49% Swedish kronor, 13% US dollars, 13% Sterling pounds, 11% Hong Kong dollars, 4% euros and 10% other currencies, primarily Russian rubels.

## FINANCIAL INSTRUMENTS

Orc'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.

## EVENTS AFTER THE END OF THE REPORTING PERIOD

In October 2015 Orc communicated that Orc and CameronTec will join forces in a new group. The structure takes place above the Orc Group Holding AB and will therefore not affect the accounts for Orc Group Holding Group. No other post balance sheet events have been reported.

## PARENT COMPANY

The Parent Company Orc Group Holding AB (publ) (556873-5913) is owned by Cidron Delfi Intressenter Holding AB (556871-8141), which is in turn ultimately owned by Nordic Capital Fund VII and by the management and staff in the Orc Group.

Revenue in the Parent Company for the period from July to September 2015 amounted to SEK 518k (466). Operating income was SEK -617k (-456), net financial items totaled SEK -32,683k (-31,387) and income after tax amounted to SEK -25,983k (-24,839). Net financial items and income for the third quarter consist mainly of interest expenses on loans and financial expenses payable to the bank, as well as an unrealized foreign exchange difference of SEK -11,676k (900) attributable to remeasurement of the note loan. Investments in property, plant and equipment and intangible assets for the period from July to September 2015 amounted to SEK - (-). At September 30, 2015, the Parent Company had cash and cash equivalents of SEK 934k (748).

Equity in the Parent Company at the end of the period amounted to SEK 1,195,672k (242,919). The increase is attributable to the conversion of a SEK 643,050k shareholder loan through a set-off issue in which Orc Group Holding AB issued 428,986 preference shares to the parent company Cidron Delfi Intressenter Holding AB and a shareholder contribution of SEK 308,159k in connection with the acquisition of Tbricks. Non-current and current liabilities amounted to SEK 993,246k (1,582,662) and have decreased mainly as a result of the set-off issue.

Orc Group Holding AB has no significant related party transactions other than transactions with group companies, as well as board fees and a loan to the Parent Company Cidron Delfi Intressenter Holding AB, which was converted to equity in November 2014. All transactions with related parties are carried out on market-based terms. In all material aspects, the nature and size of related party transactions during the period are the same as those that applied in 2014.

## 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 2015

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, 2015, have had any material impact on the financial statements of the Group.

In the third quarter of 2015, Orc decided to change its accounting policy for treatment of recognized commissions. The commission expenses that arise on the date of sale and are directly attributable to the acquisition of the client contract will be recognized in the balance sheet as an intangible assets. Contracts are signed with clients for a fixed period (normally 12 months), and will be amortized on a straight-line basis over the fixed period. The investment of paid commission expenses will be recognized as CAPEX in the cash flow statement. The reason for the change is to better reflect the cost for acquisition of future revenue in the Group. See table on page 16 for details.

### SIGNIFICANT ACCOUNTING POLICIES

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

#### SYSTEM REVENUE

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

#### GOODWILL

The useful life of goodwill is indefinite and the carrying amount of goodwill should therefore be tested for impairment at least annually according to the principles described in the annual report. Orc determines the value of goodwill based on forecasted future cash flows for the cash-generating units.

#### CAPITALIZED DEVELOPMENT COSTS

Orc's principle is to capitalize development costs attributable to separately identifiable projects that result in either new products or significant improvements in existing products and technology, and that can be expected to generate future economic benefits. Capitalized development costs are amortized on a straight-line basis over their estimated useful lives of 7 to 10 years from the date on which the asset is ready to use or from the quarter after capitalization has taken place. The amortization period of 7 to 10 years is based on an assessment of the useful lives of the products developed by Orc over the years.

#### INTANGIBLE ASSETS

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

#### THE GROUP'S SALES BY GEOGRAPHICAL AREA

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



**SIGNIFICANT RISKS AND UNCERTAINTIES**

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

The ongoing uncertainty in the global financial markets is associated with a risk for continued cancellations of existing 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 Orc's clients and could therefore also affect staff reductions, new sales and credit risks. Orc's ability to meet its payment obligations is dependent on sufficient liquidity. Profitable operations with healthy cash flows are essential for good liquidity. Another key factor is access to operating credits and various long-term financing solutions. Should access to credits cease, this could have a negative impact on Orc's solvency and financial position.

## CONDENSED FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK THOUSANDS	Jul 1, 2015 - Sep 30, 2015	Jul 1, 2014 - Sep 30, 2014	Jan 1, 2015 - Sep 30, 2015	Jan 1, 2014 - Sep 30, 2014
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<b>Operating income</b>	<b>26,698</b>	<b>12,484</b>	<b>-139,982</b>	<b>30,126</b>
Financial income	7	993	6,245	340
Financial expenses	-25,843	-25,683	-40,695	-90,384
<b>Net financial items</b>	<b>-25,836</b>	<b>-24,690</b>	<b>-34,450</b>	<b>-90,044</b>
<b>Income after financial items</b>	<b>862</b>	<b>-12,206</b>	<b>-174,432</b>	<b>-59,918</b>
Income tax	-1,178	2,151	37,307	12,013
<b>Income for the period</b>	<b>-316</b>	<b>-10,055</b>	<b>-137,125</b>	<b>-47,905</b>
<b>Other comprehensive income that can be subsequently reclassified to the income statement</b>				
Translation differences	45	2,131	2,513	4,707
<b>Other comprehensive income</b>	<b>45</b>	<b>2,131</b>	<b>2,513</b>	<b>4,707</b>
<b>Comprehensive income for the period</b>	<b>-271</b>	<b>-7,924</b>	<b>-134,612</b>	<b>-43,198</b>
Income for the period attributable to owners of the Parent Company	-316	-10,055	-137,125	-47,905
Comprehensive income for the period attributable to owners of the Parent Company	-271	-7,924	-134,612	-43,198

**CONSOLIDATED BALANCE SHEET**

SEK THOUSANDS	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets			
Goodwill	1,280,547	1,094,181	1,094,181
Other intangible assets	602,538	564,484	546,003
Capitalized development costs	142,651	233,345	246,047
Property, plant and equipment			
Equipment	12,176	15,718	11,583
Financial assets	3,426	1,864	1,956
Deferred tax asset	497	361	393
<b>Total non-current assets</b>	<b>2,041,835</b>	<b>1,909,953</b>	<b>1,900,163</b>
<b>Current assets</b>			
Trade receivables	65,065	30,997	42,678
Prepaid tax	429	2,277	1,435
Other current assets	104,849	64,138	102,759
Cash and cash equivalents	127,089	111,652	100,131
<b>Total current assets</b>	<b>297,432</b>	<b>209,064</b>	<b>247,003</b>
<b>TOTAL ASSETS</b>	<b>2,339,267</b>	<b>2,119,017</b>	<b>2,147,166</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6,175	5,746	6,175
Other contributed capital	1,682,365	731,156	1,374,206
Reserves	2,243	-3,216	-270
Retained earnings	-117,950	-80,247	-80,247
Income for the period	-137,125	-47,905	-37,703
<b>Total equity</b>	<b>1,435,708</b>	<b>605,534</b>	<b>1,262,161</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	136,983	155,217	153,784
Non-current liabilities	556,310	1,177,189	559,651
Other appropriations	1,244	976	1,136
<b>Total non-current liabilities</b>	<b>694,537</b>	<b>1,333,382</b>	<b>714,571</b>
<b>Current liabilities</b>			
Trade payables	13,265	11,099	11,810
Tax liabilities	2,024	1,350	5,270
Other current liabilities	193,732	167,652	153,354
<b>Total current liabilities</b>	<b>209,021</b>	<b>180,101</b>	<b>170,434</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,339,267</b>	<b>2,119,017</b>	<b>2,147,166</b>
<b>PLEGGED ASSETS AND CONTINGENT LIABILITIES</b>			
Pledged assets	1,975,500	1,887,940	1,839,150
Contingent liabilities	-	-	-

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the Parent Company

SEK THOUSANDS	Share capital	Other contributed capital	Reserves	Retained earnings incl. income for the period	Total
<b>Opening balance, January 1, 2015</b>	<b>6,175</b>	<b>1,374,206</b>	<b>-270</b>	<b>-117,950</b>	<b>1,262,161</b>
Income for the period	-	-	-	-137,125	-137,125
Other comprehensive income	-	-	2,513	-	2,513
<b>Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,513</b>	<b>-137,125</b>	<b>-134,612</b>
<b>Transactions with owners</b>					
Shareholder contribution	-	308,159	-	-	308,159
<b>Total transactions with owners</b>	<b>-</b>	<b>308,159</b>	<b>-</b>	<b>-</b>	<b>308,159</b>
<b>Closing balance, Sep 30, 2015</b>	<b>6,175</b>	<b>1,682,365</b>	<b>2,243</b>	<b>-255,075</b>	<b>1,435,708</b>

Attributable to owners of the Parent Company

SEK THOUSANDS	Share capital	Other contributed capital	Reserves	Retained earnings incl. income for the period	Total
<b>Opening balance, January 1, 2014</b>	<b>5,746</b>	<b>731,156</b>	<b>-7,923</b>	<b>-80,247</b>	<b>648,732</b>
Income for the period	-	-	-	-47,905	-47,905
Other comprehensive income	-	-	4,707	-	4,707
<b>Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,707</b>	<b>-47,905</b>	<b>-47,905</b>
<b>Transactions with owners</b>					
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance, Sep 30, 2014</b>	<b>5,746</b>	<b>731,156</b>	<b>-3,216</b>	<b>-128,152</b>	<b>605,534</b>

**CONSOLIDATED CASH FLOW STATEMENT**

SEK THOUSANDS	Jan 1, 2015 - Sep 30, 2015	Jan 1, 2014 - Sep 30, 2014
<b>OPERATING ACTIVITIES</b>		
Operating income	-139,982	30,126
<b>Adjustments for non-cash items</b>		
Amortization, depreciation and impairment losses	246,318	92,299
Capital loss on the sale of non-current assets	150	399
Other non-cash items	1,445	-3,498
Interest received	29	268
Interest paid	-25,006	-24,701
Income tax paid	-2,702	-4,271
<b>Cash flow from operating activities before changes in working capital</b>	<b>80,252</b>	<b>90,622</b>
<b>CHANGES IN WORKING CAPITAL</b>		
Change in trade receivables	-13,791	35,003
Change in other operating receivables	13,784	-1,597
Change in trade payables	1,806	-3,022
Change in other operating liabilities	-8,141	-8,052
<b>Cash flow from operating activities</b>	<b>73,910</b>	<b>112,954</b>
<b>INVESTING ACTIVITIES</b>		
Investments in intangible assets	-72,624	-70,133
Acquisition of subsidiaries	31,026	-
Disposal of subsidiaries	-	101
Investments in property, plant and equipment	-3,728	-1,494
Change in financial assets	-1 209	192
<b>Cash flow from investing activities</b>	<b>-46,535</b>	<b>-71,334</b>
<b>FINANCING ACTIVITIES</b>		
Amortization of loans	-	-
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalent</b>	<b>27,375</b>	<b>41,620</b>
Cash and cash equivalents at beginning of period	100,131	69,305
Translation/foreign exchange different in cash and cash equivalents	-417	727
Cash and cash equivalents at the end of period	127,089	111,652

## THE GROUP'S SALES BY GEOGRAPHICAL AREA

	Jul 1, 2015	Jul 1, 2014	Jan 1, 2015	Jan 1, 2014
SEK THOUSANDS	- Sep 30, 2015	- Sep 30, 2014	- Sep 30, 2015	- Sep 30, 2014
Sweden	10,605	6,692	31,361	21,303
EMEA (excl. Sweden)	64,886	53,855	190,814	160,251
Americas	20,065	15,674	58,158	49,552
APAC	27,787	21,522	76,768	63,236
Fair value adjustment acc. to PPA	-2,070	-	-11,730	-
<b>Operating revenue</b>	<b>121,273</b>	<b>97,743</b>	<b>345,371</b>	<b>294,342</b>

## PARENT COMPANY INCOME STATEMENT

	Jul 1, 2015	Jul 1, 2014	Jan 1, 2015	Jan 1, 2014
SEK THOUSANDS	- Sep 30, 2015	- Sep 30, 2014	- Sep 30, 2015	- Sep 30, 2014
Operating revenue	518	466	2,232	1,809
Operating expenses	-1,135	-922	-3,514	-3,251
<b>Operating income</b>	<b>-617</b>	<b>-456</b>	<b>-1 282</b>	<b>-1,442</b>
Financial income	0	0	6,216	0
Financial expenses	-32,683	-31,387	-62,194	-110,268
<b>Net financial items</b>	<b>-32,683</b>	<b>-31,387</b>	<b>-55,978</b>	<b>-110,268</b>
<b>Income after financial items</b>	<b>-33,300</b>	<b>-31,843</b>	<b>-57,260</b>	<b>-111,710</b>
Income tax expense	7,317	7,004	12,589	24,573
<b>Income for the period</b>	<b>-25,983</b>	<b>-24,839</b>	<b>-44,671</b>	<b>-87,137</b>
<b>Comprehensive income for the period</b>	<b>-25,983</b>	<b>-24,839</b>	<b>-44,671</b>	<b>-87,137</b>
Income for the period attributable to owners of the Parent Company	-25,983	-24,839	-44,671	-87,137
Comprehensive income for the period attributable to owners of the Parent Company	-25,983	-24,839	-44,671	-87,137

**PARENT COMPANY BALANCE SHEET**

SEK THOUSANDS	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
Shares in group companies	2,008,604	1,700,446	1,700,446
Long term receivable to parent company	76,590	39,855	78,590
Deferred tax asset	47,321	47,656	34,732
<b>Total non-current assets</b>	<b>2,132,515</b>	<b>1,787,957</b>	<b>1,813,768</b>
<b>Current assets</b>			
Other current assets	55,469	36,875	78,138
Cash and cash equivalents	934	748	1,773
<b>Total current assets</b>	<b>56,403</b>	<b>37,623</b>	<b>79,911</b>
<b>TOTAL ASSETS</b>	<b>2,188,918</b>	<b>1,825,580</b>	<b>1,893,679</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity			
Share capital	6,175	5,746	6,175
Non-restricted equity			
Share premium reserve	1,374,206	731,156	1,374,206
Retained earnings	-140,038	-406,846	-406,846
Income for the period	-44,671	-87,137	-41,350
<b>Total equity</b>	<b>1,195,672</b>	<b>242,919</b>	<b>932,185</b>
<b>Non-current liabilities</b>			
Non-current liabilities	971,006	1,560,769	950,857
<b>Total non-current liabilities</b>	<b>971,006</b>	<b>1,560,769</b>	<b>950,857</b>
<b>Current liabilities</b>			
Other current liabilities	22,240	21,893	10,637
<b>Total current liabilities</b>	<b>22,240</b>	<b>21,893</b>	<b>10,637</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,188,918</b>	<b>1,825,581</b>	<b>1,893,679</b>
<b>PLEGDED ASSETS AND CONTINGENT LIABILITIES</b>			
Pledged assets	2,008,604	1,700,446	1,700,446
Contingent liabilities	-	-	-

## ACQUISITION OF SUBSIDIARIES

SEK THOUSANDS

### Purchase consideration at January 15, 2015

Shareholder contribution from Cidron Delfi Intressenter Holding AB	308,159
<b>Total purchase consideration</b>	<b>308,159</b>

Carrying amount of identifiable assets acquired and liabilities assumed

Technology	79,400
Trademarks/brands	8,700
Customer relationships	34,100
Deferred tax assets	6,153
Property, plant and equipment	1,381
Deferred income (fair value adjustment)	13,800
Current receivables	11,012
Cash and cash equivalents	31,026
Deferred tax liabilities	-29,920
Current liabilities	-33,860
<b>Total identifiable net assets</b>	<b>121,793</b>
Goodwill	186,366

## CHANGE OF ACCOUNTING POLICY – EXPENSES RELATING TO COMMISSIONS

In 2015 Orc has decided to change its accounting policy for expenses relating to commissions in connection with new sales to clients, see also under “Change of accounting policy”. The change will affect the following lines in the income statement and balance sheet.

SEK THOUSANDS	Jul 1, 2015 - Sep 30, 2015	Jul 1, 2014 - Sep 30, 2014	Jan 1, 2015 - Sep 30, 2015	Jan 1, 2014 - Sep 30, 2014
Personnel costs	3,567	2,835	10,003	6,791
Amortization, depreciation and impairment	-3,191	-1,835	-8,402	-4,690
Income tax	-83	-220	-352	-462
<b>Income for the period</b>	<b>293</b>	<b>780</b>	<b>1,249</b>	<b>1,638</b>

SEK THOUSANDS	Sep 30, 2015	Sep 30, 2014	Dec 31, 2014	Jan 1, 2014
Other intangible assets	8,582	5,623	6,981	3,523
<b>Total assets</b>	<b>8,582</b>	<b>5,623</b>	<b>6,981</b>	<b>3,523</b>
Retained earnings	5,445	2,748	2,748	2,748
Income for the period	1,249	1,638	2,697	-
Deferred tax liabilities	1,888	1,237	1,536	775
<b>Total equity and liabilities</b>	<b>8,582</b>	<b>5,623</b>	<b>6,981</b>	<b>3,523</b>



**CONSOLIDATED KEY RATIOS**

SEK THOUSANDS	Jul 1, 2015 - Sep 30, 2015	Jul 1, 2014 - Sep 30, 2014	Jan 1, 2015 - Sep 30, 2015	Jan 1, 2014 - Sep 30, 2014
Operating revenue	121,273	97,743	345,371	294,342
Operating income	26,698	12,484	-139,982	30,126
Operating margin	22%	13%	-41%	10%
Net financial items	-25,836	-24,690	-34,450	-90,044
Income for the period	-316	-10,055	-137,125	-47,905
Profit margin	0%	-10%	-40%	-16%
Total assets	2,339,267	2,119,017	2,339,267	2,119,017
Cash and cash equivalents	127,089	111,652	127,089	111,652
Interest-bearing liabilities	556,310	1,177,189	556,310	1,177,189
Equity	1,435,708	605,534	1,435,708	605,534
Net debt	429,221	1,065,537	429,221	1,065,537
Equity/assets ratio	61%	29%	61%	29%

**STATEMENT OF ASSURANCE**

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

Stockholm, November 12, 2015  
Orc Group Holding AB

TORBEN MUNCH  
CEO

## About Orc

Orc is a global market leader in electronic trading technology for listed derivatives. Successful trading desks depend on Orc to deliver unrivaled next-generation derivatives trading and electronic execution solutions, which they require to stay ahead of the competition.

Dedicated to long-term partnerships and continuous innovation that delivers results, Orc serves the needs of leading trading firms, market makers, banks and brokers worldwide. With 200 customer sites in more than 30 countries, access to over 150 trading venues and offices in each of the world's key financial centers, Orc offers true global capabilities.

Combining our technology and financial industry expertise, including a solid understanding of regulatory issues, Orc also provides expert advice and services that help reduce complexity and cost, while enabling clients to stay fully focused on their core trading activities.

In October 2015, Orc joined forces with CameronTec, the global standard in financial messaging infrastructure, to the most powerful trading and connectivity technology offering for capital markets.

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

For more information visit: [orc-group.com](http://orc-group.com)

## STATUTORY DISCLOSURE

The information in this interim report is subject to the disclosure requirements of Orc Group Holding AB under the Swedish Securities Exchange and Clearing Operations Act and the Financial Instruments Trading Act. The information was released for publication on November 12, 2015, 8:00 a.m. CET.

## CONTACT INFORMATION

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A teleconference (in English) will be held on November 12, 2015, at 3:00 p.m. CET.

For more information, see the invitation at [orc-group.com](http://orc-group.com), The Company, Press, News & press.

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

## FINANCIAL CALENDAR

February 18, 2015 Q4 2015 Year-end report

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