

INTERIM REPORT JANUARY – SEPTEMBER 2011



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(The figures in brackets refer to the same period of 2010 unless otherwise specified.)

## JANUARY–SEPTEMBER 2011 IN SUMMARY

- The transaction volume for the first nine months of the year was SEK 3,099,166 thousand (3,054,860), an increase of 1.4 per cent compared to the same period of last year.
- Transaction-based revenue for the nine-month period was SEK 22,826 thousand (22,653), up by 0.7 per cent compared to the same period of 2010.
- Profit before amortization/depreciation improved by SEK 675 thousand compared to the same period of last year and amounted to SEK 2,557 thousand (1,882).
- Profit/loss after tax was SEK -2,913 thousand (-3,178), an increase of SEK 265 thousand compared to the same period of 2010.
- Earnings per share were SEK -0.03 (-0.04)

## JULY–SEPTEMBER 2011 IN SUMMARY

- The transaction volume for the third quarter of 2011 was SEK 1,064,305 thousand (997,189), an increase of 6.7 per cent compared to the third quarter of last year.
- Transaction-based revenue for the third quarter was SEK 7,829 thousand (7,385), up by 6.0 per cent compared to the same quarter of 2010.
- Profit before amortization/depreciation for the third quarter was SEK 1,604 thousand (1,155), an increase of SEK 449 thousand compared to the same quarter of last year.
- Profit/loss after tax was SEK -209 thousand (-695), an improvement of SEK 486 compared to the third quarter of 2010.
- Earnings per share were SEK -0.00 (-0.01).

## SIGNIFICANT EVENTS DURING THE PERIOD

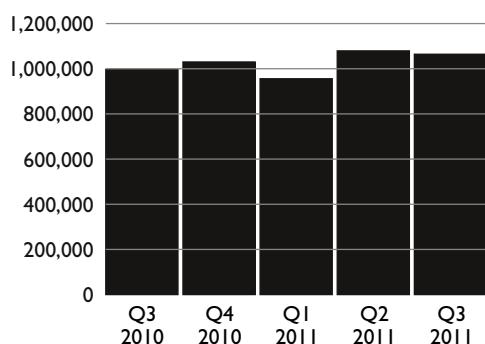
- Paynova has obtained permission from the Swedish Financial Supervisory Authority to provide payment services in accordance with the Payment Services Act.
- In the yearly certification process, Paynova has been given renewed approval for the PCI Data Security Standard.

## SIGNIFICANT EVENTS AFTER THE END OF THE THIRD QUARTER

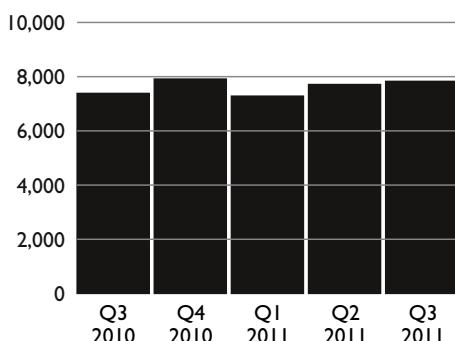
- On 1 November Jan Benjaminsen took over as Acting CFO after Maria Ängarp.

- Paynova's Board of Directors has decided to accept a bid for Paynova's holding in Chinova Asia Development Ltd. The buyer is Great Union Investment Ltd. and the purchase price amounts to a total of SEK 15 million. The transaction will be carried out through a purchase option that must be utilized by 15 December 2011 at the latest.

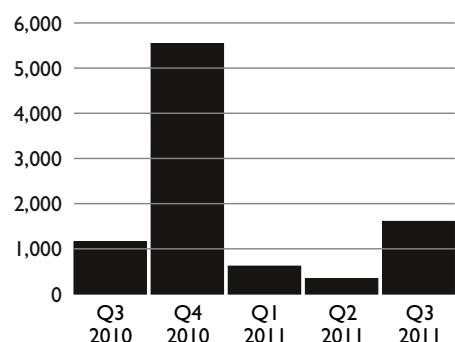
**Transaction volume, SEK th**



**Transaction-based revenue, SEK th**



**Profit before amortization/depreciation, SEK th**



# COMMENTS FROM THE CEO

THE THIRD QUARTER of the year showed an increase in the transaction volume and an improvement in earnings compared to the same period of last year as a result of higher sales and greater efficiency in Paynova's services. Cash flow remains positive, with a rising trend. The increase in sales is attributable partly to new customers and partly to add-on sales to existing customers. Furthermore, we now have a higher share of fixed revenue from our customers, compared to earlier when all of Paynova's revenue came from variable compensation. Our efficiency has improved thanks to greater automation of technical processes and renegotiation of supplier agreements on the financial side, which has given Paynova noticeably lower overall operating expenses compared to the same period of 2010.

The partnerships with Payzone and Retain 24 have both been deepened and there is now a high level of activity in sales projects with prospective customers, mainly in the retail and events industries. Efforts to develop our service packaging are continuing and this winter we will work jointly to create a customized package for the hotel and travel industry, where the conditions for taking payment changed dramatically with the introduction of the new and stricter PCI rules. The rules impose security requirements for transactions such as handling of call center payments – a challenge for which Paynova's payment platform contains a finished solution.

Demand for the complete service solutions we develop in collaboration with our partners is now being confirmed by Nordic merchants in several industries. At the same time, we are also adapting to increased demand among Paynova's existing merchants for more international payment methods, among other things for sales to the consumer markets in Japan, Germany and the Netherlands. By adding new payment methods, Paynova is able to generate add-on sales in the existing customer base.

As a result of positive growth in Chinova's transaction volumes, Paynova is now also receiving transaction revenue from this source. The third quarter saw a rapid increase in Chinova's transaction volumes, primarily from the CUP eMall. As previously described, Paynova has the right to direct development fees based on Chinova's transaction volumes, a fact that is now having a tangible impact on Paynova's profit and loss account.

In October Paynova's Board of Directors accepted a bid for all of Paynova's shares in Chinova. The transaction will be carried out through a purchase option that must be utilized by 15 December 2011 at the latest. The buyer is Great Union Investment Ltd, a consortium with considerable experience of online commerce both within China and cross-border trade to



**Simon Thaning, CEO**

and from China, and last but not least extensive experience of raising capital for projects of other types.

As a first step, Great Union Investment will provide Chinova with SEK 5 million in operating capital to secure the rapid development that Chinova is currently undergoing.

The transaction is positive for Paynova, for which the sale of Chinova shares will provide a substantial capital contribution and a significant strengthening of the balance sheet. Chinova's transaction volumes will also give Paynova an inflow of direct development fees even after the change of ownership.

Bolstered by the above and with a steadily rising number of e-merchant agreements, we are laying a solid foundation for coming periods. We are strongly focused on entering into partnerships with large and ambitious e-merchants and this winter look forward to completing the first installations of our new and strategically important complete solution for handling of payments – e-commerce, physical commerce, call center payments, mobile payments and gift cards.

Parallel to this, and in line with the established strategy, we are also working to attract small and mid-size e-merchants to maintain a high tempo in signing of agreements and contribute to building our monthly revenue mass.

# PAYNOVA SELLS HOLDING IN CHINOVA – RETAINS SOURCE OF REVENUE

## BACKGROUND

Paynova and the Chinese technology and e-commerce company LeiXun started Chinova in the autumn of 2009. In 2011 the shareholder base was expanded and Chinova came to be owned by LeiXun (48.5 per cent), Paynova (46.5 per cent) and Juno Capital (5.0 per cent). Chinova was given responsibility for developing and operating a Chinese e-commerce portal on behalf of China UnionPay (CUP).

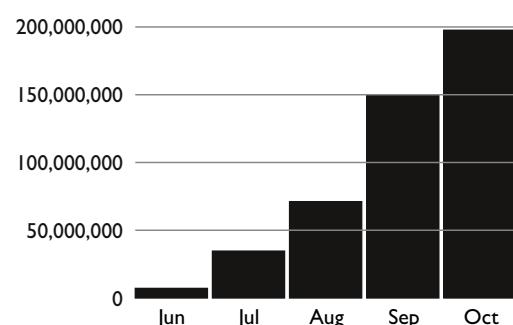
Chinova and the eMall have now been in operation for more than seven months and development of transaction volumes and the number of registered users has surpassed all expectations. This growth in transaction volumes and the number of registered users has been achieved through extensive investments in aggressive marketing, a strategy that Chinova will continue to pursue.

Through an agreement that was signed in connection with Chinova's formation, Paynova has the right to development fees equal to 0.1 per cent of Chinova's total transaction volume. The agreement extends over a very long period of time.

To ensure continued positive and powerful development for Chinova and at the same time secure Paynova's future development fees, Paynova's Board of Directors has decided to accept a bid for all of Paynova's shares in Chinova. The buyer is Great Union Investment Ltd, a consortium of investors that has in-depth knowledge of Chinova's operations and consists of Lars Guldstrand, Christer Elmhagen and Claes Höglund, among others. Great Union Investment has far-reaching experience of e-commerce and cross-border trade in China. The purchase price amounts to a total of SEK 15 million. The transaction will ensure Paynova's sustained access to a continuous revenue source in the form of development fees. Through the sale, Chinova will gain an owner with the conditions to achieve success in the fast-growing Chinese e-commerce market.

The eMall has been open since April 2011 and the transaction volumes are rising steadily after a few cautious start-up months. At 31 October 2011 the cumulative transaction volume was SEK 460 million, which has created excellent conditions for strong future growth.

## Transaction volume, SEK



In order for Paynova to maintain an expanding long-term revenue source through its development fees from e-commerce in the Chinese market, Chinova must be given the right tools and conditions for growth. With the new owners and their experience, these conditions will be assured.

The transaction with Great Union Investment Ltd will strengthen Paynova's capital base. Through the sale, Paynova will report a capital gain of approximately SEK 8 million and at the same time increase its liquidity by SEK 15 million. Aside from the acquisition of Paynova's shareholding, another aspect of the transaction is that Great Union Investment will initially provide Chinova with SEK 5 million in operating capital that will be invested in a continued ambitious drive for expansion of Chinova's e-commerce solutions in China and the international market.

# FINANCIAL INFORMATION

## TRANSACTION VOLUME AND REVENUE

The transaction volume was SEK 3,099,166 thousand (3,054,860) for the first nine months of the year and SEK 1,064,305 thousand (997 189) for the third quarter. Transaction-based revenue amounted to SEK 22,826 thousand (22,653) for the nine-month period and SEK 7,829 thousand (7,385) for the third quarter. Net revenue after direct transaction costs was SEK 16,742 thousand (15,754) for the nine-month period and SEK 5,772 thousand (5,158) for the third quarter.

## OPERATING EXPENSES AND NET FINANCIAL ITEMS

Operating expenses excluding direct transaction costs and amortization/depreciation amounted to SEK 15,732 thousand (19,107) for the nine-month period and SEK 4,826 thousand (5,678) for the third quarter. Amortization/depreciation totalled SEK 5,121 thousand (4,976) for the first nine months and SEK 1,713 thousand (1,670) for the third quarter. Profit/loss from financial investments was SEK -349 thousand (-84) for the nine-month period and SEK -100 thousand (-180) for the third quarter.

## CASH FLOW AND FINANCIAL POSITION

At 30 September 2011 the Group had cash and cash equivalents of SEK 45 thousand (2,064) and a bank overdraft facility of 3,000 thousand (3,000), of which SEK 2,987 thousand (0) has been utilized, as well as SEK 250 thousand (250) in blocked accounts. Interest-bearing liabilities are reported at SEK 7,237 thousand (6,500) and consolidated equity at SEK 11,223 thousand (1,864), equal to an equity/assets ratio of 47 per cent (6).

Cash flow from operating activities before changes in working capital was SEK 2,220 thousand (1,785) for the nine-month period and SEK 1,502 thousand (975) for the third quarter.

The self-produced production system is reported as an intangible asset with a value of SEK 12,902 thousand (17,952). Costs for development projects were capitalized in an amount of SEK 999 thousand (1,025) during the nine-month period and the corresponding amount for the third quarter was SEK 340 thousand (545). Capitalized development costs are amortized on

a straight-line basis over a period of five years. Investments in other non-current assets amounted to SEK 0 thousand (-27) for the quarter.

## TAX

No capitalization of the deferred tax asset on tax loss carryforwards is reported. The preliminary unutilized tax loss carryforwards in the Parent Company in connection with the 2011 tax assessment amount to SEK 257,247 thousand (259,517).

## EQUITY

The total share capital at 30 September 2011 amounted to SEK 8,705 thousand, divided between 87,049,545 shares with a quota value of SEK 0.10 each. Consolidated equity at 30 September 2011 was SEK 11,223 thousand (1,864).

## PERFORMANCE ANALYSIS

The rise in transaction volumes is explained by the addition of new customers and services compared to the same period of 2010, as well as increased sales to existing customers. The gross transaction margin was 0.7 per cent (0.7) for the nine-month period and 0.7 per cent (0.7) for the third quarter.

The net transaction margin was 0.5 per cent (0.5) for the first nine months and 0.5 per cent (0.5) for the third quarter.

Other revenue includes account maintenance fees of SEK 614 thousand (4,409) for the nine-month period and SEK 205 thousand (1,470) for the third quarter.

The company's cost mass has stabilized and has now reached a sustainable long-term level.

## EMPLOYEES

At 30 September 2011 Paynova had 14 employees (13), of whom 5 were women (4). Sickness absence has been low during the year. The average number of employees during the period was 14 (13).

## RELATED PARTY TRANSACTIONS

No related party transactions took place during the third quarter.

## OUTSTANDING OPTION RIGHTS

Issues	No. of new shares	Subscription price SEK	Subscription period
Option rights 2012 *	1,530,000	1.30	1 May 2012 – 31 May 2012

\*) Within the framework of an employee incentive scheme, the Annual General Meeting on 14 May 2009 approved the issuance of 1,650,000 share options, of which 1,530,000 options have been granted. No additional grants will take place.

# RISK FACTORS

Through its business activities, Paynova is exposed to risks. The most significant risks in business activities include:

## RISK FOR FRAUD

Paynova cooperates with leading players in the market to stay at the cutting edge of fraud prevention measures. Although the company works actively to prevent fraud, there is no guarantee that Paynova will not be a victim of fraud, beyond that which is normally experienced in this type of business, or that Paynova's credibility will not be damaged in another way.

## REGULATORY RISKS

Paynova has been PCI-certified (according to the Payment Card Industry Data Security Standard) since 2006 and constantly strives to improve and update its security as the PCI rules are tightened. Although Paynova works actively to prevent payments from being processed in contravention of the applicable rules and regulations of the card issuer networks, there is no guarantee that Paynova will not suffer damage in the future.

## LIQUIDITY RISK

Liquidity risk is the risk that Paynova will be unable to meet its payment obligations when due. Paynova focuses on minimizing this risk by conducting its operations among other things with the help of high cost control and good advance planning.

## FINANCING RISK

Financing risk is defined as the risk that financing of operations will be difficult and/or expensive to obtain. In view of the company's development and the new share issue for SEK 10 million carried out by the company in March 2011, the Board's assessment is that no financing risk exists for the coming 12-month period. In the event of deviations from the planned development, the situation could change.

In addition to these risks, there are risks associated with currency exposure, dependency on key persons, market confidence, suppliers of financial services, products, systems and intellectual property rights.

A more detailed description of Paynova's risk exposure is provided in the company's annual report for 2010.

# Consolidated statement of comprehensive income

SEK TH	Q 3 2011	Q 3 2010	Q 1-3 2011	Q 1-3 2010	Q 4 2010 -Q 3 2011	2010
<b>Operating income</b>						
Transaction-based revenue	7,829	7,385	22,826	22,653	30,740	30,567
Other revenue	658	1,675	1,546	5,225	3,188	6,867
<b>Total operating income</b>	<b>8,487</b>	<b>9,060</b>	<b>24,372</b>	<b>27,878</b>	<b>33,928</b>	<b>37,434</b>
<b>Operating expenses</b>						
Direct transaction costs	-2,057	-2,227	-6,083	-6,889	-8,285	-9,091
Production costs	-584	-680	-1,631	-1,473	-2,208	-2,050
Other external expenses	-2,021	-2,939	-6,448	-9,379	-5,008	-7,939
Personnel costs	-2,221	-2,059	-7,653	-8,255	-10,329	-10,931
Amortization/depreciation and impairment	-1,713	-1,670	-5,121	-4,976	-6,768	-6,623
<b>Total operating expenses</b>	<b>-8,596</b>	<b>-9,575</b>	<b>-26,936</b>	<b>-30,972</b>	<b>-32,598</b>	<b>-36,634</b>
<b>OPERATING PROFIT/LOSS</b>	<b>-109</b>	<b>-515</b>	<b>-2,564</b>	<b>-3,094</b>	<b>1,330</b>	<b>800</b>
<b>Total profit/loss from financial investments</b>	<b>-100</b>	<b>-180</b>	<b>-349</b>	<b>-84</b>	<b>-759</b>	<b>-494</b>
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>-209</b>	<b>-695</b>	<b>-2,913</b>	<b>-3,178</b>	<b>571</b>	<b>306</b>
Income tax expense	-	-	-	-	-	-
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-209</b>	<b>-695</b>	<b>-2,913</b>	<b>-3,178</b>	<b>571</b>	<b>306</b>
<b>Expenses recognized directly in equity</b>						
Profit/loss from participations in associates	-465	-493	-1,176	-1,143	-946	-913
Foreign exchange difference	-2	14	12	3	13	4
<b>COMPREHENSIVE INCOME FOR THE PERIOD *</b>	<b>-676</b>	<b>-1,174</b>	<b>-4,077</b>	<b>-4,318</b>	<b>-362</b>	<b>-603</b>
Comprehensive income per share, SEK	0.00	-0.01	-0.03	-0.04	0.01	0.00
Diluted comprehensive income per share, SEK	0.00	-0.01	-0.03	-0.04	0.01	0.00

\* The full amount of comprehensive income is attributable to owners of the Parent Company.

# Consolidated statement of financial position

SEK TH	30 SEP 2011	30 SEP 2010	31 DEC 2010
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalized development costs	12,902	17,952	16,801
Tangible assets	169	330	279
Financial assets	3,533	4,479	4,709
<b>Current assets</b>			
Promissory notes receivable	-	746	746
Other current assets	7,229	3,778	3,225
Cash and cash equivalents	45	2,064	24
Cash and cash equivalents, customer funds	13,291	14,059	12,385
<b>TOTAL ASSETS</b>	<b>37,169</b>	<b>43,408</b>	<b>38,169</b>
<b>Equity attributable to owners of the Parent Company</b>	<b>11,223</b>	<b>1,864</b>	<b>5,579</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term borrowing, interest-bearing	7,237	6,500	5,874
Customer funds owed	13,291	14,059	12,385
Other current liabilities, non interest-bearing	5,418	20,985	14,331
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37,169</b>	<b>43,408</b>	<b>38,169</b>
<b>Pledged assets</b>	<b>7,500</b>	<b>9,700</b>	<b>9,700</b>
<b>Contingent liabilities</b>	<b>None</b>	<b>None</b>	<b>None</b>

# Consolidated statement of changes in equity

SEK TH	Q I-3 2011	Q I-3 2010	2010
<b>Opening balance at beginning of period</b>	<b>5,579</b>	<b>6,182</b>	<b>6,182</b>
New share issue	10,000	-	-
Issue expenses	-279	-	-
Comprehensive income for the period	-4,077	-4,318	-603
<b>CLOSING BALANCE AT END OF PERIOD</b>	<b>11,223</b>	<b>1,864</b>	<b>5,579</b>

# Consolidated cash flow statement

SEK TH	Q I-3 2011	Q I-3 2010	2010
<b>Cash flow from operating activities before change in working capital</b>	<b>2,220</b>	<b>1,785</b>	<b>6,898</b>
Change in working capital	-11,659	331	-6,366
<b>Cash flow from operating activities</b>	<b>-9,439</b>	<b>2,116</b>	<b>532</b>
Capital expenditure on non-current assets	-1,007	-1,007	-1,470
Proceeds from new share issue	10,000	-	-
Issued expenses paid	-279	-	-
Change in promissory notes receivable	746	-	-
<b>Cash flow for the period</b>	<b>21</b>	<b>1,109</b>	<b>-938</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>24</b>	<b>958</b>	<b>958</b>
<b>Foreign exchange difference in cash and cash equivalents</b>	<b>-</b>	<b>-3</b>	<b>4</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD*</b>	<b>45</b>	<b>2,064</b>	<b>24</b>

\*) The granted bank overdraft facility amounts to SEK 3,000 thousand, of which SEK 2,987 thousand has been utilized.

# Quarterly overview

	Q 3 2011	Q 2 2011	Q 1 2011	Q 4 2010	Q 3 2010	Q 2 2010
Gross transaction volume, SEK th	1,064,305	1,079,154	955,706	1,030,109	997,189	1,096,742
Transaction-based revenue, SEK th	7,829	7,713	7,284	7,914	7,385	8,086
Transaction costs, SEK th	-2,057	-1,974	-2,052	-2,202	-2,227	-2,391
Net transaction revenue, SEK th	5,772	5,739	5,232	5,712	5,158	5,695
Profit/loss after financial items, SEK th	-209	-1,455	-1,249	3,484	-695	-563
Basic earnings per share, SEK	0.00	-0.02	-0.02	0.04	-0.01	-0.01
Diluted earnings per share, SEK	0.00	-0.02	-0.01	0.04	-0.01	-0.01
Equity, SEK	11,223	11,899	13,578	5,579	1,864	3,038
Equity per share, SEK	0.13	0.14	0.16	0.07	0.02	0.04
Diluted equity per share, SEK	0.13	0.14	0.15	0.07	0.02	0.04
Operating margin, %	neg.	neg.	neg.	49.2	neg.	neg.
Return on operating capital, %	neg.	neg.	neg.	14.7	neg.	neg.
Return on capital employed, %	neg.	neg.	neg.	104.6	neg.	neg.
Return on equity, %	neg.	neg.	neg.	99.8	neg.	neg.
Equity/assets ratio, % *	47	53	55	22	6	9
Debt/equity ratio, %	64	43	32	105	349	203

\*) Calculation of the equity/assets ratio does not include customer funds.

# Parent Company profit and loss account

SEK TH	Q 3 2011	Q 3 2010	Q I-3 2011	Q I-3 2010	Q 4 2010 -Q 3 2011	2010
<b>Operating income</b>						
Transaction-based revenue	7,829	7,385	22,826	22,653	30,740	30,567
Other revenue	658	1,675	1,546	5,225	3,188	6,867
<b>Total operating income</b>	<b>8,487</b>	<b>9,060</b>	<b>24,372</b>	<b>27,878</b>	<b>33,928</b>	<b>37,434</b>
<b>Operating expenses</b>						
Direct transaction costs	-2,057	-2,227	-6,083	-6,889	-8,285	-9,091
Production costs	-584	-680	-1,631	-1,473	-2,208	-2,050
Other external expenses	-2,046	-2,939	-6,473	-9,374	-5,005	-7,906
Personnel costs	-2,221	-2,059	-7,653	-8,255	-10,329	-10,931
Amortization/depreciation and impairment	-1,794	-1,670	-5,202	-4,976	-6,849	-6,623
<b>Total operating expenses</b>	<b>-8,702</b>	<b>-9,575</b>	<b>-27,042</b>	<b>-30,967</b>	<b>-32,676</b>	<b>-36,601</b>
<b>OPERATING PROFIT/LOSS</b>	<b>-215</b>	<b>-515</b>	<b>-2,670</b>	<b>-3,089</b>	<b>1,252</b>	<b>833</b>
<b>Profit/loss from financial investments</b>						
Financial income	11	-	11	16	11	16
Financial expenses	-111	-180	-360	-100	-770	-510
<b>Total profit/loss from financial investments</b>	<b>-100</b>	<b>-180</b>	<b>-349</b>	<b>-84</b>	<b>-759</b>	<b>-494</b>
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>-315</b>	<b>-695</b>	<b>-3,019</b>	<b>-3,173</b>	<b>493</b>	<b>339</b>
Income tax expense	-	-	-	-4	-	-4
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-315</b>	<b>-695</b>	<b>-3,019</b>	<b>-3,177</b>	<b>493</b>	<b>335</b>
<b>Expenses recognized directly in equity</b>						
Group contributions received	-	-	-	-12	-	-12
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-315</b>	<b>-695</b>	<b>-3,019</b>	<b>-3,189</b>	<b>493</b>	<b>323</b>

# Parent Company balance sheet

SEK TH	30 SEP 2011	30 SEP 2010	31 DEC 2010
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	12,902	17,951	16,801
Tangible assets	169	330	279
Financial assets	7,383	7,383	7,383
<b>Total non-current assets</b>	<b>20,454</b>	<b>25,664</b>	<b>24,463</b>
<b>Current assets</b>			
Current receivables	7,229	4,592	4,064
Cash and cash equivalents	45	2,064	24
Cash and cash equivalents, customer funds	13,291	14,058	12,385
<b>Total current assets</b>	<b>20,565</b>	<b>20,714</b>	<b>16,473</b>
<b>TOTAL ASSETS</b>	<b>41,019</b>	<b>46,378</b>	<b>40,936</b>
Equity	14,326	4,113	7,625
Current liabilities	26,693	42,265	33,311
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>41,019</b>	<b>46,378</b>	<b>40,936</b>
Pledged assets	7,500	9,700	9,700
Contingent liabilities	None	None	None

#### ACCOUNTING POLICIES

This interim report is presented in accordance with IAS 34 (Interim Financial Reporting) and the Swedish Annual Accounts Act. The interim report of the Parent Company complies with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.2 (Accounting for Legal Entities). The interim report should be read together with the annual report for 2010.

THE BOARD OF Directors and the CEO hereby give their assurance that this interim report provides a true and fair picture of the business activities, financial position and results of operations of the Parent Company and the Group, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm 10 November 2011

**Björn Wahlgren**  
(Chairman)

**Meg Tivéus**

**Yngve Andersson**

**Jan Lundblad**

**Hans Wirfelt**

**Simon Thaning**  
CEO

## Review report

WE HAVE REVIEWED the interim financial information (interim report) for Paynova AB at 30 September 2011 and for the nine-month period then ended. The Board of Directors and CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

We 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 substantially less in scope than an audit conducted in accordance with ISA (International Standards on Auditing) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us 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 based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material aspects, prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Stockholm, 10 November 2011  
PricewaterhouseCoopers AB

Helena Ehrenborg  
*Authorized Public Accountant*

# Five-year overview

	2010	2009	2008	2007	2006
Number of shares at end of period, thousands	82,050	82,050	43,184	39,830	32,852
Diluted number of shares at end of period, thousands	82,050	82,050	43,184	42,981	33,094
Average number of shares, thousands	82,050	72,772	41,271	35,429	26,975
Average diluted number of shares, thousands	82,050	72,772	42,773	39,985	27,233
Gross transaction volume, SEK th	4,084,969	3,089,871	646,496	489,893	357,440
Transaction-based revenue, SEK th	30,567	31,308	17,188	15,377	15,283
Transaction costs, SEK th	-9,091	-10,854	-10,479	-9,468	-8,168
Net transactions, SEK th	21,476	20,454	6,709	5,909	7,115
Profit/loss after financial items, SEK th	306	-20,574	-42,578	-47,582	-80,861
Equity per share, SEK	0.07	0.08	0.12	0.72	0.23
Diluted equity per share, SEK th	0.07	0.08	0.12	0.67	0.23
Equity, SEK th	5,579	6,182	5,065	28,848	7,623
Interest-bearing net cash, SEK th	6,511	15,506	10,273	30,613	155
Equity/assets ratio, % *	22	18	15	59	17
Debt/equity ratio, %	105	105	168	-	197
Average number of employees	14	19	23	22	33
Capital expenditure, intangible assets, SEK th	1,470	1,536	4,879	4,844	21,078
Capital expenditure, tangible assets, SEK th	-	139	218	191	1,172
Capital expenditure, financial assets, SEK th	-	6,332	-	-	-

\*) Calculation of the equity/assets ratio does not include customer funds.

## FINANCIAL CALENDAR

Year-end report 2011: 16 February 2012

## ABOUT PAYNOVA

Paynova is a leading provider of Internet-based payment services. The company caters primarily to major e-merchants and offers a basic service and a number of optional services, including advanced fraud protection. Paynova also offers a comprehensive service, including payment, that enables Western online merchants to sell their products on the Chinese market. The company has been listed on NGM Equity since February 2004.

## FOR ADDITIONAL INFORMATION CONTACT

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**paynova®**

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