



## Release from ReadSoft AB's Annual General Meeting 2014

### **President and CEO comment:**

**Per Åkerberg, ReadSoft's President and CEO concluded in his presentation at the Annual General Meeting that 2013 was a moderate year for ReadSoft with flat sales adjusted for currency effects. The vital license sales more or less also remained unchanged during 2013 with 1% growth in constant currencies.**

**In May 2013 ReadSoft acquired Expert Systems Development Svenska AB (Expert Systems), an influential supplier of cloud-based services for electronic business with one of the leading cloud-based networks for exchanging e-invoices and other electronic documents in the Nordics. The acquisition of Expert Systems gave ReadSoft a new product with large global potential that will both strengthen and expand ReadSoft's cloud offering and create great upselling opportunities for ReadSoft's subsidiaries that also are recurring revenue based.**

**Per Åkerberg pointed out ReadSoft's strategy to increase recurring revenue, consisting of license revenues from our subscription model and our cloud services, and revenue from support and maintenance agreements. The work on increasing our recurring revenue developed very positively during 2013 and accounted for 47% of total sales and increased by approximately six percentage points during 2013. This will have a very positive impact on ReadSoft's future profitability.**

**Per Åkerberg commented on the cost reduction program that was initiated during the second quarter and that was finalized in the fourth quarter of 2013. The cost reduction program resulted in restructuring costs of 9 MSEK and approximately 30 employees left the company. The annual cost savings from the program will be in the range of 20-22 MSEK. The cost savings will be partially reused for investments and recruitments where the company sees good potential for growth. Per Åkerberg concluded that ReadSoft's EBITDA result was positive for the full year after a strong fourth quarter, but not at all on the level that he and the Executive Management Team expected. The result was negatively affected by the fact that several new large license deals were subscription based, which affects the result in the short run, by non-recurring costs related to the cost reduction program, by non-recurring costs associated with the acquisition of Expert Systems and by a decrease in the billable consulting hours during the first quarter 2013. Per Åkerberg also concluded that ReadSoft's cash flow from operating activities remains strong.**

**Per Åkerberg mentioned that ReadSoft in the beginning of 2013 reorganized the sales organization for the company's Oracle solutions, creating a dedicated team working exclusively with Oracle sales on a global basis. This change proved to be very positive and**

the license sales for Oracle more than doubled during 2013. On the product side XBOUND was launched in North America with an immediate success, and several important product launches were made such as INVOICES 5-7, PROCESS DIRECTOR 7.2 and PROCESSIT 7.3 among others.

Per Åkerberg also talked about the first quarter of 2014, a quarter where ReadSoft moved in the right direction with steady growth and improved EBITDA margin. He further stated that ReadSoft's growth curve is positive and the sales growth is 8% in constant currencies compared to the corresponding period last year. ReadSoft's license growth is really strong and grew by 27% in constant currencies compared to the corresponding period last year. The cash flow from operating activities remains strong.

Per Åkerberg mentioned that the growth ReadSoft had during the quarter wasn't based on any single major deal; all the company's regions have performed well. He also mentioned that the sales organization for XBOUND that is organized in line with the same model as for ReadSoft's Oracle sales had very good growth during the first quarter, and that the Invoice Portal, ReadSoft's e-invoicing solution, also contributed with good growth generated from upselling opportunities to our existing customers.

The work on increasing ReadSoft's recurring revenues continues to develop positively. The recurring revenues increased by 14 percent during the quarter compared with the same period last year and represented more than 50 percent of ReadSoft's total sales.

Per Åkerberg mentioned that ReadSoft's EBITDA result and margins have taken clear steps in the right direction. The problems ReadSoft experienced during the first quarter in 2013 with decreasing consulting revenues affected the result negatively and prompted some actions. These actions have led to a streamlined more effective consulting organization. He also mentioned a gradual change in the reporting of ReadSoft's revenues from support and maintenance agreements that affected the first quarter's result negatively compared to first quarter last year. This effect means no lost revenue but only a time delay in the reporting of these revenues.

On the product side of the business we presented, at the global conference Convergence 2014 in Atlanta, USA, that our invoice automation solution is now available to all Microsoft Dynamics users, regardless of which platform they use. We also launched and presented the latest version of our invoice automation solution for Oracle, PROCESSIT (7.3.1), at the international conference COLLABORATE 14 in Las Vegas, USA.

Per Åkerberg concluded by stating that ReadSoft is well positioned for the future and that the company will continue to work for growth and to prioritize improving the profit margin.

#### Resolutions at the Annual General Meeting:

At the Annual General Meeting were the Directors Göran E Larsson (chairman), Jan Andersson, Lars Appelstål, Lennart Pihl, Håkan Valberg and Peter Gille re-elected for a new period. The annual meeting also re-elected Öhrlings PricewaterhouseCoopers AB as auditors until the end of the Annual General Meeting 2015.

The annual meeting decided on a dividend of SEK 0.60 per share with May 2, 2014 as the day of record for dividend.

The meeting decided that a nomination committee shall be appointed with the assignment in connection with next year's annual meeting to submit proposals, among others, with respect to election of the Board of Directors, compensation to the Board and the auditors and election of a Nomination Committee. The Chairman of the Board shall invite a minimum of four of the largest shareholders as per September 30, 2014, to appoint one representative each and to together with the Chairman comprise the Nomination Committee.

The annual meeting decided to authorize the Board of Directors to, at one or several occasions, up to the next annual meeting 2015, execute new issues of shares with maximum 3,200,000 shares, series B. The new shares may be issued with deviation of shareholders' preferential rights. The reasons for the Board to be able to deviate from shareholders' preferential rights are that financing may be required in connection with future acquisitions with payment in shares and/or issue of new shares with payment in capital contributed in kind.

The Board withdraw its proposal for decision on the issue and transfer of convertibles and informed about its ambition to come back with a revised and more adapted proposal.

The annual meeting decided to authorize the Board of Directors, at one or several occasions, up to the next annual meeting 2015, decide on purchase and transfer of own shares. Purchase may be made of a maximum number of shares so that the company's possession of shares at each point in time does not exceed ten % of the total number of shares in the company. Transfer may be made without the shareholders preferential rights on NASDAQ OMX Stockholm and to third parties in connection with acquisition of companies or businesses. The purpose of the authorization is to give the Board of Directors possibility to adjust the company's capital structure and to enable acquisition financing through use of own shares.

*This is information of the type that ReadSoft AB (publ) is obligated to disclose in accordance with the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication on April 28, 2014 at 16:30 CET.*

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