

Semi-annual report as of June 30, 2015
Interim Report Q2 2015

Semi-annual report and interim report for Q2, 2015

Successful IPO and new investment in trailblazing technology company

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

- Portfolio company SciBase issued new shares for around SEK 165 million in connection with the company's listing on Nasdaq's First North market in June 2015
- In June 2015 Fouriertransform made a new investment in Lemara AB, a trailblazing technology company in Gothenburg specializing in light-weight materials
- In February 2015 ÅF AB (publ), a company listed on Nasdaq Stockholm, acquired all of the shares in Fouriertransform's portfolio company LeanNova Engineering in Trollhättan. Fouriertransform initially invested in the company in January 2012 and the divestment provided a total capital gain of SEK 204.60 million for Fouriertransform. This was recognized in the results through restatement for the years 2013 and 2014
- Fouriertransform approved investments during the first half of the year of SEK 86.7 million in eight existing portfolio companies
- Since its inception Fouriertransform has invested a total of SEK 1,482 million in 26 companies in the Swedish automotive and manufacturing industries
- The fair value of the existing portfolio, including the realized value from divestments and repaid capital from the portfolio companies, represents a decrease in value of around 6 percent of the total capital invested since Fouriertransform was formed
- In May 2015 Fouriertransform paid a dividend of SEK 100 million to the owner according to a resolution at the Annual General Meeting on April 22, 2015
- The result after tax for the first half of the year was SEK -139.7 million (-6.4) including unrealized losses in portfolio companies of SEK -140.7 million, realized profits in portfolio companies of 15.4 million and revaluation of investments in securities of SEK -51.9 million (0.5). The net result for the quarter was SEK -92.7 million (-14.4) including unrealized losses in portfolio companies of SEK -69.0 million, realized profits in portfolio companies of 14.2 million and revaluation of investments in securities of SEK -67.9 million (-23.8)
- The total cash flow for the first half of the year was SEK 45.2 million (-0.5) of which investments in new and existing portfolio companies accounted for SEK -115.5 million (-282.5)
- Cash and bank balances and investments in securities at the end of the quarter amounted to SEK 1,853 million (1,952)



CEO's comments – growing interest in new business

Over the past six months Swedish industrial companies have not seen any noticeable improvement in order inflow and exports. While there are now some indications of a change for the better – at least in some sectors – uncertainty in the global economy is leading to constant discrepancies between forecasts and outcomes, and various institutes have been making frequent revisions to their forecasts.

Many of the small and medium-sized companies with which Fouriertransform works still have a long path to recovery from the consequences of the 2008 crisis. If these companies are going to be able to grow, recruit and contribute to a strong industrial base in Sweden, they cannot sit and wait for the economy to recover. What they need most is sustainable and expert capital participation to support their innovations and expansion into new markets, and to bring them valuable contacts in industrial and other networks and with co-investors.

This is how we have chosen to operate at Fouriertransform – taking a business-oriented approach to help our portfolio companies grow in value. There have been several successful examples of this over the past six months. At the beginning of the year we transferred our majority ownership of Vicura AB in Trollhättan to the Austrian consulting firm AVL. We have also taken advantage of the growing interest in IPOs resulting from the low interest rates. The introduction of PowerCell on Nasdaq's First North market raised SEK 108 million in one go to finance the company's important period of development ahead. In June this year med tech company SciBase gained 4,000 new shareholders when it was listed on First North.

Meanwhile, interest in new business has increased, with more and more companies seeking capital. We always have a large number of applications under review, and in the second quarter we acquired 27 percent of Lamera AB, a trailblazing technology company in Gothenburg specializing in light-weight materials.

In June the head of a special government inquiry, Hans Rydstad, submitted his report on oversight of the Government's corporate financing investments. The proposal is now under consideration and the Government has announced that there will be a more detailed description and proposals in the autumn budget bill. Pending a parliamentary decision, Fouriertransform will continue to operate according to its current mandate, i.e. investing in or financing companies in the automotive and manufacturing industries and associated services that are involved in research, development and investment activities with commercial potential.



Per Nordberg

Semi-annual report, January 1 to June 30

The amounts in the table below refer to the so-called investment company, and accordingly, financial investments, investments in portfolio companies and investments in securities are measured at estimated fair value.

| Fouriertransform highlights, SEK m | Q2 2015 | Q2 2014 | % | Q1-2 2015 | Q1-2 2014 | % |
|---|---------|---------|-----|-----------|-----------|-----|
| Net result for the period | -92.7 | -14.4 | - | -139.7 | -6.4 | - |
| Investments in portfolio companies | 64.7 | 93.6 | -31 | 115.5 | 282.5 | -59 |
| Cash flow for the period | | | | 45.2 | -0.5 | - |
| Cash and bank balances and investments in securities 1) | 1,852.6 | 1,951.9 | -5 | 1 852.6 | 1,951.9 | -5 |
| Equity 1) | 2,952.3 | 3 276.5 | -10 | 2,952.3 | 3 276.5 | -10 |
| Equity/assets ratio | 99 % | 99 % | | 99 % | 99 % | |

¹⁾ In May 2015 a dividend of SEK 100 million was paid to the owner.

Business environment and markets – global growth continues but the risk of setbacks is strong

Slower recovery in Sweden

The Swedish economy continued to recover in the second quarter, albeit at a slower pace, mainly because export outcomes proved weaker than forecasts had indicated. In light of this, the National Institute of Economic Research (NIER), in its forecast from June 2015, revised its growth numbers slightly for the full year to 2.8 percent this year and just over 3 percent for 2016.

In its most recent forecast from mid-April, the International Monetary Fund (IMF) indicated that its global growth expectations for 2015 were largely unchanged. The forecast for the USA was downgraded slightly, but despite this, GDP growth for the full year is expected to be around 3 percent, both this year and next. In the autumn, the Federal Reserve is expected to enter into a prolonged period of gradually raising the key interest rates. Growth in the euro zone increased somewhat and recovery there now seems to be on slightly firmer ground, according to NIER. The forecasts for China are largely unchanged, indicating growth just short of 7 percent for both this year and next.

However, according to NIER and others, there is still a strong risk of setbacks in international economic growth. The crisis in Greece, which was still unresolved at the six-month mark, is weighing heavy on the euro zone, and the IMF is warning of the financial risks linked to the housing market in some European countries outside the euro zone, including Sweden.

Weak export trend continues

According to NIER in June, the underlying industrial export order inflow remains weak and has not yet shown any signs of fast improvement. However, global growth, and particularly growth in the euro zone, can be expected to lead to an increase in the growth rate later on this year. NIER's current forecast for the full year is an increase in exports of just under 4 percent and 5 percent for 2016. This would be in line with the average annual growth since 1980. Business Sweden's Export Manager's Index (EMI) for the second quarter showed similar optimism. After the third quarter of declining expectations, the EMI is on the rise again and is now at its historical average.

Mixed bag for technology companies

During the second quarter Teknikföretagen's barometer noted an increased order inflow for its member companies following a weak first quarter. But the situation varies from sector to sector. The outlook is best for the transport industry and for electrical equipment, while the engineering industry, for example, is being held back by low demand – both internationally and here in Sweden.

Demand for investment goods remains low. One piece of good news according to Teknikföretagen is an increase in order inflow – albeit at a slow pace – for automotive industry subcontractors. The need for more employees among member companies is also increasing, particularly within small companies and for engineers.

Strong six months for vehicles

June was a strong month for new vehicle sales in Sweden; the best ever for light commercial vehicles and the second best for cars. The total upswing for the first half of the year compared to the first half of 2014 was 11 percent for cars and just over 14 percent for light commercial vehicles. In contrast, sales of heavy commercial vehicles fell by 3 percent during the period. In light of this trend, industry organization Bil Sweden again upgraded its full-year forecast for cars and light commercial vehicles.

The increase in car sales in the EU is also continuing – a trend that has now been sustained for 21 consecutive months. New vehicle registrations increased in the first five months of the year by just under 7 percent compared to the same period the previous year. Growth was noted in all large markets, according to the European automobile manufacturers' Association (ACEA). Demand for commercial vehicles also continued to rise, totaling close to 12 percent from January to the end of May.

Fouriertransform's investment activities

Evaluation of investment opportunities

During the half of the year Fouriertransform held numerous meetings with companies in need of both capital and a long-term owner to help them grow in value. In connection with Fouriertransform's expanded mandate from the beginning of Q4 2013, the company has evaluated investment opportunities throughout the manufacturing industry, in areas such as the engineering industry, electronics, clean tech, high-tech and IT/telecom.

Fouriertransform has also focused on meeting potential co-investors to explore opportunities for joint investment in attractive companies.

Investment applications

During the first half of the year Fouriertransform

- received 52 investment applications
- and rejected 23

As of June 30 the application portfolio contained

- around 60 applications
- 10 of which are under review pending an investment decision by Fouriertransform's Board of Directors

The applications received during the first half of the year are in a variety of manufacturing industry segments and in different investment phases.

Divestments

In February 2015 ÅF AB (publ), a company listed on Nasdaq Stockholm, acquired all of the shares in Fouriertransform's portfolio company LeanNova Engineering in Trollhättan. Fouriertransform initially invested in the company in January 2012 and the divestment provided a total capital gain of SEK 204.9 million for Fouriertransform, which was recognized in the results through restatement in years 2013 and 2014. An additional consideration will be paid to Fouriertransform in the second half of the year.

New investments

During the first half of the year, Fouriertransform invested in one new company:

Lamera

In June Fouriertransform invested **SEK 28.7 million** in Lamera AB in Gothenburg.

Over the past decade Lamera has developed and improved an idea originating from Volvo into a commercially viable product. The product is based on the latest lamination technology and the result is a unique, patented and moldable composite (a sandwich material called "Hybrix") which weighs around 50 percent less than conventional sheet metal but is just as strong. From a life-cycle perspective, Hybrix has a 16 percent lower impact on the environment than stainless steel and aluminum and 40 percent less than copper.

Follow-on investments

During the first half of the year Fouriertransform made follow-on investments totaling **SEK 86.7 million** in the following portfolio companies:

- SEK 18.0 million in Norstel AB in Norrköping
- SEK 14.5 million in Alelion Batteries in Mölndal
- SEK 5.9 million in Applied Nano Surfaces in Uppsala
- SEK 3.4 million in Vicura in Trollhättan
- SEK 2.0 million in Pelagicore in Gothenburg
- SEK 4.0 million in ArcCore in Gothenburg
- SEK 7.5 million in LeanNova Engineering in Trollhättan
- SEK 18.1 million in AAC Microtec in Uppsala
- SEK 0.7 million in SmartEye in Gothenburg
- SEK 12.6 million in SciBase in Stockholm

Fouriertransform's efforts to grow value in existing portfolio companies

Fouriertransform's ongoing efforts to generate value in the 22 portfolio companies have continued on a large scale and have involved working on the companies' strategic focus, board composition and financing issues.

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

Fouriertransform's other activities

The 33 List

During the quarter Fouriertransform was a partner in the "33 List," a collaboration between Affärsvärlden and Ny Teknik and partners. The 33 List highlights new technology companies and Fouriertransform recognized one of the nominated companies, Disruptive Materials in Uppsala, with the "Diamond of the Year" (Årets diamant) award and SEK 100,000 for advisory services from Fouriertransform.

Disruptive Materials has discovered a new revolutionary and entirely harmless material that can be used to filter gases and liquids.



Internal strategy conferences

During the first quarter Fouriertransform held an internal strategy conference attended by Fouriertransform's employees and Board of Directors to discuss the challenges facing the Swedish manufacturing industry, public venture capital funding and the focus of Fouriertransform's business.

In June Fouriertransform held a conference with its employees to discuss, among other things, the existing portfolio companies' strategies, board and management team composition, capital requirements etc.

Seminars

In June Fouriertransform, Sotenäs municipality and the Swedish Federation of Business Owners co-organized a seminar in Smögen. The 160 participants included business owners in the Västra Götaland region. The seminar was a continuation of previous seminars held in 2010, 2011, 2012 and 2014. It addressed the new outlook on the economy, resource flows and the global transition from a linear to a circular economy.

Fouriertransform's investments as of June 30

All investments since inception

- Since inception in autumn 2009 Fouriertransform has invested a total of **SEK 1,482 million** in **26 companies** as a new shareholder.
- The portfolio currently contains **22 portfolio companies**

As of June 30, 2015 Fouriertransform had invested in a total of 26 companies as a new shareholder: PowerCell Sweden AB, Norstel AB, NovaCast Technologies AB, FlexProp AB, EffPower AB, Alelion Batteries AB, El-Forest AB, Max Truck 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, TitanX, Rototest International AB, SciBase AB, AAC Microtec AB, Ostell AB, Pelly AB, APR Automation AB, SMP Parts AB and Lamera AB.

The investments in NovaCast Technologies and Effpower have been written off in their entirety and the entire holdings in FlexProp and LeanNova have been divested. Accordingly, as of June 30, 2015, the portfolio consisted of 22 portfolio companies.

Fouriertransform's portfolio companies as of June 30, 2015

As of June 30, 2015 Fouriertransform's portfolio consisted of 22 portfolio companies. The companies' net sales total around SEK 2.3 billion, they employ a total of around 1,500 people and are geographically spread throughout Sweden with an emphasis on Västra Götaland.

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

Investment company – portfolio composition as of June 30, 2015

| | Location | Initial investment | % of votes ¹⁾ |
|---|--------------|--------------------|--------------------------|
| Later stage venture | | | |
| Pow erCell Sw eden AB | Gothenburg | Oct. 2009 | 23% |
| Norstel AB | Norrköping | Feb. 2010 | 100% |
| Alelion Batteries AB | Möndal | June 2010 | 71% |
| Elforest AB | Ornsköldsвик | June 2010 | 74% |
| Max Truck AB | Ostersund | July 2010 | 35% |
| Applied Nano Surfaces Sweden AB | Uppsala | Dec. 2010 | 40% |
| Pelagicore AB | Gothenburg | Sept. 2011 | 73% |
| Inxide AB | Trollhättan | Dec. 2011 | 98% |
| SciBase AB | Stockholm | Dec. 2013 | 19% |
| Lamera AB | Gothenburg | June 2015 | 27% |
| Estimated fair value SEK 532.6 million | | | |
| Growth | | | |
| Vicura AB | Trollhättan | Jan. 2011 | 44% |
| Jobro Plåtkomponenter AB | Ulricehamn | May 2011 | 45% |
| ArcCore AB | Gothenburg | April 2012 | 44% |
| CeDe Group AB | Malmö | May 2012 | 49% |
| Smart Eye AB | Gothenburg | Feb. 2013 | 17% |
| TitanX Holding AB | Stockholm | March 2013 | 38% |
| Rototest International AB | Rönninge | July 2013 | 50% |
| AACMicrotec AB | Uppsala | March 2014 | 60% |
| Pelly AB | Hillerstorp | March 2014 | 37% |
| Osstell AB | Gothenburg | March 2014 | 36% |
| APR Automation AB | Arvika | May 2014 | 49% |
| SMP Parts AB | llsbo | June 2014 | 43% |
| Estimated fair value SEK 573.1 m | | | |
| Total estimated fair value SEK 1,105.7 m | | | |

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

Financial development in the first half of the year

Fouriertransform's transition to IFRS (International Financial Reporting Standards)

Fouriertransform started to apply the International Financial Reporting Standards (IFRS) as of the fourth quarter of 2013 when preparing the financial statements for the Group. Fouriertransform meets the IFRS definition of an investment company and does not therefore prepare consolidated financial statements. Fouriertransform as an investment company (the Group) instead prepares separate financial statements according to IFRS where measurement of financial investments, i.e. investments in portfolio companies and in securities, is based on fair value with changes in value recognized through profit or loss.

The financial statements of the parent company, Fouriertransform AB, are prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Measurement of the parent company's financial investments, investments in portfolio companies and in securities is therefore based on the cost method according to the Annual Accounts Act. This means that the assets are measured item by item at either cost or fair value, whichever is lowest.

Investment company

Profit/loss

The result for the first half of the year after tax amounted to SEK -139.7 million (-6.4 million).

The company's costs totaling SEK 31.8 million (35.6) mainly relate to employee benefit expenses and project and consultancy expenses.

Net financial income amounted to SEK 15.4 million (54.2) including an effect of SEK -51.9 million (0.5) of the revaluation in the quarter of investments in securities. Other than this, the item was mainly affected by dividends from fixed income and mutual funds of SEK 40.5 million, capital gains from the sale of mutual and fixed income funds of SEK 24.4 million and repaid administration fees of SEK 2.3 million.

As of June 30 the portfolio consisting of 22 portfolio companies has been valued at an estimated fair value in accordance with IFRS, which resulted in a downward value adjustment of -11.3 percent, equivalent to SEK -140.7 million (-21.1). The remeasurement relates to the companies' operational and financial development.

Since the start in 2009 Fouriertransform has invested a total of SEK 1,482 million in 26 portfolio companies, which, compared with the estimated fair value of the existing portfolio, SEK 1,106 million, realized value from divestments and repaid capital from the portfolio companies, represents a decrease in value of invested capital of around 6 percent.

Balance sheet

During the first half of the year Fouriertransform invested SEK 28.7 million in one new company and SEK 86.8 million in existing portfolio companies, for a total of SEK 115.5 million.

As of June 30 the portfolio consisting of 22 portfolio companies has been valued at an estimated fair value in accordance with IFRS, which resulted in a downward value adjustment of -11.3 percent, equivalent to SEK -140.7 million. The estimated fair value after remeasurement amounts to SEK 1,106 million.

The estimated fair value of investments in securities amounts to SEK 1,764 million, including unrealized gains of SEK 6.0 million.

Fouriertransform has undertaken to invest an additional SEK 1.0 million in existing portfolio companies.

Cash and bank balances and investments in securities

The company's cash and bank balances and estimated fair value of investments in fixed income and mutual funds amounted to SEK 1,853 million as of June 30.

Equity

In May 2015 Fouriertransform paid a dividend of SEK 100 million to the owner according to a resolution at the Annual General Meeting on April 22, 2015.

On June 30 the company's equity amounted to SEK 2,952.3 million, of which the result for the quarter accounted for SEK -139.7 million.

Parent company Fouriertransform AB

In May 2015 Fouriertransform paid a dividend of SEK 100 million to the owner according to a resolution at the Annual General Meeting on April 22, 2015.

The parent company's result after tax was SEK 104.8 million. The divestment of the portfolio company LeanNova Engineering resulted in a capital gain of SEK 204.6 million. Write-downs of shares in portfolio companies amounted to SEK -127.4 million and related to the companies' operational and financial development. For further information, please refer to the comments on the investment company's results.

During the first half of the year Fouriertransform invested SEK 28.7 million in one new company and SEK 86.8 million in existing portfolio companies, for a total of SEK 115.5 million.

The parent company's cash and bank balances and investments in securities amounted to SEK 1,847 million as of June 30, 2015.

Q2 2015

Fouriertransform's investment activities

Investment applications

During the quarter Fouriertransform

- received 18 investment applications
- and rejected 5

As of June 30 the application portfolio contained

- around 60 applications
- 10 of which are under review pending an investment decision by Fouriertransform's Board of Directors

Applications received during the second quarter came from companies in the manufacturing industry in a variety of segments and in different investment phases.

New investments

During the second quarter Fouriertransform invested in one new company:

Lamera

In June Fouriertransform invested **SEK 28.7 million** in Lamera AB in Gothenburg.

Over the past decade Lamera has developed and improved an idea originating from Volvo into a commercially viable product. The product is based on the latest lamination technology and the result is a unique, patented and moldable composite (a sandwich material called "Hybrix") which weighs around 50 percent less than conventional sheet metal but is just as strong. In a life-cycle perspective, Hybrix has a 16 percent lower impact on the environment than stainless steel and aluminum and 40 percent less than copper.

Follow-on investments

During the second quarter Fouriertransform made follow-on investments totaling **SEK 36.0 million** in the following four portfolio companies:

- SEK 0.7 million in SmartEye in Gothenburg
- SEK 10.7 million in Alelion Batteries in Mölndal
- SEK 12.0 million in AAC Microtec in Uppsala
- SEK 12.6 million in SciBase in Stockholm

Portfolio company activities in the second quarter

- **PowerCell Sweden** in Gothenburg has received its first order for the next generation fuel cell stack, S2.
- **Norstel** in Norrköping has started series delivery of 4-inch power wafers in small volumes and has continued its qualification work with most of its customers. The company also completed development of the next generation of wafer quality.
- **Alelion Batteries** in Mölndal started series delivery to a large forklift truck user through leading forklift OEMs. The company discussed new business with several manufacturers in the forklift truck segment.
- **Elforest** in Örnköldsvik has presented its largest electric hybrid project to date, in cooperation with Huddig AB which has developed a unique electric hybrid backhoe loader.
- **Max Truck** in Östersund participated in several trade fairs and interest in the company's forklift has been high.
- **Applied Nano Surfaces** in Uppsala has continued to increase its portfolio of license customers.
- **Vicura** in Trollhättan has experienced a more positive market and received several new orders.
- **Jobro Plåtkomponenter** in Ulricehamn has appointed Tomas Karlsson as its new CEO. Former CEO Tobias Ludvigsson is staying on as the company's Chief Production Officer.
- **Pelagicore** in Gothenburg continued to win infotainment development contracts among leading automotive manufacturers in Europe and the USA.
- **Inside** in Trollhättan continued to develop its business with a number of large automotive manufacturers. Light-weight materials and composites are attracting more and more interest as a means of achieving significant weight and CO₂ reductions.
- **ArcCore** in Gothenburg has opened a satellite office in India.
- **CeDe Group** in Malmö has recruited a Chairman and new CEO who will start at the company in the autumn.
- **Smart Eye** in Gothenburg continued to experience considerable interest in its eye-tracking technology.
- **TitanX** in Gothenburg continued to increase the production rate at the new plant in Brazil, and preparations for new plants in Mexico and China proceeded according to plan during the year.
- **Rototest International** in Rönninge received new orders from automotive manufacturers and universities for its hub-mounted dynamometers.
- **SciBase** in Stockholm issued new shares amounting to around SEK 165 million in connection with the company's listing on Nasdaq's First North market on June 2, 2015.
- **ÅAC Microtec** in Uppsala continued to grow and received a number of large orders, including from the European Space Agency (ESA).
- **Pelly** in Hillerstorp has been working intensely on completion of a new production line.
- **Ostell** in Gothenburg has launched a new version of its product and the response from customers has been very positive.
- **APR Automation** in Arvika experienced an increase in the number of inquiries from the market in the second quarter.
- **SMP Parts** in Ilsbo recruited a new CEO and the company is now upgrading and broadening its product program to be even better able to meet customer functionality and quality expectations.

Financial development in Q2

Investment company

Profit/loss

The result for the quarter after tax was SEK -92.7 million (-14.4).

The company's costs totaling SEK 17.7 million (20.0) mainly relate to employee benefit expenses and project and consultancy expenses.

Net financial income amounted to SEK -29.0 million (25.4) including an effect of SEK -67.9 million (-23.8) of a revaluation during the quarter of investments in securities. Other than this, the item was mainly affected by dividends from fixed income and mutual funds of SEK 37.3 million and capital gains from the sale of mutual and fixed income funds of SEK 1.4 million.

From June 30 the portfolio companies have been assigned an estimated fair value in accordance with IFRS, which resulted in a downward value adjustment of -5.8 percent, equivalent to SEK -69.0 million (-21.0). The adjusted value relates to the companies' operational and financial development.

Since the start in 2009 Fouriertransform has invested a total of SEK 1,482 million, which, compared with the assessed fair value of the existing portfolio, SEK 1,106 million, realized value from divestments and repaid capital from the portfolio companies, represents a decrease in value of invested capital of around 6 percent.

Balance sheet

During the quarter Fouriertransform invested SEK 28.7 million in one new company and SEK 36.0 million in existing portfolio companies, for a total of SEK 64.7 million.

From June 30 the portfolio companies have been assigned an estimated fair value in accordance with IFRS, which resulted in a downward value adjustment of -5.8 percent, equivalent to SEK -69.0 million (-21.0). The adjusted value relates to the companies' operational and financial development. The estimated fair value before remeasurement amounts to SEK 1,106 million.

The estimated fair value of investments in securities amounts to SEK 1,764 million, including unrealized gains of SEK 6.0 million.

Fouriertransform has undertaken to invest an additional SEK 1.0 million in existing portfolio companies.

Cash and bank balances and investments in securities

The company's cash and bank balances and estimated fair value of investments in fixed income and mutual funds amounted to SEK 1,853 million as of June 30.

Equity

In May 2015 Fouriertransform paid a dividend of SEK 100 million to the owner according to a resolution at the Annual General Meeting on April 22, 2015.

On June 30 the company's equity amounted to SEK 2,952.3 million, of which the result for the quarter accounted for SEK 92.7 million.

Parent company Fouriertransform AB

In May 2015 Fouriertransform paid a dividend of SEK 100 million to the owner according to a resolution at the Annual General Meeting on April 22, 2015.

The parent company's result after tax was SEK -25.5 million. The divestment of the portfolio company LeanNova Engineering in the first quarter resulted in an additional consideration in the second quarter of SEK 14.2 million. Write-downs of shares in portfolio companies amounted to SEK -55.7 million and related to the companies' operational and financial development. For further information, please refer to the comments on the investment company's results.

During the quarter Fouriertransform invested SEK 28.7 million in one new company and SEK 36.0 million in existing portfolio companies, for a total of SEK 64.7 million.

The parent company's cash and bank balances and investments in securities amounted to SEK 1,847 million as of June 30, 2015.

Fouriertransform's 22 portfolio companies as of June 30, 2015



PowerCell Sweden AB – fuel cell makes electricity from hydrogen

| | | |
|--------------------|---------------------|--|
| Phase | Later-stage venture | 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 |
| Location | Gothenburg | |
| Initial investment | Oct. 2009 | |
| % of votes | 23% | |



Norstel AB – new technology for hybrid vehicles

| | | |
|--------------------|---------------------|--|
| Phase | Later-stage venture | The company develops SiC wafers which are an important component for the successful development and production of energy-efficient electric and hybrid vehicles. The results, combined with a modern development and production facility, provide a good basis for launching the products onto the market. www.norstel.com |
| Location | Norrköping | |
| Initial investment | Feb. 2010 | |
| % of votes | 100% | |



Alelion Batteries AB – energy storage systems for the automotive industry

| | | |
|--------------------|---------------------|--|
| Phase | Later-stage venture | The company develops, manufactures and markets complete energy storage systems, primarily for the materials management industry, based on lithium ion batteries. www.alelion.com |
| Location | Mölnadal | |
| Initial investment | June 2010 | |
| % of votes | 71% | |


Elforest AB – modern technology to run vehicles more efficiently

| | | |
|--------------------|---------------------|--|
| Phase | Later-stage venture | 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 an offering that adds value for customers and the environment in multiple industries. www.el-forest.se |
| Location | Örnsköldsvik | |
| Initial investment | June 2010 | |
| % of votes | 74% | |

MAX TRUCK AB 
Max Truck AB – electric forklift offering unique maneuverability

| | | |
|--------------------|---------------------|--|
| Phase | Later-stage venture | 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 |
| Location | Östersund | |
| Initial investment | July 2010 | |
| % of votes | 35% | |



Applied Nano Surfaces

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

| | | |
|--------------------|---------------------|--|
| Phase | Later-stage venture | 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 lower cost than for equivalent coatings. www.appliednanosurfaces.com |
| Location | Uppsala | |
| Initial investment | Dec. 2010 | |
| % of votes | 40% | |



Vicura AB – SAAB's transmission developers

| | | |
|--------------------|-------------|---|
| Phase | Growth | <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 for the international automotive industry. The offering includes mechanical and electrical drive systems as well as control systems for them.</p> <p>www.vicura.se</p> |
| Location | Trollhättan | |
| Initial investment | Jan. 2011 | |
| % of votes | 44% | |
| | | |



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

| | | |
|--------------------|------------|---|
| Phase | Growth | <p>The company manufactures and sells prototypes and short production runs of complex sheet metal parts for the engineering industry, with an emphasis 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> |
| Location | Ulricehamn | |
| Initial investment | May 2011 | |
| % of votes | 45% | |
| | | |



Pelagicore AB – technology and product development for infotainment systems

| | | |
|--------------------|---------------------|---|
| Phase | Later-stage venture | <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 for vehicles. Its customers are primarily car manufacturers and their subcontractors.</p> <p>www.pelagicore.com</p> |
| Location | Gothenburg | |
| Initial investment | Sept. 2011 | |
| % of votes | 73% | |
| | | |

INXIDE**Inxide AB (formerly EELCEE AB) – composite components for the automotive industry**

| | | |
|--------------------|---------------------|--|
| Phase | Later-stage venture | Inxide 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 large volumes. www.inxide.se |
| Location | Trollhättan | |
| Initial investment | Dec. 2011 | |
| % of votes | 98% | |

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

| | | |
|--------------------|------------|---|
| Phase | Growth | 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 |
| Location | Gothenburg | |
| Initial investment | April 2012 | |
| % of votes | 44% | |

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

| | | |
|--------------------|----------|---|
| Phase | Growth | 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 |
| Location | Malmö | |
| Initial investment | May 2012 | |
| % of votes | 49% | |

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

| | | |
|--------------------|------------|--|
| Phase | Growth | SmartEye develops and sells software and systems for eye sensors. The company has developed a safety and comfort product specifically for the automotive industry. www.smarteye.se |
| Location | Gothenburg | |
| Initial investment | Feb. 2013 | |
| % of votes | 17% | |

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

| | | |
|--------------------|------------|---|
| Phase | Growth | 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. www.titanx.com |
| Location | Gothenburg | |
| Initial investment | March 2013 | |
| % of votes | 38% | |
| | | |

**Rototest International AB – test equipment for the automotive industry**

| | | |
|--------------------|-----------|--|
| Phase | Growth | Rototest develops, manufactures and markets test equipment, so-called hub-mounted dynamometers, for the automotive industry. The company's patented solutions for hub-mounted automotive dynamometers offer many times greater measurement accuracy than traditional technology. www.rototest.com |
| Location | Rönninge | |
| Initial investment | July 2013 | |
| % of votes | 50% | |
| | | |

**SciBase AB – unique method for the detection of malignant melanoma**

| | | |
|--------------------|---------------------|---|
| Phase | Later-stage venture | SciBase has developed a unique method for detecting malignant melanoma. The method, which is based on research at Karolinska Institutet, sends electrical impulses at different frequencies through the area of skin under examination. www.scibase.com |
| Location | Stockholm | |
| Initial investment | Dec. 2013 | |
| % of votes | 19% | |
| | | |

**ÅAC Microtec AB – develops and manufactures multifunctional electronic systems (MEMS)**

| | | |
|--------------------|------------|---|
| Phase | Growth | ÅAC Microtec develops and manufactures robust, microelectromechanical systems (MEMS). Through its network of partners, ÅAC Microtec delivers highly refined solutions and systems to private and public sector organizations in the air and space industry. www.aacmicrotec.com |
| Location | Uppsala | |
| Initial investment | March 2014 | |
| % of votes | 60% | |
| | | |

**Pelly AB – storage solutions for the furniture industry**

| | | |
|--------------------|-------------|--|
| Phase | Growth | Pelly is a supplier of storage solutions. Through close cooperation with key customers, high-quality products and a highly automated production apparatus, Pelly has established itself as a leading supplier in the furniture industry in the Nordic region and elsewhere in Europe. www.pelly.se |
| Location | Hillerstorp | |
| Initial investment | March 2014 | |
| % of votes | 37% | |
| | | |

**Osstell AB – instruments for measuring dental implant stability**

| | | |
|--------------------|------------|---|
| Phase | Growth | Osstell develops and sells instruments to measure the stability and osseointegration of dental implants. The method indicates when an implant is ready to be loaded. www.osstell.com |
| Location | Gothenburg | |
| Initial investment | March 2014 | |
| % of votes | 36% | |
| | | |

**APR Automation AB – supplier of complete automation solutions**

| | | |
|--------------------|----------|--|
| Phase | Growth | APR Automation is an integrator that delivers complete automation solutions to customers in a number of industries in Sweden and internationally. The company has expertise in electrical design, PLC programming, robot programming, mechanical design, project management and installation. www.apr-automation.se |
| Location | Arvika | |
| Initial investment | May 2014 | |
| % of votes | 49% | |
| | | |



SMP Parts AB – supplier of excavator accessories

| | | |
|--------------------|------------|---|
| Phase | Growth | SMP Parts is a high-quality supplier of excavator accessories such as couplers, tiltrotators, buckets and other specialist equipment for construction machinery. SMP Parts is one of the few suppliers to offer a complete range of excavator-related equipment. <i>www.smpparts.com</i> |
| Location | llsbo | |
| Initial investment | March 2014 | |
| % of votes | 43% | |



Lamera AB – the latest technology in light-weight materials

| | | |
|--------------------|----------------------|--|
| Phase | Later stage ventures | Lamera's product is based on the latest lamination technology and the result is a unique, patented and moldable composite (a sandwich material called "Hybrix") which weighs around 50 percent less than conventional sheet metal but is just as strong. <i>www.lamera.se</i> |
| Location | | |
| Initial investment | June 2015 | |
| % of votes | 27% | |

Accounting principles

Fouriertransform applies the International Financial Reporting Standards (IFRS) when preparing the financial statements for the Group. Fouriertransform meets the IFRS definition of an investment company and does not therefore prepare consolidated financial statements. Fouriertransform as an investment company (the Group) instead prepares separate financial statements according to IFRS, where measurement of financial investments, (investments in portfolio companies and investments in securities) is based on fair value with changes in value recognized through profit or loss.

The financial statements of the parent company, Fouriertransform AB, are prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Measurement of the parent company's financial investments, investments in portfolio companies and in securities is therefore based on the cost method according to the Annual Accounts Act.

This semi-annual report for Fouriertransform as an investment company was prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The semi-annual report for the parent company, Fouriertransform AB, was prepared in accordance with the Annual Accounts Act.

The accounting principles applied for the investment company and the parent company correspond to the accounting principles described in the most recent Annual Report.

Risks and uncertainties

Significant risks and uncertainties pertaining to the company are described in the Directors' Report in the 2014 Annual Report.

Credit facilities and related party transactions

Fouriertransform AB has no utilized credit facilities. 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 was 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 and manufacturing industry in general on a commercial basis. Fouriertransform invests capital and is an active owner in enterprises with innovative and commercially viable products within the automotive and manufacturing industries.

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

Contact persons for further information

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CFO, Ulf Järvenäs, +46 (0) 8 410 40 603

Financial calendar 2015

| | |
|--|-------------------|
| Q3 interim report 2015 | October 29, 2015 |
| Q4 interim report and year-end report 2015 | February 16, 2016 |

Statement of comprehensive income, investment company

| Investment company, SEK 000s | Q2 2015 | Q2 2014 | % | Q1-2 2015 | Q1-2 2014 | % |
|---|-----------------|----------------|-------------|-----------------|----------------|----------|
| Portfolio companies | | | | | | |
| Realized profit/loss, portfolio companies | 14,215 | -328 | - | 15,400 | -328 | - |
| Unrealized profit/loss, portfolio companies | -69,000 | -21,093 | - | -140,740 | -21,093 | - |
| Interest income, receivables in portfolio companies | 562 | - | - | 562 | - | - |
| Profit/loss from portfolio companies | -54,224 | -21,421 | - | -124,778 | -21,421 | - |
| Income, consulting | - | 880 | - | - | 880 | - |
| Operating expenses | | | | | | |
| Other external expenses | -6,656 | -10,667 | 38% | -11,311 | -16,769 | 33 % |
| Employee benefit expenses | -10,831 | -9,088 | -19% | -20,087 | -18,398 | -9% |
| Depreciation of property, plant and equipment | -179 | -249 | 28% | -437 | -488 | 10% |
| Total operating expenses | -17,665 | -20,004 | 12% | -31,834 | -35,655 | 11% |
| Operating profit/loss | -71,888 | -40,545 | -77% | -156,612 | -56,196 | - |
| Profit/loss from financial items | | | | | | |
| Financial income | 23,173 | 25,375 | 54% | 67,577 | 54,370 | 24% |
| Financial expense | -52,132 | - | - | -52,132 | -204 | - |
| Total profit/loss from financial items | -28,959 | 25,375 | - | 15,445 | 54,166 | -71% |
| Profit/loss after financial items | -100,848 | -15,170 | - | -141,167 | -2,030 | - |
| Tax on profit/loss for the period | 8,099 | 731 | - | 1,465 | -4,391 | - |
| Net profit/loss for the period | -92,748 | -14,439 | - | -139,702 | -6,421 | - |
| Other comprehensive income | - | - | - | - | - | - |
| Comprehensive income for the period | -92,748 | -14,439 | - | -139,702 | -6,421 | - |
| Earnings per share, SEK | | | | | | |
| Before dilution | -0.034 | -0.005 | | -0.051 | -0.002 | |
| After dilution | -0.034 | -0.005 | | -0.051 | -0.002 | |

Cash flow statement, investment company

| Investment company, SEK 000s | Q1-2 2015 | Q1-2 2014 |
|--|-----------------|----------------|
| Operating activities | | |
| Operating profit/loss | -156,612 | -56,196 |
| <i>Adjustments for items not affecting cash flow</i> | | |
| Depreciation and write-downs | 408 | 488 |
| Interest income, portfolio companies | -472 | - |
| Realized profit/loss, portfolio companies | -15,400 | 328 |
| Unrealized profit/loss, portfolio companies | 140,740 | 21,093 |
| Interest received, bank balances | 35 | 144 |
| Interest paid | -173 | -204 |
| Income tax paid | -19,911 | -9,360 |
| Cash flow from operating activities before changes in working capital | -51,385 | -43,707 |
| <i>Changes in working capital</i> | | |
| Increase/decrease in trade receivables | -513 | 1,400 |
| Increase/decrease in other current receivables | 4,131 | 4,851 |
| Increase/decrease in accounts payable | -1,979 | -1,540 |
| Increase/decrease in other current liabilities | 5,266 | -40,316 |
| Cash flow from operating activities | -44,481 | -79,312 |
| + | | |
| Investment activities | | |
| Investments in property, plant and equipment | 43 | -156 |
| Investments in shares in portfolio companies | -85,349 | -111,326 |
| Divestment of shares in portfolio companies | 215,412 | - |
| Loans to portfolio companies | -30,178 | -171,190 |
| Repayment of loans from portfolio companies | 30,000 | 6,500 |
| Increase/decrease in other non-current receivables | 140 | - |
| Interest income, portfolio companies | 1,086 | - |
| Change in investments in securities | 58,552 | 354,934 |
| Cash flow from investment activities | 189,706 | 78,762 |
| Financing activities | | |
| Dividend paid | -100,000 | - |
| Cash flow from financing activities | -100,000 | - |
| Cash flow for the period | 45,225 | -549 |
| Cash and bank balances at beginning of period | 42,989 | 60,270 |
| Cash and bank balances at end of period | 88,215 | 59,721 |

Balance sheet, investment company

| Investment company, SEK 000s | June 30, 2015 | June 30, 2014 | December 31, 2014 |
|--|------------------|------------------|----------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | | | |
| Equipment | 757 | 1,619 | 1,208 |
| Financial non-current assets | | | |
| <i>Investments in portfolio companies</i> | | | |
| Shares in portfolio companies | 869,563 | 1,090,775 | 1,099,463 |
| Receivables in portfolio companies | 67,876 | 55,981 | 89,386 |
| Convertible assets in portfolio companies | 168,220 | 190,139 | 172,024 |
| <i>Total investments in portfolio companies</i> | <i>1,105,659</i> | <i>1,336,895</i> | <i>1,360,873</i> |
| Other non-current receivables | - | 140 | 140 |
| Total financial non-current assets | 1,105,659 | 1,337,035 | 1,361,013 |
| Total non-current assets | 1,106,416 | 1,338,654 | 1,362,221 |
| Current assets | | | |
| Current receivables | | | |
| Trade receivables | 926 | 1,100 | 413 |
| Other current receivables | 4,509 | 3,708 | 6,831 |
| Prepaid expenses and accrued income | 614 | 3,720 | 2,936 |
| Total current receivables | 6,049 | 8,528 | 10,180 |
| Investments in securities | 1,764,401 | 1,892,185 | 1,807,482 |
| Cash and bank balances | 88,215 | 59,720 | 42,989 |
| Total current assets | 1,858,664 | 1,960,433 | 1,860,651 |
| Total assets | 2,965,080 | 3,299,087 | 3,222,872 |
| Equity and liabilities | | | |
| Share capital | 2,725,100 | 3,000,100 | 2,725,100 |
| Retained earnings including net profit/loss for the period | 227,213 | 276,404 | 466,915 |
| Total equity | 2,952,313 | 3,276,504 | 3,192,015 |
| Non-current liabilities | | | |
| Other non-current liabilities | 106 | 106 | 106 |
| Deferred tax liabilities | 1,151 | 4,586 | 12,582 |
| Total non-current liabilities | 1,257 | 4,692 | 12,688 |
| Current liabilities | | | |
| Accounts payable | 2,012 | 738 | 3,992 |
| Current tax liability | 2,587 | 10,528 | 6,100 |
| Other current liabilities | 3,280 | 3,567 | 4,108 |
| Accrued expenses | 3,630 | 3,058 | 3,969 |
| Total current liabilities | 11,509 | 17,890 | 18,168 |
| Current liabilities | 12,767 | 22,583 | 30,857 |
| Total equity and liabilities | 2,965,080 | 3,299,087 | 3,222,872 |

Statement of changes in equity, investment company

| Investment company, SEK 000s | Share capital ¹⁾ | Retained earnings including profit/loss for the period | Total equity |
|-------------------------------------|-----------------------------|--|------------------|
| Equity, January 1, 2014 | 3,000,100 | 282,825 | 3,282,925 |
| Comprehensive income for the period | - | -6,421 | -6,421 |
| Equity, June 30, 2014 | 3,000,100 | 276,404 | 3,276,504 |
| Equity, January 1, 2015 | 2,725,100 | 466,915 | 3,192,015 |
| Dividend | | -100,000 | -100,000 |
| Comprehensive income for the period | - | -139,702 | -139,702 |
| Equity, June 30, 2015 | 2,725,100 | 227,213 | 2,952,313 |

¹⁾ According to a decision by an extraordinary shareholders' meeting on October 17, 2014, the share capital was reduced by SEK 275,000,000, of which SEK 51,897,000 was to cover losses and SEK 223,103,000 was for an allocation to non-restricted reserves.

Income statement parent company, Fouriertransform AB

| Parent company, SEK 000s | Q2 2015 | Q2 2014 | % | Q1-2 2015 | Q1-2 2014 | % |
|---|----------------|----------------|-------------|----------------|----------------|-------------|
| Net sales, consulting | - | 880 | - | - | 880 | - |
| Operating expenses | | | | | | |
| Other external expenses | -5,671 | -3,981 | -42% | -9,854 | -9,051 | -9% |
| Employee benefit expenses | -10,831 | -9,088 | -19% | -20,087 | -18,398 | -9% |
| Depreciation of property, plant and equipment | -179 | -249 | 28% | -437 | -488 | 10% |
| Total operating expenses | -16,680 | -13,318 | -25% | -30,377 | -27,937 | -9% |
| Operating profit/loss | -16,680 | -12,438 | -34% | -30,377 | -27,057 | -12% |
| Profit/loss from financial items | | | | | | |
| Portfolio companies | | | | | | |
| Capital gain/loss from divested portfolio companies | 14,215 | -328 | - | 204,600 | -328 | - |
| Interest income, receivables in portfolio companies | 562 | - | - | 562 | - | - |
| Reversal of write-downs, portfolio companies | - | 24,454 | - | - | 24,454 | - |
| Write-downs, portfolio companies | -55,700 | -41,579 | -34% | -127,400 | -41,579 | - |
| Profit/loss from portfolio companies | -40,924 | -17,453 | - | 77,762 | -17,453 | - |
| Interest income and similar profit/loss items | 39,089 | 49,202 | -21% | 67,577 | 53,882 | 25% |
| Interest expense and similar profit/loss items | -171 | - | - | -173 | -204 | 15% |
| Total profit/loss from financial items | 38,918 | 49,202 | -21% | 67,404 | 53,678 | 26% |
| Profit/loss after financial items | -18,686 | 19,311 | - | 114,789 | 9,168 | - |
| Tax on profit/loss for the period | -6,834 | -5,982 | - | -9,966 | -5,982 | - |
| Net profit/loss for the period | -25,519 | 13,329 | - | 104,823 | 3,186 | - |

¹⁾ Profit/loss for the period is also the period's comprehensive income for the parent company.

Balance sheet, parent company Fouriertransform AB

| Parent company, SEK 000s | June 30, 2015 | June 30, 2014 | December 31, 2014 |
|---|------------------|------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | | |
| Equipment | 757 | 1,619 | 1,208 |
| Financial non-current assets | | | |
| <i>Investments in portfolio companies</i> | | | |
| Shares in portfolio companies | 811,094 | 834,715 | 838,301 |
| Receivables in portfolio companies | 67,876 | 55,981 | 89,386 |
| Convertible assets in portfolio companies | 145,980 | 141,880 | 148,480 |
| <i>Total investments in portfolio companies</i> | <i>1,024,950</i> | <i>1,032,576</i> | <i>1,076,167</i> |
| Other non-current receivables | - | 140 | 140 |
| Total financial non-current assets | 1,024,950 | 1,032,716 | 1,076,307 |
| Total non-current assets | 1,025,707 | 1,034,335 | 1,077,515 |
| Current assets | | | |
| Current receivables | | | |
| Trade receivables | 926 | 1,100 | 413 |
| Other current receivables | 4,509 | 3,708 | 6,831 |
| Prepaid expenses and accrued income | 614 | 3,720 | 2,936 |
| Total current receivables | 6,049 | 8,528 | 10,180 |
| Investments in securities | 1,759,165 | 1,863,617 | 1,750,287 |
| Cash and bank balances | 88,215 | 59,720 | 42,989 |
| Total current assets | 1,853,428 | 1,931,865 | 1,803,456 |
| Total assets | 2,879,135 | 2,966,200 | 2,880,971 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| <i>Restricted equity</i> | | | |
| Share capital | 2,725,100 | 3,000,100 | 2,725,100 |
| <i>Non-restricted equity</i> | | | |
| Retained earnings | 37,596 | -55,083 | 219,917 |
| Net result for the period | 104,823 | 3,186 | -82,321 |
| Total non-restricted equity | 142,419 | -51,897 | 137,596 |
| Total equity | 2,867,519 | 2,948,203 | 2,862,696 |
| Non-current liabilities | | | |
| Other non-current liabilities | 106 | 106 | 106 |
| Total non-current liabilities | 106 | 106 | 106 |
| Current liabilities | | | |
| Accounts payable | 2,012 | 738 | 3,992 |
| Current tax liability | 2,587 | 10,528 | 6,100 |
| Other current liabilities | 3,280 | 3,567 | 4,108 |
| Accrued expenses | 3,630 | 3,058 | 3,969 |
| Total current liabilities | 11,509 | 17,890 | 18,168 |
| Current liabilities | 11,616 | 17,997 | 18,275 |
| Total equity and liabilities | 2,879,135 | 2,966,200 | 2,880,971 |
| Pledged assets for portfolio company bank loans | 35,000 | 35,000 | 35,000 |
| Contingent liabilities for portfolio company bank loans | 47,177 | 37,677 | 41,677 |

Note 1 Fair value measurement

Fair value according to the definition in IFRS 13 *Fair Value Measurement* is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date under prevailing market conditions, regardless of whether this price is directly observable or arrived at using another measurement technique. When assessing fair value, the characteristics of the asset or liability that the market participants would use when pricing the asset or liability are taken into account. Fouriertransform's measurement policy follows the International Private Equity and Venture (IPEV) Capital Guidelines.

Assets and liabilities that are measured at fair value are classified in Level 1, 2 or 3 in a fair value hierarchy based on the inputs used to establish fair value.

Level 1 – Fair value is established based on observable (unadjusted) quoted prices on an active market for identical assets and liabilities. A market is considered active if quoted prices from an exchange, broker, industry group, pricing service or supervisory authority are readily and regularly available and these prices represent real and regularly occurring market transactions at arm's length.

Level 2 – Fair value is established using valuation models based on observable data for the asset or liability other than quoted prices included in Level 1, either directly (i.e. as quoted prices) or indirectly (i.e. derived from quoted prices).

Examples of observable data in Level 2 are:

- Quoted prices for similar assets or liabilities.
- Inputs that can be used to estimate price, e.g. interest rates and yield curves.

Level 3 – Fair value is established using measurement models where significant inputs are based on unobservable data.

The investment company

In the investment company, investments in portfolio companies and investments in securities are measured at fair value on each balance sheet date and changes in value are recognized through profit or loss in the period in which they arise. The table below shows the investment company's classifications of assets valued at fair value. The investment company has no liabilities that are measured at fair value.

| Financial instruments – fair value Investment company, SEK 000s | June 30, 2015 | | | December 31, 2014 | | |
|---|------------------|----------|------------------|-------------------|----------|------------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets measured at fair value | | | | | | |
| <i>Shares in portfolio companies</i> | | | | | | |
| Later-stage venture | 105,100 | | 409,180 | 53,400 | | 499,498 |
| Grow th | | | 355,283 | | | 546,566 |
| <i>Total shares in portfolio companies</i> | <i>105,100</i> | | <i>764,463</i> | <i>53,400</i> | | <i>1,046,064</i> |
| Convertible assets, portfolio companies | | | 168,220 | | | 172,024 |
| Claims in portfolio companies | | | 67,876 | | | 89,386 |
| Investments in securities | 1,764,401 | | | 1,807,482 | | |
| Total financial assets measured at fair value | 1,869,501 | 0 | 1,000,559 | 1,860,882 | 0 | 1,307,473 |

Fouriertransform's financial instruments at Level 1 are investments in securities consisting of mutual and fixed income funds with quoted market prices, and holdings in portfolio companies that are traded on a marketplace. The quoted market price used is the actual purchase price.

Fouriertransform's financial instruments at Level 3 are shares in portfolio companies, convertible assets in portfolio companies and receivables in portfolio companies, which constitute unlisted investments.

The Group's policy is to report reclassifications to or from levels on the date the event or change in circumstances which necessitated the transfer takes place.

Fouriertransform divides its shares in portfolio companies into two groups based on different investment stages. Fouriertransform's portfolio companies are classified in the following two investment stages:

Later-stage venture – financing is provided to an operating company which may but does not need to break even or show a positive operating profit.

Growth – a type of private equity investment – usually but not necessarily a minority investment – in relatively mature companies seeking capital to expand or restructure operations or to enter new markets.

The tables below show changes during the period for financial instruments at Level 3.

| Changes during the period for financial instruments at Level 3 Investment company 2015, SEK 000s | Shares in portfolio companies | | | Convertible assets in portfolio companies | Claims in portfolio companies | Total |
|---|-------------------------------|----------------|------------------|---|-------------------------------|------------------|
| | Later-stage venture | Growth | Total | | | |
| Balance, January 1, 2015 | 499,498 | 546,566 | 1,046,064 | 172,024 | 89,386 | 1,307,474 |
| Acquisition of shares in portfolio companies | 83,799 | 26,300 | 110,099 | -2,500 | -24,250 | 83,349 |
| Divestment of shares in portfolio companies | | -199,200 | -199,200 | | | -199,200 |
| Gains and losses recognized through profit or loss | -121,217 | -18,383 | -139,600 | -1,304 | | -140,904 |
| Transfer from Level 3 | -52,900 | | -52,900 | | | -52,900 |
| New lending | | | | | 32,740 | 32,740 |
| Payment of claim | | | | | -30,000 | -30,000 |
| Balance 30 June, 2015 | 409,180 | 355,283 | 764,463 | 168,220 | 67,876 | 1,000,559 |
| Change in unrealized gains and losses for the period refers to assets held at the end of the period (included in the line "Gains and losses recognized through profit or loss" above) | -120,737 | -18,173 | -138,910 | -1,830 | | |

| Changes during the period for financial instruments at Level 3 Investment company 2014, SEK 000s | Shares in portfolio companies | | | Convertible assets in portfolio companies | Claims in portfolio companies | Total |
|---|-------------------------------|----------------|------------------|---|-------------------------------|------------------|
| | Later-stage venture | Growth | Total | | | |
| Balance, January 1, 2014 | 471,989 | 514,234 | 986,223 | 58,600 | 37,686 | 1,082,509 |
| Acquisition of shares in portfolio companies | 72,305 | 141,337 | 213,642 | | | 213,642 |
| Divestment of shares in portfolio companies ¹⁾ | -430 | -83,000 | -83,430 | | | -83,430 |
| Gains and losses recognized through profit or loss | 2,381 | -28,041 | -25,660 | -341 | | -26,001 |
| Issue of claim | | | | 48,880 | -29,515 | 19,365 |
| New lending ¹⁾ | | | | 83,000 | 54,310 | 137,310 |
| Payment of claim | | | | | -6,500 | -6,500 |
| Balance 30 June, 2014 | 546,245 | 544,530 | 1,090,775 | 190,139 | 55,981 | 1,336,895 |
| Change in unrealized gains and losses for the period refers to assets held at the end of the period (included in the line "Gains and losses recognized through profit or loss" above) | 2,381 | -23,133 | -20,752 | -341 | 0 | -21,093 |

¹⁾ SEK 83,000,000 relates to reclassification

Valuation process for portfolio companies

At the balance sheet date an assessment is made by Fouriertransform's management of which valuation method to use for the different portfolio companies based on the availability of observable input data. The valuation is then carried out according to the chosen valuation method described in the section below, and analyzed and compared with the previous valuation so that the new valuation reflects the company's progress and status, allowing changes to be monitored over time. Several parties are involved in the valuation process, and Fouriertransform's management and Investment Directors and the portfolio companies are all involved in verifying input data.

The valuation process is documented so that external stakeholders, e.g. auditors, will be able to easily follow how the value was arrived at.

Valuation method – shares in portfolio companies, convertible assets in portfolio companies and receivables in portfolio companies

During the fourth quarter of 2014 the valuation policy and valuation methods were reviewed and the company defined valuation methods for holdings in different investment phases. To the extent possible, the valuation methods are based on directly or indirectly observable data.

As in the past, Fouriertransform's valuation policy follows the IPEV Guidelines whereby holdings are assigned a value depending on the maturity and development phase of the portfolio company:

For portfolio companies in the later-stage venture investment phase, where no income is generated and no income is expected to be generated in a short-term perspective, the following methods are used in this order of priority:

- 1) Price of recent investment (PRI) or qualified bid
- 2) Price of recent investment enhanced (PRIE)
- 3) Discounted cash flow valuation as benchmark/cross-check

For portfolio companies in later-stage venture or growth investment phases, which generate income or have a positive cash flow, the following methods are used and weighed against each other:

- 1) Price of recent investment (PRI) or qualified bid
- 2) Price of recent investment enhanced (PRIE)
- 3) Multiples of income (suitable multiples exist for listed peer companies or unlisted companies from transactions or where such information can be found)
- 4) Discounted cash flow valuation

Definitions:***Price of recent investment:***

- valuation at Fouriertransform's initial investment during the subsequent 12-month period
- relevant valuation at rounds of financing after Fouriertransform's initial investment

Price of recent investment enhanced:

The company's development is analyzed against the business plan Fouriertransform AB initially invested in and the most recent business plan including technological development, market potential etc.

Qualified bid:

Qualified bid is a binding, unconditional bid, after deduction of transaction expenses.

Discounted cash flow:

The most significant unobservable input data used in the DCF model are described below:

Annual sales growth which takes into account the management's experience and knowledge of the market conditions in the automotive and manufacturing industries. Sales growth for the forecast periods is estimated to be at least 6 percent with a higher growth rate for early stage portfolio companies. The higher the sales growth, the higher the fair value of the portfolio company.

Long-term EBIT margin which takes into account the management's experience and knowledge of the market conditions in the automotive and manufacturing industries. The long-term EBITDA margin is expected to be 11% and above. The higher the long-term operating margin, the higher the fair value of the portfolio company.

WACC (weighted average cost of capital) which is established using a capital asset pricing model. WACC is at least 15 percent, with a higher WACC for early stage companies. The higher the WACC, the lower the fair value of the portfolio company.

Sensitivity in the assumptions

The measurements are very sensitive to changes in unobservable input data. If any or all of the annual average sale growth, long-term EBIT margin and WACC were to change, this could result in a significantly lower or higher fair value measurement. A change in WACC in particular would have a significant effect on the measurement, especially on portfolio companies with positive cash flows far into the future.

| Phase / Portfolio companies | % of votes | Valuation method |
|---|------------|--------------------|
| Later stage venture | | |
| PowerCell Sweden AB | 23% | PRI |
| Norstel AB | 100% | PRI/DCF |
| Alelion Batteries AB | 71% | DCF/Multiples peer |
| Elforest AB | 74% | PRI/DCF |
| Max Truck AB | 35% | PRI/DCF |
| Applied Nano Surfaces Sweden AB | 40% | PRI/DCF |
| Pelagicore AB | 73% | DCF/Multiples peer |
| Inxide AB (formerly EELCEE AB) | 98% | PRI/DCF |
| SciBase AB | 19% | PRI |
| Lamera AB | 27% | PRI |
| Estimated fair value SEK 532.6 million | | |
| Growth | | |
| Vicura AB | 44% | PRI |
| Jobro Plåtkomponenter AB | 45% | Multiples peer |
| ArcCore AB | 44% | PRI/DCF |
| CeDe Group AB | 49% | PRI/DCF |
| Smart Eye AB | 17% | PRI/Multiples peer |
| TitanX Holding AB | 38% | PRI/Multiples peer |
| Rototest International AB | 50% | PRI/DCF |
| ÅAC Microtec AB | 60% | PRI |
| Pelly AB | 37% | PRI |
| Osstell AB | 36% | PRI/Multiples peer |
| APR Automation AB | 49% | Multiples |
| SMP Parts AB | 43% | PRI |
| Estimated fair value 573.1 SEK m | | |
| Total estimated fair value SEK 1,105.7 million | | |

Parent company

The parent company's financial instruments are measured according to the cost method. The carrying amounts of shares in portfolio companies, convertible assets in portfolio companies, receivables in portfolio companies and investments in securities differ from their estimated fair value. The table below presents a comparison between carrying amounts and fair value for these items.

| Comparison of carrying amount and fair value Parent company, SEK m | June 30, 2015 | | | June 30, 2014 | | |
|---|---------------|-----------------|----------------|---------------|-----------------|----------------|
| | Level | Carrying amount | Fair value | Level | Carrying amount | Fair value |
| <i>Shares in portfolio companies</i> | | | | | | |
| Later-stage venture | 1 | 99.2 | 105.1 | | | |
| Later-stage venture | 3 | 364.7 | 409.2 | 3 | 456.3 | 546.2 |
| Grow th | 3 | 347.2 | 355.3 | 3 | 378.4 | 544.5 |
| <i>Total shares in portfolio companies</i> | | <i>811.1</i> | <i>869.6</i> | | <i>834.7</i> | <i>1,090.7</i> |
| Convertible assets in portfolio companies | 3 | 146.0 | 168.2 | 3 | 141.9 | 190.1 |
| Claims in portfolio companies | 3 | 67.9 | 67.9 | 3 | 56.0 | 56.0 |
| Investments in securities | 1 | 1,759.2 | 1,764.4 | 1 | 1,863.6 | 1,892.1 |
| Total | | 2,784.2 | 2,870.1 | | 2,896.2 | 3,228.9 |

The valuation technique and input data used to measure fair value for these items is described under the heading "The investment company" above.

A calculation of fair value based on the discounted future cash flows where a discount rate that reflects the counterparty's credit risk is the most significant input data is not expected to make any material difference compared to the carrying amounts for the parent company's other financial assets and financial liabilities. For these financial assets and financial liabilities, the carrying amount is therefore considered to be a good approximation of the fair value. These assets and liabilities are classified in Level 2 in the fair value hierarchy.

Note 2 Pledged assets and contingent liabilities

Fouriertransform AB has deposited SEK 35.0 million in an escrow account as a guarantee for a portfolio company bank loan.

Fouriertransform AB has provided a guarantee of SEK 2.7 million for a portfolio company loan from an external party.

Fouriertransform has issued a parent company guarantee for a portfolio company purchase of products from suppliers amounting to a maximum of SEK 8.5 million.

Fouriertransform has undertaken to invest an additional SEK 1.0 million in existing portfolio companies.

Declaration

The Board of Directors and the Chief Executive Officer hereby provide an assurance that the semi-annual report and the interim report for Q2 2015 provide a fair and true overview of the Group's and the parent company's operations, financial position and results, and describes material risks and uncertainties faced by the Group and the parent company.

Stockholm, July 17, 2015

Sigrun Hjelmquist
Chairman

Jan Bengtsson
Director

Ulf Berg
Director

Hasse Johansson
Director

Richard Reinius
Director

Charlotte Rydin
Director

Per Nordberg
CEO

Auditor's review report

Introduction

We have conducted a review of the interim report for Fouriertransform AB for the period January 1, 2015 to June 30, 2015. The Board of Directors and CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on the interim report based on our review.

Focus and scope of the review

We have conducted our 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 significantly limited in scope compared to the focus and scope of an audit conducted in accordance with the International Standards on Accounting (ISA) and generally accepted auditing standards in Sweden. The procedures performed in a review do not allow us to obtain a level of assurance that would make us aware of all significant matters that might have been identified in an audit. Therefore, the conclusion expressed based on a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the year-end financial report has not been prepared, in all material respects, for the investment company in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Annual Accounts Act.

Stockholm, July 17, 2015

Deloitte AB

Birgitta Lööf
Authorized Public Accountant

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