



Year-End Report

JANUARY – DECEMBER 2009

“The market during 2009 was difficult, and many customers had a cautious “wait-and-see” attitude. We normally close the year strongly, but the fourth quarter was weaker than expected and some deals in progress passed the year-end mark.

Our total growth for the year was approximately 6 percent and in local currencies this is approximately the same as the previous year. The profit after tax increased somewhat, at the same time as the cash flow from operating activities was very strong at SEK 102.5 million.

We can say that 2009 was an “in-between year”, where we and many others fought in a tough market.

Our assessment is that the market is improving and our plans are to focus on increasing sales in all markets. We have several new products that increase our business value, both for new customers and for our existing customer base. We are also, step by step, moving towards our objective to reach 50 percent of sales via partners. During 2009, sales via partners increased by 17 percent and now constitute 38 percent of our total sales.

ReadSoft is equipped for considerably better results and faster growth lies ahead when the market normalizes. We are now focusing all our energy on realizing our long-term objectives and plans for growth.”

Jan Andersson
President and CEO

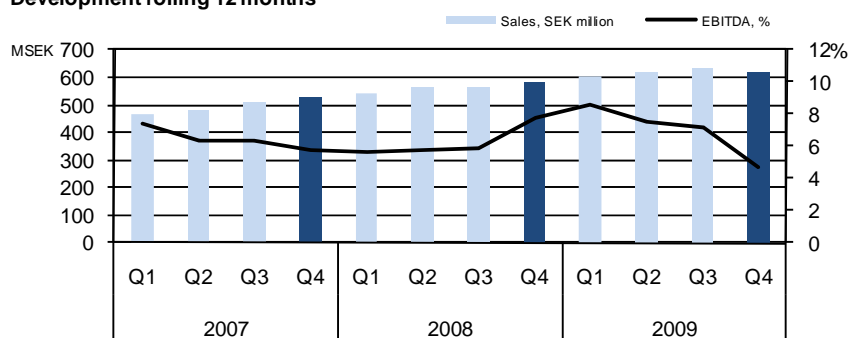
Continued strong cash flow

- Sales for 2009 increased by 6% to SEK 617.7 (584.2) million
- Operating profit EBITDA for the year was SEK 29.1 (45.6) million
- Earnings per share after tax for the year were SEK 0.22 (0.21)
- Sales for the fourth quarter was SEK 167.4 (182.4) million
- Operating profit EBITDA for the fourth quarter was SEK 21.6 (38.0) million
- Earnings per share after tax for the fourth quarter were SEK 0.68 (0.85)
- Cash-flow from operating activities for 2009 was SEK 102.5 (86.6) million
- The Board of Directors has established a dividend policy and will propose to the Annual General Meeting of shareholders a dividend of SEK 0.15 per share for 2009

Key data	2009	2008	Full year	Full year	Full year
	Oct-Dec	Oct-Dec	2009	2008	2007
Net sales, SEK million	167,4	182,4	617,7	584,2	525,0
Profit/loss EBITDA*, SEK million	21,6	38,0	29,1	45,6	30,3
Profit/loss before tax, SEK million	21,4	30,6	11,3	7,0	23,7
Net profit/loss, SEK million	22,0	27,7	7,1	6,9	17,8
Operating margin EBITDA*, %	12,9	20,8	4,7	7,8	5,8
Profit margin before tax, %	12,8	16,8	1,8	1,2	4,5
Profit margin after tax, %	13,1	15,2	1,1	1,2	3,4
Net earnings per share, SEK	0,68	0,85	0,22	0,21	0,55
Cash flow, operating activities	30,3	34,6	102,5	86,6	32,4

* Operating profit/loss before capitalization of costs for proprietary software development, depreciation, amortization, interest and tax.

Development rolling 12 months



The Group

Net sales and profit during the fourth quarter of 2009

During the fourth quarter, sales amounted to SEK 167.4 (182.4) million. Operating profit/loss EBITDA for the quarter was SEK 21.6 (38.0) million. The operating margin EBITDA was 12.9 (20.8) percent. Profit/loss after tax was SEK 22.0 (27.7) million. Operating profit (EBITDA) and profit after tax for the period were affected by exchange rate differences of SEK 1.8 (5.6) million, which are included in the Income Statement under “Other operating expenses/income”.

Licensing revenue amounted to SEK 56.8 (70.9) million during the fourth quarter, which is 34 (39) percent of the total revenue. Out of the total licensing revenue for the quarter, Trade Process Automation represented SEK 46.6 (60.1) million, while Document Capture Automation represented SEK 10.2 (10.8) million. Revenue from maintenance agreements amounted to SEK 57.7 (52.5) million for the quarter. In addition, revenues for training and customer-specific development were SEK 42.6 (46.5) million. Hardware sales (primarily scanners) amounted to SEK 7.6 (8.0) million during the quarter. Other revenues amounted to SEK 2.6 (4.5) million.

In the Nordic market, sales totaled SEK 44.9 (46.2) million. The company’s sales in other European markets amounted to SEK 72.0 (76.4) million. In the U.S. and the rest of the world, sales amounted to SEK 50.5 (59.8) million.

Key developments during the fourth quarter

During the fourth quarter, ReadSoft announced several large deals. Among them the biggest deal of the year worth US\$1.4 million, and one of the largest orders ever for ReadSoft, which was signed in December with a North American Fortune 500 company. In October, ReadSoft signed a US\$300,000 deal with a leading American microbiology company. Further ReadSoft also signed two other large agreements with energy and energy services companies for a total order value of approximately US\$980,000. One of these deals was initiated via ReadSoft’s SAP partner programs.

In November, ReadSoft closed an important deal with a government agency in the United Kingdom. This government agency will now be able to handle incoming invoices electronically and automatically transfer them into their business system, Oracle E-Business Suite. Further, an Australian government agency signed an agreement with ReadSoft worth US\$800,000. This was the second biggest order during the quarter.

At an extra ordinary shareholders’ meeting on October 14 ReadSoft’s Board of Directors was given an extended authorization, up to the next annual meeting 2010, to decide on purchase and transfer of own shares. Purchase may be made of maximum a number of shares so that the company’s possession of shares at each point in time does not exceed ten (10) percent of the total number of shares in the company. The Board of Directors is hereby given the possibility to adjust the company’s capital structure and to enable acquisition financing through use of own shares. ReadSoft has up until December 31, 2009, repurchased 2,679,034 own shares of series-B at a value of SEK 32.5 million. Up until thirty (30) days before this year-end report is published on February 15, 2010, ReadSoft has repurchased 2,750,760 own shares of series-B at a value of SEK 33.5 million.

In November, ReadSoft appointed its Nominating Committee for the Annual General Meeting of shareholders in 2010. This consists of Jan Andersson, Lars Appelstål, Hans Forssman at Livförsäkringsaktiebolaget Skandia, and Göran E. Larsson, Chairman of the Board at ReadSoft AB.

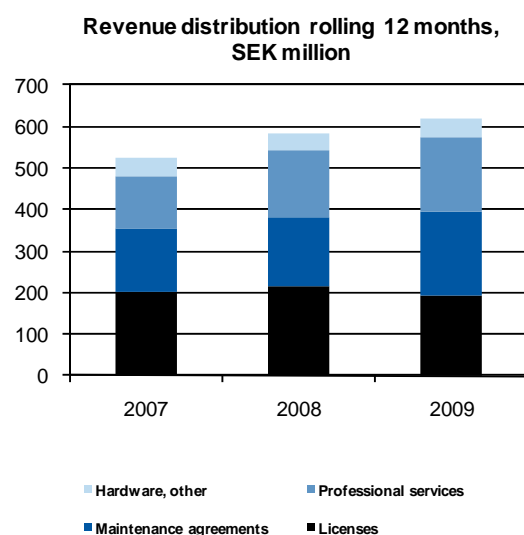
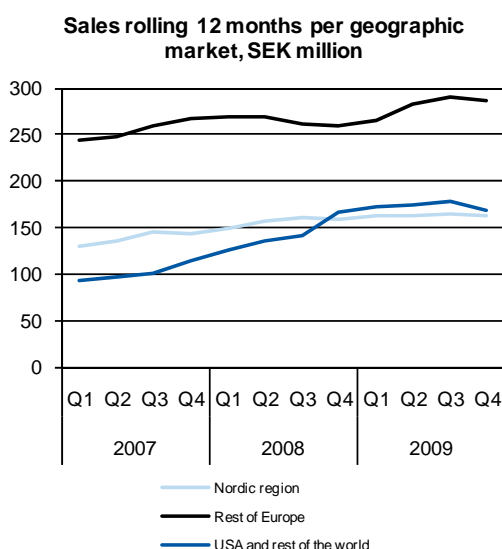
ReadSoft closed a number of major deals in December. An American industrial company signed a deal worth US\$360,000. ReadSoft also strengthened and expanded an existing customer relationship with a North American Fortune 500-company within industrial equipment and manufacturing. This order was worth approximately US\$330,000. Finally, a European, world-leading, engineering company invested in ReadSoft’s SAP-certified solutions at an order value of approximately EUR 250,000.

Net sales and profit/loss during 2009

During 2009 sales amounted to SEK 617.7 (584.2) million. Operating profit/loss EBITDA for the year was SEK 29.1 (45.6) million. The operating margin EBITDA was 4.7 (7.8) percent. Profit/loss after tax was SEK 7.1 (6.9) million. Operating profit (EBITDA) and profit after tax for the period were affected negatively by exchange rate differences of SEK -3.5 (8.4) million, which are included in the Income Statement under “Other operating expenses/income”. Earnings after tax for the same period last year were impacted by non-recurring costs of SEK -10.8 million for a restructuring program implemented in September 2008.

Licensing revenue amounted to SEK 191.9 (216.2) million during 2009, which constituted 31 (37) percent of the total revenue. Of the year’s licensing revenue, the product group Trade Process Automation represented SEK 158.6 (187.2) million, while Document Capture Automation represented SEK 33.3 (29.0) million. Revenue from service agreements amounted to SEK 201.1 (163.6) million for the year. To this can be added revenues for training and customer-specific development of SEK 182.3 (161.2) million. Hardware sales (primarily scanners) amounted to SEK 30.1 (30.4) million during the period. Other revenues amounted to SEK 12.3 (12.7) million.

In the Nordic market, sales totaled SEK 163.0 (159.3) million. The company’s sales in other European markets amounted to SEK 286.0 (259.3) million. In the U.S. and the rest of the world, sales amounted to SEK 168.7 (165.6) million.



Consolidated balance sheet, financial position and investments

Cash and cash equivalents for the group as of December 31, 2009, amounted to SEK 85.4 (73.8) million. Bank overdraft facilities granted were SEK 56.8 (58.8) million, of which SEK 5.8 (3.3) million was utilized. Cash flow from operating activities for the year was SEK 102.5 (86.6) and for the fourth quarter SEK 30.3 (34.6) million.

The equity/assets ratio was 42.9 (44.4) percent on December 31, 2009.

During the period June-December 2009 ReadSoft has repurchased 2,679,034 own shares of serie-B at a total value of SEK 32.5 million.

Investments in tangible fixed assets for the year amounted to SEK 10.3 (12.9) million and consisted of the acquisition of computer and office equipment. Investments during the fourth quarter amounted to SEK 6.1 (3.5) million. Depreciation

of tangible fixed assets amounted to SEK 7.8 (7.2) million during 2009 and to SEK 2.3 (2.2) million during the fourth quarter.

Of expenditure for proprietary software during 2009, SEK 38.1 (33.6) million was capitalized and during the fourth quarter capitalization amounted to SEK 10.9 (9.0) million. Depreciation of capitalized expenditure for proprietary software has been carried out in an amount of SEK 38.6 (45.5) million for 2009 and in an amount of SEK 6.8 (11.3) million for the fourth quarter.

Investments in other intangible fixed assets for the year amounted to SEK 5.0 (4.8) million and consisted of acquired software. Investments during the fourth quarter amounted to SEK 1.3 (1.6) million.

Depreciations of other intangible fixed assets amounted to SEK 7.9 (6.3) million for the year and consisted to 1.6 (1.6) million for the fourth quarter.

Accounting principles

This interim report is presented in accordance with International Financial Reporting Standards (IFRS), IAS 34 Interim Financial Reporting, the Annual Accounts Act and, for the parent company, RFR 2.2 Accounting for Legal Entities

A new reporting standard regarding segment reporting (IFRS 8) came into effect on January 1, 2009. The purpose of this standard is that external financial information shall reflect the information and measures used internally within companies in controlling operations and making decisions regarding resource allocations. Companies shall identify the level at which the highest executive decision maker regularly monitors sales and operating results. Such levels are defined as segments.

ReadSoft's highest executive decision maker is the company's CEO. The regular internal reporting of results to the CEO that meets the criteria for representing a segment involves the Group as a whole. In other regards, sales are monitored for individual products and product groups, and results are reviewed for each geographic market. In our view, none of these review levels meets the criteria for an operating segment, which is why ReadSoft reports the Group in its entirety as its sole segment.

The same accounting principles that were used in the latest annual report have been used in this interim report.

Staff

As of December 31, 2009, the ReadSoft staff amounted to 461 (433). The average number of staff during the year has been 450 (453). 27 (25) percent were women and 73 (75) percent men.

Dividend proposal

ReadSoft's Board of Directors has established the following dividend policy; ReadSoft shall, over a business cycle, distribute twenty (20) percent or more of the profit after tax to the shareholders through a dividend, repurchase of shares or equivalent action.

The Board of Directors will propose to the Annual General Meeting of shareholders a dividend of SEK 0.15 per share for 2009.

Risk management

Important risks and uncertainties are described in the Annual Report for 2008 under the item Risk and Risk Management, in the Administration Report and in the Notes 2 and 3.

Shareholder information

At the end of the period, the number of shareholders amounted to 4,865 (5,122). Out of the company's total share capital, 54 (50) percent was owned by Swedish and foreign institutions, 25 (25) percent by the company's founders, and 21 (25) percent by private persons, including staff. At the end of the period, Swedish shareholders held 87 (85) percent and foreign shareholders held 13 (15) percent of the total share capital.

Annual General Meeting of shareholders and the Annual Report

The Annual General Meeting of shareholders will be held in Helsingborg, Sweden, on April 20, 2010, 15.00 (CET). The Board of Directors' complete proposal will be announced well before the meeting. ReadSoft's annual report will be made available to shareholders on ReadSoft's website www.readsoft.com and at the ReadSoft headquarters, Södra Kyrkogatan 4, in Helsingborg, Sweden, approximately two weeks prior to the Annual General Meeting.

Going forward

We assess that the underlying demand for our solutions is good. However, the market conditions are influenced by the ongoing recession and short-term demand is hard to forecast. The managements' primary focus going forward is on profit, cash flow and cost control.

ReadSoft's long-term financial objectives continue to be a yearly growth of 20-25 percent and a business margin of at least 15 percent (EBITDA).

Financial Report

Consolidated income statement in summary, SEK million	2009	2008	Full year	Full year	Full year
	Oct-Dec	Oct-Dec	2009	2008	2007
Net sales	167,4	182,4	617,7	584,2	525,0
Capitalized expenditure for proprietary software	10,9	9,0	38,1	33,6	37,0
	178,3	191,4	655,8	617,8	562,0
Costs of goods and services sold	-12,0	-18,8	-58,6	-59,6	-56,2
Personnel costs	-103,1	-98,1	-393,4	-360,8	-317,5
Other external costs	-33,0	-33,1	-133,7	-126,6	-121,4
Other operating expenses/income	1,8	5,6	-3,5	8,4	0,4
Depreciation of tangible fixed assets	-2,3	-2,2	-7,8	-7,2	-5,9
Amortization of capitalized expenditure for proprietary software	-6,8	-11,3	-38,6	-45,5	-31,0
Write-downs of capitalized expenditure for proprietary software	–	–	–	-10,8	–
Amortization of intangible fixed assets	-1,6	-1,6	-7,9	-6,3	-6,3
Operating profit/loss (EBIT)	21,3	31,9	12,3	9,4	24,1
Financial income and expenses					
Financial items	0,1	-1,3	-1,0	-2,4	-0,4
Net profit/loss before tax	21,4	30,6	11,3	7,0	23,7
Tax	0,6	-2,9	-4,2	-0,1	-5,9
Profit/Loss after tax	22,0	27,7	7,1	6,9	17,8

Until December 31, 2008, revenues and costs reported directly in shareholders' equity were included under "Change in equity" in interim and annual reports. In accordance with the revised reporting standard IAS 1, these revenues and costs shall be reported, from January 1, 2009, in a separate "Statement of comprehensive income" (see below).

Group - Statement of comprehensive income for the period, MSEK	2009	2008	Full year	Full year	Full year
	Oct-Dec	Oct-Dec	2009	2008	2007
Profit/loss after tax for the period	22,0	27,7	7,1	6,9	17,8
Other comprehensive income:					
Income/cost accounted directly in equity					
Translation differences	-0,6	5,4	-3,8	7,2	4,8
Cash flow hedges	-0,4	-3,2	5,7	-3,2	-
Capital portion of convertible loan	0,1	0,3	0,1	0,3	0,4
Other comprehensive income for the period, net of tax	-0,9	2,5	2,0	4,3	5,2
Total comprehensive income for the period	21,1	30,2	9,1	11,2	23,0

Consolidated balance sheet in summary, SEK million	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007
Assets			
Fixed assets			
Proprietary software development	71,0	71,8	93,6
Goodwill	66,2	66,2	60,8
Other non-fixed assets	20,6	23,5	25,0
Fixed assets	19,6	17,8	12,3
Financial assets	51,4	49,1	42,7
Total fixed assets	228,8	228,4	234,4
Current assets			
Accounts receivable - trade	188,5	223,1	203,3
Cash and cash equivalents	85,4	73,8	40,1
Other current assets	78,7	89,3	88,7
Total current assets	352,6	386,2	332,1
Total assets	581,4	614,6	566,5
Equity and liabilities			
Equity	249,5	272,9	261,7
Long-term liabilities	37,0	41,4	57,8
Accounts payable - trade	15,2	17,7	20,8
Other current liabilities	279,7	282,6	226,2
Total equity and liabilities	581,4	614,6	566,5

Change in equity, SEK million	Full year 2009	Full year 2008	Full year 2007
Opening balance	272,9	261,7	238,7
Buy-back of own shares	-32,5	-	-
Profit/loss for the period	9,1	11,2	23,0
Equity at the end of the period	249,5	272,9	261,7

Cash-flow statement in summary, SEK million	Oct-Dec 2009	Oct-Dec 2008	Full year 2009	Full year 2008	Full year 2007
Cash flow before working capital changes	32,1	58,3	53,9	78,7	63,9
Working capital changes	-1,8	-23,7	48,6	7,9	-31,4
Cash flow from operating activities	30,3	34,6	102,5	86,6	32,5
Cash flow from investing activities	-18,2	-20,8	-52,6	-58,1	-56,6
Cash flow from financing activities	-15,0	-0,8	-38,3	5,2	9,5
Change in cash and cash equivalents	-2,9	13,0	11,6	33,7	-14,6

Five-year summary and key data for the Group	Full year 2009	Full year 2008	Full year 2007	Full year 2006	Full year 2005
Net sales, SEK million	617,7	584,2	525,0	459,8	400,9
Sales growth, %	5,7	11,3	14,2	14,7	11,8
Operating profit EBITDA, SEK million	29,1	45,6	30,3	35,0	37,7
Operating profit EBIT, SEK million	12,3	9,4	24,1	47,0	52,3
Profit/loss after financial items, SEK million	11,3	7,1	23,7	47,7	52,5
Profit/loss after tax, SEK million	7,1	6,9	17,8	38,8	52,0
Operating margin EBITDA, %	4,7	7,8	5,8	7,6	9,4
Operating margin EBIT, %	2,0	1,6	4,6	10,2	13,0
Profit margin after financial items, %	1,9	1,2	4,5	10,4	13,1
Profit margin after tax, %	1,1	1,2	3,4	8,4	13,0
Equity/assets ratio, %	42,9	44,4	46,2	48,7	48,5
Capital employed, SEK million	273,7	300,3	286,5	247,9	169,8
Return on equity, %	2,7	2,6	7,1	19,0	37,0
Return on total capital, %	2,3	1,9	4,8	11,5	17,2
Net debt/equity ratio, times	-0,25	-0,17	-0,06	-0,19	-0,30
Net interest-bearing liabilities, SEK million	-61,2	-46,6	-15,2	-45,5	-51,3
Number of employees at end of period	461	433	451	381	301
Number of shares at end of period, 000s	32 488	32 488	32 488	32 488	31 259
Equity per share, SEK	7,68	8,40	8,05	7,49	5,41
Earnings after financial items per share, SEK	0,35	0,22	0,73	1,50	1,69
Earnings after tax per share, SEK	0,22	0,21	0,55	1,22	1,67
Share price at end of period, SEK	14,30	5,45	14,90	27,40	29,60

Glossary and Definitions

Document Capture Automation	The product group for Capture products in ReadSoft's range, for example ReadSoft DOCUMENTS for Forms, CLASSIFY and INDEX.
Trade Process Automation	The product group for products in ReadSoft's range that handle invoices and other business related documents, including ReadSoft DOCUMENTS for Invoices, INVOICE COCKPIT, WEB CYCLE and INVOICEIT.
EBITDA	Operating profit/loss before capitalization of costs for proprietary software development, depreciation, amortization, interest and tax.
Equity per share	Equity per share divided by the average number of shares.
Net interest-bearing liabilities	Interest-bearing liabilities minus interest-bearing assets.
Net debt/equity ratio	Net interest-bearing liabilities divided by equity.
Return on equity	Profit/loss after financial items less current tax as a percentage of average adjusted equity.
Return on total capital	Profit/loss after financial items plus financial expenses as a percentage of total assets.
Equity/assets ratio	Equity as a percentage of total assets.
Working Capital	Current assets less cash and cash equivalents and current liabilities.

Parent company

Income statement, Parent company

The parent company's net sales for 2009, including inter-company posts, amounted to SEK 211.4 (211.4) million. The result after financial items was SEK 12.9 (11.9) million.

Balance sheet, financial position and investments, Parent company

Investments in fixed assets in the parent company amounted to SEK 8.1 (7.0) million during 2009. The parent company's cash and cash equivalents as of December 31, 2009, amounted to SEK 5.9 (2.5) million. Bank overdraft facilities granted amounted to SEK 50.0 (50.0) million, and utilized amounted to SEK 2.4 (0.1) million. Equity was SEK 199.4 (218.8) million, resulting in an equity/assets ratio of 54.1 (57.6) percent.

Parent Company income statement in summary, SEK million	Full year 2009	Full year 2008	Full year 2007
Net sales	211,4	211,4	201,4
Cost of goods and services sold	-49,3	-45,1	-34,2
Personnel costs	-107,4	-114,0	-108,4
Other external costs	-41,3	-39,5	-39,8
Other operating income/expenses	-11,0	9,4	8,5
Depreciation of tangible fixed assets	-4,2	-3,1	-2,9
Operating profit/loss EBIT	-1,8	19,1	24,6
Financial income and expenses			
Share of profit/loss in associated company	11,0	-11,6	-
Net financial items	3,7	4,4	4,4
Net profit/loss before appropriation, tax	12,9	11,9	29,0
Appropriations	-1,9	-8,8	-7,1
Tax	1,1	-5,3	-4,5
Net profit/loss after tax	12,1	-2,2	17,4

Parent Company balance sheet in summary	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007
Assets			
Fixed assets			
Intangible assets	6,9	6,8	2,7
Tangible assets	6,6	3,0	3,2
Shares in Group companies	93,7	93,6	104,2
Receivables from Group companies	200,7	188,1	111,0
Other fixed assets	0,4	0,4	0,4
Total fixed assets	308,3	291,9	221,5
Current assets			
Accounts receivable - trade	4,4	9,2	19,4
Receivables from Group companies	41,2	68,1	79,3
Cash and cash equivalents	5,9	2,5	0,6
Other current assets	9,1	8,6	6,0
Total current assets	60,6	88,4	105,3
Total assets	368,9	380,3	326,8
Equity and liabilities			
Equity and liabilities	199,4	218,8	199,1
Untaxed reserves	17,8	15,9	7,1
Long-term liabilities	9,4	24,6	18,6
Long-term liabilities to Group companies	12,9	7,7	1,3
Other long-term liabilities	–	0,2	4,4
Accounts payable - trade	3,7	5,0	4,8
Current liabilities to Group companies	59,0	25,3	16,6
Other current liabilities	66,7	82,8	74,9
Total equity and liabilities	368,9	380,3	326,8

Financial information

Interim reports, annual reports and ReadSoft's press releases can be ordered from ReadSoft AB, Södra Kyrkogatan 4, SE-252 23 Helsingborg, by phone +46 (0)42-490 21 00, e-mail: info@readsoft.com or at www.readsoft.com.

Financial calendar

Interim Report January-March, 2010	April 20, 2010
Annual General Meeting	April 20, 2010, 15.00 (CET)
Interim Report January-June, 2010	July 20, 2010
Interim Report January-September, 2010	October 25, 2010

This Year-end report has not been audited by the auditors of ReadSoft.

Helsingborg, Sweden, February 15, 2010

The Board of Directors of ReadSoft AB (publ)

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About ReadSoft

ReadSoft is a leading global provider of software solutions for Document Automation. ReadSoft's software enables companies to automate document processes such as data entry, classification, ERP matching, workflows, e-invoicing etc. The results are faster and less expensive document processing, and increased control. ReadSoft is by far the world's number one choice for invoice automation solutions. ReadSoft has grown to a worldwide group with operations in 16 countries on five continents and a network of local and global partners. The head office is located in Helsingborg, Sweden and the ReadSoft share is traded on the NASDAQ OMX Nordic Exchange Small Cap list. For more information about ReadSoft, please visit www.readsoft.com.