



Interim Report January – March 2009

First quarter in brief

- ❑ Net sales increased for the first quarter and amounted to SEK 17.9 million (10.9).
- ❑ Operating profit before depreciation (EBITDA) improved and amounted to SEK 0.046 million (-10.5).
- ❑ Operating profit (EBIT) improved and amounted to SEK -1.1 million (-12.4).
- ❑ A major order worth SEK 3.5 million has been received from MAN IT in Germany, with SEK 2.5 million in licence fees recognised as income during the quarter.
- ❑ A two-year software as a service (SaaS) agreement worth SEK 3 million has been signed by Elisa in Finland for extended certificate issuing.
- ❑ Earnings per share improved and amounted to SEK -0.09 (-2.73).
- ❑ On April 3 2009, the Board of Nexus received an acquisition offer from Ponderus Technology AB addressed to Nexus shareholders.

CEO's comments on developments

During the current year, four important business deals have been sealed, three of which with new customers (MAN-IT, Resurs Bank and Svenska Kraftnät). The new Nexus business model with software as a service (SaaS) has been chosen by two customers and we are pleased to have gained Svenska Kraftnät as the first customer for one of our Software as a Service¹ offerings (SafeSign)².

The SaaS business model has an immediate negative impact on quarterly income, but will provide a considerably more even flow of income in the future. The company reports a weak profit for the quarter in terms of EBITDA, while income, costs and cash flow show dramatic improvement compared to the first quarter last year.

Prospects

Nexus has not yet felt any effects of the economic downturn and business looks good. The dependency on major deals remains strong and may affect individual quarters.

During the second quarter, Nexus will launch new products and “Software as a service” offerings in security and communication. The offerings are aimed at companies and organisations seeking to solve issues with identification, security and communication.

In order to better meet identified market needs, specifically that for a flexible security platform, a major development investment will be initiated during the year to further broaden the product suite. Nexus also intends to invest in marketing, mostly in order to increase sales of NeonInsight.

My assessment is that with the planned product launches, Nexus will have a very attractive offering that ought to be of interest to many companies and organisations, regardless of whether they are seeking increased security or process optimisation.

Segment division

The new segment divisions are reported as of the second quarter 2008 following the sale of the consulting business. The Groups two business areas are e-Security Solutions³ and Messaging Solutions⁴.

These business areas comprise the level at which the highest ranking decision-makers analyse operations and are based on Nexus' internal reporting structure.

e-Security Solutions

Net sales within e-Security Solutions for the first three month amounted to SEK 12.3 million (6.4). License and maintenance income amounted to SEK 10.9 million (4.4). Operating profit after depreciation (EBIT) for the period was SEK 0.7 million (-8.2).

Messaging Solutions

Net sales within Nexus Messaging Solutions for the first three month amounted to SEK 4.5 million (4.5). License and maintenance income amounted to SEK 3.4 million (4.3). Operating profit after depreciation (EBIT) for the period was SEK 0.5 million (-0.1).

Sales and profits

The Group's net sales for the first quarter improved to SEK 17.9 million (10.9). The increase is attributable to increased licence sales and increased support and maintenance income.

The group's total costs for the first quarter dropped by SEK 4.3 million and amounted to SEK 19.0 million (23.3).

Financial items for the period amounted to SEK 0.7 million (-0.7). Profit/loss after tax for the first quarter improved to SEK -0.6 million (-13.1), which is attributable to increased licence sales and reduced operating costs.

Financial position

Cash flow from current operations for the first three month 2009 amounted to SEK 10.1 million (7.0). Investments in tangible and intangible fixed assets for the first three month amounted to SEK 0.01 million (0.6). Depreciation of tangible and intangible fixed assets amounted to SEK -1.2 million (-1.9).

The Group's liquid funds totalled SEK 51.6 million (41.6) at the end of the period. Solidity at the end of the period was 73 percent (73).

Parent Company

The Parent Company's sales for the period amounted to SEK 2.5 million (3.5). Profit/loss before tax amounted to SEK -2.1 million (-3.7). Liquid funds at the end of the quarter totalled SEK 20.3 million (17.1).

Employees

At the end of the period, the Group had 59 (106) employees. The average number of employees for the period was 56 (96) employees. Personnel turnover for the period was 2.5 percent (19.3).

Important events after the end of the period

On 3 April 2009, the Board of Nexus received an acquisition offer from Ponderus Technology AB addressed to Nexus shareholders.

The Board will evaluate the offer and provide its opinion in good time prior to the closing date for acceptance.

An order valued at SEK 2.3 million over four years was received from Resurs Bank for usage rights for Nexus Safe Access⁵.

Significant risks and uncertainty factors

The Group and the Parent Company

Nexus' significant risks and uncertainty factors are described in the 2008 annual report, pages 15 and 23-25. No significant changes are otherwise reported.

Accounting principles

Technology Nexus prepares its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. As of 1 January 2009, the group applies the new standard IFRS 8 Operating Segments. The application of IFRS 8 has not entailed any changes to the group's reported segments, but has entailed additional disclosures. As of 1 January 2009, IAS 1 Presentation of Financial Statements is also updated. For Nexus, this update has meant that the interim report includes a presentation of overall profit that includes transactions previously reported under equity. Otherwise the Group uses the same accounting principles and valuation methods as used in the most recent annual report. The Parent Company prepares its accounts in accordance with RFR 2.2 Financial Reporting for Legal Entities and according to the Swedish Annual Accounts Act and uses the same accounting principles and valuation methods as used in the most recent annual report.

Dates of future Financial Reports

28 August 2009	Interim Report January – June
29 October 2009	Interim report January - September
19 February 2010	Year-End Report 2009

The Board of Directors and the CEO declare that this report gives a true summary of the company and the Group's operations, position and results and describes the significant risks and uncertainty factors faced by the company and the companies that form part of the Group.

This report has not been subject to review by the company's auditors.

Stockholm 24 April 2009

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Explanations of terminology

1. Software as a Service (SaaS) includes software as a service based on Nexus products, offering customers direct access to different types of solutions over the Internet.
2. Safe Sign, Nexus Safe Sign Package is a packaged solution that enables companies and organisations to sign agreements and documents in a secure and fully legal manner.
3. e-Security Solutions is Nexus business area focused on PKI-based identification solutions, also known as digital identities and policy-based tools for protecting information by encrypting files and e-mail in accordance with a company's information policy.
4. Nexus Messaging Solutions is Nexus business area focused on messaging.
5. Nexus Safe Access, Nexus Safe Access Package provides a packaged solution for secured identities and secure access to a company's standard applications.

CONSOLIDATED REPORT – OVERALL PROFIT			
<i>Amounts in SEK thousands</i>	2009-01-01 -2009-03-31	2008-01-01 -2008-03-31	2008-01-01 -2008-12-31
Net sales *	17 909	10 949	68 982
Cost for external consultants and goods for resale	-264	-1 612	-3 591
Personnel costs (1)	-12 217	-12 246	-47 688
Costs for premises*	-1 211	-1 792	-9 097
Other costs	-4 171	-5 841	-19 777
Depreciations – tangible fixed assets	-321	-135	-724
Depreciations and write-downs – intangible assets	-855	-1 715	-7 128
Profit/loss after depreciations (EBIT)	-1 130	-12 392	-19 023
Financial items (2)	530	-727	1 381
Profit/loss after financial items (EBT)	-600	-13 119	-17 642
Tax	-	-	-
Profit/loss for the period from remaining operations	-600	-13 119	-17 642
Profit/loss for the period from discontinued operations	**191	72	22 876
Profit/loss for period	-409	-13 047	5 234
Other overall profit			
Exchange rate differences from translation of overseas operations	-309	578	679
Financial assets that can be sold	-	-	-
Actuarial profits/losses from benefit-based pension schemes	-	-	139
Total other overall profit for the year, net after tax	-309	578	818
Total overall profit for the year	-718	-12 469	6 052
Profit for year attributable to parent company shareholders	-409	-13 047	5 234
	-409	-13 047	5 234
Total overall profit attributable to parent company shareholders	-718	-12 469	6 052
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Earnings per share, SEK, remaining operations	-0,13	-2,74	-3,69
Earnings per share, SEK, discontinued operations	0,04	0,02	4,78
Earnings per share, SEK	-0,09	-2,73	1,09

* The company is reporting rental income net against costs for premises relating to the additional leasing of premises in Sundbyberg.

** Attributable to final payment of additional purchase sum for the sale of consulting operations.

The company has no minority shareholdings and no dilution.

CONSOLIDATED BALANCE SHEET IN BRIEF			
<i>Amounts in SEK thousands</i>	2009-03-31	2008-03-31	2008-12-31
ASSETS			
Goodwill	39 979	39 979	39 980
Other intangible assets	2 685	7 523	3 542
Tangible fixed assets	1 557	1 632	1 828
Financial fixed assets*	3 519	2 884	3 093
Deferred tax claims	5 153	5 153	5 153
Other current assets	28 131	47 960	38 264
Liquid funds	51 641	16 310	41 576
Total assets	132 665	121 441	133 436
* Including interest-bearing			
EQUITY AND LIABILITIES			
Equity	97 241	79 437	97 958
Long-term liabilities – pensions	1 273	1 146	1 269
Current liabilities	34 151	40 858	34 209
Total equity and liabilities	132 665	121 441	133 436
CASH FLOW STATEMENT IN BRIEF			
<i>Amounts in SEK thousands</i>	2009-01-01 -2009-03-31	2008-01-01 -2008-03-31	2008-01-01 -2008-12-31
Profit/loss for the year	-409	-13 047	5 234
Adjustments for items not included in the cash flow, etc..	762	1 852	-15 111
Tax paid	-316	-752	2 237
Cash flow from current operations before change in working capital	37	-11 947	-7 640
Change in working capital	10 081	18 911	21 290
Cash flow from current operations	10 118	6 964	13 650
Cash flow from investment activities	-53	-635	17 945
Cash flow from financing activities	-	-	-
Change in liquid funds	10 065	6 329	31 595
Liquid funds at start of period	41 576	9 981	9 981
Liquid funds at end of period	51 641	16 310	41 576
NET SALES PER SEGMENT			
<i>Amounts in SEK thousands</i>	2009-01-01 -2009-03-31	2008-01-01 -2008-03-31	2008-01-01 -2008-12-31
e-Security Solutions*	12 335	6 354	46 687
Messaging Solutions*	4 493	4 508	20 612
Group-wide & eliminations	1 081	87	1 683
Total	17 909	10 949	68 982
* Income from external customers			
OPERATING PROFIT PER SEGMENT (EBIT)			
<i>Amounts in SEK thousands</i>	2009-01-01 -2009-03-31	2008-01-01 -2008-03-31	2008-01-01 -2008-12-31
e-Security Solutions	661	- 8 219	-5 397
Messaging Solutions	487	-73	3 780
Group-wide & eliminations	-2 278	-4 100	-17 406
Total	-1 130	-12 392	-19 023

Total assets cannot be broken down by segment since the segments make joint use of all assets.

CHANGE IN EQUITY <i>Amounts in SEK thousands</i>	Share capital	Retained profits	Translation of overseas operations	Total equity
Closing balance as of 31 December 2007	4 784	86 092	1 030	91 906
Actuarial profits/losses from benefit-based pension schemes	-	139	-	139
Exchange rate differences	-	-	679	679
Profit for year	-	5 234	-	5 234
Total income and expenses for the period	-	5 373	679	6 052
Closing balance as of 31 December 2008	4 784	91 465	1 709	97 958
Actuarial profits/losses from benefit-based pension schemes	-	-	-	-
Exchange rate differences	-	-	-308	-308
Profit for year	-	-409	-	-409
Total income and expenses for the period	-	-409	-308	-717
Closing balance as of 31 December 2008	4 784	91 057	1 400	97 241

KEY RATIOS	2009-03-31	*2008-03-31	2008-12-31
Number of shares	4 784 073	4 784 073	4 784 073
Average number of shares	4 784 073	4 784 073	4 784 073
Equity per share, SEK	20,33	16,60	20,48
Profit margin (EBT), %	Neg	Neg	6,5%
Return on equity, %	Neg	Neg	5,5%
Return on capital employed, %	Neg	Neg	5,5%
Equity ratio, %	73%	65%	73%
Net dept	-51 641	-16 310	-41 576
No. of employees on balance sheet date	57	106	54
Average no. of employees	56	96	58
Net sale per average no. of employees	320	240	1 190

* Key ratios include profit/loss from sold operations until the date of sale.

NOTES	2009-01-01 -2009-03-31	2008-01-01 -2008-03-31	2008-01-01 -2008-12-31
1) Personnel costs			
Personnel costs	-12 217	-12 246	-49 735
Capitalised product development expenditure		-	2 047
	-12 217	-12 246	-47 688
2) Financial items			
Interest income	119	97	1 142
Interest expense	-14	-11	-36
Other financial items	425	-813	275
	530	-727	1 381

THE PARENT COMPANY'S INCOME STATEMENT IN BRIEF			
<i>Amounts in SEK thousands</i>	2009-01-01 -2009-03-31	2008-01-01 -2008-03-31	2008-01-01 -2008-12-31
Operating income *	2 493	3 501	10 967
Costs for external consultants and goods for resale	-40	-226	
Personnel costs	-2 155	-2 464	-11 295
Costs for premises*	-757	-1 709	-7 315
Other costs	-1 561	-2 068	-6 938
Depreciations – tangible fixed assets	-305	-94	-587
Operating profit after depreciation (EBIT)	-2 325	-3 060	-15 818
Financial items	252	-600	-10 249
Profit/loss after financial items (EBT)	-2 073	-3 660	-26 067
Tax	0	0	1 612
Profit/loss for period	-2 073	-3 660	-24 455

* The company is reporting rental income net against costs for premises relating to the additional leasing of premises in Sundbyberg.

THE PARENT COMPANY'S BALANCE SHEET IN BRIEF			
<i>Amounts in SEK thousands</i>	2009-03-31	2008-03-31	2008-12-31
ASSETS			
Tangible fixed assets	1 280	1 360	1 584
Financial fixed assets	7 268	15 285	7 268
Other current assets	46 630	39 754	44 266
Liquid funds	20 277	6 401	17 065
Total assets	75 455	62 800	70 183
EQUITY AND LIABILITIES			
Equity	57 958	55 660	60 032
Long-term liabilities	-	-	-
Current liabilities	17 497	7 140	10 151
Total equity and liabilities	75 455	62 800	70 183