Arcam AB

Reg. no 556539-5356

Interim report January – June 2015

High delivery pace

- Net sales increased by 136 % to 262.0 (111.0) MSEK
- Operating income increased to 20.4 (-3.8) MSEK
- Net income increased to 15.9 (3.9) MSEK
- Earnings per share increased to 0.78 (0.21) SEK
- 23 (11) systems were delivered in the period
- Order intake amounted to 17 (16) systems

For the second quarter:

- Net sales increased by 227% to 150.6 (46.1) MSEK
- Operating income increased to 18.2 (-6.1) MSEK
- Net income increased to 12.0 (0.4) MSEK
- Order intake amounted to 7 (10) systems
- 14 (4) EBM systems were delivered in the second quarter
- A stock issue brought in about 250 MSEK

Telephone conference with CEO Magnus René and CFO Johan Brandt
July 21, 2015 at 2.00 p.m. (CET)

Phone number to the conference:
SE: +46 8 566 427 01
UK: +44 203 428 14 31
US: +1 855 753 22 36

Link to presentation:
Arcam Q2 conference call

High delivery pace

In the first 6 months we increased our delivery pace and we delivered 23 EBM systems. The last twelve months we thus delivered 47 systems. Sales for the first six months amounts to 262.0 (111.0) MSEK and trailing twelve month sales amounts to 490.0 (218.3) MSEK.
We continue to grow rapidly and the second quarter was our best quarter ever in revenue and operating income. In the first six month growth was over 136% of which 90% was organic growth. Operating income for the half year was 20.4 (-3.8) MSEK and trailing twelve months, operating income amounts to 43.8 (3.7) MSEK.
While we had a strong growth in deliveries, turnover and operating income, the order intake for the 6 months increased more slowly with 17 (16) EBM systems orders. Long-term, we see a continued strong demand, and we expect a stronger order intake in the second half of the year.
The order book as at June 30 was 13 EBM systems.

Business status

In the period we received two significant orders for EBM systems.
An important reference is the order from GKN Aerospace for two Arcam Q20 systems received in March. The order is part of a Joint Technology Development Partnership between Arcam and GKN Aerospace where we collaborate closely to facilitate the introduction of the Arcam Q20 for manufacturing of aerospace components.
Another important deal is the order from FIT Technology Group in Germany for two Arcam Q20 systems received in June. FIT, a customer of Arcam since 2004, is one of the major European contract manufacturers within Additive Manufacturing. FIT today operates two Arcam systems and these two new Arcam Q20 systems represent a major increase of capacity.

While sales of our EBM systems continue to grow, so do the sales of our subsidiaries, the metal powder manufacturer AP&C in Canada and, after a weaker period at the turn of the year, contract manufacturer DiSanto in the US. We now have an offering to our clients with our EBM systems as the hub and metal powders and contract manufacturing being important supplementary products which broaden our offer to the market and provide recurring sales.

Strengthened organization and infrastructure

During the period, we strengthened our sales and support organizations in the US, China and in the UK through recruitment. In the UK, a new office was inaugurated in Warwick. With our new branch offices, we move management, customer service and logistics closer to our customers.

In the first quarter we started a major expansion of our production facilities in Mölndal. With the expansion we more than doubled our production area and we opened a new demo and customer training center. Part of the new facilities are already in use and the expansion will be finalized during the third quarter.

Earlier this year AP&C completed the start-up of its third atomization reactor. The new reactor gives a significant increase in capacity. AP&C now has two production lines, encompassing reactors and related sieving and mixing equipment, fully dedicated to titanium products. A third reactor is dedicated to Inconel and other alloys. After the expansion AP&C has an atomization capacity of over 150 tons of titanium alloys per year.

The strong growth, expansion into new markets and the development of our acquisitions will require further development of the organization, both within the core business and at the subsidiaries. To continue to develop our technology and take advantages of the business environment, we have a very ambitious recruitment and growth plan.

Financial position and ownership structure

In May, Industrifonden sold its entire position in Arcam, corresponding to approximately 10.4 percent of capital and votes. The buyer was American Oppenheimer Funds.
After the deal Industrifonden has no ownership in Arcam. Industrifonden has been involved in the company since 1999, first as a lender and, since 2002, as an owner.
Oppenheimer has been a shareholder of Arcam since 2014 and, with the new deal, became the largest owner with more than 15% of the outstanding shares.

On May 27 we completed a share issue of 1.8 million new shares directed to Första AP-fonden, providing the company with approximately MSEK 250 before transaction costs. Första AP-fonden represents an engaged, long term ownership which the board expects will contribute to the development of the company.

After those transactions we have a new ownership structure and a very strong cash position. At the end of the second quarter we had approximately 465 MSEK in cash. The strong balance sheet provides financial stability that is much appreciated by the large clients we work with in long term projects.

With 13 EBM machines on order, a stable aftermarket and a positive business environment we are prepared for continued strong growth in 2015.

Mölndal, July 21, 2015

Magnus René, President and CEO

The above information has been made public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was published on July 21, 2015 at 08.30 (CET).

Net sales, result and order intake

Net sales

Net sales for the period increased to 262.0 (111.0) MSEK.
Of the total amount of sales, EBM systems and services amounted to 164.7 (79.0) MSEK, sales of metal powders to 48.7 (31.5) MSEK and contract manufacturing to 47.6 (0) MSEK.

In the second quarter, net sales increased to 150.6 (46.1) MSEK.
Of the total amount of sales, EBM systems and services amounted to 97.8 (28.6) MSEK, sales of metal powders to 23.9 (17.2) MSEK and contract manufacturing to 26.8 (0) MSEK.

Results

Operating income for the period increased to 20.4 (-3.8) MSEK and operating income for the second quarter increased to 18.2 (-6.1).
Net income for the period increased to 15.9 (3.9) MSEK and net income for the second quarter increased to 12.0 (0.4) MSEK.

Order intake of EBM systems

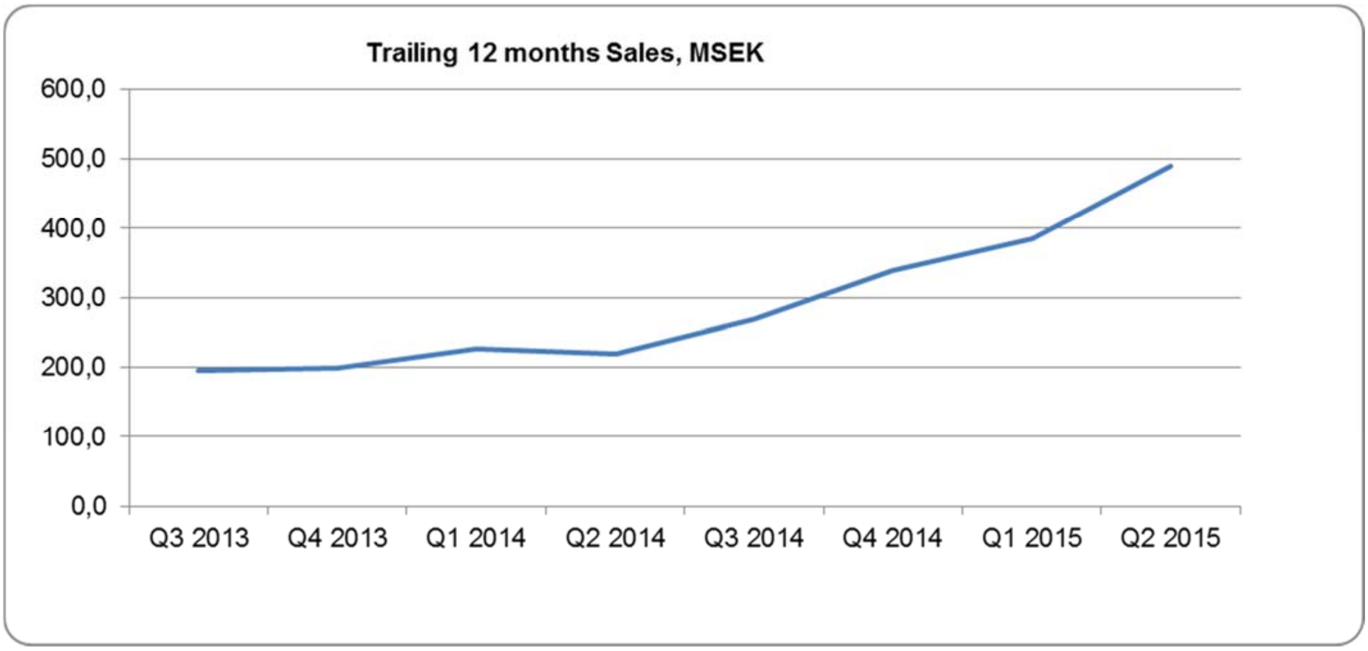
During the period we booked 17 (16) new orders for EBM systems. At the end of the period the order book consists of 13 (17) systems.

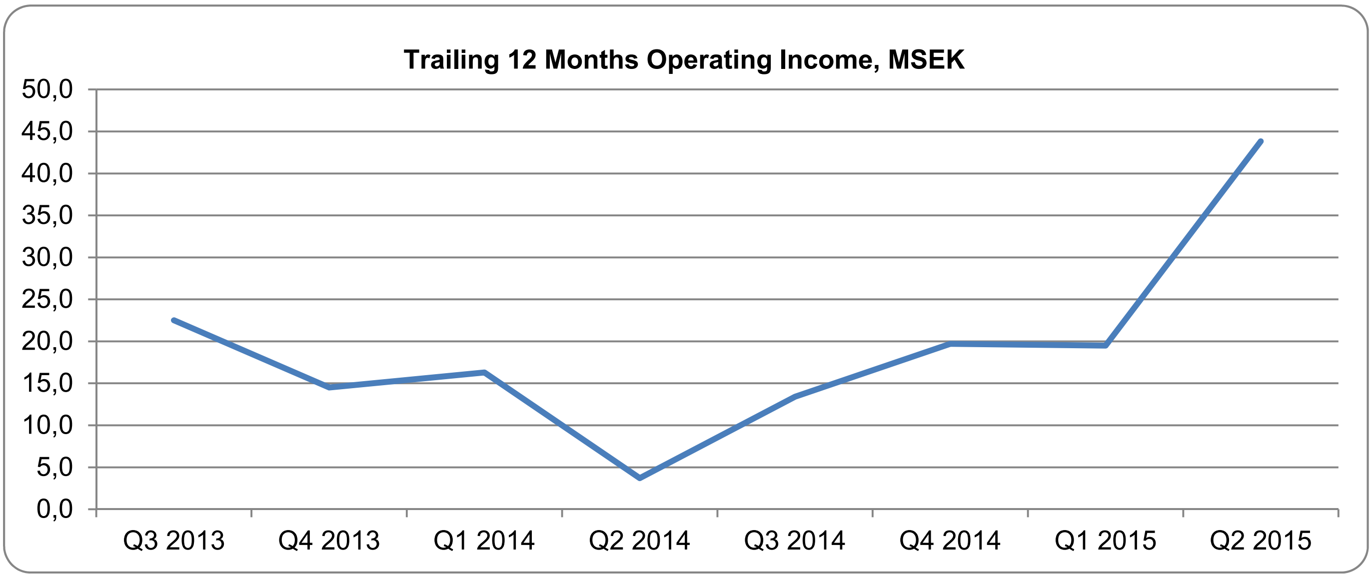
Amounts in MSEK

Quarterly	**Q2 2015**	**Q1 2015**	**Q4 2014**	**Q3 2014**	**Q2 2014**	**Q1 2014**	**Q4 2013**	**Q3 2013**	**Q2 2013**	**Q1 2013**
Net Sales	150,6	111,4	137,1	90,8	46,1	64,9	66,9	40,4	54,0	38,1
Operating income	18,2	2,1	13,2	10,3	-6,1	2,3	6,9	0,6	6,5	0,5
System orders	7	10	21	5	10	6	10	4	7	6

Trailing Twelve Months	**Q2 2015**	**Q1 2015**	**Q4 2014**	**Q3 2014**	**Q2 2014**	**Q1 2014**	**Q4 2013**	**Q3 2013**	**Q2 2013**	**Q1 2013**
Net Sales	490,0	385,4	339,0	268,8	218,3	226,2	199,4	195,0	179,8	158,2
Operating income	43,8	19,5	19,7	13,4	3,7	16,3	14,5	22,5	20,8	21,2
System orders	43	46	42	31	30	27	27	29	30	28

Quarterly and trailing 12-month sales, net result and system orders


Trailing 12 months Sales, MSEK
600,0
500,0
400,0
300,0
200,0
100,0
0,0
Q3 2013
Q4 2013
Q1 2014
Q2 2014
Q3 2014
Q4 2014
Q1 2015
Q2 2015


Trailing 12 Months Operating Income, MSEK
50,0
45,0
40,0
35,0
30,0
25,0
20,0
15,0
10,0
5,0
0,0
Q3 2013
Q4 2013
Q1 2014
Q2 2014
Q3 2014
Q4 2014
Q1 2015
Q2 2015

Investments, depreciation and financial status

Investments and depreciation

Investments in fixed assets amounted to 7.6 (4.7) MSEK.
In addition to the investments above, the company has expensed costs for research and development work amounting to a total of 29.5 (21.6) MSEK for the period.
Amortization of fixed assets amounted to 14.3 (5.8) MSEK, of which group amortization relating to acquisitions amounted to 6.8 (1.9) MSEK.

Acquisition related cash flow related to payment for the acquisition of AP&C, amounted to 65.2 MSEK, paid in the first quarter.

Financial status

Cash and cash equivalents at end of period amounted to 464.8 (377.1) MSEK.
The cash account contained 3.1 (5.0) MSEK which the company disposes and operates for the two FP7 programs. The Group has no bank financing.
The company maintains a strong cash position and a very strong equity ratio at 82%.

Development work in close cooperation with customers

The company's development work is focused on fulfilling the very high standards expected within the aerospace and orthopedic implant industries. The work is often done in close collaboration with leading customers to match their specific system requirements.

Arcam is active in several international research collaborations in Europe, Canada and in the US, some of them in a leading role. The co-operations aim to further develop Arcam´s core technology and also to develop new materials and applications for the EBM technology. An example is the co-operation with Oak Ridge National Labs (ORNL), where Arcam together with ORNL conducted a project to develop parameters for Inconel, a nickel-based alloy, for use in the Arcam EBM systems.

Another example is the two EU-financed projects which Arcam led through the Seventh Framework Program (FP7). The *FastEBM* project, aims to develop Arcam’s EBM technology for significant higher power and thus build rate and the *HiResEBM* project, aims to develop Arcam’s EBM technology for higher beam quality.
The work in the FP7 projects has resulted in two important patent applications covering technology for EBM systems with higher power than today's systems. Efforts are underway to industrialize and implement these advances in Arcam's future products.

Staff

The number of employees in the group at the end of the period is 247 (113) persons.

Arcam share

Arcam's largest shareholders as of June 30 are:

Owner	Shares	(%)
OPPENHEIMER GLOB OPPORTUNITY FUND	3 148 808	15,4%
FORSTA AP-FONDEN	1 799 999	8,8%
STATE STREET BANK & TRUST COM., BOSTON	1 326 388	6,5%
HANDELSBANKEN FONDER AB RE JPMEL	756 279	3,7%
SIX SIS AG, W8IMY	662 829	3,2%
Total number of shares	**20 465 239**	100,0%

Using a mandate from the Annual General Meeting, the company issued in the second quarter 1 799 999 new shares to Första AP-fonden.

Furthermore, a new share issue of 10 988 shares was done as part of the share savings program approved by the Extraordinary General Meeting in May.
Also, during the second quarter, warrants were executed to subscribe to a total of 62,000 new shares.
These shares were subscribed to but not registered at the end of the period.

Following the divestment by Industrifonden, Åsa Knutsson has resigned as chairman of the nomination committee. The nomination committee has then appointed Olof Jonasson, Första AP-fonden, as her replacement.
Hence, the nomination committee will for future nominations consist of Olof Jonasson, Gunnar Ek and Rolf Ekedahl. Olof Jonasson, who represents one of the major shareholders of the company, was appointed as our new Chairman.

Annual General Meeting (AGM) and Extraordinary shareholder meeting

The AGM was held on March 23, 2015 and decided to re-elect the board members Göran Malm, Jan-Olof Brüer, Lars Bergström, Henrik Hedlund, Anna Hultin Stigenberg and Thomas Carlström.
Anna Malm Bernsten was newly elected as member of the board.
Göran Malm was elected as chairman of the board.
The AGM authorized the board to decide on the issues of new shares, convertible debentures and subscription options. The authorization covers an overall increase of the share capital not exceeding SEK 1 800 000. The shares shall be issued at market stock price.

At an extraordinary shareholder meeting held on May 28, the shareholders decided according to a suggestion from the board to set up a long term incentive program for management in the Arcam group. The program is directed to members of the management teams of the Arcam group. As part of the program the shareholders decided on a new issue of a total of maximum 20,000 shares. The participants of the program will be invited to invest in those shares as savings shares at the start of the program. Furthermore, the shareholders decided to change the bylaws of the company to make the program possible. The change, in short, allows for a new type of shares, c-shares. These shares will not be listed.

Accounting principles

The applied accounting principles are the same as for the Annual Report of 2014.
This report has been prepared in accordance with IAS 34 Interim Financial Reporting and for the parent company in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities. New IFRS rules have not affected the Group accounting. Acquisition expenses are reported as expenses for the group but have been capitalized for the parent company.

Significant risks and uncertainties

The company sells complex systems in limited quantities. The sales process is long, and it takes 6-18 months to complete a deal. Changes in timing of transactions or deliveries may therefore have a major impact on the results for individual quarters.

The long-term development of the company is at this time also dependent on how the industrial economy develops. Although Arcam's priority markets are less cyclical than other sectors of the economy, it cannot be excluded that the current macro-economic and credit problems can have a negative impact on investment in machinery also in Arcam's key market segments.

Arcam has developed a commercially viable product. To fully exploit the potential of the product requires continuous development work on the application side with the aim to introduce new materials. Whilst product development is expected to provide Arcam with additional competitive advantages, it cannot be excluded that development is delayed, either due to insufficient resources or because of unforeseen technical problems.

Arcam has in 2014 completed two major acquisitions, AP&C and DiSanto. While these two acquisitions are expected to contribute to Arcam's development it cannot be excluded that challenges in conjunction with the acquisition of the companies or a delay in leveraging the businesses of the new group may have a negative impact on Arcam's results.

The business risks and risk management of the Group and the Parent Company, along with the management of financial risks, are further described in the Annual Report for 2014.

Information policy

The Arcam Group is growing and although sales of the EBM systems are important for the Group, each individual EBM order is no longer critical. The Board considers that each individual EBM order thus does not affect the valuation of the company. Hence, from February 6th onward Arcam changed its information policy, which means that each EBM system order will not be published. The Company will continue, of course, to publish business events that the company considers crucial, and thus affect the valuation, such as orders with a value above 10 MSEK.

Future reports

Interim report for third quarter will be published on October 21.
Interim report for fourth quarter and the full year will be published on February 8, 2016.
Annual general meeting will be held March 22, 2016.

This report has not been audited.

Mölndal, July 21, 2015
Arcam AB (publ)

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This is Arcam

Operations

Arcam provides cost-efficient Additive Manufacturing solutions for production of metal components. Arcam's Electron Beam Melting (EBM®) technology offers design freedom combined with excellent material properties and high productivity. Arcam is, through our solution orientation and comprehensive product offering, an innovative partner for advanced manufacturing, primarily in the aerospace and medical industries.
Arcam provides Electron Beam Melting systems through Arcam AB in Sweden, powder metals through AP&C in Canada and implant contract manufacturing through DiSanto in the U.S.
The company is listed on Nasdaq Stockholm and the Head Office is located in Mölndal, Sweden.

History

Arcam was established in 1997, and in 2002 the first commercial EBM system, EBM S12 was introduced. In early 2007, Arcam A2 was introduced; a system of double construction volume compared with EBM S12. In late 2009 launched Arcam A1, an EBM system adapted for the production of orthopedic implants. In early 2013 Arcam Q10 was launched, a new EBM system with a focus on the implant market. With Arcam Q10 also LayerQam was introduced, a system for quality control in production. In late 2013 Arcam launched Arcam Q20, an EBM system based on Arcam Q10 and adapted for the aerospace industry. In 2014 Arcam acquired AP&C in Canada and DiSanto in the USA, broadening the company offering to metal powders and contract manufacturing of orthopedic implants.

Market

Arcam's market is global with customers primarily in orthopedic implants and aerospace industries that take advantage of Arcam's technology for cost efficient manufacturing of products with advanced functionality.

Strategy in brief

Arcam focuses on two target groups in the manufacturing industries; orthopedic implant and aerospace industries. The focus in the short to medium term is to increase machine productivity, precision and accuracy.
Arcam protects its technology with strong patent protection where process knowledge are key components, for both hardware and software. Patents are filed in 11 key countries.
Arcam works closely with customers to thoroughly understand their needs and to meet their expectations.

Business in brief

Arcam provides Electron Beam Melting systems through Arcam AB in Sweden, powder metals through AP&C in Canada and implant contract manufacturing through DiSanto in the U.S. Arcam's EBM systems is a hub in the offering to the market with metal powders and contract manufacturing being important supplementary products, broadening our offering to the market and providing recurring sales.

INCOME STATEMENT, MSEK

GROUP	2015-04-01 2015-06-30	2014-04-01 2014-06-30	2015-01-01 2015-06-30	2014-01-01 2014-06-30	2014-01-01 2014-12-31
Net sales	**150,6**	**46,1**	**262,0**	**111,0**	**339,0**
Cost of sales	-92,0	-31,8	-175,1	-70,9	-221,1
Gross income	**58,6**	**14,3**	**86,9**	**40,1**	**117,9**
Research and development expenses	-17,5	-12,1	-29,5	-21,6	-48,1
Selling, general & administrative expenses	-21,1	-9,7	-36,3	-23,4	-56,4
Other operating income and expenses	-1,8	1,4	-0,7	1,1	6,3
Operating income	**18,2**	**-6,1**	**20,4**	**-3,8**	**19,6**
Net financial items	-4,4	7,2	0,4	8,1	20,2
Tax	-1,8	-0,7	-4,9	-0,4	17,3
Net profit for the period	**12,0**	**0,4**	**15,9**	**3,9**	**57,1**
Other comprehensive income					
Items that can be reclassified into profit or loss					
Translation differences on foreign operations	-5,2	3,9	3,0	4,6	16,5
Translation differences on hedge instruments	0,0	0,0	0,0	2,5	2,5
Other comprehensive income for the period	**-5,2**	**3,9**	**3,0**	**7,1**	**19,1**
Total comprehensive profit for the period	**6,9**	**4,3**	**18,8**	**11,0**	**76,2**
Earnings per share, SEK	0,59	0,02	0,78	0,21	3,10
Earnings per share after dilution, SEK	0,59	0,02	0,77	0,21	3,09

BALANCE SHEET, MSEK

GROUP	2015-06-30	2014-06-30	2014-12-31
Goodwill	204,5	164,0	204,3
Other intangible fixed assets	65,8	43,8	70,9
Tangible fixed assets	62,8	18,4	61,2
Financial fixed assets	14,3	6,8	18,2
Total non-current assets	**347,5**	**233,0**	**354,6**
Inventory	139,6	86,8	115,4
Current receivables	152,3	83,7	142,6
Blocked funds	31,5	30,0	31,5
Cash and cash equivalents	433,3	347,1	289,6
Total current assets	**756,7**	**547,5**	**579,1**
Total assets	**1 104,2**	**780,4**	**933,7**
Stockholders' equity & liabilities			
Share capital	20,5	18,3	18,7
New share issue in progress	2,7	1,0	-
Other reserves	920,7	667,8	679,8
Translation reserve	20,3	5,4	17,3
Retained earnings	-58,5	-127,6	-74,4
Total equity	**905,6**	**564,9**	**641,4**
	2,4	0,8	-
Other long term liabilities, interest bearing	6,2	-	-
Other long term liabilities, non-interest bearing	20,7	52,6	64,8
Current liabilities, interest bearing	-	-	-
Current liabilities, non-interest bearing	169,3	162,2	227,5
Total equity and liabilities	**1 104,2**	**780,4**	**933,7**
Corporate mortgages	1,8	-	1,6
Contingent liabilities	-	-	-

CASH FLOW STATEMENT, MSEK
GROUP

	2015-04-01 2015-06-30	2014-04-01 2014-06-30	2015-01-01 2015-06-30	2014-01-01 2014-06-30	2014-01-01 2014-12-31
Cash flow from operations before changes in working capital	**22,2**	**-0,3**	**34,8**	**7,6**	**37,2**
Total change in working capital	-21,5	11,2	-62,6	-4,7	-10,5
Cash flow from operations	**0,7**	**10,9**	**-27,8**	**2,8**	**26,7**
Investments in intangible assets	-0,9	-0,5	-1,4	-0,9	-2,2
Investments in tangible assets	-2,2	-2,4	-6,1	-3,7	-9,0
Supplementary purchase consideration paid	0,0	-	-65,2	-125,4	-200,3
Cash flow from investments activities	**-3,1**	**-2,9**	**-72,7**	**-130,0**	**-211,5**
Cash flow from financing activities	**244,1**	**1,0**	**244,1**	**1,0**	**2,7**
Increase/decrease in cash and cash equivalents	**241,8**	**9,0**	**143,7**	**-126,3**	**-182,2**
Cash and cash equivalents at the biginning of the period	**223,1**	**368,1**	**321,1**	**503,3**	**503,3**
Cash and cash equivalents at end of the period	**464,8**	**377,1**	**464,8**	**377,1**	**321,1**

Cash related to the FP7 project amounts to 3,1 MSEK end of period.

EQUITY, MSEK
GROUP

	2015-01-01 2015-06-30	2014-01-01 2014-06-30	2014-01-01 2014-12-31
Opening balance	**641,4**	**552,9**	**552,9**
New share issue	250,2	348,0	350,7
New share issue in progress	2,7	-347,0	-348,0
Issue expenses	-7,5	-	-
Offset issue	-	-	9,7
Net profit for the period	15,9	3,9	57,1
Other comprehensive income for the period	3,0	7,1	19,1
Closing balance	**905,6**	**564,9**	**641,4**

BUSINESS AND FINANCIAL RATIOS
GROUP

	2015-06-30	2014-06-30	2014-12-31
Equity ratio %	82,0	72,4	68,7
Return on equity %	1,6	0,7	9,6
Return on capital employed %	2,5	0,8	6,7
Equity per share, SEK	44,3	30,8	34,4
Earnings per share, SEK	0,59	0,02	3,10
Earnings per share after dilution, SEK	0,59	0,02	3,09
Cash flow from operating activities per share	0,03	0,15	1,45
Number of employees by period end	247	113	228
Number of shares by period end	20 465 239	18 341 632	18 665 240
Number of warrants by period end	360 000	733 608	465 000
Market value per share by period end	142,25	221,50	145,00

INCOME STATEMENT, MSEK PARENT COMPANY	2015-04-01 2015-06-30	2014-04-01 2014-06-30	2015-01-01 2015-06-30	2014-01-01 2014-06-30	2014-01-01 2014-12-31
Net sales	**111,6**	**35,6**	**188,2**	**99,2**	**277,8**
Cost of sales	-64,2	-24,0	-112,5	-63,4	-164,7
Gross income	**47,3**	**11,6**	**75,7**	**35,8**	**113,1**
Research and development expenses	-16,8	-11,9	-28,3	-21,2	-47,1
Selling, general & administrative expenses	-13,8	-7,3	-22,1	-14,0	-34,0
Other operating income and expenses	-1,5	1,4	-1,5	1,1	4,4
Operating income	**15,2**	**-6,1**	**23,8**	**1,8**	**36,4**
Net financial items	-3,1	8,4	3,2	5,3	11,1
Tax	-0,8	-	-4,1	-	15,8
Net profit for the period	**11,4**	**2,4**	**22,9**	**7,1**	**63,3**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**
Total comprehensive profit for the period	**11,4**	**2,4**	**22,9**	**7,1**	**63,3**
Earnings per share, SEK	0,56	0,13	1,12	0,39	3,44
Earnings per share after dilution, SEK	0,55	0,13	1,12	0,38	3,43

BALANCE SHEET, MSEK PARENT COMPANY	2015-06-30	2014-06-30	2014-12-31
Intangible fixed assets	7,7	9,7	8,4
Tangible fixed assets	2,6	2,0	2,5
Financial assets	187,0	71,6	164,4
Receivables from group companies	130,8	-	86,6
Total fixed assets	**328,0**	**83,3**	**261,9**
Inventory	75,7	56,2	67,7
Current receivables	119,2	73,9	107,7
Receivables from group companies	43,9	95,9	39,9
Blocked funds	31,5	30,0	31,5
Cash and cash equivalents	417,2	339,9	274,8
Total current assets	**687,4**	**595,9**	**521,6**
Total assets	**1 015,5**	**679,2**	**783,5**
Stockholders' equity & liabilities			
Share capital	20,5	18,3	18,7
New share issue in progress	2,7	1,0	-
Statutory reserve	62,3	62,3	62,3
Retained earnings	815,7	483,6	551,8
Total equity	**901,2**	**565,2**	**632,8**
Liabilities to group companies	4,3	1,6	8,1
Current liabilities, non-interest bearing	110,0	112,5	142,6
Total stockholders' equity & liabilities	**1 015,5**	**679,2**	**783,5**
Corporate mortgages	1,8	-	1,6
Contingent liabilities	63,0	100,6	128,8

Not 1 Acquisition

DiSanto Technology Inc

On September 2, Arcam AB acquired the strategic partner DiSanto Technology Inc. in the US. The acquisition combines Arcam EBM technology with DiSanto´s full-service contract manufacturing of orthopedic implants.

The total purchase price is estimated to 12.5 MUSD, divided between a cash payment of 10.2 MUSD, an offset issue of 1.4 MUSD (current subscription payment at the sellers' redemptions of warrants of Arcam AB), and the conversion of convertible loans to DiSanto of 0.9 MUSD.

The transaction is financed with Arcam's existing funds.

Preliminary values for acquired assets and assumed liabilities (net assets) on date of the acquisition.
(Preliminary allocation due to non investigated tax options):

Net assets	44,2
Goodwill	22,3
Intangible fixed assets	28,2
Tangible fixed assets	5,6
Deferred tax liabilities	-12,9
Total purchase	87,5
Convertibles	-6,5
Offset share issue	-9,7
Impact of the acquisition on the Group's cash flow	71,3

Goodwill is mainly attributable to synergism, future sales growth and the knowledge of existing personnel.