

YEAR-END REPORT 2011



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

## FOURTH QUARTER 2011

- The transaction volume for the fourth quarter was SEK 1,085,922 thousand (1,030,109), an increase of 5 per cent compared to the same period of last year.
- Transaction-based revenue for the fourth quarter was SEK 7,806 thousand (7,914), down by 1 per cent compared to the fourth quarter of 2010.
- Profit before amortization/depreciation was SEK 1,719 thousand (5,541). Profit for Q4 2010 included a positive earnings effect of SEK 5,469 related to VAT.
- Profit after tax was SEK 6,303 thousand (3,484) and includes a positive earnings effect of SEK 6,353 thousand arising on the sale of shares in the associated company Chinova.
- Earnings per share were SEK 0.07 (0.04).

## 2011 IN SUMMARY

- The transaction volume for the full year 2011 was SEK 4,205,310 thousand (4,084,969), an increase of 3 per cent compared to the previous year.
- Transaction-based revenue for 2011 was SEK 30,632 thousand (30,567), equal to an improvement of 0.2 per cent compared to 2010.
- Profit before amortization/depreciation was SEK 4,276 thousand (7,423). Profit for 2010 included a positive earnings effect of SEK 5,469 thousand attributable to VAT.
- Profit after tax was SEK 3,389 thousand (306) and includes a positive earnings effect of SEK 6,353 thousand arising on the sale of shares in the associated company Chinova.
- Earnings per share were SEK 0.04 (0.00).

## SIGNIFICANT EVENTS IN 2011

### First quarter

- Paynova's Board of Directors decided on a directed share issue for SEK 10 million in accordance with an authorization granted by the 2010 AGM.
- The proceeds of the new share issue, together with external borrowings of SEK 4.3 million, were used to pay the VAT liability to the Swedish Tax Agency and redeem the loan to Centum Select Fund.

### Second quarter

- Paynova and its partner Lison Technology Ltd each transferred 2.5 per cent of the shares in the associated company Chinova Asia Development to the new partner Juno Capital Asia Ltd.
- CUP eMall, developed by Paynova's associated company Chinova, progressed from the test stage to operating mode with merchants, consumers and transactions.

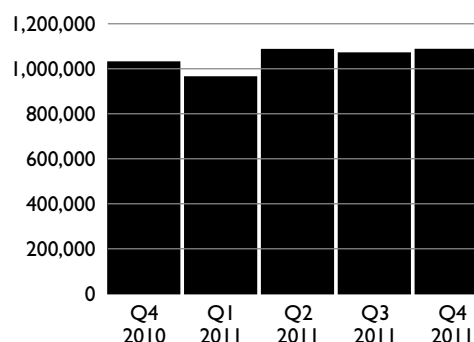
### Third quarter

- 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.

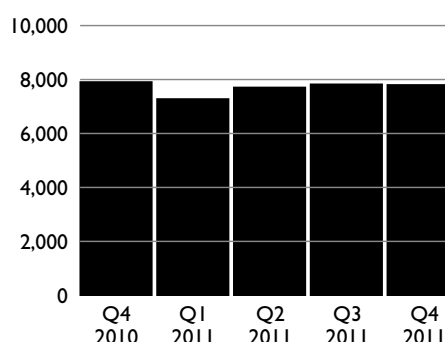
### Fourth quarter

- Paynova's Board of Directors decided to accept a bid from Great Union Investment Ltd (GUI) for part of Paynova's holding in the associated company Chinova Asia Development Ltd. Aside from a binding purchase agreement, the transaction also includes a company purchase option. As a first step, Paynova will sell 50 per cent of the existing holding of 4,650 shares for a price of SEK 7.5 million. The option gives GUI the right to acquire an additional 1,162 shares for SEK 3.75 million by 15 October 2012 at the latest.
- An agreement was signed with Sofort Bank through which Paynova can offer its customers access to direct bank transfers in the majority of Eurozone countries as well as Poland, Switzerland and England.

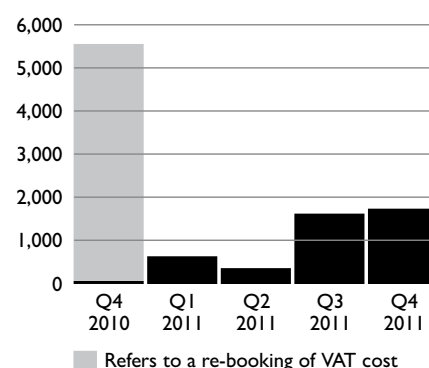
Transaction volume, SEK th



Transaction-based revenue, SEK th



Profit before amortization/depreciation, SEK th



## COMMENTS FROM THE CEO

IN THE FOURTH quarter of 2011, the transaction volume increased by 5 per cent compared to the same quarter of last year. Our positive earnings for the quarter are a result of higher sales, a controlled cost level and the sale of parts of Paynova's shareholding in the Chinese associated company Chinova. Cash flow from Paynova's operating activities remains positive and strengthened compared to the previous year.

Paynova's sales activities during the quarter were targeted mainly towards online retailers and travel companies. Thanks to recent years' improvements in Paynova's financial position, we can now also take part in major procurements to a greater extent than before. This is due to a stronger balance sheet, a control point that is often one of the mandatory requirements in requests for tender. In the next few years, large-scale procurements in both the private and public sectors will be critical for Paynova since our offering meets the needs of sizeable players to a large degree.

The sale of parts of Paynova's shareholding in Chinova has now been completed. As previously communicated, our assessment is that the buyer has better scope to realize the necessary financing and marketing investments, and thereby secure Paynova's contractual license revenue from Chinova. Revenue from Chinova continued to grow during the fourth quarter and amounted to SEK 1,048 thousand for the full year.

Paynova has shown a sustained upward trend in both fixed customer revenue, i.e. non transaction-based revenue, and the number of customers. On the whole, we are seeing clear growth throughout our operations. In 2012 we will also intensify monitoring of both customer satisfaction and internal efficiency.

After the end of the quarter we have integrated a widely used European payment method. The method is called Sofort, and provides access to direct bank transfers in several European markets. By adding this payment method to our platform, Paynova will provide even higher satisfaction for e-merchants wanting to reach consumers across Europe.



Simon Thaning, VD

Together with Chinova, Paynova has also participated in the international partner Intertek's European road show. The goal was to attract and promote several key brand suppliers' e-commerce ventures outside their home countries and the initiative resulted in a number of interesting ongoing business opportunities, among other things in the UK and Italy. Paynova's role in these cross-border projects is to continue serving as a supplier of payment technology to Chinova and to assist the merchants in question with local payment methods in the Nordic region.

One key focus area in 2012 will be to ensure maximum system availability for all e-merchants, something that has become a growing competitive advantage in the increasingly business-critical e-commerce market. We are also further deepening our collaboration with partners that widen Paynova's offering, including Payzone (physical payments) and Retain 24 (gift cards).

Simon Thaning  
Stockholm, 16 February 2012



# 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 10 months and growth in transaction volumes and the number of registered users has surpassed all expectations. These transaction volumes and the number of registered users have been achieved through extensive marketing investments.

## THE AGREEMENT

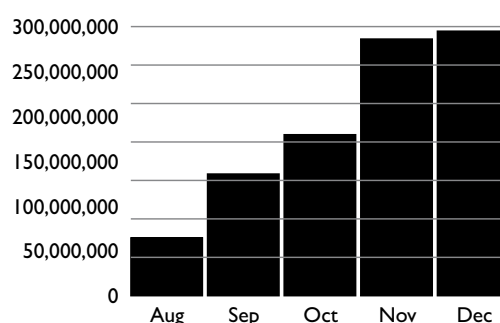
Through an agreement that was signed in connection with Chinova's formation, Paynova has the right to development fees (licence fees) equal to 0.1 per cent of Chinova's total transaction volume. The agreement extends over a very long period of time.

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 decided in November 2011 to accept a bid for 2,325 shares (50 per cent of Paynova's shareholding) 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 Elmehagen and Claes Höglund, among others. Furthermore, GUI has an option to purchase an additional 1,162 shares in Chinova. The option must be exercised by 15 October 2012 at the latest. The purchase price amounts to SEK 7.5 million for 2,325 shares, with additional purchase consideration of SEK 3.75 million if the option is utilized.

The final agreement is based on the previously announced agreement with GUI, in which GUI was given an option to acquire all of Paynova's shares in Chinova. Under the new agreement, Paynova has chosen to retain at least 1,163 shares in Chinova.

Through the agreement, Paynova will ensure sus-

Transaction volume, SEK



tained access to a continuous revenue source in the form of development fees at the same time that Chinova will gain an owner with better conditions to achieve success in the fast-growing Chinese e-commerce market.

## CHINOVA

The e-commerce portal – China UnionPay EMall – has been open since April 2011 and the transaction volumes are rising steadily after a few cautious start-up months. At 31 December the cumulative transaction volume was close to RMB 1 billion. 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.

The initial period has confirmed the effectiveness of the platform and the business-critical processes.

The business models are currently under review and the partnership with ChinaPay is being extended in order to further develop these operations.

The transaction with GUI will strengthen Paynova's capital base. Through the sale, the Parent Company Paynova will report a capital gain of approximately SEK 4.5 million.

The associated company Chinova remains in continued need of capital, not least in view of the cost-intensive nature of planned marketing investments. So far, GUI has provided Chinova with a total of around SEK 11 million that will be invested in ongoing development of Chinova's e-commerce solutions.

# FINANCIAL INFORMATION

## TRANSACTION VOLUME AND REVENUE

The transaction volume was SEK 4,205,310 thousand (4,084,969) for the full year 2011 and SEK 1,085,922 thousand (1,030,109) for the fourth quarter. Transaction-based revenue amounted to SEK 30,632 thousand (30,567) for the full year and SEK 7,806 thousand (7,914) for the fourth quarter. Net revenue after direct transaction costs was SEK 22,608 thousand (21,476) for the full year and SEK 5,865 thousand (5,712) for the fourth quarter.

The level of the previous year's transaction volume was significantly affected by individual events during the year. The year's volume has been achieved without these individual events and instead through steady growth.

Net revenue after direct transaction costs increased during 2011 compared to the previous year as a result of lower costs from acquirers.

## OPERATING EXPENSES

Operating expenses excluding direct transaction costs and amortization/depreciation amounted to SEK 21,181 thousand (20,920) for the full year and SEK 5,449 thousand (1,813) for the fourth quarter. The different between the full years is mainly attributable to the dissolution of VAT provisions in the fourth quarter of 2010, which had a positive impact on earnings of SEK 5,469 thousand.

Amortization/depreciation totalled SEK 6,787 thousand (6,623) for the full year and SEK 1,666 thousand (1,647) for the fourth quarter.

## NET FINANCIAL ITEMS

Profit/loss from financial investments was SEK -452 thousand (-494) for the full year and SEK -103 thousand (-410) for the fourth quarter.

In the fourth quarter, half of the shares in the asso-

ciated company Chinova were sold to Great Union Investment Ltd with a resulting capital gain of SEK 6,353 thousand.

## CASH FLOW AND FINANCIAL POSITION

At 31 December 2011 the Group had cash and cash equivalents of SEK 240 thousand (24) and a bank overdraft facility of 3,000 thousand (3,000), of which SEK 308 thousand (374) has been utilized, as well as SEK 0 thousand (250) in blocked accounts. Interest-bearing liabilities are reported at SEK 4,408 thousand (5,874) and consolidated equity at SEK 16,490 thousand (5,579), equal to an equity/assets ratio of 66 per cent (22).

The improvement in equity is mainly due to the new share issue for SEK 10,000 thousand in the first quarter of 2011 and the sale of shares in the associated company Chinova. The first proceeds were received at the beginning of January 2012.

Cash flow from operating activities before changes in working capital was SEK 10,295 thousand (6,898) for the full year and SEK 8,075 thousand (5,113) for the fourth quarter.

In 2011 Paynova invested in non-current assets for a total amount of SEK 1,353 thousand (1,497). The self-produced production system is reported as an intangible asset with a value of SEK 11,716 thousand (16,801). Costs for development projects were capitalized in an amount of SEK 1,345 thousand (1,470) for the full year and SEK 345 thousand (445) for the fourth quarter. 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 8 thousand (27) for 2011.

In the first quarter of 2011 the Board of Paynova carried out a directed share issue. The issue was carried out in accordance with an authorization gran-

## 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.

ted by the 2010 AGM to cover the company's capital needs in 2011 above and beyond the cash flow generated by operating activities.

Under the authorization, new shares were issued in order to strengthen the company's financial position and to enable the implementation of financial restructuring measures such as repayment of loans. These capital needs and financing referred to both payment of the finally approved VAT liability and the funds needed to secure the company's investments in new markets and product development in collaboration with Payzone and other partners.

#### TAX

No capitalization of the deferred tax asset on tax loss carryforwards is reported. The 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 31 December 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 31 December 2011 was SEK 16,490 thousand (5,579).

#### PERFORMANCE ANALYSIS

The number of customers has decreased somewhat compared to 2010 in connection with the restructuring of Paynova's business model that was completed during 2011. This has had a negative impact on the transaction volume and transaction-based revenue. However, the restructuring process has had a positive effect on earnings through a decrease in costs resulting from the elimination of smaller and unprofitable customers.

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

The gross transaction margin was 0.73 per cent (0.75) for the full year and 0.72 per cent (0.77) for the fourth quarter. The net transaction margin was 0.54 per cent (0.53) for the full year and 0.54 per cent (0.55) for the fourth quarter.

Other revenue includes account maintenance fees of SEK 819 thousand (5,880) for the full year 2011 and SEK 204 thousand (1,470) for the fourth quarter. The account maintenance fees should be seen as a temporary revenue source that will decrease over time.

#### EMPLOYEES

At 31 December 2011 Paynova had 13 employees (14), of whom 4 were women (4). Sickness absence has been low during the year. The average number of employees during the year was 14 (14).

#### RELATED PARTY TRANSACTIONS

No related party transactions took place during the fourth quarter.

# 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 very actively to detect and 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

KSEK	Q4 2011	Q4 2010	2011	2010	2009
<b>Operating income</b>					
Transaction-based revenue	7,806	7,914	30,632	30,567	31,308
Other revenue	1,302	1,642	2,848	6,867	1,026
<b>Total operating income</b>	<b>9,108</b>	<b>9,556</b>	<b>33,480</b>	<b>37,434</b>	<b>32,334</b>
<b>Operating expenses</b>					
Direct transaction costs	-1,941	-2,202	-8,024	-9,091	-10,854
Production costs	-534	-577	-2,165	-2,050	-2,509
Other external expenses	-2,338	1,440	-8,786	-7,939	-16,910
Personnel costs	-2,576	-2,676	-10,229	-10,931	-15,044
Amortization/depreciation and impairment	-1,666	-1,647	-6,787	-6,623	-6,161
<b>Total operating expenses</b>	<b>-9,055</b>	<b>-5,662</b>	<b>-35,991</b>	<b>-36,634</b>	<b>-51,478</b>
<b>OPERATING PROFIT/LOSS</b>	<b>53</b>	<b>3,894</b>	<b>-2,511</b>	<b>800</b>	<b>-19,144</b>
Gain on the sale of shares in associated company	6,353	-	6,353	-	-
Other financial expenses	-103	-410	-453	-494	-1,430
<b>Total profit/loss from financial investments</b>	<b>6,250</b>	<b>-410</b>	<b>5,900</b>	<b>-494</b>	<b>-1,430</b>
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>6,303</b>	<b>3,484</b>	<b>3,389</b>	<b>306</b>	<b>-20,574</b>
Income tax expense	-	-	-	-	-
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>6,303</b>	<b>3,484</b>	<b>3,389</b>	<b>306</b>	<b>-20,574</b>
<b>Items recognized directly in equity</b>					
Profit/loss from participations in associates	-1,142	230	-2,318	-913	-467
Foreign exchange difference	104	1	118	4	22
<b>COMPREHENSIVE INCOME FOR THE PERIOD *</b>	<b>5,265</b>	<b>3,715</b>	<b>1,189</b>	<b>-603</b>	<b>-21,019</b>
Earnings per share, SEK	0.07	0.04	0.04	0.00	-0.25
Diluted earnings per share, SEK	0.07	0.04	0.04	0.00	-0.25

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

## Consolidated statement of financial position

SEK TH	31 DEC 2011	31 DEC 2010	31 DEC 2009
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalized development costs	11,716	16,801	21,714
Tangible assets	122	279	518
Financial assets	1,016	4,709	5,622
<b>Current assets</b>			
Promissory notes receivable	-	746	746
Other current assets	12,077	3,225	5,259
Cash and cash equivalents	240	24	958
Cash and cash equivalents, customer funds	12,526	12,385	21,048
<b>TOTAL ASSETS</b>	<b>37,697</b>	<b>38,169</b>	<b>55,865</b>
<b>Equity attributable to owners of the Parent Company</b>	<b>16,490</b>	<b>5,579</b>	<b>6,182</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term borrowing, interest-bearing	4,408	5,874	6,500
Customer funds owed	12,526	12,385	21,048
Other current liabilities, non interest-bearing	4,273	14,331	22,135
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37,697</b>	<b>38,169</b>	<b>55,865</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	2011	2010	2009
<b>Opening balance at beginning of period</b>	<b>5,579</b>	<b>6,182</b>	<b>5,065</b>
New share issue	10,000	-	25,263
Issue expenses	-279	-	-3,601
Premium for option programme	-	-	474
Comprehensive income for the period	1,189	-603	-21,019
<b>CLOSING BALANCE AT END OF PERIOD</b>	<b>16,490</b>	<b>5,579</b>	<b>6,182</b>

# Consolidated cash flow statement

SEK TH	2011	2010	2009
<b>Cash flow from operating activities before change in working capital</b>	<b>10,295</b>	<b>6,898</b>	<b>-13,788</b>
Change in working capital	-20,591	-6,366	-1,057
<b>Cash flow from operating activities</b>	<b>-10,296</b>	<b>532</b>	<b>-14,845</b>
Cash flow from investing activities	45	-1,470	-8,006
Proceeds from new share issue	10,000	-	25,263
Issued expenses paid	-279	-	-3,601
Premium for option programme	-	-	474
Change in promissory note receivable	746	-	-
<b>Cash flow for the period</b>	<b>216</b>	<b>-938</b>	<b>-715</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>24</b>	<b>958</b>	<b>1,651</b>
<b>Foreign exchange difference in cash and cash equivalents</b>	<b>0</b>	<b>4</b>	<b>2</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD*</b>	<b>240</b>	<b>24</b>	<b>958</b>

\*) The granted bank overdraft facility amounts to SEK 3,000 thousand, of which SEK 308 thousand has been utilized.

## Quarterly overview

	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Gross transaction volume, SEK th	1,085,922	1,064,305	1,079,154	955,706	1,030,109	997,189
Transaction-based revenue, SEK th	7,806	7,829	7,713	7,284	7,914	7,385
Transaction costs, SEK th	-1,941	-2,057	-1,974	-2,052	-2,202	-2,227
Net transactions, SEK th	5,865	5,772	5,739	5,232	5,712	5,158
Profit/loss after financial items, SEK th	6,303	-209	-1,455	-1,249	3,484	-695
Basic earnings per share, SEK	0.07	0.00	-0.02	-0.02	0.04	-0.01
Diluted earnings per share, SEK	0.07	0.00	-0.02	-0.01	0.04	-0.01
Equity, SEK	16,490	11,223	11,899	13,578	5,579	1,864
Equity per share, SEK	0.19	0.13	0.14	0.16	0.07	0.02
Diluted equity per share, SEK	0.19	0.13	0.14	0.15	0.07	0.02
Operating margin, %	0.9	neg.	neg.	neg.	49	neg.
Return on operating capital, %	0.2	neg.	neg.	neg.	15	neg.
Return on capital employed, %	0.4	neg.	neg.	neg.	105	neg.
Return on equity, %	38	neg.	neg.	neg.	100	neg.
Equity/assets ratio, % *	66	47	53	55	22	6
Debt/equity ratio, %	27	64	43	32	105	349

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

## Parent Company profit and loss account

SEK TH	Q4 2011	Q4 2010	2011	2010	2009
<b>Operating income</b>					
Transaction-based revenue	7,806	7,914	30,632	30,567	31,308
Other revenue	1,302	1,642	2,848	6,867	1,026
<b>Total operating income</b>	<b>9,108</b>	<b>9,556</b>	<b>33,480</b>	<b>37,434</b>	<b>32,334</b>
<b>Operating expenses</b>					
Direct transaction costs	-1,941	-2,202	-8,024	-9,091	-10,854
Production costs	-534	-577	-2,165	-2,050	-2,509
Other external expenses	-2,313	1,468	-8,786	-7,906	-16,687
Personnel costs	-2,577	-2,676	-10,230	-10,931	-15,017
Amortization/depreciation	-1,585	-1,647	-6,787	-6,623	-6,161
<b>Total operating expenses</b>	<b>-8,950</b>	<b>-5,634</b>	<b>-35,992</b>	<b>-36,601</b>	<b>-51,228</b>
<b>OPERATING PROFIT/LOSS</b>	<b>158</b>	<b>3,922</b>	<b>-2,512</b>	<b>833</b>	<b>-18,894</b>
<b>Profit/loss from financial investments</b>					
Financial income	4,509	-	4,520	16	45
Financial expenses	-447	-410	-807	-510	-1,535
<b>Total profit/loss from financial investments</b>	<b>4,062</b>	<b>-410</b>	<b>3,713</b>	<b>-494</b>	<b>-1,490</b>
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>4,220</b>	<b>3,512</b>	<b>1,201</b>	<b>339</b>	<b>-20,384</b>
Income tax expense	-	-	-	-4	124
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>4,220</b>	<b>3,512</b>	<b>1,201</b>	<b>335</b>	<b>-20,260</b>
<b>Items recognized directly in equity</b>					
Group contributions received	-	-	-	-12	346
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>4,220</b>	<b>3,512</b>	<b>1,201</b>	<b>323</b>	<b>-19,914</b>

# Parent Company balance sheet

SEK TH	31 DEC 2011	31 DEC 2010	31 DEC 2009
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	11,716	16,801	21,714
Tangible assets	122	279	518
Financial assets	3,820	7,383	7,383
<b>Total non-current assets</b>	<b>15,658</b>	<b>24,463</b>	<b>29,615</b>
<b>Current assets</b>			
Current receivables	12,077	4,064	7,357
Cash and cash equivalents	240	24	484
Cash and cash equivalents, customer funds	12,526	12,385	21,048
<b>Total current assets</b>	<b>24,843</b>	<b>16,473</b>	<b>28,889</b>
<b>TOTAL ASSETS</b>	<b>40,501</b>	<b>40,936</b>	<b>58,504</b>
Equity	18,547	7,625	7,302
Current liabilities	21,954	33,311	51,202
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>40,501</b>	<b>40,936</b>	<b>58,504</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>



## 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, 16 February 2012

**Björn Wahlgren**  
*(Chairman)*

**Yngve Andersson**

**Meg Tivéus**

**Jan Lundblad**

**Simon Thaning**  
*CEO*

## Five-year overview

	2011	2010	2009	2008	2007
Number of shares at end of period, thousands	87,050	82,050	82,050	43,184	39,830
Diluted number of shares at end of period, thousands	87,050	82,050	82,050	43,184	42,981
Average number of shares, thousands	86,091	82,050	72,772	41,271	35,429
Average diluted number of shares, thousands	86,660	82,050	72,772	42,773	39,985
Gross transaction volume, SEK th	4,205,309	4,084,969	3,089,871	646,496	489,893
Transaction-based revenue, SEK th	30,632	30,567	31,308	17,188	15,377
Transaction costs, SEK th	-8,024	-9,091	-10,854	-10,479	-9,495
Net transactions, SEK th	22,608	21,476	20,454	6,709	5,882
Profit/loss after financial items, SEK th	3,389	306	-20,574	-42,578	-47,582
Equity per share, SEK	0.61	0.07	0.08	0.12	0.72
Diluted equity per share, SEK th	0.61	0.07	0.08	0.12	0.67
Equity, SEK th	16,490	5,579	6,182	5,065	28,848
Interest-bearing net cash, SEK th	8,358	6,511	15,506	10,272	30,613
Equity/assets ratio, % *	66	22	18	15	59
Debt/equity ratio, %	27	105	105	168	-
Average number of employees	14	14	19	23	22
Capital expenditure, intangible assets, SEK th	1,345	1,470	1,537	4,879	4,844
Capital expenditure, tangible assets, SEK th	8	27	139	218	191
Capital expenditure, financial assets, SEK th	-1,375	-	6,332	-	-

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

### FINANCIAL CALENDAR

Annual General Meeting: 8 May 2012  
 Interim report January-March 2012: 8 May 2012  
 Interim report January-June 2012: 14 August 2012  
 Interim report January-September 2012: 30 October 2012  
 Year-end report 2012: 14 February 2013

### 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.

### REVIEW

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

### FOR ADDITIONAL INFORMATION CONTACT

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 Simon Thaning, CEO +46 8-517 100 14  
 Jan Benjaminson, CFO +46 70-666 93 88

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