



Formpipe.

## Interim report January – March 2018

### PERIOD JANUARY 1 – MARCH 31, 2018

- Net sales increased by 7 % to SEK 101.2 m (SEK 94.7 m)
- Software revenues increased by 9 % to SEK 66.2 m (SEK 61.0 m)
- Recurring revenue amounted to SEK 52.2 m (SEK 47.1 m) which corresponds to 52 % (50 %) of net sales.
- EBITDA SEK 25.3 m; 25.0 % (SEK 18.8 m; 19.8 %)
- EBITDA-adj. SEK 17.2 m; 17.0 % (SEK 9.1 m; 9.6 %)
- EBIT SEK 13.6 m; 13.4 % (SEK 4.4 m; 4.7 %)
- Net profit SEK 9.9 m; 9.8 % (SEK 2.8 m; 3.0 %)
- EPS before dilution SEK 0.19 (SEK 0.05)
- Cash flow from operating activities SEK 20.0 m (SEK 13.8 m)

### INCOME STATEMENT - SUMMARY

| (SEK Million)             | Jan-Mar |      | Rolling 12 | Full year |
|---------------------------|---------|------|------------|-----------|
|                           | 2018    | 2017 | months     | 2017      |
| Net sales                 | 101,2   | 94,7 | 396,7      | 390,2     |
| whereof recurring revenue | 52,2    | 47,1 | 199,9      | 194,8     |
| EBITDA                    | 25,3    | 18,8 | 92,3       | 85,8      |
| EBITDA-adj                | 17,2    | 9,1  | 57,0       | 48,9      |
| EBIT                      | 13,6    | 4,4  | 46,8       | 37,7      |

## Comments from the Groups CEO

*The year started off with a good first quarter. All performance indicators show a sharp improvement compared to the same period last year. The, for us, important key performance measure EBITDA-Adj increased with 89 % and amounted to SEK 17 million and we more than tripled the net profit for the period. Earnings per share is almost quadrupled and the group's cash flow is strong for the quarter.*

*The performance trend is satisfying and a proof that our efforts with cost adjustments in areas where we previously have had challenges is giving the desired effect at the same time as we have a good drive in our growth areas.*

*To a certain extent, the result is affected by the fact that a larger share of won contracts has been as traditional license deals and not as SaaS. However, we see this as temporary and we estimate that the trend of increasing share of SaaS contracts will continue in the future. But for this quarter, the accounted revenues will be somewhat higher than normal and will have a positive impact on the profit for the period.*

*As a summary, it is satisfying to be able to deliver such a strong quarter. That we now have recurring revenues covering 71 % of our operating costs is obviously a strong platform for positive earnings development in the future.*

## Market

Enterprise content management (ECM) is used to create, store, distribute, discover, archive and manage digital content (such as scanned documents, email, reports, medical images and office documents), and ultimately analyze usage to enable organizations to deliver relevant content to users where and when they need it. It is in the ECM market that Formpipe has emerged as the market leader in the public sector, as a challenger in e.g. life sciences and legal as well as cross-industry for parts of the product range.

Growth in the ECM market is fueled in large part by the organizational and corporate wide need to streamline operations and meet legal requirements and regulations.

Making business value from the information requires applications and services to search, analyze, process and distribute data and content. Growth drivers continually gain strength as the sheer amount of data and information increases and ECM remains a highly prioritized investment area. Gartner's forecast on ECM software revenue is a Compound Annual Growth Rate of 8.3 %, 2018-2021. The ECM market is large and fragmented, with a total addressable market (systems revenue) of 8.0 billion dollars in 2018 (Source: Gartner, Enterprise Software Markets, Worldwide, 2013-2020, 4Q16 update).

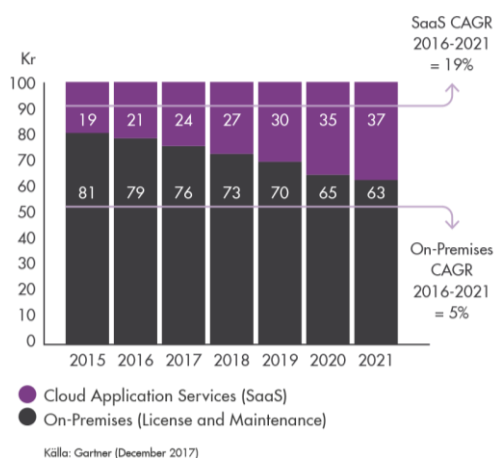
### A CHANGING MARKET

The ECM market is changing from the centralized, back-end, command and control of unstructured content to integrated, purpose-built, cloud based solutions that prioritizes content usability, processing and analyzing content from one or several sources, to get business insights and business value. Control, file synchronization and sharing will be a standard capability of ECM offerings.

This change is well in line with the Formpipe's strategy, as more and more of the company's customers choose to switch to cloud solutions for the standard products, as well as with the company development of applications and modules with the ability to process information from both Formpipe's existing systems or from other systems.

The development for ECM software is towards cloud based solutions and Gartner predicts that at least 50% of the leading ECM software providers will have re-architected their offerings to cloud based platform by the end of 2018. But even if the trend is towards the cloud, the license revenues from on-premise will play an important role for years to come.

### Gartner forecast



<sup>1</sup> Source: Gartner, Enterprise Software Markets, Worldwide, 2014-2021, 4Q17 Update

### FORMPIPES OFFERINGS IN ECM:

#### CASE AND DOCUMENT MANAGEMENT

Case and Document Management is about managing documents and information in cooperation, over functional boundaries, with version management, management of rights, traceability and automation of the work flows. This provides lower costs, minimized risk exposure and structured information. In the area of Case and Document Management, Formpipe addresses the public sector in Sweden and Denmark, as well as the industries of Life Science and Legal.

#### GRANTS MANAGEMENT

Grants Management automates the whole life cycle for applications and grants for both grant funding bodies and recipients, from requests for proposals by the program to measurement and reporting of the outcome of the effort. Formpipes Grants Management products are currently sold to the public sector and it is the leading system with national authorities.

#### CUSTOMER COMMUNICATIONS MANAGEMENT

With CCM products, content is produced, individualized, formatted and distributed from different systems and data sources to the format that best suits the company in its communication with customers or other business partners. Formpipe's CCM product Lasernet is mainly tied to sales of ERP systems

#### STRUCTURED DATA ARCHIVING

Structured data archiving is the ability to index and move important operating data from active business systems, or systems being discontinued. It provides control and makes the data available in its context, reduces storage costs and the amount of data in the daily production environment. Formpipe's product Long-Term Archive is currently sold to the public sector in Sweden where there is a high level of activity.

## The Future

Formpipe is well-positioned to be able to develop and strengthen its leading position as ECM provider while retaining good profitability levels. The company sees good opportunities to continue to utilize its experience from its successes in order to target new markets and customer segments. A solid product development and product strategy creates good conditions to be able to efficiently develop market-leading offerings and meet up with sector-specific requirements also in the future.

The board believes that Formpipe, which is one of the largest European-based ECM suppliers, is well-positioned with a stabile customer base, a high share of recurring revenue and a focus on customer segments with a high need for ECM solutions.

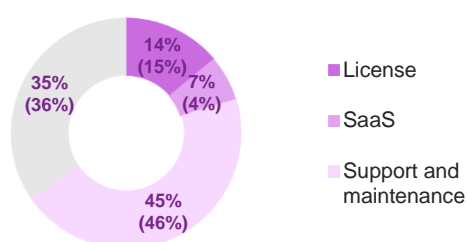
## Financial Information

### REVENUE

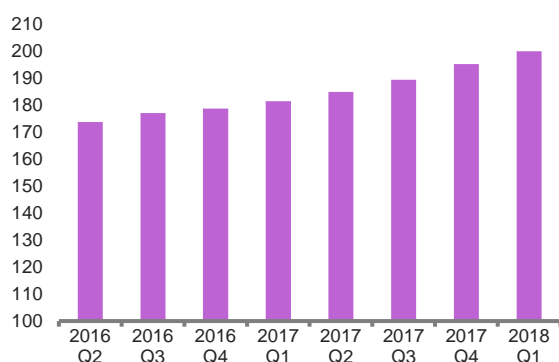
#### January – March 2018

Net sales for the period totalled to SEK 101.2 million (94.7 million), which corresponds to an increase of 7 %. Software revenue increased by 9 % from the previous year and totalled to SEK 66.2 million (61.0 million). Total recurring revenue for the period increased by 11 % from the previous year and totalled to SEK 52.2 million (47.1 million), which is equivalent to 51.6 % of net sales (49.8 %). Exchange rate effects have affected net sales positively by SEK 2.4 million in comparison with the previous year.

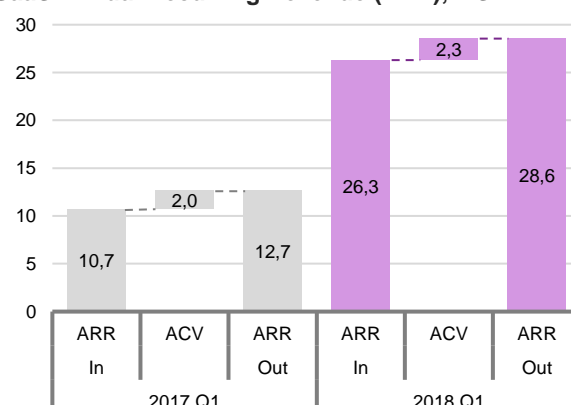
#### Breakdown of sales revenue, Jan–Mar 2018



#### Recurring revenue rolling 12 months, MSEK



#### SaaS Annual Recurring Revenue (ARR), MSEK

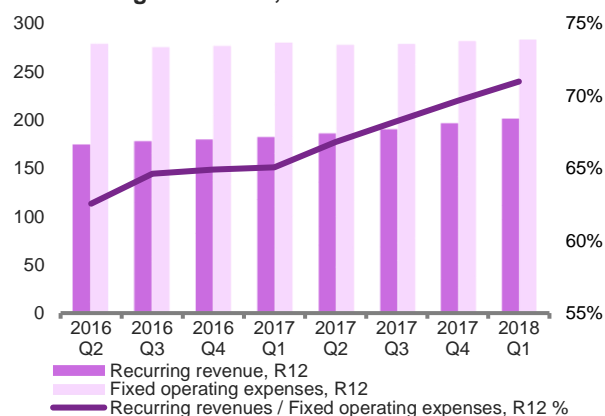


### COSTS

#### January – March 2018

The operating costs for the period decreased by 3 % and totalled to SEK 87.6 million (90.3 million). Personnel costs was unchanged and totalled to SEK 54.4 million (54.5 million). Selling expenses totalled to SEK 10.6 million (13.6 million). Other costs totalled to SEK 19.0 million (17.5 million).

#### Recurring revenues in relation to fixed operating costs rolling 12 months, MSEK

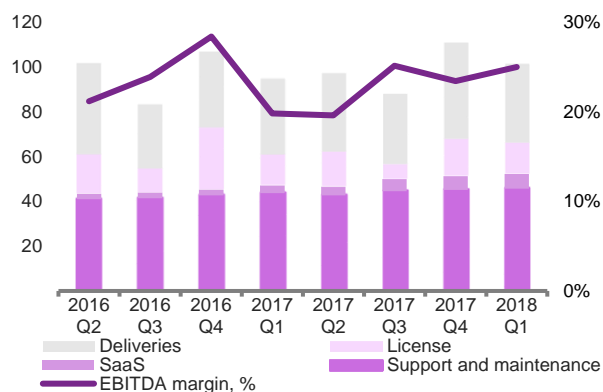


### EARNINGS

#### January – March 2018

Operating profit before depreciation and amortization and items affecting comparability (EBITDA) totalled to SEK 25.3 million (18.8 million) with an EBITDA margin of 25.0 % (19.8 %). Operating profit (EBIT) totalled to SEK 13.6 million (4.4 million) with an operating margin of 13.4 % (4.7 %). Net profit totalled to SEK 9.9 million (2.8 million). Exchange rate effects have affected EBITDA positively by SEK 0.5 million in comparison with the previous year.

## Sales and EBITDA margin, MSEK



## FINANCIAL POSITION AND LIQUIDITY

### Cash equivalents

Cash and cash equivalents at the end of the period amounted to SEK 90.0 million (60.4 million). The company had interest-bearing debt at the end of the period totalling to SEK 90.5 million (102.4 million). The company's net interest-bearing debt thereby totalled to SEK 0.5 million (42.0 million).

The company has bank overdraft facilities for a total of SEK 10.0 million and for DKK 17.0 million, which were not utilized at the end of the period (- million).

### Deferred tax asset

By the end of the period the company's deferred tax assets attributable to accumulated losses amounted to SEK 14.9 million (SEK 17.0 million).

### Equity

Equity at the end of the period amounted to SEK 384.7 million (347.9 million), which was equivalent to SEK 7.42 (6.79) per outstanding share at the end of the period. The weakening of the Swedish krona has increased the value of the group's net assets in foreign currencies by SEK 11.7 million (-1.0 million) from the end of the year.

### Equity ratio

The equity ratio at the end of the period was 57 % (55 %).

## CASH FLOW

### Cash flow from operating activities

Cash flow from operating activities for the period January - March totalled to SEK 20.0 million (13.7 million).

### Investments and acquisitions

Total investments for the period January - March amounted to SEK 8.8 million (9.9 million).

Investments in intangible assets totalled to SEK 8.6 million (9.6 million) and refer to capitalized product development costs.

Investments in tangible and financial assets totalled to SEK 0.3 million (0.2 million).

### Financing

During the period January - March the company has amortized SEK 4.4 million (4.2 million) and the interest-bearing debt amounted to SEK 90.5 million (102.4 million) at the end of the period.

## Significant events during the period January - March 2018

### JANUARY-MARCH

#### Agreement with three municipalities regarding Long-Term Archive

Formpipe has entered into an agreement to acquire the remaining 35.1 percent of the shares in the subsidiary Formpipe Intelligo AB through a non-cash rights issue. The acquisition is conditional upon the Annual General Meeting, which is scheduled to be held on April 25, 2018, to decide on the non-cash rights issue.

The minority owner is employed by the Group, why the acquisition is considered to be a transaction with related parties, and thereby needing a 90% majority at the meeting.

## Significant events after the periods end

No significant events have occurred after the periods end.

## Other

### EMPLOYEES

The number of employees at the end of the reporting period totalled to 225 persons (241 persons).

### RISKS AND UNCERTAINTY FACTORS

The significant risk and uncertainty factors for the group and the parent company, which include business and financial risks, are described in the annual report for the last financial year. During the period there have been no changes in the risk and uncertainty factors for the group and the parent company.

## TRANSACTIONS WITH RELATED PARTIES

In addition to the agreed agreement to acquire the minority item in Formpipe Intelligo AB, no related party transactions have occurred during the period.

## ACCOUNTING POLICIES

The group's financial reports are prepared in accordance with International Financial Reporting Standards (IFRS) in the way in which they have been adopted by the European Union, the Swedish Annual Accounts Act, RFR 1 Additional Accounting Regulations for Groups issued by the Swedish Financial Reporting Board and in accordance with the regulations that the Stockholm Stock Exchange stipulates for companies listed on Nasdaq Stockholm. Preparing financial reports in accordance with IFRS requires that the company management makes accounting evaluations and estimates and makes assumptions that affect the application of the accounting policies and the reported values of assets, liabilities, income and costs. The actual result can differ from these estimates and evaluations. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report covers pages 1-14 and the interim report on pages 1-6 is thus an integral part of this financial report. The most important accounting policies according to IFRS, which constitute the accounting standard for the preparation of this interim report, are stated in the company's most recently published annual report

The financial reports of the parent company have been pre-prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The same accounting policies and methods of calculation have been applied in the interim report and in the most recent annual report.

## ABOUT FORMPIPE

Formpipe Software AB (publ) is a software company in the field of ECM (Enterprise Content Management). We develop and deliver ECM products for structuring information in larger companies, the public sector and organizations. Our software helps organizations to capture and place information in context. Reduced costs, minimized risk exposure and structured information are the benefits from using our ECM products.

Formpipe was founded in 2004 and has offices in Sweden, Denmark, United Kingdom, the Netherlands, Germany and USA. The Formpipe share is listed on Nasdaq Stockholm.

## CALENDAR FOR FINANCIAL INFORMATION

|                  |                        |
|------------------|------------------------|
| April 25, 2018   | Annual general meeting |
| July 13, 2018    | Interim report Jan-Jun |
| October 23, 2018 | Interim report Jan-Sep |

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

## FINANCIAL INFORMATION

Can be ordered from the below contact details. All financial information is published on [www.formpipe.com](http://www.formpipe.com) immediately after being made public.

## CONTACT INFORMATION

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Stockholm February 14, 2018  
Formpipe Software AB  
The Board of Directors and the Managing Director

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**CONSOLIDATED INCOME STATEMENT SUMMARY**

| <b>(SEK 000)</b>   | <b>Jan-Mar</b> |               |
|--|----------------|---------------|
|  | <b>2018</b>    | <b>2017</b>   |
| <b>Net Sales</b>   | <b>101 209</b> | <b>94 722</b> |
| Sales expenses   | -10 645        | -13 625       |
| Other costs  | -18 965        | -17 502       |
| Personnel costs  | -54 358        | -54 465       |
| Capitalized work for own account   | 8 055          | 9 632         |
| <b>Operating profit/loss before depreciation/amortization and non-comparative items (EBITDA)</b>       | <b>25 296</b>  | <b>18 763</b> |
| Items affecting comparability  | -              | 0             |
| Depreciation/amortization  | -11 721        | -14 356       |
| <b>Operating profit/loss (EBIT)</b>  | <b>13 575</b>  | <b>4 406</b>  |
| Financial income and expenses  | -780           | -1 082        |
| Exchange rate differences  | -138           | -164          |
| Tax  | -2 708         | -351          |
| <b>Net profit for the period</b>   | <b>9 949</b>   | <b>2 809</b>  |
| <u>Of which the following relates to:</u>  |                |               |
| Parent company shareholders  | 9 940          | 2 691         |
| Shareholding with no controlling influence   | 9              | 118           |
| <u>Other comprehensive income</u>  |                |               |
| Translation differences  | 11 683         | -1 041        |
| Other comprehensive income for the period, net after tax   | 11 683         | -1 041        |
| <b>Total comprehensive income for the period</b>   | <b>21 632</b>  | <b>1 768</b>  |
| <u>Of which the following relates to:</u>  |                |               |
| Parent company shareholders  | 21 623         | 1 650         |
| Shareholding with no controlling influence   | 9              | 118           |
| <i>EBITDA margin, %</i>  | <i>25,0%</i>   | <i>19,8%</i>  |
| <i>EBIT margin, %</i>  | <i>13,4%</i>   | <i>4,7%</i>   |
| <i>Profit margin, %</i>  | <i>9,8%</i>    | <i>3,0%</i>   |
| Earnings per share attributable to the parent company's shareholders during the period (SEK per share) |                |               |
| - before dilution  | 0,19           | 0,05          |
| - after dilution   | 0,19           | 0,05          |
| Average no. of shares before dilution, in 000  | 51 873         | 51 274        |
| Average no. of shares after dilution, in 000   | 52 117         | 51 906        |

This is a translation of the original Swedish version. In the event of any discrepancies between the two versions, the original Swedish version shall take precedence.

**CONSOLIDATED BALANCE SHEET SUMMARY**

| (SEK 000)                                  | Dec 31         |                | Dec 31         |
|--|----------------|----------------|----------------|
|  | 2018           | 2017           | 2017           |
| Intangible assets                          | 476 127        | 465 347        | 465 071        |
| Tangible assets                            | 4 556          | 3 742          | 4 596          |
| Financial assets                           | 1 228          | 1 727          | 2 964          |
| Deferred tax asset                         | 14 967         | 16 971         | 14 937         |
| Current assets (excl. cash equivalents)    | 85 948         | 78 816         | 106 052        |
| Cash equivalents                           | 90 023         | 60 438         | 82 663         |
| <b>TOTAL ASSETS</b>                        | <b>672 848</b> | <b>627 041</b> | <b>676 281</b> |
| Equity                                     | 384 675        | 347 899        | 363 051        |
| Shareholding with no controlling influence | 2 087          | 2 823          | 2 079          |
| Long-term liabilities                      | 96 699         | 112 448        | 97 137         |
| Current liabilities                        | 189 388        | 163 871        | 214 014        |
| <b>TOTAL EQUITY AND LIABILITIES</b>        | <b>672 848</b> | <b>627 041</b> | <b>676 281</b> |
| Net interest-bearing debt (-) / cash (+)   | -436           | -41 956        | -9 409         |

**CHANGES IN CONSOLIDATED EQUITY**

| (SEK 000)                            | Equity attributable to the parent company's shareholders |                           |                      |                             |                | Shareholdings with no controlling influence | Total          |
|--------------------------------------|--|---------------------------|----------------------|-----------------------------|----------------|---|----------------|
|                                      | Share capital  | Other contributed capital | Translation reserves | Profit/loss brought forward | Total          |   |                |
| <b>Balance at January 1, 2017</b>    | <b>5 127</b>   | <b>193 829</b>            | <b>11 499</b>        | <b>135 793</b>              | <b>346 249</b> | <b>2 705</b>                                | <b>348 954</b> |
| <b>Comprehensive income</b>          |  |                           |                      |                             |                |   |                |
| Net profit for the period            | -  | -                         | -                    | 2 691                       | 2 691          | 118   | 2 809          |
| Other comprehensive income items     | -  | -                         | -1 041               | -                           | -1 041         | -   | -1 041         |
| <b>Total comprehensive income</b>    | <b>-</b>   | <b>-</b>                  | <b>-1 041</b>        | <b>2 691</b>                | <b>1 650</b>   | <b>118</b>                                  | <b>1 768</b>   |
| <b>Total transaction with owners</b> | <b>-</b>   | <b>-</b>                  | <b>-</b>             | <b>-</b>                    | <b>-</b>       | <b>-</b>                                    | <b>-</b>       |
| <b>Balance at Mar 31, 2017</b>       | <b>5 127</b>   | <b>193 829</b>            | <b>10 459</b>        | <b>138 484</b>              | <b>347 899</b> | <b>2 823</b>                                | <b>350 722</b> |
| <b>Balance at January 1, 2018</b>    | <b>5 187</b>   | <b>194 729</b>            | <b>17 892</b>        | <b>145 243</b>              | <b>363 051</b> | <b>2 079</b>                                | <b>365 130</b> |
| <b>Comprehensive income</b>          |  |                           |                      |                             |                |   |                |
| Net profit for the period            | -  | -                         | -                    | 9 940                       | 9 940          | 8   | 9 948          |
| Other comprehensive income items     | -  | -                         | 11 683               | -                           | 11 683         | -   | 11 683         |
| <b>Total comprehensive income</b>    | <b>-</b>   | <b>-</b>                  | <b>11 683</b>        | <b>9 940</b>                | <b>21 623</b>  | <b>8</b>                                    | <b>21 631</b>  |
| <b>Total transaction with owners</b> | <b>-</b>   | <b>-</b>                  | <b>-</b>             | <b>-</b>                    | <b>-</b>       | <b>-</b>                                    | <b>-</b>       |
| <b>Balance at Mar 31, 2018</b>       | <b>5 187</b>   | <b>194 729</b>            | <b>29 575</b>        | <b>155 183</b>              | <b>384 675</b> | <b>2 087</b>                                | <b>386 762</b> |

This is a translation of the original Swedish version. In the event of any discrepancies between the two versions, the original Swedish version shall take precedence.

## CASH FLOW STATEMENT SUMMARY

| (SEK 000)  | Jan-Mar       |               |
|--|---------------|---------------|
|  | 2018          | 2017          |
| Cash flow from operating activities before working capital changes | 18 881        | 16 812        |
| Cash flow from working capital changes                             | 1 155         | -3 076        |
| <b>Cash flow from operating activities</b>                         | <b>20 036</b> | <b>13 736</b> |
| Cash flow from investing activities                                | -8 825        | -9 919        |
| Cash flow from financing activities                                | -4 443        | -4 243        |
| <b>Cash flow for the period</b>                                    | <b>6 768</b>  | <b>-426</b>   |
| <b>Change in cash and cash equivalent</b>                          |               |               |
| Cash and cash equivalent at the beginning of the period            | 82 663        | 60 890        |
| Translation differences  | 592           | -25           |
| Cash flow for the period   | 6 768         | -426          |
| <b>Cash and cash equivalent at the end of the period</b>           | <b>90 023</b> | <b>60 438</b> |

## 8 QUARTERS IN SUMMARY

| (SEK 000)                     | 2016 Q2        | 2016 Q3       | 2016 Q4        | 2017 Q1       | 2017 Q2       | 2017 Q3       | 2017 Q4        | 2018 Q1        |
|-------------------------------|----------------|---------------|----------------|---------------|---------------|---------------|----------------|----------------|
| License                       | 17 766         | 10 870        | 27 658         | 13 829        | 15 733        | 6 792         | 16 698         | 14 024         |
| SaaS                          | 2 304          | 2 559         | 2 662          | 3 491         | 3 866         | 5 341         | 6 147          | 6 535          |
| Support and maintenance       | 41 010         | 41 354        | 42 619         | 43 638        | 42 685        | 44 536        | 45 130         | 45 678         |
| Software revenues             | 61 079         | 54 784        | 72 939         | 60 958        | 62 285        | 56 670        | 67 975         | 66 237         |
| whereof recurring revenue     | 43 314         | 43 914        | 45 282         | 47 129        | 46 552        | 49 877        | 51 277         | 52 214         |
|                               |                |               |                | 0             |               |               |                |                |
| Deliveries                    | 40 452         | 28 438        | 33 757         | 33 765        | 34 774        | 31 332        | 42 482         | 34 972         |
| <b>Net sales</b>              | <b>101 531</b> | <b>83 221</b> | <b>106 696</b> | <b>94 722</b> | <b>97 059</b> | <b>88 002</b> | <b>110 457</b> | <b>101 209</b> |
| Sales expenses                | -13 939        | -11 327       | -14 287        | -13 625       | -15 107       | -12 772       | -19 532        | -10 645        |
| Other costs                   | -18 724        | -16 844       | -18 621        | -17 502       | -18 700       | -15 530       | -19 978        | -18 965        |
| Personnel costs               | -56 277        | -44 260       | -52 220        | -54 465       | -54 130       | -46 428       | -53 580        | -54 358        |
| Capitalized development costs | 8 887          | 9 074         | 8 718          | 9 632         | 9 892         | 8 849         | 8 496          | 8 055          |
| Total operating expenses      | -80 053        | -63 356       | -76 410        | -75 960       | -78 046       | -65 881       | -84 595        | -75 913        |
| <b>EBITDA</b>                 | <b>21 478</b>  | <b>19 866</b> | <b>30 286</b>  | <b>18 763</b> | <b>19 013</b> | <b>22 121</b> | <b>25 862</b>  | <b>25 296</b>  |
| %                             | 21,2%          | 23,9%         | 28,4%          | 19,8%         | 19,6%         | 25,1%         | 23,4%          | 25,0%          |
| Items affecting comparability | -3 118         | -             | -              | -             | 1 260         | -             | -863           | -              |
| Depreciation/amortization     | -13 559        | -13 658       | -14 460        | -14 356       | -12 820       | -10 976       | -10 330        | -11 721        |
| <b>EBIT</b>                   | <b>4 801</b>   | <b>6 207</b>  | <b>15 827</b>  | <b>4 406</b>  | <b>7 453</b>  | <b>11 145</b> | <b>14 669</b>  | <b>13 575</b>  |
| %                             | 4,7%           | 7,5%          | 14,8%          | 4,7%          | 7,7%          | 12,7%         | 13,3%          | 13,4%          |

\* In the connection of the Group's review of effects from the transition to IFRS 15 standard, the Groups's contracts has been reviewed and analyzed. The Group has not noted any effects from the transition that affects the income statement or balance sheet historically. During this work, a few contracts were noted where adjustments of the revenue type where needed between SaaS and support and maintenance. Therefore, reclassifications have been made in the above table between the revenue types SaaS and support and maintenance. At the same time the revenue type SaaS has been broken out of license and is now reported separately.



## SEGMENT SUMMARY

The Group's segments are divided according to which country they have their headquarters in and for which products that is accounted for. The segments are divided into Sweden, Denmark and Life Science. Segment Sweden comprises the Swedish companies and their products, segment Denmark consists of the Danish companies and their subsidiaries that accounts for products belonging to the Danish entities. Segment Life Science consists of the Group's total records related to life sciences customers for its products specifically designed for life science companies. Items related to life sciences are thus reported separately under its own segment and are not included in the other segments' reported amounts.

| (SEK 000)          | Jan-Mar 2018  |               |              |               | Group          |
|--------------------|---------------|---------------|--------------|---------------|----------------|
|                    | Sweden        | Denmark       | Life Science | Eliminations  |                |
| Sales, external    | 44 660        | 53 423        | 3 126        | -             | 101 209        |
| Sales, internal    | 1 186         | 83            | 199          | -1 468        | -              |
| <b>Total sales</b> | <b>45 847</b> | <b>53 506</b> | <b>3 325</b> | <b>-1 468</b> | <b>101 209</b> |
| Costs, external    | -29 874       | -43 400       | -2 638       | -             | -75 913        |
| Costs, internal    | -675          | -590          | -203         | 1 468         | -              |
| <b>EBITDA</b>      | <b>15 298</b> | <b>9 515</b>  | <b>483</b>   | <b>-</b>      | <b>25 296</b>  |
| %                  | 33,4%         | 17,8%         | 14,5%        |               | 25,0%          |

| (SEK 000)          | Jan-Mar 2017  |               |              |               | Group         |
|--------------------|---------------|---------------|--------------|---------------|---------------|
|                    | Sweden        | Denmark       | Life Science | Eliminations  |               |
| Sales, external    | 39 156        | 52 815        | 2 751        | -             | 94 722        |
| Sales, internal    | 1 291         | 60            | 350          | -1 701        | -             |
| <b>Total sales</b> | <b>40 448</b> | <b>52 874</b> | <b>3 101</b> | <b>-1 701</b> | <b>94 722</b> |
| Costs, external    | -28 627       | -44 072       | -3 261       | -             | -75 960       |
| Costs, internal    | -1 134        | -216          | -352         | 1 701         | -             |
| <b>EBITDA</b>      | <b>10 687</b> | <b>8 587</b>  | <b>-511</b>  | <b>0</b>      | <b>18 763</b> |
| %                  | 26,4%         | 16,2%         | -16,5%       |               | 19,8%         |

## GROUP-WIDE INFORMATION

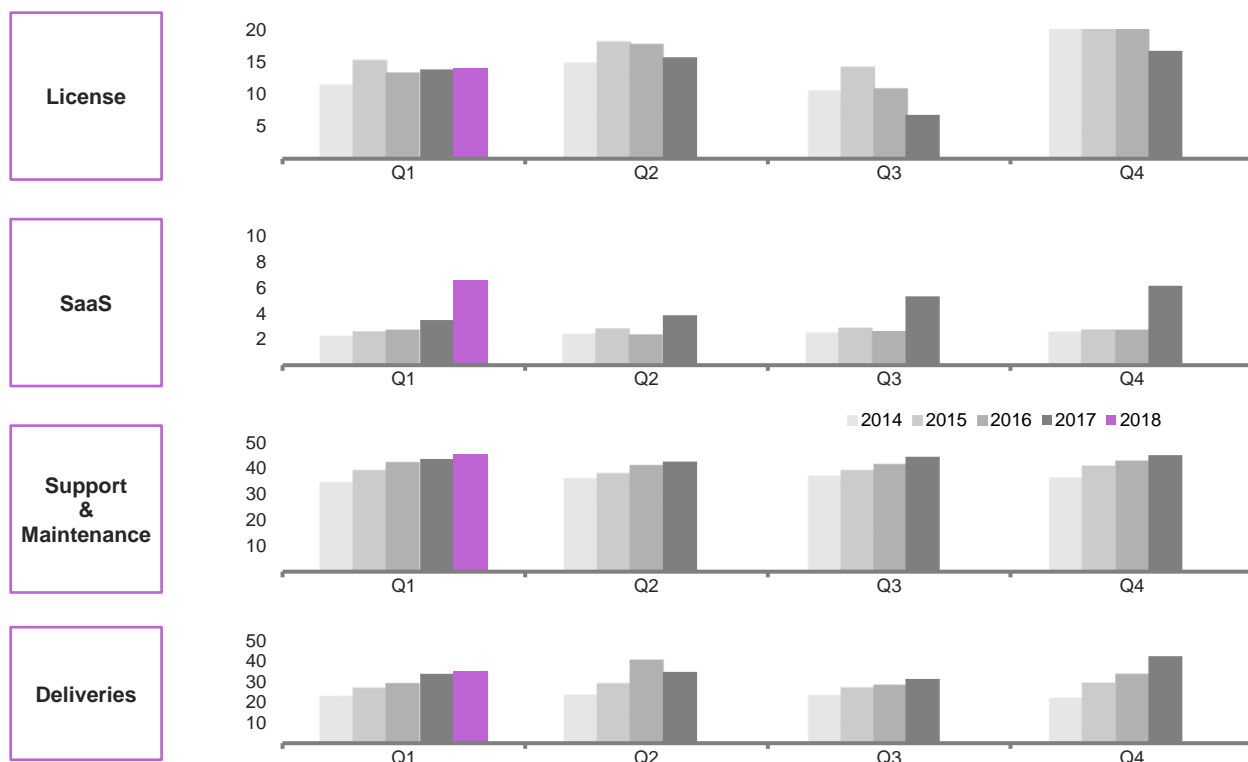
Revenues from all products and services are identified as follows:

| 2018                  | Life          |               |              | Group          |
|-----------------------|---------------|---------------|--------------|----------------|
|                       | Sweden        | Denmark       | Science      |                |
| License               | 8 477         | 5 148         | 398          | 14 024         |
| SaaS                  | 3 497         | 2 546         | 492          | 6 535          |
| Support & Maintenance | 23 696        | 21 268        | 714          | 45 678         |
| Delivery              | 8 990         | 24 460        | 1 522        | 34 972         |
| <b>Net sales</b>      | <b>44 660</b> | <b>53 423</b> | <b>3 126</b> | <b>101 209</b> |

| 2017                  | Life          |               |              | Group         |
|-----------------------|---------------|---------------|--------------|---------------|
|                       | Sweden        | Denmark       | Science      |               |
| License               | 6 113         | 7 249         | 466          | 13 829        |
| SaaS                  | 2 732         | 401           | 358          | 3 491         |
| Support & Maintenance | 23 189        | 19 718        | 731          | 43 638        |
| Delivery              | 7 122         | 25 446        | 1 196        | 33 764        |
| <b>Net sales</b>      | <b>39 156</b> | <b>52 815</b> | <b>2 751</b> | <b>94 722</b> |

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## SALES ANALYSIS BY QUARTER



## NUMBER OF SHARES

|  | 2014-01-01        | 2015-01-01        | 2016-01-01        | 2017-01-01        | 2018-01-01        |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 2014-12-31        | 2015-12-31        | 2016-12-31        | 2017-12-31        | 2018-03-31        |
| Number of outstanding shares at the beginning of the period  | 48 934 588        | 50 143 402        | 50 143 402        | 51 273 608        | 51 873 025        |
| Share issue from warrant programme                           | -                 | -                 | 1 130 206         | 599 417           | -                 |
| Non-cash issue   | 1 208 814         | -                 | -                 | -                 | -                 |
| <b>Number of outstanding shares at the end of the period</b> | <b>50 143 402</b> | <b>50 143 402</b> | <b>51 273 608</b> | <b>51 873 025</b> | <b>51 873 025</b> |

## KEY RATIOS FOR THE GROUP

|  | Jan-Mar |        |
|--|---------|--------|
|  | 2018    | 2017   |
| Net sales, SEK 000   | 101 209 | 94 722 |
| EBITDA, SEK 000  | 25 296  | 18 763 |
| EBITDA-adj., SEK 000                                       | 17 241  | 9 130  |
| EBIT, SEK 000  | 13 575  | 4 406  |
| Net profit for the period, SEK 000                         | 9 949   | 4 406  |
| EBITDA margin, %   | 25,0%   | 19,8%  |
| EBITDA-adj. margin, %                                      | 17,0%   | 9,6%   |
| EBIT margin, %   | 13,4%   | 4,7%   |
| Profit margin, %   | 9,8%    | 3,0%   |
| Return on equity, %*                                       | 6,6%    | 6,8%   |
| Return on working capital, %*                              | 12,3%   | 7,9%   |
| Equity ratio, %  | 57%     | 55%    |
| Equity per outstanding share at the end of the period, SEK | 7,42    | 6,79   |
| Earnings per share - before dilution, SEK                  | 0,19    | 0,05   |
| Earnings per share - after dilution, SEK                   | 0,19    | 0,05   |
| Share price at the end of the period, SEK                  | 13,45   | 12,95  |

\* Ratios including P&L measures are based on the most recent 12-month period

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#### PARENT COMPANY INCOME STATEMENT SUMMARY\*

| (SEK 000)                        | Jan-Mar       |               |
|----------------------------------|---------------|---------------|
|                                  | 2018          | 2017          |
| <b>Net sales</b>                 | <b>35 135</b> | <b>34 521</b> |
| Operating expenses               |               |               |
| Sales expenses                   | -1 376        | -4 701        |
| Other costs                      | -8 154        | -6 779        |
| Personnel costs                  | -17 090       | -16 637       |
| Depreciation/amortization        | -1 521        | -1 560        |
| Total operating expenses         | -28 141       | -29 677       |
| <b>Operating profit/loss</b>     | <b>6 994</b>  | <b>4 844</b>  |
| Other financial items            | -539          | 318           |
| <b>Net profit for the period</b> | <b>6 455</b>  | <b>5 162</b>  |

#### PARENT COMPANY BALANCE SHEET SUMMARY

| (SEK 000)                               | Mar 31         |                | Dec 31         |
|---|----------------|----------------|----------------|
|   | 2018           | 2017           | 2017           |
| Intangible assets                       | 13 970         | 18 456         | 14 852         |
| Tangible assets                         | 946            | 1 164          | 967            |
| Financial assets                        | 322 862        | 338 627        | 324 304        |
| Deferred tax asset                      | -              | -              | -              |
| Current assets (excl. cash equivalents) | 62 628         | 68 044         | 79 439         |
| Cash and bank balances                  | 68 836         | 43 001         | 65 908         |
| <b>TOTAL ASSETS</b>                     | <b>469 242</b> | <b>469 292</b> | <b>485 470</b> |
| Restricted equity                       | 22 878         | 22 818         | 22 878         |
| Non-restricted equity                   | 218 083        | 215 226        | 211 628        |
| Total equity                            | 240 961        | 238 044        | 234 506        |
| Long-term liabilities                   | 79 404         | 110 857        | 81 429         |
| Current liabilities                     | 148 877        | 120 390        | 169 535        |
| <b>TOTAL EQUITY AND LIABILITIES</b>     | <b>469 242</b> | <b>469 292</b> | <b>485 470</b> |

\* A reclassification has been made between financial assets and current assets for the year 2017 related to the short-term part of interest bearing receivables on group companies. The reclassification amounts to 11 159 Tkr.

#### PLEGDED ASSETS AND CONTINGENT LIABILITIES

Pledged assets refers to shares in subsidiaries as security for loans. The pledged assets in the Group is the same as disclosed for the Parent Company.

| (SEK 000)              | Mar 31  |         | Dec 31  |
|------------------------|---------|---------|---------|
|                        | 2017    | 2016    | 2016    |
| Pledged assets         | 320 755 | 305 442 | 310 329 |
| Contingent liabilities | -       | -       | -       |

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## DEFINITIONS

Formpipe uses alternative key figures, also called APM (Alternative Performance Measures). From July 3<sup>rd</sup> 2016 new guidelines were implemented by the European Union regarding alternative APM's, which Formpipe uses in published reports. Formpipe's APM's is calculated from the financial reports, which are prepared in accordance with applicable rules for financial reporting, where prepared figures is altered by adding or subtracting amounts from the presented numbers. Below the alternative performance measures, that Formpipe uses in published reports, are defined and described

### **Software revenue**

The total of license revenue and revenue from support and maintenance contracts.

### **Recurring revenue**

Revenue of an annually recurring nature such as support and maintenance revenue and revenue from SAAS services regarding license agreements.

### **Annual recurring revenue (ARR)**

Recurring revenue for the period's last month multiplied by 12, to obtain the recurring revenue for the coming 12 months from contracts with recognized revenue.

### **ARR IN**

Initial value for the period's Annual recurring revenue.

### **ACV**

Annual recurring revenue of the period's won and lost contracts (net).

### **ARR OUT**

Closing value of the period's Annual recurring revenue, provided that all new/lost contracts (ACV) of the period have begun/ceased to be recognized.

### **Fixed operating expenses**

Other costs and personnel costs

### **Operating expenses**

Sales costs, other costs, personnel costs, capitalized development and depreciation.

### **EBITDA**

Earnings before depreciation, amortization, acquisition-related costs and other items affecting comparability.

### **EBITDA-adj.**

EBITDA exclusive capitalized work for own account

### **Items affecting comparability**

The item must be of a material nature to be reported separately and considered undesirable from the regular core operations and complicate the comparison. For example, acquisition-related items, restructuring-related items and write-downs

### **EBIT**

Operating profit/loss

### **Operating margin before depreciation and amortization (EBITDA margin)**

Earnings before depreciation, amortization, acquisition-related costs and other items affecting comparability as a percentage of net sales.

### **Operating margin before depreciation and amortization (EBITDA-adj margin)**

Earnings before capitalized work for own account, depreciation, amortization, acquisition-related costs and other items affecting comparability as a percentage of net sales.

### **Operating margin (EBIT margin)**

Operating profit/loss as a percentage of net sales.

### **Profit margin**

Net profit/loss after tax as a percentage of sales at the end of the period.

### **Earnings per share - before dilution**

Net profit/loss after tax divided by the average number of shares during the period.

### **Earnings per share - after dilution**

Net profit/loss after tax adjusted for dilution effects divided by the average number of shares after dilution during the period.

### **Equity per share**

Equity at the end of the period divided by the number of shares at the end of the period.

### **Return on equity**

Profit/loss after tax as a percentage of average equity

### **Return on working capital**

Operating profit/loss as a percentage of average working capital (balance sheet total less non-interest bearing liabilities and cash and bank balances).

### **Free cash flow**

Cash flow from operating activities minus cash flow from investing activities excluding acquisitions.

### **Net interest-bearing debt**

Interest bearing debts minus cash and cash equivalents

### **Equity ratio**

Equity as a percentage of the balance sheet total.