



Fouriertransform

Year-End Report 2012

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High level of activity in a wait-and-see market

Significant events in the fourth quarter and full year 2012

- The net result for the quarter was SEK 0.6 million (27.5) excluding unrealized gains in investments in securities of SEK 29.4 million. The result for the year was SEK 43.0 million (-76.7) excluding unrealized gains in investments in securities of SEK 29.4 million.
- Cash flow for the quarter was SEK -41.1 million (-3.7), of which investments in portfolio companies accounted for SEK -45.5 million (-20.6). Cash flow for the year was SEK -170.9 million (-137.0), of which investments in portfolio companies accounted for SEK -142.0 million (-115.0).
- Cash and bank balances and investments in securities amounted to SEK 2,505 million (2,604) at the end of the year.
- In 2012 Fouriertransform approved investments in three new companies for a total of SEK 71 million and follow-on investments of SEK 70 million.
- In June Fouriertransform sold its entire holding in FlexProp AB, a portfolio company in Halmstad, to the main shareholder Strömberg Innovation AB.
- Since the start in 2009 Fouriertransform has approved investments totaling SEK 630 million in sixteen companies in the Swedish automotive cluster for a combined investment with syndication partners totaling around SEK 2.0 billion.



CEO's comments

Economic development in 2012 was in many ways a mirror image of development in 2011; cautious optimism at the beginning of the year which turned into growing pessimism in the second half. The difference was that the slowdown in 2012 was much stronger, resulting in increasing numbers of employees in the industry being put on notice and growing unemployment.

There are three main reasons for this trend. One is the continuing crisis in the euro area and the political tension caused mainly by tough budget austerity measures in southern Europe. A slowing growth rate in China, particularly in the second half of the year, was also a factor in the growing uncertainty. Finally, major uncertainty about the US budget had a subduing effect on economic activity.

All of these factors eventually hit Sweden hard as a small and export-dependent nation, and affected subcontractors in the automotive and manufacturing industries in particular.

Tough situation for subcontractors

In 2012 we commissioned Roland Berger Strategy Consultants to conduct a study of the automotive industry in which the 350 Swedish subcontractors were compared with 900 subcontractors in 35 countries. The analysis shows that the Swedish subcontractors have not recovered from the 2008 global crisis in the same way as their foreign competitors. The Swedish companies experienced a more dramatic decline during the crisis and have not managed to get back to the operating margins they had before it broke out. A serious aspect is that the situation got worse at the end of 2012 and this caused great uncertainty going into 2013.

One important cause of this is the hourglass-shaped structure of Swedish industry. It is difficult for the small and medium-sized enterprises to grow and become strong enough to be able and willing to take advantage of the growth opportunities that exist outside their traditional markets. All too many Swedish subcontractors are dependent on the domestic and European markets and on a high focus on a limited number of customers.

Companies that are exporters, on the other hand, are doing better, especially the ones that are less dependent on the Swedish market and are in a forward-looking sector.

Fouriertransform's strong network supports internationalization

In order to strengthen the subcontractor sector it is necessary to change the hourglass structure by increasing the subcontractors' size and level of internationalization. This is crucial for the industry's long-term survival.

As far as Fouriertransform is concerned, we have experienced a strong interest in cooperation in clusters that may be able to help these businesses grow and have the strength to venture outside of Sweden. Our contribution is to further develop our already strong network which can bring international expertise and competence to the boards of the portfolio companies and thereby drive the internationalization process. These experienced and well-qualified individuals provide portfolio companies with new interfaces, open previously closed doors and bring international influences that are very valuable for the companies. After working for about 2.5 years, our experience tells us that there is a great need for access to this type of expertise.

New investments in forward-looking companies

In 2012 we continued to secure our position as part of the Swedish automotive cluster in a quiet, wait-and-see market. During the year we decided to invest in three new companies: LeanNova Engineering AB in Trollhättan, ArcCore AB in Gothenburg and CeDe Group AB in Malmö. Our total investments including follow-on investments for the year totaled SEK 141 million. We now have forward-looking companies in our strategic investment areas: Intelligent Vehicles, More Efficient Production and Sustainable Vehicles.

In Intelligent Vehicles our portfolio companies in software, ArcCore and Pelagicore, have established a presence in the German market in order to develop with their customers in the automotive industry there. We are also happy with our engineering companies, Vicura and LeanNova, where our contribution has been to ensure that this type of venture can remain and develop in Trollhättan after Saab. In 2012 Vicura decided to open a branch in India to capture the demand in the Indian automotive industry.

In our More Efficient Production area we made an assessment in 2012 of which mechanical processing companies could be brought together in a cluster to help with the internationalization process. Sheet metal and plastics processing are traditional and mature sectors that need to branch out into the international market in order to grow. We have created a strategic map where companies are evaluated in clusters as a basis for proactive investment.

We sold our holding in FlexProp to the former owner in 2012.

In the year ahead our agenda as a shareholder remains in place for our companies, i.e. we will help them develop their full potential. We will also continue to work towards having a more balanced portfolio that includes companies in the later phases of development.

The Swedish automotive industry is still facing major challenges and in order to revitalize and strengthen the automotive cluster's international competitiveness, we need to think in new ways, work unconventionally and take advantage of the expertise and experience that exists in the industry.

Since the start Fouriertransform has participated in co-investments in excess of SEK 2 billion at a time when corporate transactions have declined by 40 percent. This is a vital contribution to improving the competitiveness of Swedish industry.



Per Nordberg

Fouriertransform highlights, SEK m	Q4 2012	Q4 2011	%	Full year 2012	Full year 2011	%
Net result for the period	0.6	27.4	-98	43.0	-76.7	-
Investments in portfolio companies	-45.5	-20.6	121	-142.0	-115.0	23
Cash flow for the period	-41.1	-3.7	-	-170.9	-137.0	-
Cash and bank balances and investments in securities	2,505.1	2,603.9	-4	2,505.1	2,603.9	-4
Equity	2,979.2	2,936.1	1	2,979.2	2,936.1	1
Equity/assets ratio	99.2 %	98.4 %	-	99.2 %	98.4 %	-

Business environment and markets – the slowdown was unexpectedly strong

The crisis spills over into Sweden

The debt crisis in the euro area threw a shadow over economic development in 2012, not just in the euro area, but in large parts of the rest of the world as well. In the second half of the year in particular, economies were significantly weakened and basically all economic analysts lowered their growth predictions for 2013.

A continuing decline in the global economy had a tangible impact on Swedish export companies at the end of the year, resulting in falling production volumes, especially in the automotive industry and among its subcontractors, due in particular to a sharp decline in exports to Europe. The European market accounts for close to two thirds of the Swedish automotive industry's exports. One consequence was an escalating number of people being put on notice during the autumn due to a decline in the use of consultants and temporary workers as well as employees being given notice, initially mainly in production.

In light of this, many economic analysts painted a very bleak picture of the Swedish economy's ability to withstand the global decline. The most pessimistic among them fear that the industry jobs disappearing in this recession will not come back. Recovery in Europe is expected to take time and even though demand is increasing in the US and China, the pace is slow and these markets have less of an impact on production in Sweden. Based on the outlook at the end of the year, GDP growth in Sweden is expected to stay at around 1 percent and any real recovery is not likely before mid-2014.

In the Swedish market the full-year result for automotive sales was not as negative as in other parts of the world, although car sales declined slightly from month to month compared to 2011. The exception was December 2012 when sales increased by 7 percent. For the year as a whole the decline stopped at 8 percent according to BIL Sweden. The overall decline in commercial vehicle registrations was 14 percent.



Europe and the world

There is still overcapacity in the European automotive industry, although there has been growth in other places, such as China and Latin America. The recovery in the US continues.

In Europe the crisis in the automotive industry has deepened. The commercial vehicle market has contracted, with a 12-percent decrease in total new registrations and a decline in all significant markets. New car registrations fell by 8 percent compared to 2011. With the exception of the UK, all significant markets declined. In total around 12 million new cars were registered in Europe in 2012, the lowest figure since 1995 according to the European Automobile Manufacturers' Association (ACEA).

The crisis was exacerbated by the structural problems that have long plagued the automotive industry, i.e. significant overcapacity, short product life cycles and high fixed costs in manufacturing. These are global industrial problems with an impact that goes far down the subcontractor chain. Consequently there is still a need for consolidation in the industry.

Changing markets

The automotive industry is in a period of transition that has several dimensions. Key markets are shifting geographically and new markets are precipitating changes in market requirements, which is providing openings for new players and clusters.

There is also uncertainty about which of the new technologies have the greatest potential. It is clear, however, there is still a trend towards more eco-friendly and efficient technology in the automotive industry and it is getting stronger from year to year. This puts pressure on the manufacturers to constantly drive innovation and product development. The focus is on more energy efficient technology, such as alternative fuels like gas, electricity, fuel cells and hybrid vehicles, as well as on more environment and climate friendly material choices and more efficient production.

In Europe a strong driving force will be the EU's strategy and future legislation requiring better fuel economy in new vehicles sold on the European market. This means that the industry needs to make reducing carbon emissions a high priority.

The emission levels that apply under current legislation require a reduction in carbon emissions for cars of 18 percent by 2015 and 40 percent by 2020, compared to average emissions in 2007. Similar requirements apply to manufacturers of light commercial vehicles.

If a manufacturer exceeds the emission levels a fine will be levied on a progressive scale per gram of emissions over the threshold level.

The European Commission is also working on establishing a strategy and future legislation requiring reduced emissions for heavy commercial vehicles as well. This is in light of estimates that heavy road traffic accounts for the second largest share of greenhouse gas emissions in the transport sector, i.e. more than both aviation and shipping.

Swedish threats and opportunities

Sweden has a long and successful tradition in the automotive industry. The sector accounts for 12 percent of goods exports and 8 percent of the industry's investments. 110,000 people are employed in the automotive industry. Sweden has two of the world's leading heavy goods vehicle manufacturers and at present one car manufacturer and several subcontractors with internationally competitive products and services.

Although this gives Sweden a strong starting position, the Swedish players are small in a global perspective. The Swedish subcontractors are, first and foremost, heavily dependent on their domestic market and Europe, which makes them vulnerable in the current crisis in their main markets. They also have low profitability in an international comparison and find it hard to handle international expansion on their own into the markets where growth is taking place.

The innovative power in the Swedish automotive cluster needs resources, both to commercialize innovations and in order to internationalize. Fouriertransform is one of just a few players with the resources to drive this type of commercialization specifically for the automotive industry.



Q4 2012

Fouriertransform's activities

Work on evaluating investment opportunities continues

During the quarter Fouriertransform continued to work actively with large companies in the mechanical processing, plastics and sheet metal segments to explore the possibility of investing as a new shareholder. Fouriertransform has held meetings and negotiations with numerous companies. In the mechanical processing segment the focus is on determining which companies can be brought together in clusters to increase their chances of a successful international expansion.

Fouriertransform has also held meetings and negotiations with companies in the strategic area of Intelligent Vehicles to evaluate investment possibilities.

Existing portfolio companies see value growth

The work of creating growth for the thirteen active portfolio companies has been extensive and has required the use of a significant portion of Fouriertransform's human resources. A number of follow-on investments have been implemented to give companies the capital they require to continue to grow.

Strategy conference

Fouriertransform held an internal strategy conference during which a study of Swedish subcontractors' competitiveness compared to foreign counterparts was analyzed. The study was conducted by Roland Berger Strategy Consultants. The process of identifying new investment objects and internal routines in general were also discussed.

Meeting with Fouriertransform's external board representatives

Fouriertransform's Board of Directors and employees had a meeting with all of Fouriertransform's external board representatives from the portfolio companies. This meeting is held at least once a year to discuss the work being done with the portfolio companies and to exchange experiences.

Fouriertransform's investment activities

Investment applications

During the quarter Fouriertransform received seven investment applications and rejected five. Fouriertransform's application portfolio now contains some 25 applications, five of which are under review awaiting an investment decision by the Board of Directors. The applications log today contains more applications from companies in growth and mature phases than previously, particularly within the strategic area of More Efficient Production.

Follow-on investments

During the quarter Fouriertransform made follow-on investments totaling SEK 45.0 million in the following portfolio companies:

- Fouriertransform invested SEK 5.0 million in Powercell AB in Gothenburg in the form of a shareholder contribution
- Fouriertransform participated in a new share issue and invested SEK 35.0 million in Norstel AB in Norrköping
- Fouriertransform loaned Pelagicore AB in Gothenburg SEK 3.0 million
- Fouriertransform loaned Alelion Batteries AB in Mölndal SEK 2.0 million

Portfolio company activity in the fourth quarter

- **Powercell** in Gothenburg continued to work on developing a prototype for its fuel cell system which consists of a fuel converter and a fuel cell. The prototype is expected to be ready in Q1, 2013.
- **Norstel** in Norrköping has increased net sales of its epitaxial layer service and has received positive feedback from customer tests on products for semiconductors for power electronics.
- **Alelion Batteries** in Mölndal has started field tests in the material processing segment to confirm the energy saving potential that customer analysis has shown previously in theory.
- **Elforest** in Örensköldsvik: the Board of Directors has decided that going forward the company's main strategic focus will be on selling electric hybrid technology in the form of electric hybrid components, expertise and licenses.
- **Max Truck** in Östersund has placed a pre-series model of its forklift with a number of key customers for evaluation.
- **Applied Nano Surfaces** in Uppsala made a sales trip to the US to meet with the major vehicle manufacturers as well as numerous subcontractors.
- **Vicura** in Trollhättan has signed several new contracts with customers and plans to establish a presence in India in 2013.
- **Jobro Plåtkomponenter** in Ulricehamn has put a new press tempering line into operation and has delivered the first parts to customers.
- **Pelagicore** in Gothenburg has attracted a lot of interest from both automotive manufacturers and subcontractors for its open source infotainment software product and this has resulted in the company's first license assignment.
- **EELCEE** in Trollhättan has continued growing its development portfolio of automotive projects while also expanding its production capacity to handle the first production orders at the end of 2013.
- **LeanNova Engineering** in Trollhättan has continued to sign new contracts with customers and has also recruited additional engineers. At the end of the year the company had around 90 employees.
- **ArcCore** in Gothenburg has continued developing its sales activities and has started to develop the next generation of products. The company plans to set up two new offices, in Asia and Germany.
- **CeDe Group** in Malmö has signed a number of new contracts with customers.

Financial development in Q4

Profit/loss

The profit for the quarter after tax was SEK 0.6 million excluding unrealized gains from investments in securities of SEK 29.4 million.

The company's costs mainly related to employee benefit costs and project and consultancy costs. Net financial income amounted to SEK 18.0 million and was mainly affected by capital gains of SEK 14.0 million from mutual and fixed income fund dividends.

Cash flow

The total cash flow for the quarter amounted to SEK -41.1 million of which investments in portfolio companies accounted for SEK -45.5 million. The company's cash and bank balances and short-term investments in fixed income and mutual funds amounted to SEK 2,505 million at the end of the quarter.

Equity

On December 31 the company's equity amounted to SEK 2,979.2 million, of which the result for the quarter accounted for SEK 0.6 million.

For further information, please refer to the attached income statement, cash flow statement, balance sheet and statement of changes in equity.

Full year 2012

Fouriertransform's activities

Meetings and negotiations with numerous companies

During the year Fouriertransform had numerous contacts with important subcontractors in the automotive industry in Sweden. As a result of uncertainty in the market, companies are having a problem finding ownership capital or other financing solutions, which has prompted more interest in Fouriertransform. On the other hand, the uncertainty is making companies in general more cautious and they are putting major investment decisions on hold.

Continued work in the More Efficient Production investment area

Fouriertransform has continued working with attractive companies in the sheet metal, plastics and mechanical processing segments and has met with numerous companies to explore the possibility of investing as a new shareholder. These segments need to consolidate so that smaller companies can become more competitive. The larger companies have plans to follow their customers into other countries.

Fouriertransform's first portfolio company conference

In August Fouriertransform held its first portfolio company conference in Gothenburg. Participants included CEOs and chairmen of Fouriertransform's portfolio companies as well as Fouriertransform employees and the company's chairman. The purpose of the conference was, among other things, to allow the portfolio companies to present their strategic focus and operations to each other and to provide a forum for discussion on joint business opportunities and possible cooperation.

Study of electric vehicles

Fouriertransform conducted a study to explore opportunities in the Swedish market to convert several types of vehicles – particularly larger vehicles and small buses – into electric vehicles. The study is aimed at exploring suitable technology options for future effective conversion solutions. The results will be used as a basis for decisions regarding possible further investments in the area of electrification, with a particular focus on the ownership status of the former Saab Automobile with NEVS as the new owner.

Seminars

In June Fouriertransform co-organized a seminar in Smögen on Sweden's west coast focusing on corporate financing, including the significance of venture capital in supplying companies with capital and promoting development. The seminar attracted around 150 participants including business leaders in Västra Götaland County.

In the third quarter Fouriertransform and Lysekil municipality, Sötenäs municipality and the Swedish Federation of Business Owners in Västra Götaland County arranged a joint conference on entrepreneurship, the environment and enterprise.

Fouriertransform took part in the Big Supplier Day (*Stora Leverantörsdagen*) in Gothenburg arranged by FKG (the Scandinavian automotive supplier association). The conference addressed engineering, industrial policy and commercial issues with a bearing on growth in a climate of global competition.

Fouriertransform's investment activities

Investment applications

During the year Fouriertransform received around 50 investment applications and rejected around 70. Fouriertransform's application portfolio now contains some 25 applications, five of

which are under review awaiting an investment decision by the Board of Directors. The application log today contains more applications from companies within growth and mature phases than previously, particularly in the strategic area of More Efficient Production.

New investments

In 2012 Fouriertransform approved investments totaling SEK 71.4 million in three new companies:

- A total of SEK 8.5 million including directly attributable costs was invested in LeanNova Engineering AB in Trollhättan. LeanNova was started by Fouriertransform, Innovatum and senior personnel from SAAB Automobile. LeanNova delivers complete development projects to customers in the Swedish and international automotive industry.
- A total of SEK 11.1 million including directly attributable costs was invested in ArcCore AB in Gothenburg. ArcCore is a product development company specializing in AUTOSAR-compatible software for control units within the automotive industry.
- A total of SEK 51.8 million including directly attributable costs was invested in CeDe Group AB in Malmö. CeDe Group is a leading subcontractor of customized heavy machinery with extensive expertise in production, applications, mechanics, hydraulics and electronics.

Follow-on investments

During the quarter Fouriertransform made follow-on investments totaling SEK 70.4 million in the following portfolio companies:

- SEK 1.5 million was invested in Effpower in Gothenburg in a new share issue
- SEK 15.3 million was invested in Pelagicore in Gothenburg through a new share issue and loan
- SEK 1.1 million was invested in Maxtruck in Östersund in the form a shareholder contribution
- SEK 12.5 million was invested in Alelion Batteries in Nödinge through a new share issue and loan
- SEK 5.0 million was invested in Powercell AB in Gothenburg in the form of a shareholder contribution
- SEK 35.0 million was invested in Norstel AB in Norrköping through a new share issue

Disposals

In the second quarter Fouriertransform sold all if its shares in the portfolio company FlexProp AB in Halmstad to the main shareholder Strömberg Innovation AB. The purchase consideration was based on the company's future earnings growth and will be paid starting in 2013 and a number of years thereafter. At this time Fouriertransform expects the total purchase consideration to be at least SEK 3.0 million. Fouriertransform invested SEK 10.3 million including directly attributable costs in FlexProp AB in February 2010 and the 2012 profit was therefore negatively affected by a capital loss of SEK 7.3 million.

Over the past few years with Fouriertransform's investment as a shareholder, the company has been able to invest in product development, identifying customers, a new production facility and organizational development.

Fouriertransform's investments as of December 31, 2012

All investments

Since the start in 2009 and as of December 31, 2012, Fouriertransform had approved investments in sixteen companies as a new shareholder: PowerCell Sweden AB, Norstel AB, NovaCast Technologies AB, FlexProp AB, EffPower AB, Alelion Batteries AB, Elforest AB,

MaxTruck AB, Applied Nano Surfaces AB, Vicura AB, Jobro Plåtkomponenter AB, Pelagicore AB, EELCEE AB, LeanNova Engineering AB, ArcCore AB and CeDe Group AB.

The investments in NovaCast Technologies and Effpower have been written off in their entirety and the entire holding in FlexProp has been sold. The portfolio as of December 31, 2012 therefore consists of thirteen active portfolio companies in the Swedish automotive industry.

Total invested capital

Investments have been approved amounting to SEK 630 million, of which a total of SEK 604 million including directly attributable costs has been paid out. The total amount invested with syndication partners is around SEK 2.0 billion. The amounts invested vary between SEK 8 million for LeanNova Engineering and SEK 182 million for Norstel. The investments are in the strategic investments areas: Sustainable Vehicles, More Efficient Production and Intelligent Vehicles.

Active portfolio companies

As of December 31, 2012 Fouriertransform's portfolio consisted of thirteen active portfolio companies in the strategic areas: Sustainable Vehicles, More Efficient Production and Intelligent Vehicles.

The number of people employed by the companies is around 400 and the companies are geographically spread throughout Sweden with an emphasis on Västra Götaland County.

Fouriertransform works very actively on creating value in the companies, right from the time of the initial investment, and several of the companies, such as engineering companies Vicura and LeanNova Engineering, are now showing positive development. It is not possible to make definitive statements about the portfolio as a whole because the time horizon for the holdings is significantly longer than the three years or so that Fouriertransform has been active, but Fouriertransform believes that, based on the present situation, the portfolio has the potential to develop in a positive direction.

Active portfolio companies as of December 31, 2012

	Location	Initial investment	Carrying amount (TSEK)	% of capital	% of votes ¹⁾
PowerCell Sweden AB	Gothenburg	Oct. 2009	52,711	25 %	25 %
Norstel AB	Norrköping	Feb. 2010	182,326	88 %	90 %
Alelion Batteries AB	Möndal	Jun. 2010	51,666	38 %	38 %
Elforest AB	Örnsköldsvik	Jun. 2010	25,365	36 %	40 %
Max Truck AB	Östersund	Jul. 2010	9,333	35 %	35 %
Applied Nano Surfaces Sweden AB	Uppsala	Dec. 2010	9,173	27 %	27 %
Vicura AB	Trollhättan	Jan. 2011	10,174	83 %	83 %
Jobro Plåtkomponenter AB	Ulricehamn	May 2011	12,372	71 %	45 %
Pelagicore AB	Gothenburg	Sep. 2011	25,788	47 %	47 %
EELCEE AB	Trollhättan	Dec. 2011	34,461	45 %	45 %
LeanNova Engineering AB	Trollhättan	Jan. 2012	8,468	81 %	98 %
ArcCore AB	Gothenburg	Apr. 2012	11,115	31 %	31 %
CeDe Group AB	Malmö	May 2012	51,762	48 %	49 %
Total			484,714		

1) For portfolio companies in which Fouriertransform holds more than 50% of the voting rights, the intention is to reduce this over time to below 50%.

Fouriertransform's thirteen active portfolio companies



PowerCell Sweden AB – fuel cell makes electricity from hydrogen

Phase	Early stage	The company develops and distributes advanced fuel cell systems for the transport industry and certain other high-tech markets. The company, which has its origins in the Volvo Group's fuel cell development project, aims to accelerate the launch of fuel cell systems on the market through development, production and sales. www.powercell.se
Investment area	Sustainable Vehicles	
Location	Gothenburg	
Initial investment	Oct. 2009	
Carrying amount	SEK 52.7 million	
% of capital	25 %	
% of votes	25 %	

NORSTEL⁺

Norstel AB – new technology for hybrid vehicles

Phase	Early stage	The company develops SiC wafers which are an important component for the successful development and production of green hybrid vehicles. The company's results, combined with a modern development and production facility, provide a good basis for launching the products onto the market. www.norstel.com
Investment area	Sustainable Vehicles	
Location	Norrköping	
Initial investment	Feb. 2010	
Carrying amount	SEK 182.3 million	
% of capital	88 %	
% of votes	90 %	



Alelion Batteries AB – energy storage systems for the automotive industry

Phase	Early stage	The company develops, manufactures and markets complete energy storage systems primarily for the automotive industry. The systems are based on lithium iron phosphate batteries. www.alelion.com
Investment area	Sustainable Vehicles	
Location	Möndal	
Initial investment	June 2010	
Carrying amount	SEK 51.7 million	
% of capital	38 %	
% of votes	38 %	

Fouriertransform's thirteen active portfolio companies (cont.)



Elforest AB – modern technology used to run vehicles more efficiently

Phase	Early stage	Elforest is a small innovative company whose business concept is to use modern technology to run vehicles more efficiently. In recent years the company's focus has shifted from solutions to increase the productivity and efficiency of forestry machinery to a broader offering that creates added value for customers and the environment in multiple industries. www.el-forest.se
Investment area	Sustainable Vehicles	
Location	Örnsköldsvik	
Initial investment	June 2010	
Carrying amount	SEK 25.4 million	
% of capital	36 %	
% of votes	40 %	

MAX TRUCK AB 

Max Truck AB – electric forklift offering unique maneuverability

Phase	Early stage	The company is developing an electric forklift that can maneuver in all four directions from a stationary position and rotate around its own axle. The forklift therefore requires significantly less space than a conventional one. The distances it travels are much shorter and warehouse space can be utilized more efficiently. www.maxtruck.se
Investment area	Sustainable Vehicles	
Location	Östersund	
Initial investment	July 2010	
Carrying amount	SEK 9.3 million	
% of capital	35 %	
% of votes	35 %	



Applied Nano Surfaces

Applied Nano Surfaces Sweden AB – unique technology for reduced friction losses

Phase	Early stage	The company has developed unique technology for creating surface coatings with properties that reduce friction and wear on steel and cast iron surfaces in mechanical systems. Applied Nano Surfaces' technology is making large-scale industrial production of coated components possible at a fraction of the cost of equivalent coatings. www.appliednanosurfaces.com
Investment area	More Efficient Production	
Location	Uppsala	
Initial investment	Dec. 2010	
Carrying amount	SEK 9.2 million	
% of capital	27 %	
% of votes	27 %	

Fouriertransform's thirteen active portfolio companies (cont.)



Vicura AB – SAAB's transmission developers

Phase	Expansion	<p>The company provides consulting services in the area of drivelines for the international automotive industry. Vicura develops complete systems or components from the concept stage to industrialization. The offering includes mechanical and electrical drive systems as well as control systems for them.</p> <p>www.vicura.se</p>
Investment area	Sustainable Vehicles	
Location	Trollhättan	
Initial investment	Jan. 2011	
Carrying amount	SEK 10.2 million	
% of capital	83 %	
% of votes	83 %	



Jobro Plåtkomponenter AB – full service supplier of complex sheet metal parts

Phase	Expansion	<p>The company manufactures and sells prototypes and short production runs of complex sheet metal parts for the engineering industry, focusing on the automotive industry. The company is a full service supplier with expertise in press tempering, materials science, tool making and production engineering.</p> <p>www.jobro.se</p>
Investment area	More Efficient Production	
Location	Ulricehamn	
Initial investment	May 2011	
Carrying amount	SEK 12.4 million	
% of capital	71 %	
% of votes	45 %	



Pelagicore AB – technology and product development for infotainment systems

Phase	Early stage	<p>Pelagicore is a technology and product development company specializing in open source software for infotainment systems in the automotive industry. The company develops and licenses software that reduces the time and cost involved in developing infotainment systems in vehicles. Its customers are primarily car manufacturers and their subcontractors.</p> <p>www.pelagicore.com</p>
Investment area	Intelligent Vehicles	
Location	Gothenburg	
Initial investment	Sept. 2011	
Carrying amount	SEK 25.8 million	
% of capital	47 %	
% of votes	47 %	

Fouriertransform's thirteen active portfolio companies (cont.)

**EELCEE AB – composite components for the automotive industry**

Phase	Early stage	EELCEE is a spin-off from the Swiss university of technology, École Polytechnique Fédérale de Lausanne (EPFL) and develops composite components, primarily for the automotive industry. Production capacity is currently being built up to produce and market the components in larger volumes. www.eelcee.com
Investment area	Sustainable Vehicles	
Location	Trollhättan	
Initial investment	Dec. 2011	
Carrying amount	SEK 34.5 million	
% of capital	45 %	
% of votes	45 %	

**LeanNova Engineering AB – Engineering company for complete development projects**

Phase	Expansion	LeanNova is a start-up company established by Fouriertransform, Innovatum and senior personnel from Saab Automobile. LeanNova delivers complete development projects to customers in the Swedish and international automotive industries. www.leannova.se
Investment area	Sustainable Vehicles	
Location	Trollhättan	
Initial investment	Jan. 2012	
Carrying amount	SEK 8.5 million	
% of capital	81 %	
% of votes	98 %	

**ArcCore AB – product development of AUTOSAR-compatible software**

Phase	Expansion	ArcCore is a product development company specializing in AUTOSAR-compatible software for control units within the automotive industry. ArcCore AB was founded in 2009 by five entrepreneurs with many years of software development experience. www.arccore.com
Investment area	Intelligent Vehicles	
Location	Gothenburg	
Initial investment	April 2012	
Carrying amount	SEK 11.1 million	
% of capital	31 %	
% of votes	31 %	

**CeDe Group AB – full service supplier of customized heavy machinery**

Phase	Expansion	CeDe Group is a leading supplier of customized heavy machinery. The company is a full service supplier with extensive expertise in production applications, mechanics, hydraulics and electronics. www.cede-group.se
Investment area	More Efficient Production	
Location	Malmö	
Initial investment	May 2012	
Carrying amount	SEK 51.8 million	
% of capital	48 %	
% of votes	49 %	

Financial development, full year 2012

Profit/loss

The profit for the year after tax was SEK 43.0 million excluding unrealized gains from fixed income and mutual funds of SEK 29.4 million. In addition to project and consultancy costs and employee benefit expenses, the result was mainly affected by net financial income of SEK 130.2 million, a write-down of the remaining carrying amount of the portfolio company Effpower AB of SEK -15.0 million and a capital loss of SEK -7.3 million from the sale of all of the shares in the portfolio company FlexProp AB. Effpower was liquidated when the company's product development did not reach established targets and a change in operations was not expected to have any future potential.

The net financial income of SEK 130.2 million consists mainly of dividends of SEK 49.0 million from fixed income and mutual funds, a capital gain of SEK 43.3 million from the sale of fixed income fund holdings and the reversal of a write-down of mutual fund holdings of SEK 28.9 million.

Cash flow

The total cash flow during the year amounted to SEK -170.9 million, of which investments in portfolio companies accounted for SEK -142.0 million and SEK -35.0 million as a payment for an investment in portfolio companies from the previous year. The company's cash and bank balances and short-term investments in mutual and fixed income funds amounted to SEK 2,505 million at the end of the year.

Equity

On December 31, the company's equity amounted to SEK 2,979.2 million, of which the result for the year accounted for SEK 43.0 million.

For further information, please refer to the attached income statement, cash flow statement, balance sheet and statement of changes in equity.

Proposal to the Annual General Meeting 2013

The Annual General Meeting (AGM) will be held in Stockholm on April 10, 2013. Notice of the AGM will be sent out by March 13. The Board of Directors will propose that the retained loss of SEK -63.9 million and the profit for the year of SEK 43.0 million, totaling SEK -20.9 million, be carried forward. The Annual Report for the 2012 financial year will be published on March 13, 2013.

Accounting principles

This year-end report was prepared in accordance with the Annual Accounts Act and based on NASDAQ OMX Stockholm's Rule Book for Issuers and the Guidelines for External Reporting by State-Owned Companies.

Investments in portfolio companies are measured at the lower of the acquisition cost, including directly attributable costs, and an assessed fair value.

Investments in securities exclude any unrealized gains.

Risks and uncertainties

Significant risks and uncertainties pertaining to the company are described in the Directors' Report in the 2011 Annual Report.

Credit facilities

Fouriertransform AB has no utilized credit facilities.

Related party transactions

No transactions with a significant effect on the company's financial position or earnings have taken place between Fouriertransform AB and related parties.

Fouriertransform in brief

Fouriertransform AB was founded in December 2008 following a parliamentary resolution capitalized with equity of around SEK 3 billion. The company commenced operations in 2009.

Fouriertransform is a state-owned venture capital company tasked with increasing the international competitiveness of the Swedish automotive cluster on a commercial basis. Investments are made in enterprises where the Swedish automotive industry can enhance its position with a strong profile in the areas of safety and the environment.

For further information, please visit Fouriertransform's website www.fouriertransform.se

Declaration

The Board of Directors and CEO hereby provide an assurance that the Year-End Report for 2012 provides a true and fair overview of the company's operations, financial position and results, and describes the significant risks and uncertainties faced by the company.

Stockholm, February 8, 2013

Lars-Olof Gustavsson Chairman	Cecilia Schelin Seidegård Director	Hasse Johansson Director
Karin Kronstam Director	Lars-Göran Moberg Director	Ulla-Britt Fräjdin-Hellqvist Director
	Lars Erik Fredriksson Director	Per Nordberg CEO

Auditor's review report for the year-end report prepared in accordance with Chapter 9 of the Annual Accounts Act (1995:1554)

I have conducted a review of the year-end report for 2012 for Fouriertransform AB. The Board of Directors and CEO are responsible for the preparation and presentation of this year-end report in accordance with the Annual Accounts Act/BFNAR 2007:1. My responsibility is to express an opinion concerning this year-end report based on my review.

I conducted my review in accordance with the Swedish Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially smaller in scope compared with the focus and scope of an audit conducted in accordance with the Standards on Auditing in Sweden (RS) and the generally accepted auditing practices, and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed based on a review does not provide the same level of assurance as an opinion expressed on the basis of an audit.

Based on my review, nothing has come to my attention that causes me to believe that the appended year-end report has not been prepared, in all material respects, in accordance with the Swedish Annual Accounts Act/BFNAR 2007:1.

Stockholm, February 8, 2013

Deloitte AB
Hans Andersson
Authorized Public Accountant

Contact persons for further information

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Financial calendar 2013

Q1 interim report 2013	Apr. 22, 2013
Q2 interim report 2013	July 18, 2013
Q3 interim report 2013	Oct. 29, 2013
Q4 interim report and year-end report 2013	Feb. 12, 2014

Appendices

Income statement, cash flow statement, balance sheet and statement of changes in equity

Income statement

Income statement, SEK 000s	Q4 2012	Q4 2011	%	Full year 2012	Full year 2011	%
Investment activities						
Income from sold portfolio companies	-	-	-	3,300	-	-
Acquisition cost, sold portfolio companies	-	-	-	-10,389	-	-
Profit/loss from sold portfolio companies	-	-	-	-7,089	-	-
Interest income from portfolio companies	146	-	-	1,146	-	-
Write-down and write-offs, portfolio companies	-	-	-	-14,991	-80,012	81
Profit/loss from investment activities	146	-	-	-20,934	-80,012	74
Other operating income	-	2,592	-	2,378	2,596	-8
Operating expenses						
Other external expenses	-8,823	-6,053	-46	-23,459	-22,434	-5
Employee benefit expenses	-7,972	-6,576	-21	-30,788	-26,662	-15
Depreciation of property, plant and equipment	-224	-204	-10	-866	-740	-17
Total operating expenses	-17,019	-12,833	-33	-55,113	-49,836	-11
Operating loss	-16,873	-10,241	-65	-73,669	-127,252	42
Profit/loss from financial items						
Interest income and similar profit/loss items	18,003	44,055	-59	131,619	91,790	43
Interest expense and similar profit/loss items	-	-1,756	-	-1,405	-29,517	95
Total profit/loss from financial items	18,003	42,299	-57	130,214	62,273	109
Profit/loss after financial items	1,130	32,058	-96	56,545	-64,979	187
Tax on profit/loss for the period	-527 ¹⁾	-4,579 ¹⁾	88	-13,501 ¹⁾	-11,741 ¹⁾	-15
Net profit/loss for the period	603	27,479	-98	43,044	-76,720	156

1) After any adjustment for write-down and reversal of write-down of the carrying amounts of portfolio companies, fixed income and mutual funds.

Cash flow statement

Cash flow statement, SEK 000s	Q4 2012	Q4 2011	Full year 2012	Full year 2011
Operating activities				
Operating loss excluding investment activities	-17,019	-10,241	-52,735	-47,241
Depreciation and write-downs	224	203	866	740
Interest received on bank balances	415	86	422	249
Interest received and paid on investments in securities	16,463	28,417	59,013	50,553
Interest paid and similar profit/loss items	-	-3	-9	-312
Income tax paid	-1,712	-757	-6,408	-9,209
Increase/decrease in trade receivables	-	-2,667	2,709	-2,589
Increase/decrease in other current receivables	2,118	-560	-1,086	13,769
Increase/decrease in accounts payable	1,220	1,234	66	-1,191
Increase/decrease in other current operating liabilities	1,731	1,224	-32,959	-25,214
Cash flow from operating activities	3,440	16,936	-30,121	-20,445
Investment activities				
Investments in property/plant and equipment	-145	-126	-372	-1,700
Investments in portfolio companies	-45,508	-20,569	-141,952	-115,050
Disposal of portfolio companies	-	26	26	170
Interest income, portfolio companies	1,092	-	1,092	-
Increase/decrease in other non-current receivables and liabilities	-	-	473	-
Cash flow from investment activities	-44,561	-20,669	-140,733	-116,580
Financing activities				
New share issue	-	-	-	-
Cash flow from financing activities				
Cash flow for the period	-41,121	-3,732	-170,854	-137,024
Cash and bank balances and investments in securities at beginning of period	2,545,943	2,592,169	2,603,856	2,728,813
Cash flow for the period	-41,121	-3,732	-170,854	-137,024
Other increase/decrease in net asset value	364 ¹⁾	15,419 ¹⁾	72,184 ¹⁾	12,067 ¹⁾
Cash and bank balances and investments in securities at end of period	2,505,186	2,603,856	2,505,186	2,603,856

1) Where applicable reversal of write-down of carrying amounts of fixed income and mutual funds and capital gain on sale of fixed income and mutual funds.

Balance sheet and changes in equity

Balance sheet, SEK 000s	Dec. 31, 2012	Dec. 31, 2011
Assets		
Non-current assets		
Property, plant and equipment		
Equipment	2,640	3,134
Financial fixed assets		
Investments in portfolio companies	484,714	369,649
Other non-current receivables	140	367
Total non-current assets	487,494	373,150
Current assets		
Current receivables		
Trade receivables	-	2,709
Other current receivables	10	8
Prepaid expenses and accrued income	9,908	5,523
Investments in securities		
Investments in securities	2,487,786	2,591,828
Cash and bank balances	17,400	12,029
Total current assets	2,515,104	2,612,097
Total assets	3,002,598	2,985,247
Equity and liabilities		
Equity		
Restricted equity		
Share capital	3,000,100	3,000,100
Non-restricted equity		
Profit/loss brought forward	-63,938	12,782
Profit/loss for the period	43,044	-76,720
Total equity	2,979,206	2,936,162
Non-current liabilities		
Other non-current liabilities	106	-
Total non-current liabilities	106	-
Current liabilities		
Accounts payable	2,424	2,358
Current tax liability	13,203	6,109
Other current liabilities	3,286	37,307
Accrued expenses	4,373	3,311
Total current liabilities	23,286	49,085
Total equity and liabilities	3,002,598	2,985,247
Pledged assets	None	None
Contingent liabilities	35,088 ¹⁾	None

1) Relates to bank guarantee of SEK 35.0 million for the portfolio company Norstel AB and guarantee of SEK 88,000 for the portfolio company Max Truck AB.

Statement of changes in equity, SEK 000s	Share capital	Other non- restricted equity	Total equity
Equity, Dec. 31, 2011	3,000,100	-63,938	2,936,162
Profit/loss for the period	-	43,044	43,044
Equity, Dec. 31, 2012	3,000,100	-20,894	2,979,206

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