

Semi-annual report as of June 30, 2013  
Interim report, Q2 2013

# Semi-annual report and interim report for Q2 2013

## Focused value creation for portfolio companies

### Significant events in the first half of the year and the second quarter

- The net result for the first half of the year was SEK 7.0 million (20.0) excluding unrealized gains in investments in securities of SEK 27.3 million. The net result after tax for the quarter was SEK 14.4 million (16.5 million) excluding unrealized gains in investments in securities of SEK 27.3 million.
- The total cash flow for the first half of the year was SEK -316.6 million (-102.6) of which investments in new and existing portfolio companies accounted for SEK -274.9 million (-87.8) including directly attributable costs. The total cash flow for the quarter was SEK -58.9 million (-46.6) of which investments in new and existing portfolio companies accounted for SEK -30.7 million (-74.6 million) including directly attributable costs.
- Cash and bank balances and investments in securities amounted to SEK 2,184 million (2,539) at the end of the quarter.
- Fouriertransform approved two new investments during the first half of the year; one in Smart Eye AB in Gothenburg of SEK 25.0 million and the other in TitanX, which has its head office in Gothenburg, of SEK 185.0 million.
- Fouriertransform approved follow-on investments during the first half of the year of SEK 62.3 million in eight existing portfolio companies.
- Since the start in 2009 Fouriertransform has approved investments totaling SEK 895 million in 18 companies in the Swedish automotive cluster for a combined investment with syndication partners totaling around SEK 2.6 billion.



### Significant events following the first half of the year and the second quarter

- The Government's proposal regarding an expanded mandate for Fouriertransform's operations, which has been approved by the Swedish parliament, will be considered at an Extraordinary General Meeting on 20 August 2013. Notice for the proposal for amendment to the Articles of Association shall be given on 19 July 2013.

### CEO's comments

During the period uncertainty about market development for the automotive industry increased. The slowdown was greater than expected in the important Chinese market where growth was weak, inflation went up and interest rates were raised. Credit expansion is expected to decrease during the second half of the year and this is likely to have a negative impact on future Chinese growth. Activity remains at a low level in the Swedish and European automotive markets, with the exception of Germany which remains strong. The Swedish krona weakened during the quarter but is expected to strengthen again in the short term.

Fouriertransform's targeted efforts to establish ownership agendas for its portfolio companies has resulted in more value creation, and today our portfolio companies are well established in the automotive industry. It is particularly gratifying to see how our portfolio company boards and our strong network have quickly come together in efforts to achieve positive development for the companies in a short space of time. The focused efforts of the portfolio companies are enabling important clustering to take place among Swedish subcontractors so that they can reach critical mass and branch out beyond Sweden. As a result we are now seeing interest from other companies in acquiring our portfolio companies. This is proof of Fouriertransform's ability to create value and of our significance in the Swedish automotive market.



Per Nordberg

## Semi-annual report, January 1 to June 30

Fouriertransform highlights, SEK m	Q2 2013	Q2 2012	%	Q1-2 2013	Q1-2 2012	%
Net result for the period	14.4	16.5	-13	7.0	20.0	-65
Investments in portfolio companies	30.7	74.6	-59	275.0	87.8	215
Cash flow for the period	-58.9	-46.6	-	-316.6	-102.7	-
Cash and bank balances and investments in securities	2,184.0	2,539.4	-14	2,184.0	2,539.4	-14
Equity	2,986.2	2,956.2	1	2,986.2	2,956.2	1
Equity/assets ratio	99.4 %	99.1 %	-	99.4 %	99.1 %	-

### Business environment and markets – cautious optimism but uncertainty persists

#### *Swedish recovery expected toward end of year*

Economic growth in Sweden during the first quarter of the year was unexpectedly strong compared with the fourth quarter of 2012. The euro zone GDP continued to decline in the first quarter, although the contraction slowed somewhat. The US economic recovery continued in the first part of 2013. Powerful stimulus measures are expected to lift Japan out of its recession as well.

According to the National Institute of Economic Research the upswing in the Swedish economy in the first quarter was tempered by underlying weak demand and an involuntary stock build-up. Both export and investment levels fell. Growing consumption costs for households were attributed to increased energy consumption due to a cold winter. The confidence indicators for both households and businesses remained basically the same with businesses reporting lower investment levels in 2013. In light of all of these factors, the National Institute of Economic Research is expecting the second quarter GDP to remain unchanged. Growth is expected to increase gradually in the second half of 2013 and further increase in 2014. For the full year 2013 growth of 1.5 percent is expected and for 2014, 2.5 percent. In both years the main driver of growth is expected to be household consumption, while capacity utilization in industry is dependent on external demand. The most recent economic barometer issued by Teknikföretagen indicates that the situation has bottomed out and this is particularly evident in the case of subcontractors in the automotive industry.

The European Commission's 2013 spring forecast indicates that European development will be similar to that in Sweden, but from a much lower starting point. The growth forecast for the euro zone in 2013 remains on the negative side at -0.3 percent and for the EU as a whole, -0.1 percent. For 2014 weak positive growth of 1.2 percent is predicted for the euro zone and 1.4 percent for the EU as a whole. The main growth driver is expected to be external demand.

#### ***Decline in the automotive markets continues***

The number of new car registrations in Sweden continued to decline during the first six months of the year compared with the same period in 2012. According to BIL Sweden, there was a decline of around 10 percent in car registrations and just over 11 percent in commercial vehicle registrations. However the industry organization's full year forecast remains at 265,000 new cars, which is a normal market in a ten-year perspective.

Automotive sales continued to fall in Europe. New commercial vehicle registrations declined by around 8 percent in the period January – April compared with the same period the previous year. In general all of the major commercial vehicle markets contracted. The only exception was the UK where the market grew by just over 11 percent.

The market for cars in Europe also continue to contract from month to month, and during the period January – May, the number of new registrations fell by almost 7 percent in the EU as a whole. The exception here too was the UK, where sales increased by just over 9 percent during the first five months of the year, while in countries such as Spain, Germany, France and Italy, the sharp decline continued.

#### ***Slow upswing for green cars***

According to the new, narrower definition of a green car, the percentage of green cars in Sweden was around 10 percent at the end of the first six months. Registrations of so-called super green cars, i.e. electric vehicles and plug-in hybrids, increased slightly but from very low levels. These vehicles accounted for 0.6 percent of new car registrations in Sweden (in absolute numbers, 835 vehicles) in the first six months of the year according to BIL Sweden, compared to 0.1 percent for the same period in 2012.

## Fouriertransform's investment activity

### *Evaluating investment opportunities*

During the first half of 2013 Fouriertransform held numerous meetings with companies in need of financing for future development. Fouriertransform has created a strategic map where companies in the automotive sector are evaluated in clusters as a basis for future development in the international market.

### *Investment applications*

During the first half of the year Fouriertransform received around 50 investment applications and rejected 22. Fouriertransform's application portfolio now contains around 50 applications, of which ten are under review pending an investment decision by the Board of Directors. The applications log today contains many applications from companies in growth and mature phases, particularly within the strategic investment area of More Efficient Production

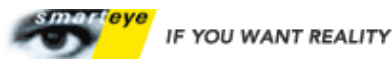
### *New investments*

During the first half of the year Fouriertransform approved investments totaling SEK 210.0 million in two new companies.



Fouriertransform approved an investment totaling SEK 185.0 million in TitanX through a directed new share issue. The company's head office is in Gothenburg. Following the transaction Fouriertransform will have a capital share of around 38 percent. The majority shareholder is venture capital company EQT.

TitanX is a leading supplier of cooling components and modules for the global heavy vehicle industry and has most of the major heavy vehicle manufacturers as customers, for example Daimler, Scania and Volvo. TitanX has production facilities in Mjällby and Linköping in Sweden and in the US. New production facilities have recently been opened in Brazil and additional production will start in the near future in Mexico. The company has net sales of around SEK 1.4 billion and around 800 employees. TitanX distinguishes itself from its competitors by only focusing on the commercial vehicle industry. The company has invested heavily in production development to meet the special requirements of heavy vehicle manufacturers.



Fouriertransform approved an investment totaling SEK 25.0 million in Smart Eye AB in Gothenburg through a directed new share issue and a loan. The transaction gave Fouriertransform a capital share of around 15 percent.

Smart Eye develops and sells software and systems for eye sensors and has developed a safety and comfort product specifically for the automotive industry called Smart Eye Anti Sleep. The product is unique with its multi-camera system and high-qualitative algorithms for image processing.

### *Follow-on investments*

During the first half of the year Fouriertransform made follow-on investments totaling SEK 62.3 million in eight existing portfolio companies:

- SEK 9.8 million was invested in Cede Group AB in Malmö in the form of a shareholder contribution

- SEK 9.2 million was invested in Alelion Batteries AB in Mölndal through a new share issue and shareholder contribution
- SEK 12.0 million was invested in Pelagicore AB in Gothenburg and Fouriertransform participated in a new share issue
- SEK 2.5 million was invested in Elforest AB in Örnsköldsvik in the form of a convertible loan
- SEK 7.4 million was invested in Applied Nano Surfaces in Uppsala and Fouriertransform participated in a new share issue
- SEK 20.0 million was invested in Norstel AB in Norrköping in the form of bridge financing
- SEK 0.7 million was invested in Maxtruck AB in Östersund in the form of a shareholder contribution
- SEK 0.7 million was invested in LeanNova Engineering AB when shares were acquired from a shareholder

#### **Fouriertransform's other activities**

##### ***Generating value in existing portfolio companies***

Ongoing efforts to generate value in Fouriertransform's portfolio companies continued and has involved working on the companies' strategic focus, the composition of their boards and management teams, and financing. Fouriertransform dedicates a significant portion of its personnel resources to this work. Portfolio companies in early phases often face particular challenges that require the board and management to use the contact network available to them and here Fouriertransform can contribute its automotive industry contacts. The network is constantly growing and has recently become much more international in nature, which will be useful as the portfolio companies seek to establish a presence abroad.

Several follow-on investments have been made to give the companies the capital they need to continue to develop.

##### ***Strategy conferences***

During the first half of the year Fouriertransform held two internal strategy conferences addressing topics such as Fouriertransform's market positioning, ownership model, value creation and portfolio company ownership agendas, deal-flow activities and corporate governance, including an annual evaluation of the work of the portfolio company boards, internal control and compensation for senior executives.

##### ***Seminars***

In June Fouriertransform and FKG (Scandinavian automotive supplier association) jointly arranged seminars in Gothenburg and Stockholm to address strategic challenges and options for the Swedish automotive industry. The topics covered included how companies will meet the need for internationalization and faster product development, and how to secure a supply of talent and financing. Around 150 people participated and a number of distinguished speakers shared their views on the topics being discussed. They included Richard Perry-Jones from Automotive Council UK and Lars Holmqvist, formerly with CLEPA, the European Association of Automotive Suppliers.

**Fouriertransform's investments as of June 30, 2013****All investments**

As of June 30, 2013 Fourier transform had decided to invest in eighteen companies as a new shareholder: PowerCell Sweden AB, Norstel AB, NovaCast Technologies AB, FlexProp AB, EffPower AB, Alelion Batteries AB, El-Forest AB, MaxTruck AB, Applied Nano Surfaces AB, Vicura AB, Jobro Plåtkomponenter AB, Pelagicore AB, EELCEE AB, LeanNova Engineering AB, ArcCore AB, CeDe Group AB, Smart Eye AB and TitanX.

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 June 30, 2013 therefore consists of fifteen active portfolio companies in the Swedish automotive industry.

**Total invested capital**

Investments have been approved amounting to SEK 895 million, of which a total of SEK 879 million including directly attributable costs, has been paid out. The total amount invested with syndication partners is around SEK 2.6 billion. The amounts invested vary between SEK 10 million for LeanNova Engineering and SEK 201 million for Norstel. The investments are mainly in the strategic investments areas: Sustainable Vehicles and More Efficient Production.

**Active portfolio companies**

As of June 30, 2013 Fouriertransform's portfolio consisted of fifteen active portfolio companies in the strategic areas of Sustainable Vehicles, More Efficient Production and Intelligent Vehicles.

The companies' net sales total around SEK 1.8 billion. The total number of employees is around 1,200 and the companies are geographically spread throughout Sweden with an emphasis on Västra Götaland.

Fouriertransform works actively to create value in the companies, right from the time of the initial investment.

**Active portfolio companies as of June 30, 2013**

	Location	Initial investment	Carrying amount (SEK 000s)	% of capital	% of votes <sup>1)</sup>
PowerCell Sweden AB	Gothenburg	Oct. 2009	52,711	25 %	25 %
Norstel AB	Norrköping	Feb. 2010	202,394	88 %	90 %
Alelion Batteries AB	Möndal	Jun. 2010	60,899	49 %	48 %
Elforest AB	Örnsköldsvik	Jun. 2010	27,865	48 %	50 %
Max Truck AB	Östersund	Jul. 2010	10,033	35 %	35 %
Applied Nano Surfaces Sweden AB	Uppsala	Dec. 2010	16,613	40 %	35 %
Vicura AB	Trollhättan	Jan. 2011	10,174	83 %	83 %
Jobro Plåtkomponenter AB	Ulricehamn	May 2011	12,372	71 %	45 %
Pelagicore AB	Gothenburg	Sep. 2011	37,802	59 %	59 %
EELCEE AB	Trollhättan	Dec. 2011	34,461	45 %	45 %
LeanNova Engineering AB	Trollhättan	Jan. 2012	9,668	90 %	99 %
ArcCore AB	Gothenburg	Apr. 2012	11,115	31 %	31 %
CeDe Group AB	Malmö	May 2012	61,562	48 %	49 %
Smart Eye AB	Gothenburg	Feb. 2013	26,619	15 %	16 %
TitanX Holding AB	Stockholm	Mar. 2013	187,039	38 %	40 %
<b>Total</b>			<b>761,327</b>		

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%

## **Financial development in the first half of 2013**

### ***Profit/loss***

The profit for the first half of the year after tax was SEK 7.0 million excluding unrealized gains from investments in securities of SEK 27.3 million.

The company's costs mainly relate to employee benefit expenses and product and consulting expenses. Net financial income amounted to SEK 38.3 million and was mainly affected by dividends from fixed income funds of SEK 33.3 million

### ***Cash flow***

The total cash flow for the first half of the year amounted to SEK -316.6 million, of which investments in portfolio companies accounted for SEK -274.9 million. The company's cash and bank balances and short-term investments in fixed income and mutual funds amounted to SEK 2,184 million at the end of second quarter.

### ***Equity***

On June 30 the company's equity amounted to SEK 2 986.2 million, of which the result for first half of the year amounted to SEK 7.0 million.

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



## Q2, 2013



### **Fouriertransform's investment activities**

#### ***Investment applications***

During the quarter Fouriertransform received around 30 investment applications and rejected 13. Fouriertransform's application portfolio now contains around 50 applications, ten of which are under review pending an investment decision by the Board of Directors. The applications log today contains many applications from companies in growth and mature phases, particularly within the strategic area of More Efficient Production.

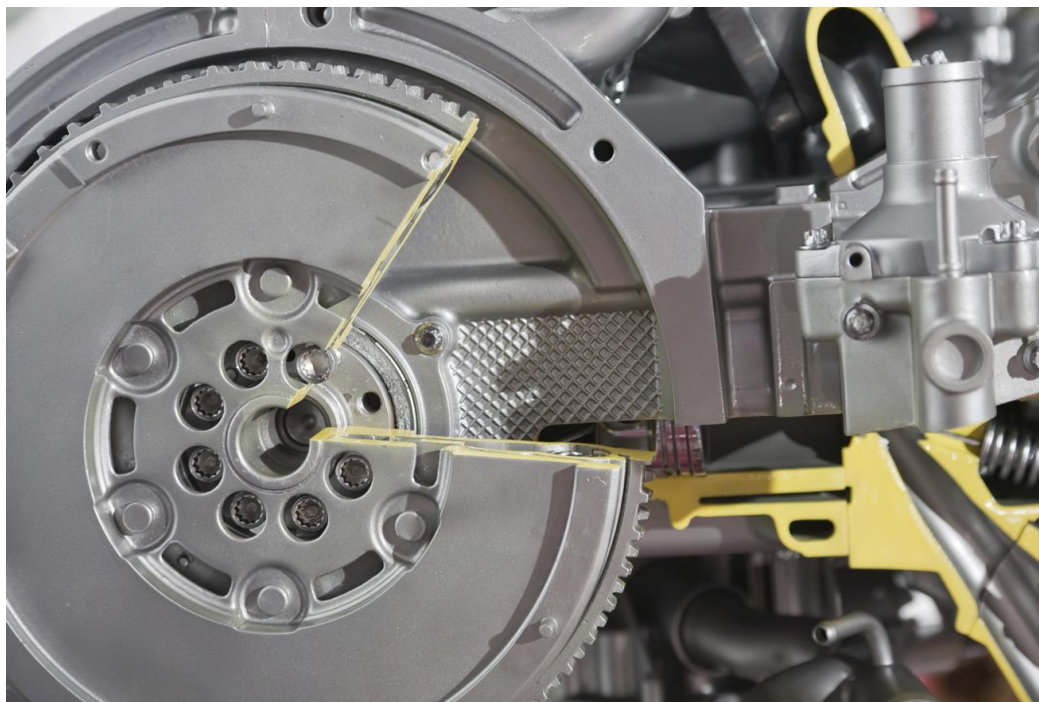
#### ***Follow-on investments***

During the quarter Fouriertransform made follow-on investments totaling SEK 28.8 million in four existing portfolio companies:

- SEK 7.4 million was invested in Applied Nano Surfaces in Uppsala and Fouriertransform participated in a new share issue
- SEK 20.0 million was invested in Norstel AB in Norrköping in the form of bridge financing
- SEK 0.7 million was invested in Maxtruck AB in Östersund in the form of a shareholder contribution
- SEK 0.7 million was invested in LeanNova Engineering AB when shares were acquired from a shareholder

### Portfolio company activity

- **Powercell** in Gothenburg successfully completed development of a demonstration prototype for its unique fuel cell system which consists of a fuel converter and a fuel cell. Demonstration of the prototype for potential large international customers and other stakeholders has begun.
- **Norstel** in Norrköping has verified one of its products, so-called power wafers, with customers and has increased its production capacity. The company has also signed a framework agreement with a delivery guarantee for another of its products, synthetic diamonds.
- **Alelion Batteries** in Mölndal continued conducting initial field tests in the material processing segment. The tests have confirmed the product's technical performance and rationalization potential for customers.
- **EI-Forest** in Örnsköldsvik continued its discussions with a number of potential Swedish and foreign customers regarding hybridization projects and continued test driving its forwarder. The company also continued further development of the control system for its unique electric hybrid technology.
- **Maxtruck** in Östersund continued the evaluation process for a pre-series model of its forklift with a number of key customers.
- **Applied Nano Surfaces (ANS)** in Uppsala completed a directed new share issue aimed at Fouriertransform and the Sixth AP Fund. The capital raised will be used to continue to expand into new markets and for new applications in areas where ANS has identified strong demand for the company's friction-reducing technology.
- **Vicura** in Trollhättan continued to be affected by a weak market. The process of establishing an operation in India is under way and will create opportunities for larger projects.
- **Jobro Plåtkomponenter** in Ulricehamn is still seeing a high level of demand among customers for its offering.
- **Pelagicore** in Gothenburg has started project work on its first license assignment and has continued marketing its open source infotainment software product to other automotive manufacturers and subcontractors. The project is being developed further in close cooperation with customers.
- **EELCEE** in Trollhättan has successfully continued its development of various automotive projects aiming for potential weight reduction of more than 30 percent. A new prototype and production facility is currently being developed and sales activities are under way aimed at customers in both Sweden and abroad.
- **LeanNova Engineering** in Trollhättan continued to sign new contracts with customers and has also recruited additional engineers. At the end of the second quarter the company had around 130 employees.
- **ArcCore** in Gothenburg has continued signing important contracts, including a framework agreement with a world-leading OEM for the use of ArcCore's infotainment technology products. The process of establishing a company in Germany has progressed well and has included discussions with a German company.



- **CeDe Group** in Malmö has continued signing new contracts with customers.
- **Smart Eye** in Gothenburg has received its first automotive OEM contract and is continuing its sales activities aimed at international OEMs. The market for stand-alone products improved in the second quarter after a brief decline at the beginning of 2013.
- **TitanX** in Gothenburg has started production at the new factory in Brazil.

## Financial development in Q2

### *Profit/loss*

The profit for the quarter after tax was SEK 14.4 million excluding unrealized gains from investments in securities of SEK 27.3 million.

The company's costs mainly consist of employee benefit expenses and product and consulting expenses. Net financial income amounted to SEK 33.5 million and was mainly affected by dividends from fixed income funds of SEK 33.3 million.

### *Cash flow*

The total cash flow for the quarter amounted to SEK -58.9 million of which investments in portfolio companies accounted for SEK -30.7 million. The company's cash and bank balances and short-term investments in fixed income and mutual funds amounted to SEK 2,184 million at the end of the quarter.

### *Equity*

On June 30 the company's equity amounted to SEK 2,986.2 million, of which the result for the quarter accounted for SEK 14.4 million.

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

## Fouriertransform's fifteen 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. <a href="http://www.powercell.se">www.powercell.se</a>
Investment area	Sustainable Vehicles	
Location	Gothenburg	
Initial investment	Oct. 2009	
Carrying amount	SEK 52.7 million	
% of capital	25 %	
% of votes	25 %	

NORSTEL<sup>+</sup>

## 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. <a href="http://www.norstel.com">www.norstel.com</a>
Investment area	Sustainable Vehicles	
Location	Norrköping	
Initial investment	Feb, 2010	
Carrying amount	SEK 202.4 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. <a href="http://www.alelion.com">www.alelion.com</a>
Investment area	Sustainable Vehicles	
Location	Mölnadal	
Initial investment	June 2010	
Carrying amount	SEK 60.9 million	
% of capital	49 %	
% of votes	48 %	



**Fouriertransform's fifteen active portfolio companies (cont.)****Elforest AB – modern technology to run vehicles more efficiently**

Phase	Early stage	Elforest is an 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. <a href="http://www.el-forest.se">www.el-forest.se</a>
Investment area	Sustainable Vehicles	
Location	Örnsköldsvik	
Initial investment	June 2010	
Carrying amount	SEK 27.9 million	
% of capital	48 %	
% of votes	50 %	

**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. <a href="http://www.maxtruck.se">www.maxtruck.se</a>
Investment area	Sustainable Vehicles	
Location	Östersund	
Initial investment	July 2010	
Carrying amount	SEK 10.0 million	
% of capital	35 %	
% of votes	35 %	



Applied Nano Surfaces

**Applied Nano Surfaces Sweden AB – unique technology to reduce 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 makes large-scale industrial production of coated components possible at a fraction of the cost of equivalent coatings. <a href="http://www.appliednanosurfaces.com">www.appliednanosurfaces.com</a>
Investment area	More Efficient Production	
Location	Uppsala	
Initial investment	Dec. 2010	
Carrying amount	SEK 16.6 million	
% of capital	40 %	
% of votes	35 %	

## Fouriertransform's fifteen active portfolio companies (cont.)



## Vicura AB – SAAB's transmission developers

Phase	Expansion	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 for the international automotive industry. The offering includes mechanical and electrical drive systems as well as control systems for them. <a href="http://www.vicura.se">www.vicura.se</a>
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	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. <a href="http://www.jobro.se">www.jobro.se</a>
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	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. <a href="http://www.pelagicore.com">www.pelagicore.com</a>
Investment area	Intelligent Vehicles	
Location	Gothenburg	
Initial investment	Sep. 2011	
Carrying amount	SEK 37.8 million	
% of capital	59 %	
% of votes	59 %	

**Fouriertransform's fifteen 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. <i>www.eelcee.com</i>
Investment area	Sustainable Vehicles	
Location	Trollhättan	
Initial investment	Dec. 2011	
Carrying amount	SEK 34.5 million	
% of capital	45 %	
% of votes	45 %	

**LeanNOVA****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. <i>www.leannova.se</i>
Investment area	Sustainable Vehicles	
Location	Trollhättan	
Initial investment	Jan. 2012	
Carrying amount	SEK 9.7 million	
% of capital	90 %	
% of votes	99 %	

**ARC CORE****ArcCore AB – production 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. <i>www.arccore.com</i>
Investment area	Intelligent Vehicles	
Location	Gothenburg	
Initial investment	April 2012	
Carrying amount	SEK 11.1 million	
% of capital	31 %	
% of votes	31 %	



## Fouriertransform's fifteen active portfolio companies (cont.)



## 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. <a href="http://www.cede-group.se">www.cede-group.se</a>
Investment area	More Efficient Production	
Location	Malmö	
Initial investment	May 2012	
Carrying amount	SEK 61.6 million	
% of capital	48 %	
% of votes	49 %	



## Smart Eye AB – develops and sells eye sensor systems

Phase	Expansion	Smart Eye develops and sells software and systems for eye sensors. The company has developed a safety and comfort product specifically for the automotive industry. <a href="http://www.smarteye.se">www.smarteye.se</a>
Investment area	Intelligent Vehicles	
Location	Gothenburg	
Initial investment	Feb. 2013	
Carrying amount	SEK 26.6 million	
% of capital	15 %	
% of votes	16 %	



## TitanX – supplier of cooling systems for the heavy vehicle industry

Phase	Expansion	TitanX is a leading supplier of cooling systems for the heavy vehicle industry and has the majority of major heavy vehicle manufacturers as customers, for example Daimler, Scania and Volvo. <a href="http://www.titanx.com">www.titanx.com</a>
Investment area	Sustainable Vehicles	
Location	Gothenburg	
Initial investment	March 2013	
Carrying amount	SEK 187.0 million	
% of capital	38 %	
% of votes	40 %	

**Accounting principles**

This semi-annual 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.

No consolidated financial statements have been prepared as Fouriertransform AB is waiting for a decision on whether or not the IFRS's new guidelines for investment entities will apply in Sweden. This decision is expected to be made by the EU and the Swedish Financial Reporting Board in the third quarter of 2013.

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 2012 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 and 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](http://www.fouriertransform.se)

**Declaration**

The Board of Directors and Chief Executive Officer hereby provide an assurance that the semi-annual and interim report for Q2 2013 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, July 18, 2013

Lars-Olof Gustavsson Chairman of the Board	Christina Åkerman Director	Hasse Johansson Director
Karin Kronstam Director	Lars-Göran Moberg Director	Ulla-Britt Fräjdin-Hellqvist Director
	Hanna Lagercrantz Director	Per Nordberg CEO

**Auditor's report of the review of the interim report prepared in accordance with Chapter 9 of the Annual Accounts Act (1995:1554)**

I have conducted a review of the semi-annual and interim report for Q2 2013 for Fouriertransform AB. The Board of Directors and Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with the Annual Accounts Act/BFNAR 2007:1. My responsibility is to express a conclusion on the interim 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 orientation and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden (RS) and other generally accepted auditing standards, and consequently does not enable me to obtain the level of assurance that would make me aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

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

Stockholm, July 18, 2013

Hans Andersson  
Authorized Public Accountant  
Deloitte AB

**Contact persons for further information**

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**Financial calendar 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	Q2 2013	Q2 2012	%	Q1-2 2013	Q1-2 2012	%
<b>Investment activities</b>						
Income from sold portfolio companies	-	3,000	-	-	3,000	-
Acquisition cost, sold portfolio companies	-	-10,315	-	-	-10,315	-
<b>Profit/loss from sold portfolio companies</b>	-	<b>-7,315</b>	-	-	<b>-7,315</b>	-
Write-downs and write-offs, portfolio companies	-	-	-	-	-14,991	-
<b>Profit/loss from investment activities</b>	-	<b>-7,315</b>	-	-	<b>-22,306</b>	-
Other operating income	9	2,378	-	9	2,378	-
<b>Operating expenses</b>						
Other external expenses	-4,951	-5,118	3	-8,468	-9,438	10
Employee benefit expenses	-9,597	-7,808	-23	-18,086	-15,983	-13
Depreciation of property, plant and equipment	-229	-213	-8	-460	-424	-8
Total operating expenses	-14,777	-13,139	-12	-27,014	-25,845	-5
<b>Operating loss</b>	<b>-14,768</b>	<b>-18,076</b>	<b>18</b>	<b>-27,005</b>	<b>-45,773</b>	<b>41</b>
<b>Profit/loss from financial items</b>						
Interest income and similar profit/ loss items	38,054	47,642	-20	42,870	78,898	-46
Interest expense and similar profit/loss items	-4,590	-339	-	-4,589	-348	-
Total profit/loss from financial items	33,464	47,303	-29	38,281	78,550	-51
<b>Profit/loss from financial items</b>	<b>18,696</b>	<b>29,227</b>	<b>-36</b>	<b>11,276</b>	<b>32,777</b>	<b>-66</b>
Tax on profit/loss for the period	-4,288 <sup>1)</sup>	-12,761 <sup>1)</sup>	-	-4,288 <sup>1)</sup>	-12,761 <sup>1)</sup>	-
<b>Net profit/loss for the period</b>	<b>14,408</b>	<b>16,466</b>	<b>-12</b>	<b>6,988</b>	<b>20,016</b>	<b>-65</b>

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	Q2 2013	Q2 2012	Q1-2 2013	Q1-2 2012
<b>Operating activities</b>				
Operating loss excluding investment activities	-14,769	-10,761	-27,005	-23,468
Depreciation and write-downs	229	213	460	424
Interest received on bank balances	1	7	1	7
Interest received and paid on investments in securities	34,522	38,127	35,811	40,668
Interest paid and similar profit/loss items	-94	-	-94	-9
Income tax paid	-	-	-6,015	-
Increase/decrease in trade receivables	-	246	-	2,659
Increase/decrease in current receivables	-49,858	-382	-46,139	537
Increase/decrease in accounts payable	2,931	1,771	1,778	927
Increase/decrease in other current operating liabilities	-2,101	-1,407	-5,419	-36,762
<b>Cash flow from operating activities</b>	<b>-29,139</b>	<b>27,814</b>	<b>-46,623</b>	<b>-15,017</b>
<b>Investment activities</b>				
Investments in property, plant and equipment	-68	-20	-99	-107
Investments in portfolio companies	-30,688	-74,630	-274,946	-87,780
Disposal of portfolio companies	-	26	-	26
Increase/decrease in other non-current receivables and liabilities	-	227	-	227
Increase/decrease in short-term financial investments	958	-	5,024	-
<b>Cash flow from investment activities</b>	<b>-29,798</b>	<b>-74,397</b>	<b>-270,021</b>	<b>-87,634</b>
<b>Financing activities</b>				
New share issue	-	-	-	-
<b>Cash flow from financing activities</b>				
<b>Cash flow for the period</b>	<b>-58,938</b>	<b>-46,583</b>	<b>-316,644</b>	<b>-102,652</b>
<b>Cash and bank balances and investments in securities at beginning of period</b>	2,247,480	2,576,448	2,505,186	2,603,856
Cash flow for the period	-58,938	-46,583	-316,644	-102,652
Other increase/decrease in net asset value	-4,495 <sup>1)</sup>	9,508 <sup>1)</sup>	-4,495 <sup>1)</sup>	38,169 <sup>1)</sup>
<b>Cash and bank balances and investments in securities at end of period</b>	<b>2,184,047</b>	<b>2,593,373</b>	<b>2,184,047</b>	<b>2,539,373</b>

1) Where applicable, reversal of write-down of net asset value 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	June 30, 2013	June 30, 2013	Dec. 31, 2012
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Equipment	2,279	2,818	2,640
<b>Financial fixed assets</b>			
Investments in portfolio companies	761,327	431,698	484,714
Other non-current receivables	140	140	140
<b>Total non-current assets</b>	<b>763,746</b>	<b>434,656</b>	<b>487,494</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Trade receivables	-	51	-
Other current receivables	50,010	308	10
Prepaid expenses and accrued income	6,415	7,800	9,908
<b>Investments in securities</b>			
Investments in securities	2,172,482	2,446,439	2,487,786
Cash and bank balances	11,565	92,934	17,400
<b>Total current assets</b>	<b>2,240,472</b>	<b>2,547,532</b>	<b>2,515,104</b>
<b>Total assets</b>	<b>3,004,218</b>	<b>2,982,188</b>	<b>3,002,598</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	3,000,100	3,000,100	3,000,100
<b>Non-restricted equity</b>			
Profit/loss brought forward	-20,894	-63,938	-63,938
Profit/loss for the period	6,988	20,016	43,044
<b>Total equity</b>	<b>2,986,194</b>	<b>2,956,178</b>	<b>2,979,206</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	106	-	106
<b>Total non-current liabilities</b>	<b>106</b>	<b>-</b>	<b>106</b>
<b>Current liabilities</b>			
Accounts payable	4,202	3,285	2,424
Current tax liability	7,323	15,887	13,203
Other current liabilities	2,822	2,984	3,286
Accrued expenses	3,571	3,854	4,373
<b>Total current liabilities</b>	<b>17,918</b>	<b>26,010</b>	<b>23,286</b>
<b>Total equity and liabilities</b>	<b>3,004,218</b>	<b>2,982,188</b>	<b>3,002,598</b>
Pledged assets	None	None	None
Contingent liabilities	35,088 <sup>1)</sup>	35,000 <sup>1)</sup>	35,088 <sup>1)</sup>

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, 2012	3,000,100	-20,894	2,979,206
Profit/loss for the period	-	6,988	6,988
<b>Equity June 30, 2013</b>	<b>3,000,100</b>	<b>-13,906</b>	<b>2,986,194</b>

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