



Formpipe.

Interim report January – September 2019

PERIOD JULY 1 – SEPTEMBER 30, 2019

- Net sales of SEK 92.4 m (SEK 95.6 m)
- Software revenues of SEK 66.1 m (SEK 64.8 m)
- Recurring revenues of SEK 61.4 m (SEK 56.3 m) which corresponds to 66 % (59 %) of net sales.
- EBITDA SEK 24.3 m; 26.3 % (SEK 25.6 m; 26.8 %)
- EBITDA-adj. SEK 14.5 m; 15.7 % (SEK 16.9 m; 17.7 %)
- EBIT SEK 11.2 m; 12.1 % (SEK 13.9 m; 14.5 %)
- Net profit SEK 8.3 m; 8.9 % (SEK 10.1 m; 10.6 %)
- EPS before dilution SEK 0.16 (SEK 0.19)
- Cash flow from operating activities SEK 21.5 m (SEK 19.9 m)

PERIOD JANUARY 1 – SEPTEMBER 30, 2019

- Net sales of SEK 290.7 m (SEK 296.9 m)
- Software revenues of SEK 202.7 m (SEK 197.2 m)
- Recurring revenues of SEK 181.4 m (SEK 163.2 m) which corresponds to 62 % (55 %) of net sales.
- EBITDA SEK 72.3 m; 24.9 % (SEK 72.4 m; 24.4 %)
- EBITDA-adj. SEK 44.5 m; 15.3 % (SEK 47.6 m; 16.0 %)
- EBIT SEK 32.2 m; 11.1 % (SEK 37.1 m; 12.5 %)
- Net profit SEK 23.0 m; 7.9 % (SEK 27.4 m; 9.2 %)
- EPS before dilution SEK 0.43 (SEK 0.52)
- Cash flow from operating activities SEK 15.6 m (SEK 60.8 m)

INCOME STATEMENT - SUMMARY

(SEK Million)	Jul-Sep		Jan-Sep		Rolling 12 months	Full year 2018
	2019	2018	2019	2018		
Net sales	92,4	95,6	290,7	296,9	400,3	406,4
whereof recurring revenue	61,4	56,3	181,4	163,2	241,4	223,2
EBITDA	24,3	25,6	72,3	72,4	99,6	99,7
EBITDA-adj	14,5	16,9	44,5	47,6	62,3	65,4
EBIT	11,2	13,9	32,2	37,1	48,3	53,2

Comments from the Group's CEO

The third quarter is normally a low-intensive quarter in terms of new sales and Q3 this year is no exception. The strength of our business model with a high degree of repetitive revenues then becomes extra clear. Even with quarterly weaker new sales, we deliver both stable earnings and a stable cash flow.

The fact that traditional license revenues and delivery revenues are low in relation to historical figures, is fully in line with our strategy and expectations, on the other hand we also show a slightly lower growth in SaaS (Software-as-a-Service) than the comparison period. However, we still see a high demand and activity in the market of the private sector.

From the period before the government elections in Sweden until the last quarter, there has been low activity within the public sector in regard to procurements. This has probably created an accrued need, which means that we now see a greater number of procurements in the market for both document and case management as well as e-archive solutions. Subsequent to the end of the quarter, we won a framework agreement comprising

e-archive as a service for 12 Swedish universities, estimated business value for this framework agreement over 4 years is SEK 7 million.

In Denmark, we managed to win two new framework agreements during the quarter that are of great strategic importance to us, SKI 02.18 (OnPremise Software) and SKI 02.19 (Cloud Software). The framework agreements are procured by the "Statens og Kommunernes Indkøbsfællesservice (SKI)" and create an opportunity for both existing and new customers to efficiently purchase our products through direct allocation instead of costly procurements. We believe that many customers will use this opportunity, and our first customer through the SKI-agreements was signed already in September.

Market

The digitalization of information creates new and growing flows of data from a number of different sources. Being able to handle these has become one of the most important challenges for companies and organizations.

Formpipe's products are used to create, store, distribute, automate, relocate, archive and manage information, data and metadata regarding e.g. scanned documents, e-mail, reports, records, business documents or information from other source systems.

The goal is to be able to refine and analyze content from one or more sources, to thereby provide the right insights by the right people receiving relevant information when they need it. It is in the Enterprise Content Management (ECM) market that Formpipe has grown to become a market leader in the public sector and a strong challenger in the private sector both industry-independent and with extra knowledge of Life Science and Legal.

The growth in the market is fueled in large part by the organizational and corporate-wide need to streamline operations and meet legal requirements and regulations. To be able to get the value out of the collective amount of information at companies and organizations, applications and services are needed – in order to securely – collaborate, search, analyse, process and distribute data and content. Growth drivers tend to gain strength as the amount of data and information increases. Intelligent information management is a high priority area.

Gartner's forecast for the global market is an average annual growth of 8.6 per cent in 2017-2022. The Content Services market has a total addressable forecast market in 2019 with system revenues of USD 8.3 billion.

CLOUD-BASED SOLUTIONS

An important part of the change of the ECM market is also that the development is moving increasingly towards cloud-based solutions, where the customers pay for what is used and where costs for development, operations, maintenance, upgrade and support are included in the running agreement. The transition to SaaS is taking place very quickly now and Gartner estimates that the SaaS revenues will reach up to 40 per cent of the total sales of software in 20221.

Cloud Shift Proportion by Category

	2018	2019	2020	2021	2022
System infrastructure	11%	13%	16%	19%	22%
Infrastructure software	13%	15%	17%	18%	20%
Application Software	34%	35%	38%	39%	40%
Business process outsourcing	27%	28%	29%	29%	30%
Total	19%	21%	24%	26%	28%

Källa: Gartner (Aug 2018)

This development is well in line with Formpipe's reality where growing numbers of the Company's customers choose to shift to Formpipe's cloud services for the standard products and with the Company's development of service modules that can process information both from Formpipe's existing systems and other systems.

Business Areas

SWEDISH PUBLIC SECTOR

Around SEK 45 billion is invested in IT in the public sector every year. The Swedish Government's ambition is for government agencies, municipalities and county councils to be the best in the world at using the possibilities of digitalization to create an efficient public sector – a simpler daily life for private individuals and companies, more jobs and greater welfare. Digital solutions and automation create opportunities to meet the growing welfare needs and at the same time increase the service to the citizens. Formpipe has extensive knowledge of the opportunities and challenges that Sweden's municipalities, county councils and agencies will be facing in the future.

DANISH PUBLIC SECTOR

Denmark is high up in the European Commission's measurements of "Digital Service in the public sector". Statistics Denmark's survey strengthens this picture.

The Danish public sector invested DKK 14 billion in IT in 2017. The digitalization of the Danish public sector creates value, growth and efficiency and maintains the Danes' confidence in the digital society. With the common public digitalization strategy 2016-2020, the public sector sets ambitious goals for the development towards a more digital public sector in the next few years. Digital solutions and automation create opportunities to meet the growing welfare needs and at the same time increase the service to the citizens.

The employers' organization Dansk Industri believes that a modernization and digitalization of the public sector can free up DKK 20 billion by 2025. Money that can then be fed back to the public sector and contribute to increasing the level of service. Formpipe has extensive knowledge of the opportunities and challenges that the Danish public sector will face in the future.

¹ Source: Gartner: Enterprise Application Software, Worldwide, 2016-2022, 4Q18 Update

PRIVATE SECTOR

In the Private Sector area, Formpipe has a stable foundation in the CCM product, Lasernet. The global Customer Communications Management (CCM) market is mainly driven by a greater need for automation of customer communication in various channels. The software revenues in the global market are expected to increase at an annual growth rate of 13.4% from 2017 to 2021. 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.

Through the successful cooperation with Microsoft, Formpipe has established Lasernet as a cloud service through the global market places Microsoft Azure Marketplace and Microsoft AppSource. By expanding the cooperation to concern more products from Formpipe, the possibility is opened up for a significantly larger market. Conditions exist for example for Formpipe's products for digital long-term archiving and data quality.

Financial Information

REVENUE

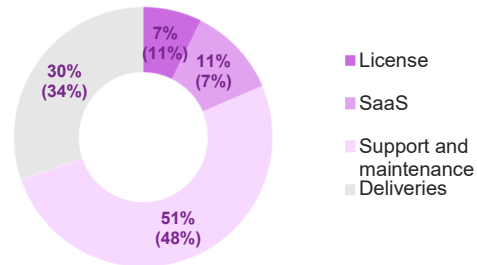
July-September 2019

Net sales for the period totalled to SEK 92.4 million (95.6 million), which corresponds to a decrease of 3 %. Software revenue increased by 2 % from the previous year and totalled to SEK 66.1 million (64.8 million). Total recurring revenue for the period increased by 9 % from the previous year and totalled to SEK 61.4 million (56.3 million), which is equivalent to 66 % of net sales (59 %). Exchange rate effects have affected net sales positively by SEK 1.7 million in comparison with the previous year.

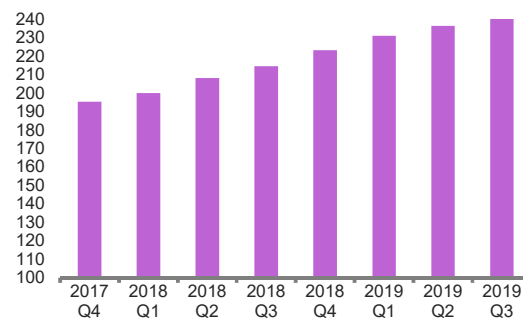
January – September 2019

Net sales for the period totalled to SEK 290.7 million (296.9 million), which corresponds to a decrease of 2 %. Software revenue increased by 3 % from the previous year and totalled to SEK 202.7 million (197.2 million). Total recurring revenue for the period increased by 11 % from the previous year and totalled to SEK 181.4 million (163.2 million), which is equivalent to 62 % of net sales (55 %). Exchange rate effects have affected net sales positively by SEK 5.4 million in comparison with the previous year.

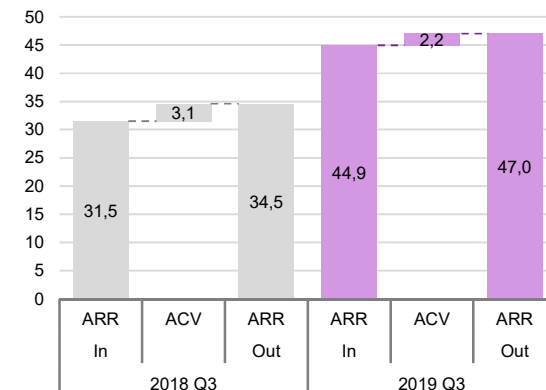
Breakdown of sales revenue, Jan-Sep 2019



Recurring revenue rolling 12 months, MSEK



SaaS Annual Recurring Revenue (ARR), MSEK



COSTS

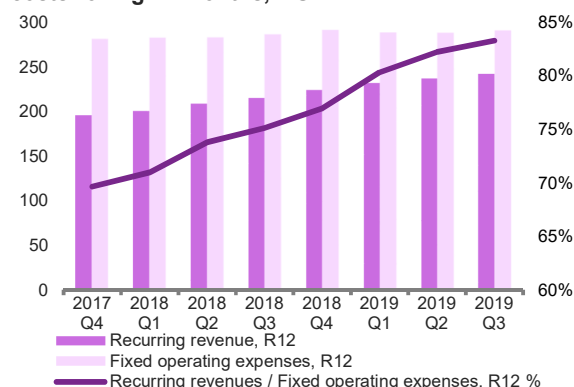
July – September 2019

The operating costs for the period totalled to SEK 81.2 million (81.8 million). Personnel costs totalled to SEK 47.9 million (48.3 million). Selling expenses totalled to SEK 9.9 million (13.2 million). Other costs totalled to SEK 20.1 million (17.2 million).

January – September 2019

The operating costs for the period stayed unchanged and totalled to SEK 258.5 million (259.8 million). Personnel costs stayed unchanged and totalled to SEK 155.9 million (156.8 million). Selling expenses totalled to SEK 34.6 million (37.4 million). Other costs totalled to SEK 55.7 million (55.1 million).

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



EARNINGS

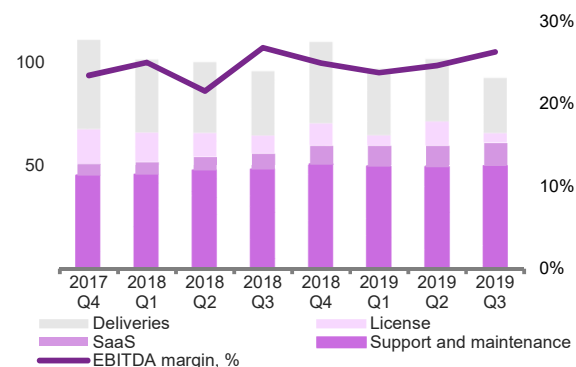
July – September 2019

Operating profit before depreciation and amortization and items affecting comparability (EBITDA) totalled to SEK 24.3 million (25.6 million) with an EBITDA margin of 26.3 % (26.8 %). Operating profit (EBIT) totalled to SEK 11.2 million (13.9 million) with an operating margin of 12.1 % (14.5 %). Net profit totalled to SEK 8.3 million (10.1 million). Exchange rate effects have affected EBITDA positively by SEK 0.3 million in comparison with the previous year. IFRS 16 has affected EBITDA positively by SEK 2.0 million.

January – September 2019

Operating profit before depreciation and amortization and items affecting comparability (EBITDA) totalled to SEK 72.3 million (SEK 72.4 million) with an EBITDA margin of 24.9 % (24.4 %). Operating profit (EBIT) totalled to SEK 32.2 million (37.1 million) with an operating margin of 11.1 % (12.5 %). Net profit totalled to SEK 23.0 million (27.4 million). Exchange rate effects have affected EBITDA positively by SEK 1.0 million in comparison with the previous year. IFRS 16 has affected EBITDA positively by SEK 5.9 million.

Sales and EBITDA margin, MSEK



FINANCIAL POSITION AND LIQUIDITY

Cash equivalents

Cash and cash equivalents at the end of the period amounted to SEK 32.6 million (79.1 million). The company had interest-bearing debt at the end of the period totalling to SEK 68.2 million (81.6 million), whereof 28.2 million (- million) refers to lease debts according to IFRS 16 and 40.0 million (-) refers to utilized bank overdraft. The company's total bank overdraft limit amounts to SEK 50.0 million.

The company's net interest-bearing debt thereby totalled to SEK 35.7 million (2.5 million), which corresponds to a net interest bearing debt of 7.5 million excluding any IFRS 16 effects.

Deferred tax asset

By the end of the period the company's deferred tax assets attributable to accumulated losses amounted to SEK 10.9 million (SEK 10.3 million).

Equity

Equity at the end of the period amounted to SEK 396.1 million (379.9 million), which was equivalent to SEK 7.45 (7.18) per outstanding share at the end of the period. Changes in the value of the Swedish krona compared to other currencies have changed the value of the group's net assets in foreign currencies by SEK 13.0 million (10.9 million) from the end of the year.

Equity ratio

The equity ratio at the end of the period was 60 % (59 %).

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities for the period January - September totalled to SEK 15.6 million (60.8 million). The cash flow has been affected negatively by increased working capital tied up compared to previous periods.

Investments and acquisitions

Total investments for the period January - September amounted to SEK 36.2 million (28.6 million).

Investments in intangible assets totalled to SEK 34.4 million (27.0 million) and refer to capitalized product development costs.

Investments in tangible and financial assets totalled to SEK 1.8 million (1.6 million).

Financing

In April, the loan, which was raised in connection to the acquisition of Traen A/S in 2012, was repaid in full. During the period January – September the company thus amortized SEK 79.1 million (12.8 million).

At the end of the period, the company utilized SEK 40.0 million of the existing bank overdraft facility totalling to SEK 50.0 million. Leasing related liabilities amounted to SEK 28.2 million (-) at the end of the period. The company's interest-bearing debt at the end of the period was thereby SEK 68.2 million (81.6 million).

As an outcome from the exercise of the personnel warrant program 2016/2019, 286,501 new shares was issued and payments amounting to SEK 2.9 million (3.0 million) has been added to the Company. At the same time the Company repurchased 211,499 warrants to a value of SEK 2.6 million (0.9 million).

During the period a new warrant program (2019/2022) has been issued to the company's personnel amounting to 500 000 warrants, which has provided the company with payments of SEK 0.6 million (0.4 million).

During the period dividends amounting to SEK 31.7 million (25.9 million) has been paid out to shareholders.

Significant events during the period January – September 2019

JANUARY-MARCH

No significant events have occurred during the period January-March.

APRIL-JUNE

Issue of warrant incentive program

It was decided at the AGM held on 26 April to issue 500,000 warrants offered to all employees within the Formpipe Software group, where one option gives the right to subscribe for one new share. The programme was fully subscribed.

Increased number of shares

During the period the personnel warrant program 2016/2019 was exercised. A total of 286 501 new shares were issued from this program. The number of shares and votes in the Company has therefore increased with 286 501 and the share capital has increased with SEK 28 650.01. After the issue of new shares, the total number of shares and votes in the Company amounts to 53,173,907 and the share capital to SEK 5,317,390.7.

JULY-SEPTEMBER

No significant events have occurred during the period July-September.

Significant events after the period's end

No significant events have occurred after the period's end.

Other

EMPLOYEES

The number of employees at the end of the reporting period totalled to 225 persons (219 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

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 1-16 and the interim report on pages 1-7 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 except for the changes in the principles of financial leasing applied by the Group from January 1, 2019 in accordance with IFRS 16. The Group's new accounting principles for leasing is described in the following section "New accounting principles applied from January 1, 2019".

The financial reports of the parent company have been 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.

New Accounting Standards Applicable from January 1, 2019

IFRS 16 LEASING

IFRS 16 "Leases" replaces IAS 17 "Leases" and its related interpretations. The new standard is applied as of January 1, 2019. The new standard removes the classification of leasing agreements as operational or financial, for the lessee, as required by IAS 17, and instead introduces a single model for accounting.

According to the new model, all leases result in the lessee receiving a right to use an asset during the assessed lease term and, if payments are made over time, also receive financing. Formpipe's long-term operational leases will be reported as non-current assets and financial liabilities in the Group's balance sheet. Instead of operating leasing costs, Formpipe will report depreciation and interest expenses in the consolidated income statement.

Formpipe has chosen to report the transition to the new standard with the simplified method. The relief rule not to recalculate the comparison year has been applied. The size of the right of use has been valued to correspond to the size of the leasing debt at the time of transition. A marginal loan rate has been set. The right of use has been determined retrospectively with knowledge of how the termination and extension clauses have been applied. Use rights agreements shorter than 12 months or which terminate within 12 months from the transition date are classified as short-term contracts and are therefore not included in the reported liabilities or rights of use. In

addition, user rights agreements (with a new acquisition value of less than USD 5,000) have been classified as low value contracts and are not included in the reported liabilities or user rights.

Formpipe as a lessee evaluates all new agreements to see if they contain leasing components. The decisive factor in determining whether an agreement exists is the right to the main economic values when using the asset and the right to control the use of the asset and that the supplier does not have a substantial exchange right. Formpipe has decided to separate non-leasing components and leasing components into contracts related to buildings. Expenses attributable to non-leasing components shall be expensed and not included in the calculation basis for the right of use and the leasing debt. For other asset classes, non-leasing components shall be included in the calculation basis for rights of use and leasing debt. At the start of a new lease, it is assessed whether Formpipe as a lessee will choose to extend the agreement, purchase the underlying assets, or avail of early termination. In cases where the agreement is open, with no defined end date, local laws and regulations can provide ownership of the lessee. This means that Formpipe as the lessee itself has to determine which contract length is considered reasonable instead of taking into account the termination clause in the agreements. The lessee determines the contract period by assessing factors such as the property's importance for the business, its own planned or implemented investments in the leased property and the market situation for properties. When the leasing debt and the use rights are calculated, the implicit interest in the agreement is primarily applied. In cases where it cannot be determined, the marginal loan rate is used instead, which corresponds to the interest the company would be offered if the acquisition was financed with loans from a financial institution. Formpipe begins to write off its rights of use from the start date of the contract and selects the depreciation period which is the shortest of the economic life or rental period.

The Group's pro forma income statement and balance sheet have been prepared to facilitate the comparison with the fiscal year 2018 by eliminating the IFRS 16 effect on the income statement and balance sheet for 2019. During the fiscal year 2020, the IFRS 16 effect is included in both the current fiscal year as well as the comparative figures for 2019, hence are these reports no longer necessary.

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

February 14, 2020	Interim report Jan-Dec
April 28, 2020	Interim report Jan-Mar
April 29, 2020	Annual General Meeting
July 16, 2020	Interim report Jan-Jun

FINANCIAL INFORMATION

Can be ordered from the below contact details. All financial information is published on www.formpipe.com immediately after being made public.

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Stockholm October 24, 2019
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CONSOLIDATED INCOME STATEMENT SUMMARY

(SEK 000)	Jul-Sep		Jan-Sep	
	2019	2018	2019	2018
Net Sales	92 425	95 637	290 738	296 862
Sales expenses	-9 924	-13 195	-34 625	-37 392
Other costs	-20 143	-17 171	-55 743	-55 055
Personnel costs	-47 885	-48 327	-155 907	-156 848
Capitalized work for own account	9 811	8 669	27 831	24 867
Operating profit/loss before depreciation/amortization and non-comparative items (EBITDA)	24 285	25 613	72 295	72 433
Items affecting comparability	-	-	-	-
Depreciation/amortization	-13 065	-11 754	-40 095	-35 359
Operating profit/loss (EBIT)	11 220	13 859	32 200	37 074
Financial income and expenses	-179	-695	-1 451	-2 190
Exchange rate differences	-106	104	-677	368
Tax	-2 665	-3 155	-7 060	-7 894
Net profit for the period	8 271	10 112	23 012	27 358
<u>Of which the following relates to:</u>				
Parent company shareholders	8 271	10 112	23 012	27 358
<u>Other comprehensive income</u>				
Translation differences	4 733	-3 747	12 981	10 867
Other comprehensive income for the period, net after tax	4 733	-3 747	12 981	10 867
Total comprehensive income for the period	13 003	6 365	35 993	38 225
<u>Of which the following relates to:</u>				
Parent company shareholders	13 003	6 365	35 993	38 225
Shareholding with no controlling influence	-	-	-	-
<i>EBITDA margin, %</i>	<i>26,3%</i>	<i>26,8%</i>	<i>24,9%</i>	<i>24,4%</i>
<i>EBIT margin, %</i>	<i>12,1%</i>	<i>14,5%</i>	<i>11,1%</i>	<i>12,5%</i>
<i>Profit margin, %</i>	<i>8,9%</i>	<i>10,6%</i>	<i>7,9%</i>	<i>9,2%</i>
Earnings per share attributable to the parent company's shareholders during the period (SEK per share)				
- before dilution	0,16	0,19	0,43	0,52
- after dilution	0,15	0,19	0,43	0,51
Average no. of shares before dilution, in 000	53 174	52 887	53 015	52 713
Average no. of shares after dilution, in 000	53 420	53 319	53 394	53 341

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)	Sep 30		Dec 31
	2019	2018	2018
Intangible assets	480 047	471 523	469 942
Tangible assets	35 325	4 967	5 740
Financial assets	5 202	1 222	6 218
Deferred tax asset	10 936	10 286	9 373
Current assets (excl. cash equivalents)	99 366	81 664	86 860
Cash equivalents	32 568	79 135	123 782
TOTAL ASSETS	663 444	648 797	701 915
Equity	396 145	379 858	391 023
Shareholding with no controlling influence	-	-	-
Long-term liabilities	50 534	90 724	20 817
Current liabilities	216 765	178 214	290 075
TOTAL EQUITY AND LIABILITIES	663 444	648 797	701 915
Net interest-bearing debt (-) / cash (+)	-35 668	-2 495	46 719

CHANGES IN CONSOLIDATED EQUITY

(SEK 000)	Equity attributable to the parent company's shareholders				Total	Share- holdings with no controlling influence	Total
	Share capital	Other contributed capital	Other reserves	Profit/loss brought forward			
Balance at January 1, 2018	5 187	194 729	17 892	145 243	363 051	2 079	365 130
Comprehensive income							
Net profit for the period	-	-	-	27 358	27 358	-	27 358
Other comprehensive income items	-	-	10 867	-	10 867	-	10 867
Total comprehensive income	-	-	10 867	27 358	38 225	-	38 225
Transaction with owners							
Acquisition of non-controlling interests	-	-	-8 621	-	-8 621	-2 079	-10 700
Dividend	-	-	-	-25 937	-25 937	-	-25 937
Issue for non-cash consideration	70	10 630	-	-	10 700	-	10 700
Share issue	31	2 970	-	-	3 001	-	3 001
Repurchase of warrants	-	-916	-	-	-916	-	-916
Employee warrant schemes	-	355	-	-	355	-	355
Total transaction with owners	101	13 038	-8 621	-25 937	-21 418	-2 079	-23 497
Balance at September 30, 2018	5 288	207 768	20 137	146 664	379 858	-	379 858
Balance at January 1, 2019	5 288	207 768	18 770	159 196	391 023	-	391 023
Comprehensive income							
Net profit for the period	-	-	-	23 012	23 012	-	23 012
Other comprehensive income items	-	-	12 981	-	12 981	-	12 981
Total comprehensive income	-	-	12 981	23 012	35 993	-	35 993
Transaction with owners							
Dividend	-	-	-	-31 732	-31 732	-	-31 732
Share issue	29	2 828	-	-	2 856	-	2 856
Repurchase of warrants	-	-2 610	-	-	-2 610	-	-2 610
Employee warrant schemes	-	615	-	-	615	-	615
Total transaction with owners	29	833	-	-31 732	-30 871	-	-30 871
Balance at September 30, 2019	5 317	208 600	31 750	150 476	396 145	-	396 145

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CASH FLOW STATEMENT SUMMARY

(SEK 000)	Jul-Sep		Jan-Sep	
	2019	2018	2019	2018
Cash flow from operating activities before working capital changes	25 670	25 356	65 597	67 864
Cash flow from working capital changes	-4 208	-5 416	-49 958	-7 036
Cash flow from operating activities	21 462	19 940	15 639	60 828
Cash flow from investing activities	-16 267	-9 936	-36 234	-28 587
Cash flow from financing activities	9 657	-4 388	-73 145	-36 327
Cash flow for the period	14 852	5 616	-93 740	-4 086
Change in cash and cash equivalent				
Cash and cash equivalent at the beginning of the period	16 754	73 699	123 782	82 663
Translation differences	962	-179	2 526	559
Cash flow for the period	14 852	5 616	-93 740	-4 086
Cash and cash equivalent at the end of the period	32 568	79 135	32 568	79 135

8 QUARTERS IN SUMMARY

(SEK 000)	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3
License	16 698	14 024	11 380	8 544	10 670	4 972	11 629	4 678
SaaS	6 147	6 535	7 110	8 125	9 031	10 475	10 728	11 532
Support and maintenance	45 130	45 678	47 610	48 147	50 947	49 554	49 253	49 843
Software revenues	67 975	66 237	66 101	64 815	70 647	65 001	71 610	66 053
whereof recurring revenue	51 277	52 214	54 720	56 272	59 978	60 030	59 981	61 375
Deliveries	42 482	34 972	33 916	30 822	38 903	31 822	29 879	26 372
Net sales	110 457	101 209	100 016	95 637	109 550	96 823	101 490	92 425
Sales expenses	-19 532	-10 645	-13 553	-13 195	-13 549	-11 864	-12 836	-9 924
Other costs	-19 978	-18 965	-18 919	-17 171	-19 966	-16 794	-18 806	-20 143
Personnel costs	-53 580	-54 358	-54 163	-48 327	-58 156	-54 121	-53 900	-47 885
Capitalized development costs	8 496	8 055	8 143	8 669	9 419	8 955	9 065	9 811
Total operating expenses	-84 595	-75 913	-78 492	-70 024	-82 252	-73 825	-76 478	-68 140
EBITDA	25 862	25 296	21 524	25 613	27 299	22 998	25 012	24 285
%	23,4%	25,0%	21,5%	26,8%	24,9%	23,8%	24,6%	26,3%
Items affecting comparability	-863	-	-	-	-	-	-	-
Depreciation/amortization	-10 330	-11 721	-11 884	-11 754	-11 159	-13 502	-13 528	-13 065
EBIT	14 669	13 575	9 640	13 859	16 140	9 496	11 484	11 220
%	13,3%	13,4%	9,6%	14,5%	14,7%	9,8%	11,3%	12,1%

* As of January 1, 2019, the Group applies IFRS 16 according to the modified retroactive transition method, which means that the comparative figures will not be recalculated. The effect of the application of IFRS 16 means that the operating leases previously expensed on a straight-line basis over the income statement under the item "Other expenses" from Q1 2019 are expensed under depreciation and financial items instead. On page 14 of this quarterly report, the Group has presented a pro forma income statement before IFRS 16 to illustrate a comparison.

SEGMENT SUMMARY

From January 1, 2019, the Group's segments are divided according to which customer groups they target. The segments are divided into SE Public, DK Public, Private and Other and reflect the Group's internal reporting and follow-up of Group management.

The SE Public and DK Public segments find their customers in Sweden's and Denmark's public sectors. Segment Private collects the Group's offers that are aimed at customers outside the public sector and are not bound to any particular geographic market. Segment Other includes the Group's older products that are not included in any of the other segments and the Group's overhead costs.

Jan-Sep 19							
(Tkr)	SE Public	DK Public	Private	Other	Elim.	IFRS 16	Koncern
License	6 038	2 693	12 548	-	-	-	21 279
SaaS	12 214	4 956	15 560	5	-	-	32 736
Support & Maintenance	59 388	42 811	42 506	3 944	-	-	148 650
Delivery	13 066	58 607	16 401	0	-	-	88 074
Sales, internal	132	60	1 722	-	-1 914	-	-
Net sales	90 838	109 127	88 738	3 949	-1 914	-	290 738
Costs, external	-54 154	-86 001	-70 714	-13 504	-	5 929	-218 443
Costs, internal	-54	-137	-1 722	-	1 914	-	-
EBITDA	36 629	22 989	16 302	-9 555	-	5 929	72 295
%	40,3%	21,1%	18,4%	-242,0%			24,9%

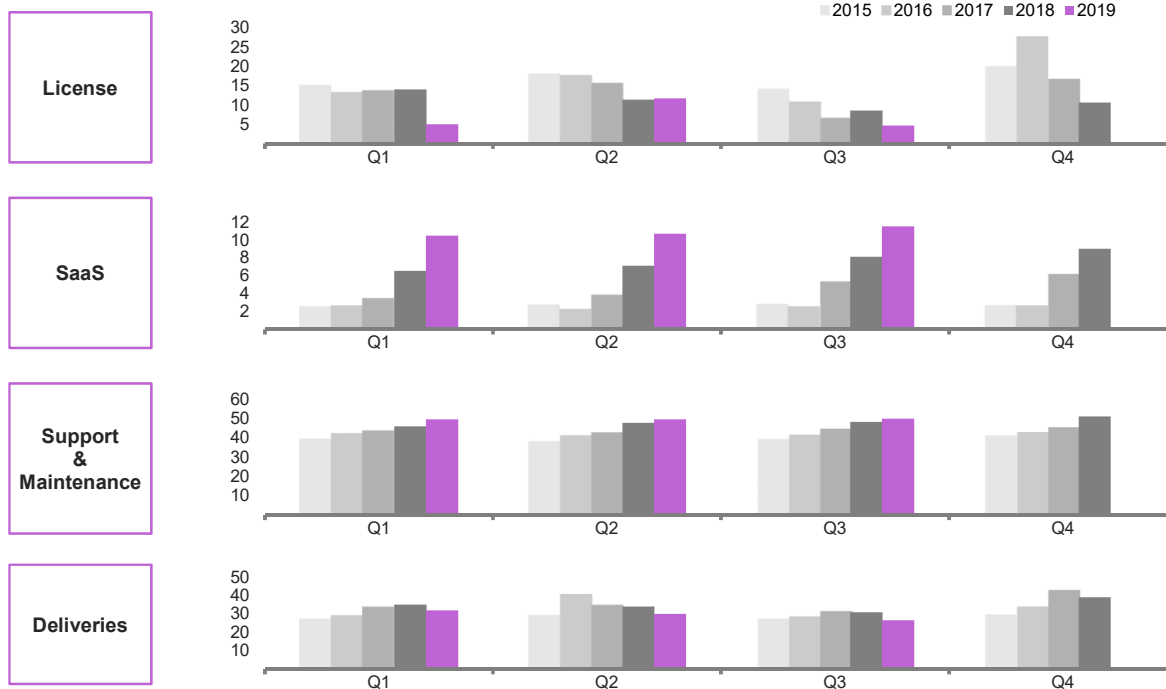
Jan-Sep 18							
(Tkr)	SE Public	DK Public	Private	Other	Elim.	IFRS 16	Koncern
License	11 378	6 223	16 293	54	-	-	33 947
SaaS	10 205	3 773	7 723	70	-	-	21 770
Support & Maintenance	54 968	39 989	41 752	4 727	-	-	141 435
Delivery	22 502	65 046	12 153	8	-	-	99 709
Sales, internal	1 516	55	4 224	-	-5 795	-	-
Net sales	100 568	115 086	82 145	4 859	-5 795	-	296 862
Costs, external	-62 461	-84 982	-67 104	-9 881	-	-	-224 429
Costs, internal	-52	-1 569	-4 123	-51	5 795	-	-
EBITDA	38 055	28 535	10 917	-5 074	-	-	72 433
%	37,8%	24,8%	13,3%	-104,4%			24,4%

NUMBER OF SHARES

	2015-01-01	2016-01-01	2017-01-01	2018-01-01	2019-01-01	
	2015-12-31	2016-12-31	2017-12-31	2018-12-31	2019-09-30	
Number of outstanding shares at the beginning of the period		50 143 402	50 143 402	51 273 608	51 873 025	52 887 406
Share issue from warrant programme		-	1 130 206	599 417	314 576	286 501
Non-cash issue		-	-	-	699 805	-
Number of outstanding shares at the end of the period		50 143 402	51 273 608	51 873 025	52 887 406	53 173 907

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SALES ANALYSIS BY QUARTER



KEY RATIOS FOR THE GROUP

	Jan-Sep	
	2019	2018
Net sales, SEK 000	290 738	296 862
EBITDA, SEK 000	72 295	72 433
EBITDA-adj., SEK 000	44 464	47 566
EBIT, SEK 000	32 200	37 074
Net profit for the period, SEK 000	23 012	27 358
EBITDA margin, %	24,9%	24,4%
EBITDA-adj. margin, %	15,3%	16,0%
EBIT margin, %	11,1%	12,5%
Profit margin, %	7,9%	9,2%
Return on equity, %*	9,4%	10,2%
Return on working capital, %*	12,4%	13,7%
Equity ratio, %	60%	59%
Equity per outstanding share at the end of the period, SEK	7,45	7,18
Earnings per share - before dilution, SEK	0,43	0,52
Earnings per share - after dilution, SEK	0,43	0,51
Share price at the end of the period, SEK	22,80	20,10

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

PARENT COMPANY INCOME STATEMENT SUMMARY

(SEK 000)	Jul-Sep		Jan-Sep	
	2019	2018	2019	2018
Net sales	30 798	32 422	99 355	110 746
Operating expenses				
Sales expenses	-944	-3 646	-4 427	-10 235
Other costs	-11 854	-9 171	-33 112	-26 425
Personnel costs	-15 604	-17 436	-51 624	-51 565
Depreciation/amortization	-1 503	-1 601	-4 482	-4 666
Total operating expenses	-29 905	-31 853	-93 645	-92 890
Operating profit/loss	893	569	5 709	17 856
Result from participations in group companies	-	-	-	-
Other financial items	-267	-2 254	-1 607	-2 429
Tax	-	-	-	-
Net profit for the period	626	-1 685	4 103	15 427

PARENT COMPANY BALANCE SHEET SUMMARY

(SEK 000)	Sep 30		Dec 31
	2019	2018	2018
Intangible assets	9 362	12 711	12 198
Tangible assets	1 021	1 184	1 185
Financial assets	279 208	331 661	280 294
Deferred tax asset	-	-	-
Current assets (excl. cash equivalents)	49 632	45 472	94 690
Cash and bank balances	12 794	41 787	64 116
TOTAL ASSETS	352 017	432 816	452 482
Restricted equity	23 008	22 979	22 979
Non-restricted equity	192 051	214 157	218 848
Total equity	215 059	237 136	241 827
Long-term liabilities	-	70 815	-
Current liabilities	136 958	124 865	210 655
TOTAL EQUITY AND LIABILITIES	352 017	432 816	452 482

PLEGDED ASSETS AND CONTINGENT LIABILITIES

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

(SEK 000)	Sep 30		Dec 31
	2019	2018	2018
Pledged assets	-	307 246	326 762
Contingent liabilities	-	-	-

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CONSOLIDATED INCOME STATEMENT PROFORMA SUMMARY EXCL. IFRS 16

(SEK 000)	Jul-Sep		Jan-Sep	
	2019	2018	2019	2018
Net Sales	92 425	95 637	290 738	296 862
Sales expenses	-9 924	-13 195	-34 625	-37 392
Other costs	-22 129	-17 171	-61 672	-55 055
Personnel costs	-47 885	-48 327	-155 907	-156 848
Capitalized work for own account	9 811	8 669	27 831	24 867
Operating profit/loss before depreciation/amortization and non-comparative items (EBITDA)	22 299	25 613	66 366	72 433
Items affecting comparability	-	-	-	-
Depreciation/amortization	-11 179	-11 754	-34 457	-35 359
Operating profit/loss (EBIT)	11 119	13 859	31 910	37 074
Financial income and expenses	-12	-695	-926	-2 190
Exchange rate differences	-106	104	-677	368
Tax	-2 680	-3 155	-7 112	-7 894
Net profit for the period	8 321	10 112	23 195	27 358
<u>Of which the following relates to:</u>				
Parent company shareholders	8 321	10 112	23 195	27 358
Shareholding with no controlling influence	-	-	-	-
<u>Other comprehensive income</u>				
Translation differences	4 733	-3 747	12 981	10 867
Other comprehensive income for the period, net after tax	4 733	-3 747	12 981	10 867
Total comprehensive income for the period	13 054	6 365	36 175	38 225
<u>Of which the following relates to:</u>				
Parent company shareholders	13 054	6 365	36 175	38 225
Shareholding with no controlling influence	-	-	-	-
<i>EBITDA margin, %</i>	<i>24,1%</i>	<i>26,8%</i>	<i>22,8%</i>	<i>24,4%</i>
<i>EBIT margin, %</i>	<i>12,0%</i>	<i>14,5%</i>	<i>11,0%</i>	<i>12,5%</i>
<i>Profit margin, %</i>	<i>9,0%</i>	<i>10,6%</i>	<i>8,0%</i>	<i>9,2%</i>
Earnings per share attributable to the parent company's shareholders during the period (SEK per share)				
- before dilution	0,16	0,19	0,43	0,52
- after dilution	0,15	0,19	0,43	0,51
Average no. of shares before dilution, in 000	53 174	52 887	53 015	52 713
Average no. of shares after dilution, in 000	53 420	53 319	53 394	53 341

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CONSOLIDATED BALANCE SHEET SUMMARY EXCL. IFRS 16

(SEK 000)	Sep 30		Dec 31
	2019	2018	2018
Intangible assets	480 047	471 523	469 942
Tangible assets	5 685	4 967	5 740
Financial assets	5 202	1 222	6 218
Deferred tax asset	10 884	10 286	9 373
Current assets (excl. cash equivalents)	101 048	81 664	86 860
Cash equivalents	32 568	79 135	123 782
TOTAL ASSETS	635 433	648 797	701 915
Equity	396 329	379 858	391 023
Shareholding with no controlling influence	-	-	-
Long-term liabilities	29 319	90 724	20 817
Current liabilities	209 785	178 214	290 075
TOTAL EQUITY AND LIABILITIES	635 433	648 797	701 915
Net interest-bearing debt (-) / cash (+)	-7 474	-2 495	46 719

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DEFINITIONS

Formpipe uses alternative key figures, also called APM (Alternative Performance Measures). From July 3rd 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.