



Formpipe.

## Interim Report January – June 2020

### PERIOD APRIL 1 – JUNE 30, 2020

- Net sales of SEK 100.3 m (SEK 101.5 m)
- Software revenues of SEK 72.5 m (SEK 68.0 m)
- Recurring revenues of SEK 62.2 m (SEK 56.4 m) which corresponds to 62 % (56 %) of net sales.
- EBITDA SEK 24.2 m; 24.2 % (SEK 25.0 m; 24.6 %)
- EBITDA-adj. SEK 14.7 m; 14.6 % (SEK 15.9 m; 15.7 %)
- EBIT SEK 11.8 m; 11.7 % (SEK 11.5 m; 11.3 %)
- Net profit SEK 8.9 m; 8.9 % (SEK 8.4 m; 8.3 %)
- EPS before dilution SEK 0.17 (SEK 0.16)
- Cash flow from operating activities SEK 36.2 m (SEK 6.7 m)

### PERIOD JANUARY 1 – JUNE 30, 2020

- Net sales of SEK 203.4 m (SEK 198.3 m)
- Software revenues of SEK 140.8 m (SEK 129.5 m)
- Recurring revenues of SEK 123.1 m (SEK 112.9 m) which corresponds to 61 % (57 %) of net sales.
- EBITDA SEK 51.4 m; 25.3 % (SEK 48.0 m; 24.2 %)
- EBITDA-adj. SEK 32.6 m; 16.0 % (SEK 30.0 m; 15.1 %)
- EBIT SEK 26.6 m; 13.1 % (SEK 21.0 m; 10.6 %)
- Net profit SEK 20.2 m; 9.9 % (SEK 14.7 m; 7.4 %)
- EPS before dilution SEK 0.38 (SEK 0.28)
- Cash flow from operating activities SEK 62.3 m (SEK 5.8 m)

### INCOME STATEMENT - SUMMARY

(SEK Million)	Apr-Jun		Jan-Jun		Rolling 12 months	Full year 2019
	2020	2019	2020	2019		
Net sales	100,3	101,5	203,4	198,3	398,9	393,8
whereof recurring revenue	62,2	56,4	123,1	112,9	239,9	229,7
EBITDA	24,2	25,0	51,4	48,0	104,0	100,7
EBITDA-adj	14,7	15,9	32,6	30,0	67,0	64,4
EBIT	11,8	11,5	26,6	21,0	53,1	47,5

## Comments from the Group's CEO

*After the second quarter, we can conclude that Formpipe has handled the challenging market conditions in a good way. We deliver an operating profit in line with previous year and make a stable quarter in terms of Saas sales, with an ACV of SEK 2.1 million. Our recurring revenue increased by 10% and now amounts to 62% of our total sales.*

*I am grateful and proud of how we managed to continue to develop the business during the spring. We quickly changed our business to work efficiently from home, much thanks to well-established routines and processes, but mainly with the help of our committed and responsible employees, who put our customers and Formpipe first and show great commitment to our continued development.*

*After the end of the quarter, we acquired the English software company EFS Technology Ltd., which has been a partner of Formpipe for many years. The acquisition strengthens our capacity to onboard new partners, provides an expanded product offering and a close*

*partnership with Temenos, a world-leading supplier of software to the banking and finance sector. The acquisition fits very well into the Formpipe business and will contribute to our goal of increasing the growth rate in the future.*

*Formpipe's business model with a high proportion of recurring revenues and solid finances are, if possible, even greater strengths than normally in these uncertain times. Relatively early during the pandemic, we made the assessment that Formpipe has good prerequisites to cope with the challenging situation in a good way. We focus on taking advantage of the new opportunities that arise to strengthen ourselves for the time after Covid-19. We continue to invest in our products to create an even stronger offer to our customers in the future. We also continue the work of recruiting employees and identifying additional acquisition objects. In summary, we continue to build on Formpipe's already strong position, focusing on initiatives for future growth.*

## Market

Data and information become more and more important for the financial development: it is the foundation for many new products and services, which leads to productivity and resource efficiency gains in all sectors of the economy. Being able to take advantage of the possibilities of digitalization has become one of the most important issues of our time. The benefits of being able to collect, process and present data are extensive.

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 where we digitalize and streamline customer communication in sectors such as retail, manufacturing, life science, energy and water as well as 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 9.4 per cent in 2018-2023. The Content Services market has a total addressable forecast market in 2021 with system revenues of USD 10.5 billion<sup>1</sup>.

### 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 2022.

This development is well in line with Formpipe's reality where growing numbers of the Company's customers

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<sup>1</sup> Gartner: Enterprise Application Software, Worldwide, 4Q19 Update

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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

### DANISH PUBLIC SECTOR

In the Danish public sector, Formpipe is a market leading vendor of software within Enterprise Content Management (ECM). The digitalization of the Danish public sector creates value, growth and efficiency. 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<sup>2</sup> 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.

#### *Estimated impact of Covid-19 for the business area Danish Public Sector:*

The government in Denmark urges public organizations to act as the stable purchasing power in society and to help private companies to get through the financial turmoil. However, some customers will still be in need of re-planning to postpone projects for practical or technical reasons.

Formpipe's TAP platform is installed on the Board of Agriculture to support the process of EU's joint grants for agriculture. The planned EU CAP-2020 reform has been delayed due to the uncertainty surrounding Brexit and now Covid-19 risks to further delaying it. The continued delay of the CAP-2020 reform thus results in increased uncertainty in this business area.

### 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.

<sup>2</sup> <https://www.danskindustri.dk/politik-og-analyser/dimener/digitalisering/digitalisering-af-den-offentlige-sektor/>

*Estimated impact of Covid-19 for the business area Swedish Public Sector:*

The National Agency for Public Procurement in Sweden is clear in its message to the public sector in Sweden:

- Continue with purchases as usual.
- Now is not the time to cancel procurements or postpone purchases.
- The public sector is needed as a stable and secure customer when there are uncertain times.

In practice, however, some customers are judged to be in need of re-planning to postpone projects for practical or technical reasons. There is also reason to believe that, for these practical reasons, fewer new procurements will be initiated than would otherwise have been expected.

**PRIVATE SECTOR**

The global ERP software market was estimated at USD 35.81 billion in 2018 and is expected to reach USD 78.40 billion by 2026<sup>3</sup>. As cloud solutions are becoming increasingly accepted due to their scalability, reliability and flexibility, many ERP customers are changing their views on their internal IT architecture. This shift, where customers see the benefits of moving to the cloud, opens up new opportunities for Formpipe. Lasernet is a product that complements ERP systems and enables business documents to be delivered in exactly the format and layout desired. Lasernet continues its strong growth internationally, a positive development that is primarily a result of Formpipe's close collaboration with Microsoft and their offering in the cloud (Azure) regarding Microsoft Dynamics. Lasernet is a natural complement to Dynamics and improves the customer experience through efficient document management. Microsoft supports the marketing of Lasernet, for instance through their global market places Microsoft Azure Marketplace and Microsoft AppSource.

There is potential to expand Formpipe's offering with more products through this channel. This may include, for instance, our product Long-Term Archive, which can make it easier for companies and organizations to execute on their cloud strategy. By providing Long-Term Archive in Azure, customers can move all their business systems to the cloud without the risk of losing valuable information. Both Gartner and Microsoft find this area (often referred to as Cloud Migration or Application Retirement) as a significant growth area.

*Estimated impact of Covid-19 for the business area Private Sector:*

Within the business area Private Sector, the risk of negative impact of Covid-19 is assessed as greater than for Formpipe's other two business areas. New sales are mainly driven by our partners selling the product Lasernet as part of ERP system implementation projects, such as Microsoft Dynamics etc. At present, the demand

is good but there is reason to believe that if the pandemic becomes long-lasting, new ERP investments will come to be pushed for the future. There is also a significant risk that customers within the private sector will end up in financial problems with missing payments as a result and that existing agreements within Support & Maintenance and SaaS will be lost.

When the pandemic is over, the possible deferred ERP investments are estimated to have created a pent-up need with a demand that is higher than normal at that stage.

## Financial Information

### REVENUE

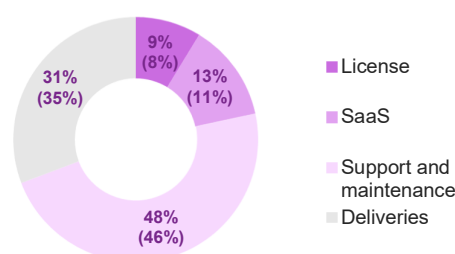
#### April-June 2020

Net sales for the period totalled to SEK 100.3 million (101.5 million), which corresponds to a decrease of 1 %. Software revenue increased by 7 % from the previous year and totalled to SEK 72.5 million (68.0 million). Total recurring revenue for the period increased by 10 % from the previous year and totalled to SEK 62.2 million (56.4 million), which is equivalent to 62 % of net sales (56 %). Exchange rate effects have affected net sales positively by SEK 0.9 million in comparison with the previous year.

#### January - June 2020

Net sales for the period totalled to SEK 203.4 million (198.3 million), which corresponds to an increase of 3 %. Software revenue increased by 9 % from the previous year and totalled to SEK 140.8 million (129.5 million). Total recurring revenue for the period increased by 9 % from the previous year and totalled to SEK 123.1 million (112.9 million), which is equivalent to 61 % of net sales (57 %). Exchange rate effects have affected net sales positively by SEK 1.8 million in comparison with the previous year.

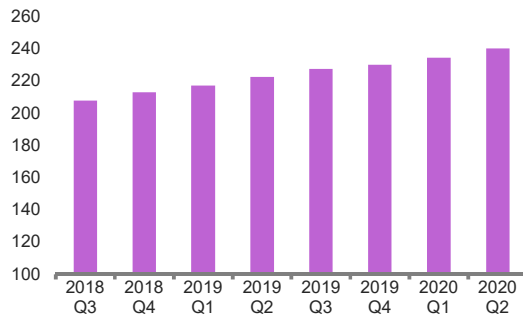
#### Breakdown of sales revenue, Jan-Jun 2020



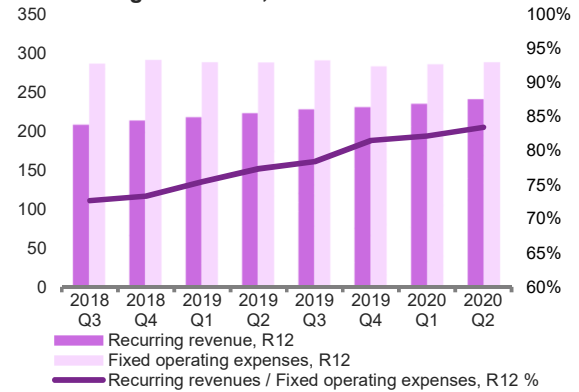
<sup>3</sup> <https://www.alliedmarketresearch.com/ERP-market>

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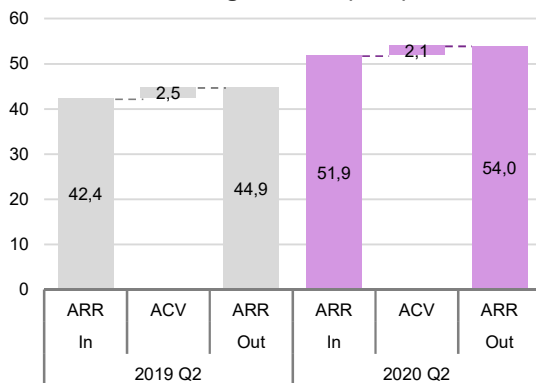
### Recurring revenue rolling 12 months, MSEK



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



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



### EARNINGS

#### April – June 2020

Operating profit before depreciation and amortization and items affecting comparability (EBITDA) totalled to SEK 24.2 million (25.0 million) with an EBITDA margin of 24.2 % (24.6 %). Operating profit (EBIT) totalled to SEK 11.8 million (11.5 million) with an operating margin of 11.7 % (11.3 %). Net profit totalled to SEK 8.9 million (8.4 million). Exchange rate effects have affected EBITDA positively by SEK 0.2 million in comparison with the previous year.

#### January – June 2020

Operating profit before depreciation and amortization and items affecting comparability (EBITDA) totalled to SEK 51.4 million (48.0 million) with an EBITDA margin of 25.3 % (24.2 %). Operating profit (EBIT) totalled to SEK 26.6 million (21.0 million) with an operating margin of 13.1 % (10.6 %). Net profit totalled to SEK 20.2 million (14.7 million). Exchange rate effects have affected EBITDA positively by SEK 0.4 million in comparison with the previous year.

### COSTS

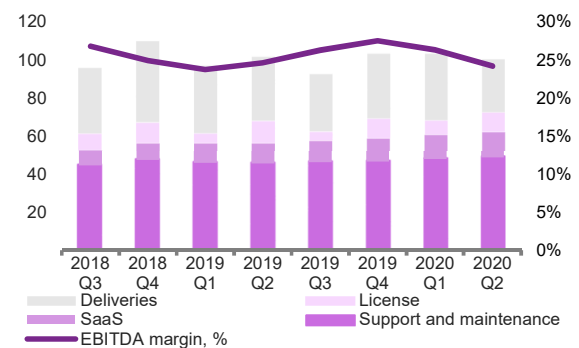
#### April – June 2020

The operating costs for the period totalled to SEK 88.5 million (90.0 million). Personnel costs totalled to SEK 56.3 million (53.9 million). Selling expenses totalled to SEK 10.3 million (12.8 million). Other costs totalled to SEK 19.1 million (18.8 million).

#### January – June 2020

The operating costs for the period totalled to SEK 176.8 million (177.3 million). Personnel costs totalled to SEK 111.1 million (108.0 million). Selling expenses totalled to SEK 21.5 million (24.7 million). Other costs totalled to SEK 38.2 million (35.6 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 68.9 million (16.8 million). The company had interest-bearing debt at the end of the period totalling to SEK 23.8 million (59.8 million), whereof 23.8 million (29.8 million) refers to lease debts according to IFRS 16. The company's total bank overdraft limit amounts to SEK 50.0 million, at the end of the period it was not utilized.

The company's net cash position thereby totalled to SEK 45.0 million (-43.1 million), which corresponds to a net cash position of 68.8 million (-13.3 million) excluding IFRS 16-related debt.

The company's liquidity position at the end of the period is positively affected by the dividend of SEK 32.1 million (31.7 million) being paid out in the third quarter instead of the second quarter as in previous years.

### Deferred tax asset

By the end of the period the company's deferred tax assets attributable to accumulated losses amounted to SEK 9.1 million (SEK 10.4 million).

### Equity

Equity at the end of the period amounted to SEK 424.5 million (383.1 million), which was equivalent to SEK 7.94 (7.21) 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 0.9 million (8.2 million) from the end of the year.

During the period the company has issued 290,000 shares due to the warrant program 2017/2020. After the issue of new shares the number of shares amounts to 53,463,907 and the share capital amounts to SEK 5,346,390.70.

### Equity ratio

The equity ratio at the end of the period was 63 % (60 %).

## CASH FLOW

### Cash flow from operating activities

Cash flow from operating activities for the period January - June totalled to SEK 62.3 million (-5.8 million). The cash flow has been affected positively by a decreased working capital tied up compared to previous periods.

### Investments and acquisitions

Total investments for the period January - June amounted to SEK 21.7 million (20.0 million).

Investments in intangible assets totalled to SEK 20.5 million (19.0 million) and refer to capitalized product development costs.

Investments in tangible and financial assets totalled to SEK 4.3 million (1.0 million).

### Financing

During the period January - June the company amortized SEK 9.3 million (79.1 million). Whereof SEK 3.3 million relates to leasing debts. The existing bank overdraft facility totalling to SEK 50.0 million was not utilized at the end of the period (SEK 30.0 million). Leasing related liabilities amounted to SEK 23.8 million (29.8 million) at the end of the period. The company's interest-bearing debt at the end of the period was thereby SEK 23.8 million (59.8 million).

## Significant events during the period January – June 2020

### JANUARY-MARCH

#### New date of the annual general meeting and an updated calendar for financial information

Due to the uncertainty arising from the spread of the Corona virus, Covid-19, the Board of Directors decided to postpone the Annual General Meeting until Tuesday, June 30, 2020 at 10:00 am. By postponing the Annual General Meeting, the Board of Directors will be given the opportunity to continuously analyze and assess the situation, and based on this, evaluate the proposed dividend for 2019.

As a consequence of the postponed Annual General Meeting, the publication of the interim report for January-June will also be postponed until Wednesday, August 19, 2020.

### APRIL-JUNE

#### Annual General Meeting

At the AGM on June 30 decisions were made regarding:

- Adoption of the income statement and balance sheet for the 2019 financial year.
- Adoption profit distribution
- Dividend of SEK 0,60 (0,60) per share.
- The re-election of Annikki Schaeferdiek, Åsa Landén Ericsson, Peter Lindström, Erik Syrén and Bo Nordlander and the new election of Martin Bjäringer as board member. Bo Nordlander was re-elected as chairman of the board.
- The re-election of the auditing firm PricewaterhouseCoopers AB as the auditors of the Company with Aleksander Lyckow as the principal auditor.
- Principles for the Nomination Committee.

- The AGM approved the Board's proposal to authorise the Board to issue new shares or convertibles.
- The AGM approved for the Board to acquire and transfer the company's own shares.
- The AGM approved for the board to repurchase warrants from the personnel.
- The AGM approved the issue of share warrants to the personnel.
- The AGM approved for the proposal regarding guidelines for remuneration to senior executives.

#### Increased number of shares

During the period the personnel warrant program 2017/2020 was exercised. A total of 290,000 new shares were issued from this program. The number of shares and votes in the Company has therefore increased with 290,000 and the share capital has increased with SEK 29,000. After the issue of new shares, the total number of shares and votes in the Company amounts to 53,463,907 and the share capital to SEK 5,346,390.7.

## Significant events after the period's end

After the periods end, dividends were paid amounting to SEK 32.1 million (SEK 31.7 million).

After the period, a new warrant program (2020/2023) was issued to the company's employees of 500,000 warrants, which provided the company with a payment of SEK 0.8 million (SEK 0.6 million).

After the end of the period, Formpipe also acquired 100% of the shares in the company EFS Technology Ltd. The purchase price amounted to GBP 6 million (GBP), which was paid in connection with the takeover and financed through a combination of own cash and loans.

No other significant events have occurred after the end of the period.

## Other

#### EMPLOYEES

The number of employees at the end of the reporting period totalled to 218 persons (224 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. For risks related to Covid-19, see this report under the section Market. During the period there have been no other 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 1-14 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.

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.

#### 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

October 27, 2020	Interim report Jan-Sep
February 16, 2021	Interim report Jan-Dec

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

Christian Sundin, Managing Director  
Telephone: +46 70 567 73 85, +46 8 555 290 84  
E-mail: [christian.sundin@formpipe.com](mailto:christian.sundin@formpipe.com)

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Stockholm August 19, 2020  
Formpipe Software AB  
The Board of Directors and the Managing Director

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Formpipe Software AB (publ)  
Swedish company reg. no.: 556668-6605  
Sveavägen 168 | Box 231 31 | 104 35 Stockholm  
T: +46 8 555 290 60 | F: +46 8 555 290 99  
[info.se@formpipe.com](mailto:info.se@formpipe.com) | [www.formpipe.se](http://www.formpipe.se)

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**CONSOLIDATED INCOME STATEMENT SUMMARY**

(SEK 000)	Apr-Jun		Jan-Jun	
	2020	2019	2020	2019
<b>Net Sales</b>	<b>100 296</b>	<b>101 490</b>	<b>203 389</b>	<b>198 313</b>
Sales expenses	-10 270	-12 836	-21 480	-24 701
Other costs	-19 116	-18 806	-38 153	-35 600
Personnel costs	-56 256	-53 900	-111 126	-108 022
Capitalized work for own account	9 593	9 065	18 741	18 020
<b>Operating profit/loss before depreciation/amortization and non-comparative items (EBITDA)</b>	<b>24 248</b>	<b>25 012</b>	<b>51 370</b>	<b>48 010</b>
Depreciation/amortization	-12 479	-13 528	-24 781	-27 030
<b>Operating profit/loss (EBIT)</b>	<b>11 769</b>	<b>11 484</b>	<b>26 590</b>	<b>20 980</b>
Financial income and expenses	-247	-491	-443	-1 273
Exchange rate differences	140	-71	203	-571
Tax	-2 750	-2 511	-6 153	-4 395
<b>Net profit for the period</b>	<b>8 912</b>	<b>8 411</b>	<b>20 197</b>	<b>14 742</b>
<u>Of which the following relates to:</u>				
Parent company shareholders	8 912	8 411	20 197	14 742
<u>Other comprehensive income</u>				
Translation differences	-17 792	3 191	881	8 248
Other comprehensive income for the period, net after tax	-17 792	3 191	881	8 248
<b>Total comprehensive income for the period</b>	<b>-8 880</b>	<b>11 602</b>	<b>21 078</b>	<b>22 989</b>
<u>Of which the following relates to:</u>				
Parent company shareholders	-8 880	11 602	21 078	22 989
<i>EBITDA margin, %</i>	<i>24,2%</i>	<i>24,6%</i>	<i>25,3%</i>	<i>24,2%</i>
<i>EBIT margin, %</i>	<i>11,7%</i>	<i>11,3%</i>	<i>13,1%</i>	<i>10,6%</i>
<i>Profit margin, %</i>	<i>8,9%</i>	<i>8,3%</i>	<i>9,9%</i>	<i>7,4%</i>
Earnings per share attributable to the parent company's shareholders during the period (SEK per share)				
- before dilution	0,17	0,16	0,38	0,28
- after dilution	0,17	0,16	0,38	0,28
Average no. of shares before dilution, in 000	53 271	52 983	53 222	52 935
Average no. of shares after dilution, in 000	53 473	53 334	53 395	53 356

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**CONSOLIDATED BALANCE SHEET SUMMARY**

(SEK 000)	Jun 31		Dec 31
	2020	2019	2019
Intangible assets	474 319	475 527	472 389
Tangible assets	30 041	36 996	33 745
Financial assets	4 092	5 537	4 824
Deferred tax asset	9 094	10 377	7 664
Current assets (excl. cash equivalents)	91 144	92 136	122 268
Cash equivalents	68 853	16 754	33 682
<b>TOTAL ASSETS</b>	<b>677 543</b>	<b>637 326</b>	<b>674 573</b>
Equity	424 529	383 142	400 129
Shareholding with no controlling influence	-	-	-
Long-term liabilities	48 113	48 824	43 791
Current liabilities	204 901	205 361	230 654
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>677 543</b>	<b>637 326</b>	<b>674 573</b>
Net interest-bearing debt (-) / cash (+)	45 008	-43 059	690

**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			
<b>Balance at January 1, 2019</b>	<b>5 288</b>	<b>207 768</b>	<b>18 770</b>	<b>159 196</b>	<b>391 023</b>	-	<b>391 023</b>
<b>Comprehensive income</b>							
Net profit for the period	-	-	-	14 742	14 742	-	14 742
Other comprehensive income items	-	-	8 248	-	8 248	-	8 248
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>8 248</b>	<b>14 742</b>	<b>22 989</b>	<b>-</b>	<b>22 989</b>
<b>Transaction with owners</b>							
Acquisition of non-controlling interests	-	-	-	-	-	-	-
Dividend	-	-	-	-31 732	-31 732	-	-31 732
Issue for non-cash consideration	-	-	-	-	-	-	-
Share issue	29	2 828	-	-	2 856	-	2 856
Repurchase of warrants	-	-2 610	-	-	-2 610	-	-2 610
Employee warrant schemes	-	615	-	-	615	-	615
<b>Total transaction with owners</b>	<b>29</b>	<b>833</b>	<b>-</b>	<b>-31 732</b>	<b>-30 871</b>	<b>-</b>	<b>-30 871</b>
<b>Balance at June 30, 2019</b>	<b>5 317</b>	<b>208 600</b>	<b>27 017</b>	<b>142 206</b>	<b>383 142</b>	<b>-</b>	<b>383 142</b>
<b>Balance at January 1, 2020</b>	<b>5 317</b>	<b>208 600</b>	<b>23 712</b>	<b>162 498</b>	<b>400 129</b>	<b>-</b>	<b>400 129</b>
<b>Comprehensive income</b>							
Net profit for the period	-	-	-	20 197	20 197	-	20 197
Other comprehensive income items	-	-	881	-	881	-	881
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>881</b>	<b>20 197</b>	<b>21 078</b>	<b>-</b>	<b>21 078</b>
<b>Transaction with owners</b>							
Dividend	-	-	-	-	-	-	-
Share issue	29	4 553	-	-	4 582	-	4 582
Repurchase of warrants	-	-1 260	-	-	-1 260	-	-1 260
Employee warrant schemes	-	-	-	-	-	-	-
<b>Total transaction with owners</b>	<b>29</b>	<b>3 293</b>	<b>-</b>	<b>-</b>	<b>3 322</b>	<b>-</b>	<b>3 322</b>
<b>Balance at June 30, 2020</b>	<b>5 346</b>	<b>211 894</b>	<b>24 593</b>	<b>182 695</b>	<b>424 529</b>	<b>-</b>	<b>424 529</b>

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## CASH FLOW STATEMENT SUMMARY

(SEK 000)	Apr-Jun		Jan-Jun	
	2020	2019	2020	2019
Cash flow from operating activities before working capital changes	20 352	22 276	42 033	39 927
Cash flow from working capital changes	15 891	-15 607	20 264	-45 750
<b>Cash flow from operating activities</b>	<b>36 243</b>	<b>6 669</b>	<b>62 297</b>	<b>-5 823</b>
Cash flow from investing activities	-11 143	-10 079	-21 688	-19 967
Cash flow from financing activities	1 667	-75 941	-5 611	-82 802
<i>Of which dividend paid</i>	-	-31 732	-	-31 732
<b>Cash flow for the period</b>	<b>26 767</b>	<b>-79 351</b>	<b>34 998</b>	<b>-108 592</b>
<b>Change in cash and cash equivalent</b>				
Cash and cash equivalent at the beginning of the period	43 500	95 439	33 682	123 782
Translation differences	-1 413	666	173	1 564
Cash flow for the period	26 767	-79 351	34 998	-108 592
<b>Cash and cash equivalent at the end of the period</b>	<b>68 854</b>	<b>16 754</b>	<b>68 854</b>	<b>16 754</b>

## 8 QUARTERS IN SUMMARY

(SEK 000)	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2
License	8 544	10 670	4 972	11 629	4 678	10 157	7 508	10 235
SaaS	8 125	9 031	10 475	10 728	11 532	12 323	12 884	13 373
Support and maintenance	44 626	47 461	46 037	45 671	46 241	46 705	47 952	48 849
Software revenues	61 295	67 161	61 484	68 029	62 450	69 185	68 344	72 457
<i>whereof recurring revenue</i>	52 751	56 491	56 512	56 399	57 773	59 028	60 836	62 222
Deliveries	34 342	42 389	35 339	33 461	29 975	33 874	34 749	27 839
<b>Net sales</b>	<b>95 637</b>	<b>109 550</b>	<b>96 823</b>	<b>101 490</b>	<b>92 425</b>	<b>103 059</b>	<b>103 093</b>	<b>100 296</b>
Sales expenses	-13 195	-13 549	-11 864	-12 836	-9 924	-12 918	-11 210	-10 270
Other costs	-17 171	-19 966	-16 794	-18 806	-20 143	-17 220	-19 037	-19 116
Personnel costs	-48 327	-58 156	-54 121	-53 900	-47 885	-52 979	-54 870	-56 256
Capitalized development costs	8 669	9 419	8 955	9 065	9 811	8 430	9 148	9 593
Total operating expenses	-70 024	-82 252	-73 825	-76 478	-68 140	-74 687	-75 970	-76 048
<b>EBITDA</b>	<b>25 613</b>	<b>27 299</b>	<b>22 998</b>	<b>25 012</b>	<b>24 285</b>	<b>28 372</b>	<b>27 122</b>	<b>24 248</b>
%	26,8%	24,9%	23,8%	24,6%	26,3%	27,5%	26,3%	24,2%
Items affecting comparability	-	-	-	-	-	-	-	-
Depreciation/amortization	-11 754	-11 159	-13 502	-13 528	-13 065	-13 059	-12 302	-12 479
<b>EBIT</b>	<b>13 859</b>	<b>16 140</b>	<b>9 496</b>	<b>11 484</b>	<b>11 220</b>	<b>15 314</b>	<b>14 820</b>	<b>11 769</b>
%	14,5%	14,7%	9,8%	11,3%	12,1%	14,9%	14,4%	11,7%

\* 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.

## 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.

(Tkr)	Jan-Jun 20						Koncern
	SE Public	DK Public	Private	Other	Elim.	IFRS 16	
License	2 925	4 724	10 093	-	-	-	17 742
SaaS	8 876	3 043	14 339	-	-	-	26 258
Support & Maintenance	40 170	25 521	28 782	2 328	-	-	96 801
Delivery	8 167	46 068	8 351	1	-	-	62 588
Sales, internal	80	38	47	-	-165	-	-
<b>Net sales</b>	<b>60 218</b>	<b>79 394</b>	<b>61 612</b>	<b>2 329</b>	<b>-165</b>	-	<b>203 389</b>
Costs, external	-37 863	-59 092	-49 924	-9 056	-	3 917	-152 018
Costs, internal	35	-81	-119	-	165	-	-
<b>EBITDA</b>	<b>22 390</b>	<b>20 221</b>	<b>11 569</b>	<b>-6 726</b>	-	<b>3 917</b>	<b>51 370</b>
%	37,2%	25,5%	18,8%	-288,8%			25,3%

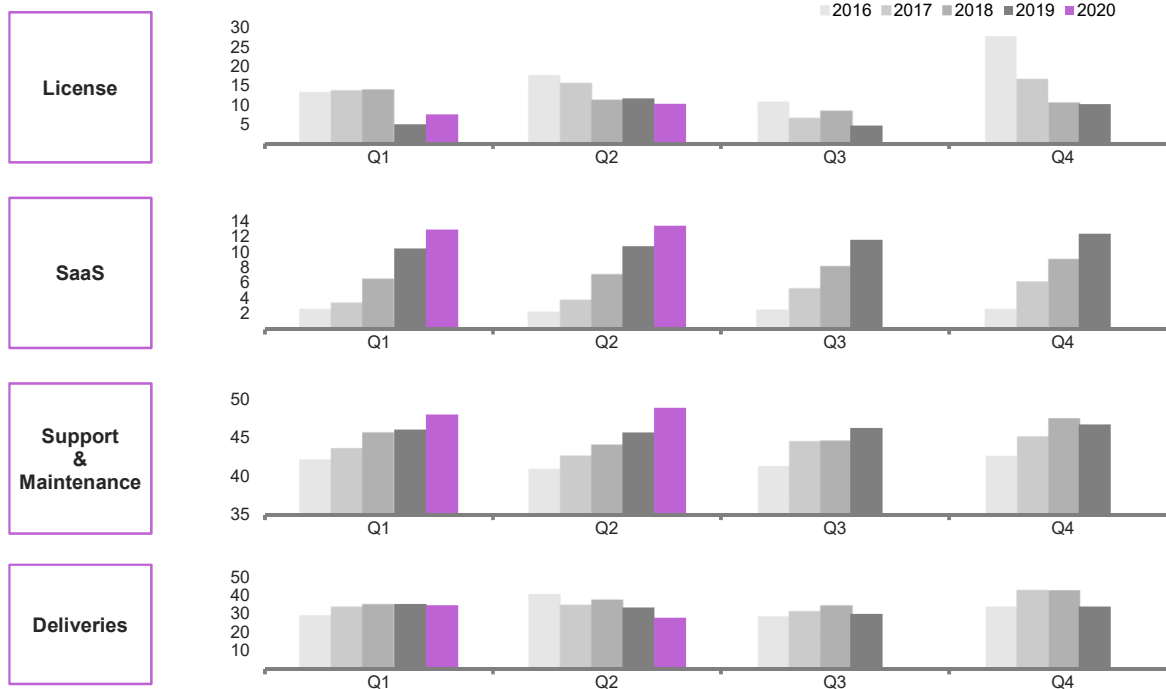
(Tkr)	Jan-Jun 19						Koncern
	SE Public	DK Public	Private	Other	Elim.	IFRS 16	
License	5 091	2 304	9 206	-	-	-	16 601
SaaS	8 195	3 219	9 785	5	-	-	21 204
Support & Maintenance	39 341	21 344	28 377	2 646	-	-	91 708
Delivery	9 539	47 280	11 981	0	-	-	68 800
Sales, internal	153	40	1 525	-	-1 718	-	-
<b>Net sales</b>	<b>62 319</b>	<b>74 187</b>	<b>60 875</b>	<b>2 651</b>	<b>-1 718</b>	-	<b>198 313</b>
Costs, external	-37 575	-60 225	-47 250	-9 196	-	3 943	-150 303
Costs, internal	-36	-156	-1 526	-	1 718	-	-
<b>EBITDA</b>	<b>24 708</b>	<b>13 806</b>	<b>12 099</b>	<b>-6 545</b>	-	<b>3 943</b>	<b>48 010</b>
%	39,6%	18,6%	19,9%	-246,9%			24,2%

## NUMBER OF SHARES

	2016-01-01	2017-01-01	2018-01-01	2019-01-01	2020-01-01
	2016-12-31	2017-12-31	2018-12-31	2019-12-31	2020-06-30
Number of outstanding shares at the beginning of the period	50 143 402	51 273 608	51 873 025	52 887 406	53 173 907
Share issue from warrant programme	1 130 206	599 417	314 576	286 501	290 000
Non-cash issue	-	-	699 805	-	-
<b>Number of outstanding shares at the end of the period</b>	<b>51 273 608</b>	<b>51 873 025</b>	<b>52 887 406</b>	<b>53 173 907</b>	<b>53 463 907</b>

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## SALES ANALYSIS BY QUARTER



## KEY RATIOS FOR THE GROUP

	Jan-Jun	
	2020	2019
Net sales, SEK 000	203 389	198 313
EBITDA, SEK 000	51 370	48 010
EBITDA-adj., SEK 000	32 629	29 990
EBIT, SEK 000	26 590	20 980
Net profit for the period, SEK 000	20 197	14 742
EBITDA margin, %	25,3%	24,2%
EBITDA-adj. margin, %	16,0%	15,1%
EBIT margin, %	13,1%	10,6%
Profit margin, %	9,9%	7,4%
Return on equity, %*	10,2%	10,0%
Return on working capital, %*	13,5%	12,7%
Equity ratio, %	63%	60%
Equity per outstanding share at the end of the period, SEK	7,94	7,21
Earnings per share - before dilution, SEK	0,38	0,28
Earnings per share - after dilution, SEK	0,38	0,28
Share price at the end of the period, SEK	25,20	21,80

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

#### PARENT COMPANY INCOME STATEMENT SUMMARY

(SEK 000)	Apr-Jun		Jan-Jun	
	2020	2019	2020	2019
<b>Net sales</b>	<b>32 743</b>	<b>34 686</b>	<b>67 059</b>	<b>68 556</b>
Operating expenses				
Sales expenses	-722	-803	-1 945	-3 484
Other costs	-11 613	-12 435	-20 937	-21 258
Personnel costs	-19 108	-17 337	-36 729	-36 020
Depreciation/amortization	-1 552	-1 499	-3 088	-2 980
Total operating expenses	-32 995	-32 074	-62 699	-63 740
<b>Operating profit/loss</b>	<b>-253</b>	<b>2 612</b>	<b>4 361</b>	<b>4 816</b>
Other financial items	670	72	549	-1 339
Appropriations	-	-	-	-
Tax	2	-	2	-
<b>Net profit for the period</b>	<b>420</b>	<b>2 684</b>	<b>4 912</b>	<b>3 477</b>

#### PARENT COMPANY BALANCE SHEET SUMMARY

(SEK 000)	Jun 31		Dec 31
	2020	2019	2019
Intangible assets	8 537	10 440	12 198
Tangible assets	863	1 115	1 185
Financial assets	278 121	279 570	280 294
Deferred tax asset	-	-	-
Current assets (excl. cash equivalents)	44 128	49 604	94 690
Cash and bank balances	36 906	5 774	64 116
<b>TOTAL ASSETS</b>	<b>368 554</b>	<b>346 503</b>	<b>452 482</b>
Restricted equity	23 037	23 008	22 979
Non-restricted equity	199 282	191 425	218 848
Total equity	222 319	214 433	241 827
Long-term liabilities	-	-	-
Current liabilities	145 255	132 070	210 655
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>367 574</b>	<b>346 503</b>	<b>452 482</b>

#### PLEGGED 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)	Jun 31		Dec 31
	2020	2019	2019
Pledged assets	-	-	-
Contingent liabilities	-	-	-

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## DEFINITIONS

Formpipe uses alternative key figures, also called APM (Alternative Performance Measures). Formpipe's APM's are 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.