

Formpipe.

Fourth quarter and full year 2020 results January – December 2020

PERIOD OCTOBER 1 – DECEMBER 31, 2020

- Net sales of SEK 103.4 m (SEK 103.1 m)
- Software revenues of SEK 76.1 m (SEK 69.2 m)
- Recurring revenues of SEK 67.2 m (SEK 59.0 m) which corresponds to 65 % (57 %) of net sales.
- EBITDA SEK 25.9 m; 25.1 % (SEK 28.4 m; 27.5 %)
- EBITDA-adj. SEK 14.1 m; 13.6 % (SEK 19.9 m; 19.4 %)
- EBIT SEK 12.7 m; 12.3 % (SEK 15.3 m; 14.9 %)
- Net profit SEK 12.0 m; 11.6 % (SEK 12.0 m; 11.7 %)
- EPS before dilution SEK 0.22 (SEK 0.23)
- Cash flow from operating activities SEK 49.6 m (SEK 48.1 m)

PERIOD JANUARY 1 – DECEMBER 31, 2020

- Net sales of SEK 403,1 m (SEK 393.8 m)
- Software revenues of SEK 286.1 m (SEK 261.1 m)
- Recurring revenues of SEK 253.5 m (SEK 229.7 m) which corresponds to 63 % (58 %) of net sales.
- EBITDA SEK 104.3 m; 25.9 % (SEK 100.7 m; 25.6 %)
- EBITDA-adj. SEK 64.1 m; 15.9 % (SEK 64.4 m; 16.4 %)
- EBIT SEK 53.3 m; 13.2 % (SEK 47.5 m; 12.1 %)
- Net profit SEK 41.4 m; 10.3 % (SEK 35.0 m; 8.9 %)
- EPS before dilution SEK 0.78 (SEK 0.66)
- Cash flow from operating activities SEK 115.0 m (SEK 63.7 m)
- The board proposes a dividend of SEK 0,66 per share (SEK 0,60)

INCOME STATEMENT - SUMMARY

(SEK Million)	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Net sales	103,4	103,1	403,1	393,8
<i>whereof recurring revenue</i>	67,2	59,0	253,5	229,7
EBITDA	25,9	28,4	104,3	100,7
EBITDA-adj	14,1	19,9	64,1	64,4
EBIT	12,7	15,3	53,3	47,5

Comments from the Group's CEO

STRONG FINISH OF THE YEAR 2020

Formpipe ends the year strong. Above all, it is gratifying to continue with a good portion of new sales in the private sector. During the quarter, Lasernet's ACV for SaaS amounted to as much as SEK 4.4 million, before a negative exchange rate adjustment of SEK 2.1 million that the strengthened Swedish krona entailed when recalculating the contract stock (ARR). As approximately 80% of our SaaS contracts are in foreign currency, the ARR value fluctuates over time, which is why we will in future report the currency effect separately in calculations of ACV / ARR.

In the public sector, we continue to note the effects of the ongoing pandemic. Our customers continue to work remotely and postpone business improvement and upgrade projects. This provides a slowing effect for new sales of both products and delivery assignments. Despite this, we are making a stable quarter in both the Danish

and Swedish public sectors and show increased profitability for the full year compared with the previous year, a statement of strength that shows our organization's adaptability and perseverance in prevailing conditions.

Overall, Formpipe is making a good 2020 with good profitability, a stable cash flow and a successful acquisition that has contributed to our strategic development. Our business model with a high proportion of recurring revenues creates a good platform for continued growth. In light of this, the Board proposes an increase in the dividend by 10% to SEK 0.66 (SEK 0.60) per share.

NEW GROWTH STRATEGY AND FINANCIAL TARGETS

Our business rests on two pillars with strong offers to customers in both the public and private sectors.

We have a strong commitment to value-generating digitalization of the public sector. For many years, in a market-leading position, we have delivered systems for automated processes for document and case management. Operations in the public sector form a foundation in our continued growth journey and in cooperation and co-creation with our customers, we broaden our offering in the market.

We are also a well-established player in the private sector, primarily through the product Lasernet, which is often implemented as an add-on to the successful ERP system Microsoft Dynamics. With an average annual sales growth exceeding 12 percent since 2016, Lasernet is an important part of Formpipe's continued growth journey. In August 2020, we completed the acquisition of the software company EFS Technology. The acquisition strengthens our ability to sell Lasernet as an add-on to Temenos' business systems, which has a prominent position among players in the financial sector.

The global market for Content Services amounts to more than USD 11 billion and, according to Gartner, is expected to grow by an average of 10 percent per year (CAGR) 2020-2024. Demand for software as a service, SaaS, is steadily increasing and is forecasted to account for about 60 percent of global software sales by 2024. Formpipe is well positioned to take advantage of the strong underlying market growth through a well-developed network of certified partners complemented by its own delivery organization. From 2017, Formpipe's average annual growth rate for SaaS revenues has been 55 percent, a testament to our ability to grow significantly faster than the market.

More than 60 percent of our total sales consist of recurring revenues, i.e. SaaS revenues and support and maintenance revenues for traditional software licenses. Recurring revenues has grown by more than 9 percent per year since 2016 and provides a stable basis for new investments in growth.

With a stable and profitable business for the public sector, a strong organization with high competence and high-quality products that meet increased demand as digitalization progresses, we now see significant opportunities to accelerate our growth.

Growth strategy 2021-2025

- Formpipe develops and sells software and cloud services in digital information services through a strong network of certified partners and by our own organization.
- The business model is based on increasing the recurring revenue by selling our products as SaaS to the greatest possible extent.
- Strategic acquisitions complement organic growth.
- Investments in sales and delivery capacity to support partners and meet demand for Lasernet.
- Focus on accelerated growth in the US and Europe.

New financial targets 2021-2025

Formpipe's new long-term financial targets:

- The average annual revenue growth will amount to 10 percent 2021 – 2025
- 70 percent of total revenue will consist of recurring revenue by 2025
- The operating margin will gradually be strengthened and exceed 20 percent in 2025
- Over time, at least 50 percent of the year's net income will be distributed as dividends to our shareholders

Sales growth is mainly expected to be organic with complementary strategic acquisitions.

Formpipe's market-leading position in Content Services, a well-balanced customer base from both the public and private sectors and a strong history of delivering good profitability with a high direct return, create excellent conditions for taking the next step in development. We benefit from the continued rapid transition to SaaS in both the private and public sectors. We see a significant expansion potential for the sale of Lasernet, driven both by our successful collaboration with Microsoft and by a strengthened position as a supplier to Temenos through the acquisition of EFS Technology.

Investments in growth will primarily take place through a capacity building with a focus on the USA and Europe. The build-up phase provides a not insignificant short-term negative margin impact before we reach the goals above.

I look forward to increasing the pace of our expansion in the coming years. I would also like to take this opportunity to thank all customers, employees, partners and shareholders for their extraordinary efforts during the unusual year that has passed. I look forward with confidence to our continued journey with you.

Christian Sundin, CEO Formpipe

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 Content Services (previously Enterprise Content Management) 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, finance and manufacturing.

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, analyze, process and distribute data and content. Growth drivers tend to gain strength as the amount of data and information increases.

Gartner's forecast for the global market is an average annual growth (CAGR) of 10 percent in 2020-2024. The Content Services market is estimated to be USD 11 billion¹ in system revenue in 2020.

CLOUD-BASED SOLUTIONS

An important part of the change of the Content Services 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 60 per cent of the total sales of software in 2024².

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. From 2017 Formpipe has had an average annual SaaS revenues growth of 55 percent.

Business Areas

PRIVATE SECTOR

The global ERP software market is estimated to reach USD 50 billion in 2024³. 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 an add-on to ERP systems and enables business documents to be delivered in exactly the format and layout desired. Lasename 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. Lasename is a natural add-on to Dynamics and improves the customer experience through efficient document management.

Through the acquisition of EFS, Formpipe has further strengthened its position in this area as EFS product Autoform DM together with Lasename is a valuable add-on to business systems from Temenos, a well-established and increasingly strong system supplier to the financial sector.

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

We see an increased opportunity to recruit coveted expertise in the pandemic. At the same time, we see continued good development for Lasename. One assessment is that the market may have a weaker development, something that has not yet come true. The private sector is developing well, but we are humble for the future and the development of the pandemic.

In the Private business area, new sales are largely driven by our partners selling the product Lasename as part of implementation projects regarding ERP systems, such as Microsoft Dynamics, etc. At present, demand is good, but if the pandemic is prolonged, the risk increases that new ERP investments are pushed into the future.

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.

PUBLIC SECTOR

Formpipe has a leading market position in the public sector in both Sweden and Denmark. For many years, we have delivered systems for automated processes for case and document management.

In the Swedish public sector, Formpipe has a stable customer base in municipalities, regions and authorities. In the public sector Sweden, up to SEK 45 billion is invested in IT every year⁴. The Swedish government's ambition is for state authorities, municipalities and regions to be the best in the world at using the opportunities of digitalization to create an efficient public sector – a simpler everyday life for individuals and companies, more jobs and increased welfare. Digital solutions and automation are an important component for meeting the growing welfare needs and at the same time increasing the service to the citizens.

Formpipe is also a leading supplier of information management software in the Danish public sector. Digital solutions and automation create opportunities to meet the growing welfare needs and at the same time increase the service to the citizens.

¹ Enterprise Application Software Forecast Q420, Gartner, Inc. 2020

² Market Trends: Cloud Shift – 2020 Through 2024, Gartner, Inc. 2020

³ Enterprise Application Software Forecast Q420, Gartner, Inc. 2020

⁴ Regeringen.se

The employers' organization Dansk Industri believes that a modernization and digitalization of the public sector can free up DKK 20 billion by 2025⁵. Money that can then be returned to the public sector and help increase the level of service.

Estimated impact of Covid-19 for the business area Swedish Public Sector and Danish 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 and 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.

In Denmark, the government calls on public organizations to act as the stable purchasing power in society and to help private companies get through the economic turmoil. Despite this, we see that some customers also need re-planning and postponing projects for practical or technical reasons.

Financial Information

REVENUE

October-December 2020

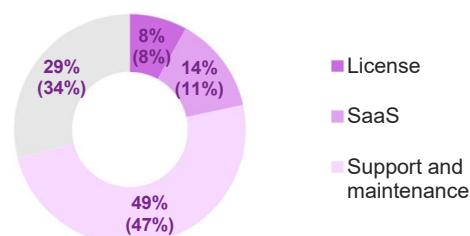
Net sales for the period was unchanged from previous year and totalled to SEK 103.4 million (103.1 million). Software revenue increased by 10 % from the previous year and totalled to SEK 76.1 million (69.2 million). Total recurring revenue for the period increased by 14 % from the previous year and totalled to SEK 67.2 million (59.0 million), which is equivalent to 65 % of net sales (57 %). Exchange rate effects have affected net sales negatively by SEK 0.8 million in comparison with the previous year.

January – December 2020

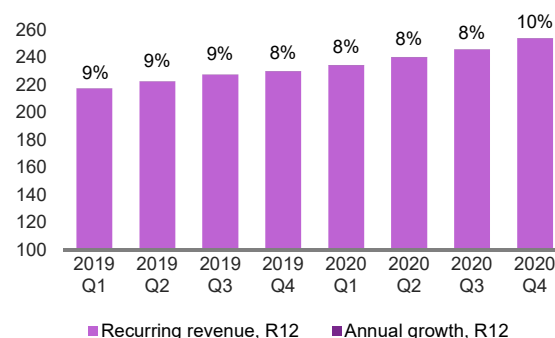
Net sales for the period increased by 2 % from previous year and totalled to SEK 403.1 million (393.8 million). Software revenue increased by 10 % from the previous year and totalled to SEK 286.1 million (261.1 million). Total recurring revenue for the period increased by 10 % from the previous year and totalled to SEK 253.5 million (229.7 million), which is equivalent to 63 % of net sales (58 %). Exchange rate effects have affected net sales

negatively by SEK 2.7 million in comparison with the previous year.

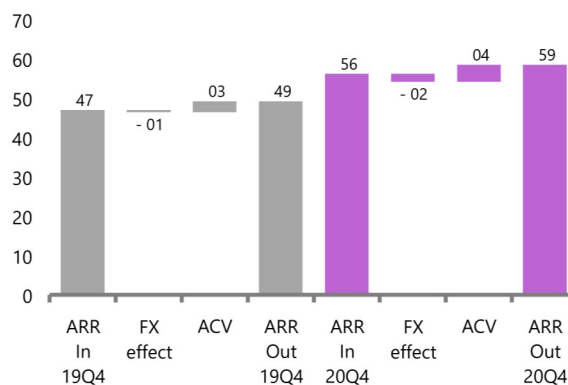
Breakdown of sales revenue, Jan–Dec 2020



Recurring revenue rolling 12 months, MSEK



SaaS Annual Recurring Revenue (ARR), MSEK



COSTS

October – December 2020

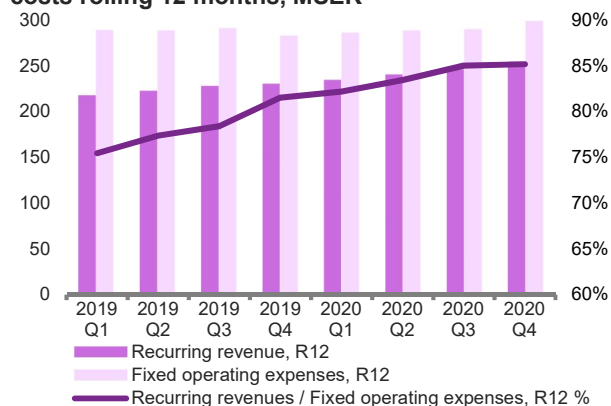
The operating costs for the period totalled to SEK 90.7 million (87.7 million). Personnel costs totalled to SEK 58.8 million (53.0 million). Selling expenses totalled to SEK 10.1 million (12.9 million). Other costs totalled to SEK 20.4 million (17.2 million).

⁵ www.danskindustri.dk

January – December 2020

The operating costs for the period totalled to SEK 349.9 million (346.3 million). Personnel costs totalled to SEK 220.1 million (208.9 million). Selling expenses totalled to SEK 41.3 million (47.5 million). Other costs totalled to SEK 77.6 million (73.0 million).

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



EARNINGS

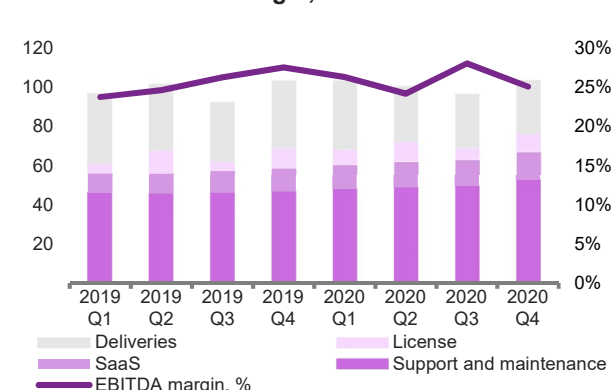
October – December 2020

Operating profit before depreciation and amortization and items affecting comparability (EBITDA) totalled to SEK 25.9 million (28.4 million) with an EBITDA margin of 25.1 % (27.5 %). Operating profit (EBIT) totalled to SEK 12.7 million (15.3 million) with an operating margin of 12.3 % (14.9 %). Net profit totalled to SEK 12.0 million (12.0 million). Exchange rate effects have affected EBITDA negatively by SEK 0.4 million in comparison with the previous year.

January – December 2020

Operating profit before depreciation and amortization and items affecting comparability (EBITDA) totalled to SEK 104.3 million (100.7 million) with an EBITDA margin of 25.9 % (25.6 %). Operating profit (EBIT) totalled to SEK 53.3 million (47.5 million) with an operating margin of 13.2 % (12.1 %). Net profit totalled to SEK 41.4 million (35.0 million). Exchange rate effects have affected EBITDA negatively by SEK 0.7 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 58.6 million (33.7 million). The company had interest-bearing debt at the end of the period totalling to SEK 64.2 million (33.0 million), whereof 20.5 million (27.1 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 (5.9 million).

The company's net debt position thereby totalled to SEK 5.6 million (-0.7 million), which corresponds to a net debt position of SEK 14.9 million (27.8 million) excluding IFRS 16-related debt.

During the period, dividends were paid amounting to SEK 32.1 million (31.7 million).

Deferred tax asset

By the end of the period the company's deferred tax assets attributable to accumulated losses amounted to SEK 3.6 million (SEK 7.7 million).

Equity

Equity at the end of the period amounted to SEK 398.9 million (400.1 million), which was equivalent to SEK 7.46 (7.52) 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 -14.6 million (4.9 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 55 % (59 %).

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities for the period January - December totalled to SEK 115.0 million (63.7 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 – December amounted to SEK 92.0 million (42.2 million).

Investments in intangible assets totalled to SEK 43.3 million (40.6 million) and refer to capitalized product development costs.

Investments in tangible and financial assets totalled to SEK 2.6 million (1.7 million).

Acquisitions of subsidiaries amounted to SEK 46.1 million (– million). The acquisition is described in a note on page 15.

Financing

During the period, a new loan of DKK 41.5 million was raised as payment for the acquisition of subsidiaries, equivalent to SEK 58.7 million (- million). The loan has during the period been amortized with DKK 9.8 million. The outstanding loan amounts to DKK 31.7 million at the end of the period, which is equivalent to SEK 42.8 million.

During the period January – December the company amortized SEK 27.3 million (79.1 million). Whereof SEK 8.3 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 5.9 million). Leasing related liabilities amounted to SEK 20.5 million (27.1 million) at the end of the period. The company's interest-bearing debt at the end of the period was thereby SEK 64.2 million (33.0 million).

During the period, dividends were paid to the company's shareholders amounting to SEK 32.1 million (31.7 million).

As an outcome from the exercise of the personnel warrant program 2017/2020, 290,000 new shares was issued and payments amounting to SEK 4.6 million (2.9 million) has been added to the Company. At the same time the Company repurchased 181,000 warrants to a value of SEK 1.3 million (2.6 million).

During the period, a new warrant program (2020/2023) has been issued to the company's employees, amounting to 500,000 warrants, which provided the company with payments of SEK 0.8 million (0.6 million).

Proposed appropriation of profits

DIVIDEND

The Board proposes that the AGM to be held on 28 April 2021 adopts a resolution to pay a dividend of SEK 0.66 (0.60) per share, which means a total dividend of SEK 35.3 million (32.1 million).

As the basis for its proposal for the appropriation of profits, the board, in accordance with chapter 17 § 3 subsect 2- 3 of the Swedish Companies Act, has assessed the parent company's and the group's need to strengthen the balance sheet, its liquidity and financial position otherwise, and the ability to meet its obligations in the long-term.

Significant events during the period January – December 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 was given the opportunity to continue to 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 was postponed until August 19, 2020.

APRIL-JUNE

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 was therefore increased with 290,000 and the share capital 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.

JULY-SEPTEMBER

Dividends

During the period, dividends were paid amounting to SEK 32.1 million (31.7 million)

Issue of warrants

It was decided at the AGM held on 30 June to issue 500 warrants offered to all employees within the Formpipe Software group, where one warrant gives the right to subscribe for one new share and runs over three years. The program was fully subscribed.

Acquisition

As of July 31, Formpipe acquired 100% of the shares in the company EFS Technology Ltd. The purchase price amounted to GBP 6 million, which was paid in connection with the takeover and financed through a combination of own cash and loans.

No other significant events have occurred during the period.

OCTOBER-DECEMBER

No significant events have occurred during the period.

Significant events after the period's end

No 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 245 persons (221 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 1-16 and the interim report on pages 1-8 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

April 28, 2021	Interim report Jan-Mar
April 28, 2021	Annual General Meeting
July 15, 2021	Interim report Jan-Jun
October 29, 2021	Interim report Jan-Sep

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

The annual report will be available for shareholders on Formpipe's webpage, www.formpipe.com, and on the group's headquarter, Sveavägen 168 in Stockholm from week 14.

The General Annual Meeting will, if possible, be held at the head office at Sveavägen 168, at 5:00 pm on the 28th of April 2021.

FINANCIAL INFORMATION

Can be ordered from the below contact details. All financial information is published on 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

Sveavägen 168 | Box 231 31 | 104 35 Stockholm
T: +46 8 555 290 60 | F: +46 8 555 290 99
info.se@formpipe.com | www.formpipe.se

Stockholm 16th of February, 2021
Formpipe Software AB
The Board of Directors and the Managing Director

Formpipe Software AB (publ)
Swedish company reg. no.: 556668-6605

CONSOLIDATED INCOME STATEMENT SUMMARY

(SEK 000)	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Net Sales	103 353	103 059	403 126	393 797
Sales expenses	-10 083	-12 918	-41 282	-47 543
Other costs	-20 401	-17 220	-77 596	-72 963
Personnel costs	-58 794	-52 979	-220 112	-208 886
Capitalized work for own account	11 860	8 430	40 206	36 261
Operating profit/loss before depreciation/amortization and non-comparative items (EBITDA)	25 935	28 372	104 342	100 667
Depreciation/amortization	-13 235	-13 059	-51 091	-53 154
Operating profit/loss (EBIT)	12 699	15 314	53 251	47 514
Financial income and expenses	-603	-694	-1 401	-2 146
Exchange rate differences	1 994	-407	605	-1 083
Tax	-2 078	-2 191	-11 067	-9 251
Net profit for the period	12 012	12 022	41 388	35 034
<u>Of which the following relates to:</u>				
Parent company shareholders	12 012	12 022	41 388	35 034
<u>Other comprehensive income</u>				
Translation differences	-18 465	-8 038	-14 646	4 943
Other comprehensive income for the period, net after tax	-18 465	-8 038	-14 646	4 943
Total comprehensive income for the period	-6 453	3 984	26 742	39 976
<u>Of which the following relates to:</u>				
Parent company shareholders	-6 453	3 984	26 742	39 976
<i>EBITDA margin, %</i>	<i>25,1%</i>	<i>27,5%</i>	<i>25,9%</i>	<i>25,6%</i>
<i>EBIT margin, %</i>	<i>12,3%</i>	<i>14,9%</i>	<i>13,2%</i>	<i>12,1%</i>
<i>Profit margin, %</i>	<i>11,6%</i>	<i>11,7%</i>	<i>10,3%</i>	<i>8,9%</i>
Earnings per share attributable to the parent company's shareholders during the period (SEK per share)				
- before dilution	0,22	0,23	0,78	0,66
- after dilution	0,22	0,23	0,77	0,66
Average no. of shares before dilution, in 000	53 464	53 174	53 343	53 015
Average no. of shares after dilution, in 000	53 692	53 352	53 549	53 343

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	
	2020	2019
Intangible assets	523 623	472 389
Tangible assets	27 138	33 745
Financial assets	3 284	4 824
Deferred tax asset	3 645	7 664
Current assets (excl. cash equivalents)	104 235	122 268
Cash equivalents	58 593	33 682
TOTAL ASSETS	720 517	674 573
Equity	398 865	400 129
Shareholding with no controlling influence	-	-
Long-term liabilities	71 145	43 791
Current liabilities	250 507	230 654
TOTAL EQUITY AND LIABILITIES	720 517	674 573
Net interest-bearing debt (-) / cash (+)	-5 594	690

CHANGES IN CONSOLIDATED EQUITY

(SEK 000)	Equity attributable to the parent company's shareholders				
	Share capital	Other contributed capital	Other reserves	Profit/loss brought forward	Total
Balance at January 1, 2019	5 288	207 768	18 770	159 196	391 023
Comprehensive income					
Net profit for the period	-	-	-	35 034	35 034
Other comprehensive income items	-	-	4 943	-	4 943
Total comprehensive income	-	-	4 943	35 034	39 976
Transaction with owners					
Dividend	-	-	-	-31 732	-31 732
Share issue	29	2 828	-	-	2 856
Repurchase of warrants	-	-2 610	-	-	-2 610
Employee warrant schemes	-	615	-	-	615
Total transaction with owners	29	833	-	-31 732	-30 871
Balance at December 31, 2019	5 317	208 600	23 712	162 498	400 129
Balance at January 1, 2020	5 317	208 600	23 712	162 498	400 129
Comprehensive income					
Net profit for the period	-	-	-	41 388	41 388
Other comprehensive income items	-	-	-14 646	-	-14 646
Total comprehensive income	-	-	-14 646	41 388	26 742
Transaction with owners					
Dividend	-	-	-	-32 078	-32 078
Share issue	29	4 553	-	-	4 582
Repurchase of warrants	-	-1 260	-	-	-1 260
Employee warrant schemes	-	750	-	-	750
Total transaction with owners	29	4 043	-	-32 078	-28 006
Balance at December 31, 2020	5 346	212 644	9 066	171 807	398 865

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CASH FLOW STATEMENT SUMMARY

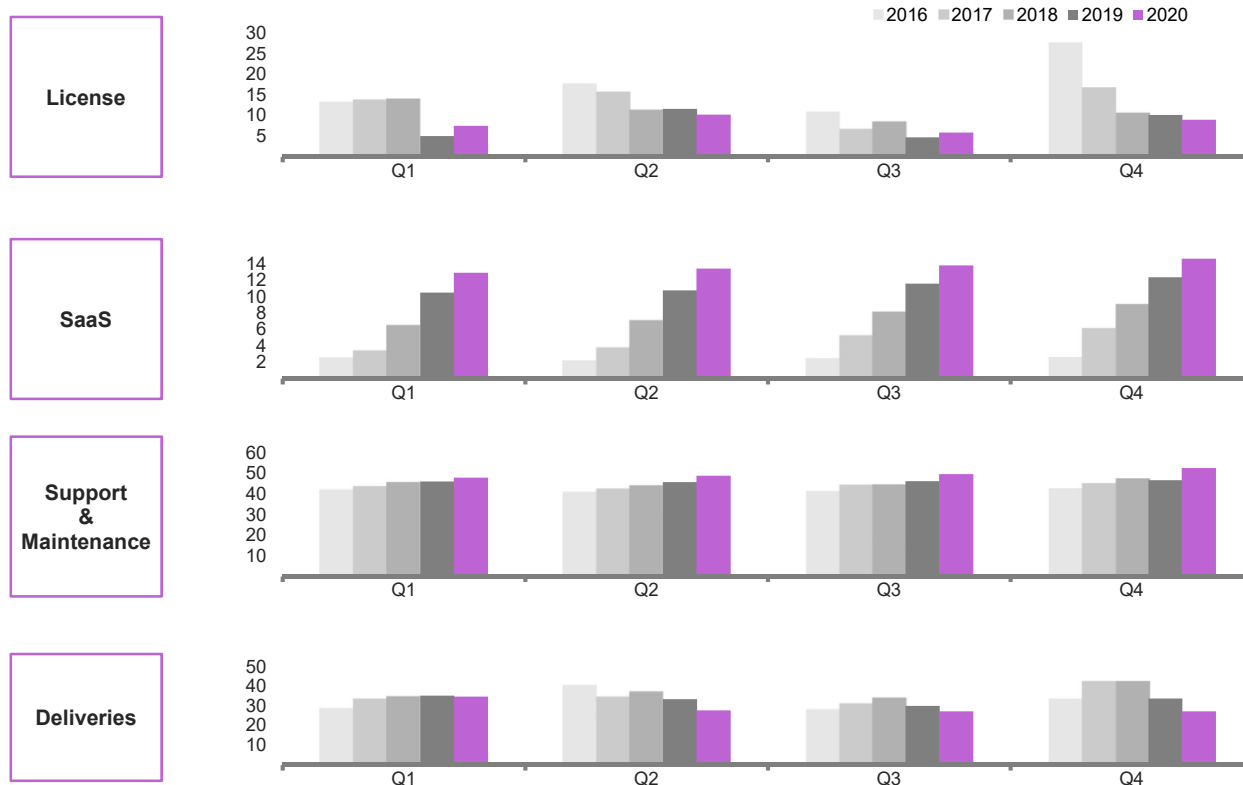
(SEK 000)	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Cash flow from operating activities before working capital changes	23 467	25 850	92 111	91 447
Cash flow from working capital changes	26 093	22 212	22 884	-27 746
Cash flow from operating activities	49 560	48 062	114 995	63 701
Cash flow from investing activities	-12 492	-6 009	-92 046	-42 243
Cash flow from financing activities	-4 400	-39 376	3 064	-112 521
<i>Of which dividend paid</i>	-	-	-32 078	-31 732
Cash flow for the period	32 668	2 676	26 013	-91 064
Change in cash and cash equivalent				
Cash and cash equivalent at the beginning of the period	27 370	32 568	33 682	123 782
Translation differences	-1 445	-1 562	-1 103	965
Cash flow for the period	32 668	2 676	26 013	-91 064
Cash and cash equivalent at the end of the period	58 593	33 682	58 593	33 682

8 QUARTERS IN SUMMARY

(SEK 000)	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4
License	4 972	11 629	4 678	10 157	7 508	10 235	5 817	8 971
SaaS	10 475	10 728	11 532	12 323	12 884	13 373	13 755	14 571
Support and maintenance	46 037	45 671	46 241	46 705	47 952	48 849	49 552	52 592
Software revenues	61 484	68 029	62 450	69 185	68 344	72 457	69 123	76 134
<i>whereof recurring revenue</i>	56 512	56 399	57 773	59 028	60 836	62 222	63 307	67 163
Deliveries	35 339	33 461	29 975	33 874	34 749	27 839	27 260	27 219
Net sales	96 823	101 490	92 425	103 059	103 093	100 296	96 383	103 353
Sales expenses	-11 864	-12 836	-9 924	-12 918	-11 210	-10 270	-9 718	-10 083
Other costs	-16 794	-18 806	-20 143	-17 220	-19 037	-19 116	-19 042	-20 401
Personnel costs	-54 121	-53 900	-47 885	-52 979	-54 870	-56 256	-50 192	-58 794
Capitalized development costs	8 955	9 065	9 811	8 430	9 148	9 593	9 606	11 860
Total operating expenses	-73 825	-76 478	-68 140	-74 687	-75 970	-76 048	-69 346	-77 419
EBITDA	22 998	25 012	24 285	28 372	27 122	24 248	27 037	25 935
%	23,8%	24,6%	26,3%	27,5%	26,3%	24,2%	28,1%	25,1%
Depreciation/amortization	-13 502	-13 528	-13 065	-13 059	-12 302	-12 479	-13 075	-13 235
EBIT	9 496	11 484	11 220	15 314	14 820	11 769	13 962	12 699
%	9,8%	11,3%	12,1%	14,9%	14,4%	11,7%	14,5%	12,3%

* A reclassification has been made as of 1 January 2020 from the revenue type support and maintenance to deliveries regarding the danish product TAP. The reclassification covers the period 2018 Q4 to 2019 Q4 with the amount of 2,5 MDDK per quarter.

SALES ANALYSIS BY QUARTER



KEY RATIOS FOR THE GROUP

	Jan-Dec	
	2020	2019
Net sales, SEK 000	403 126	393 797
EBITDA, SEK 000	104 342	100 667
EBITDA-adj., SEK 000	64 136	64 406
EBIT, SEK 000	53 251	47 514
Net profit for the period, SEK 000	41 388	35 034
EBITDA margin, %	25,9%	25,6%
EBITDA-adj. margin, %	15,9%	16,4%
EBIT margin, %	13,2%	12,1%
Profit margin, %	10,3%	8,9%
Return on equity, %*	10,4%	8,9%
Return on working capital, %*	13,1%	12,7%
Equity ratio, %	55%	59%
Equity per outstanding share at the end of the period, SEK	7,46	7,52
Earnings per share - before dilution, SEK	0,78	0,66
Earnings per share - after dilution, SEK	0,77	0,66
Share price at the end of the period, SEK	29,90	22,05

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

SEGMENT SUMMARY

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.

In the Group's follow-up on the segments, the intercompany invoicing (revenues and costs) is presented as a net because of the substantial invoicing within the segments related to royalties to IP owning entities. The line Intercompany net includes the intercompany revenues and costs netted out to reflect a more accurate view of the segments. The Group has adjusted the segment overview for financial year 2019.

(Tkr)	Oct-Dec 20					Jan-Dec 20				
	SE	DK	Private	Other	Koncern	SE	DK	Private	Other	Koncern
	Public	Public				Public	Public			
License	1 264	2 784	4 924	-	8 971	5 077	8 101	19 352	-	32 530
SaaS	4 582	1 533	8 455	-	14 571	17 843	6 079	30 662	-	54 584
Support & Maintenance	19 959	13 873	17 634	1 126	52 592	79 815	52 241	62 302	4 587	198 945
Delivery	5 217	16 481	5 521	0	27 219	16 702	80 456	19 907	2	117 067
Net sales	31 022	34 671	36 533	1 126	103 353	119 437	146 877	132 223	4 589	403 126
Costs, external	-17 874	-21 293	-31 924	-6 329	-77 419	-65 408	-102 265	-108 096	-23 014	-298 783
Intercompany net	-18	19	-1	-	-	78	-5	-73	-	-
EBITDA	13 131	13 398	4 609	-5 203	25 935	54 107	44 607	24 054	-18 425	104 342
%	42,3%	38,6%	12,6%	-462,0%	25,1%	45,3%	30,4%	18,2%	-401,6%	25,9%

(Tkr)	Oct-Dec 19					Jan-Dec 19				
	SE	DK	Private	Other	Koncern	SE	DK	Private	Other	Koncern
	Public	Public				Public	Public			
License	2 700	2 538	4 918	-	10 157	8 738	5 231	17 467	-	31 436
SaaS	4 114	1 699	6 511	-	12 323	16 328	6 655	22 071	5	45 059
Support & Maintenance	20 356	11 375	13 757	1 216	46 705	79 744	43 485	56 264	5 161	184 653
Delivery	4 783	22 972	6 120	-	33 874	17 849	92 280	22 521	0	132 650
Net sales	31 953	38 583	31 307	1 216	103 059	122 659	147 651	118 322	5 165	393 797
Costs, external	-20 073	-27 850	-25 462	-1 302	-74 687	-71 028	-111 885	-95 412	-14 805	-293 130
Intercompany net	-36	-42	78	-	-	41	-119	78	-	-
EBITDA	11 844	10 692	5 922	-85	28 372	51 672	35 647	22 989	-9 640	100 667
%	37,1%	27,7%	18,9%	-7,0%	27,5%	42,1%	24,1%	19,4%	-186,6%	25,6%

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	2020-12-31
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	-	-
Number of outstanding shares at the end of the period	51 273 608	51 873 025	52 887 406	53 173 907	53 463 907

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PARENT COMPANY INCOME STATEMENT SUMMARY

(SEK 000)	Oct-Dec		Jan-Dec	
	2020	2019	2020	2019
Net sales	34 029	34 572	131 160	133 927
Operating expenses				
Sales expenses	-5 715	-3 256	-8 782	-7 683
Other costs	-12 423	-11 743	-44 755	-44 855
Personnel costs	-19 287	-17 254	-71 951	-68 878
Depreciation/amortization	-1 597	-1 528	-6 270	-6 011
Total operating expenses	-39 021	-33 781	-131 758	-127 427
Operating profit/loss	-4 992	790	-598	6 500
Other financial items	1 510	-793	1 703	-2 400
Appropriations	-	-	-	-
Tax	-1 239	-970	-1 237	-970
Net profit for the period	-230	-973	4 360	3 129

PARENT COMPANY BALANCE SHEET SUMMARY

(SEK 000)	Dec 31		Dec 31
	2020	2019	2019
Intangible assets	6 851	10 248	10 248
Tangible assets	981	891	891
Financial assets	346 446	278 846	278 846
Deferred tax asset	-	-	-
Current assets (excl. cash equivalents)	44 793	68 756	68 756
Cash and bank balances	51 587	641	641
TOTAL ASSETS	450 658	359 381	359 381
Restricted equity	23 037	23 008	23 008
Non-restricted equity	167 398	191 077	191 077
Total equity	190 435	214 085	214 085
Long-term liabilities	29 434	-	-
Current liabilities	230 789	145 296	145 296
TOTAL EQUITY AND LIABILITIES	450 658	359 381	359 381

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)	Dec 31		Dec 31
	2020	2019	2019
Pledged assets	-	-	-
Contingent liabilities	-	-	-

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BUSINESS ACQUISITION

In order to strengthen Formpipe's position in the business area Private and contribute to additional growth, the British company EFS Technology Ltd. ("EFS") was acquired July 31. EFS is an established and leading supplier of software for production and document management to the banking and manufacturing sector. The acquisition was for 100 % of the shares in EFS and has impacted the balance sheet and cash position as specified below. Since the transaction date, EFS has contributed MSEK 12.2 in sales and MSEK 3.5 in operating profit before depreciation and non-comparative items (EBITDA). Had the acquisition taken place on January 1 2020, EFS would have contributed a total of MSEK 34.0 in sales and MSEK 8.7 in EBITDA.

Goodwill has been recognised, consisting of synergies and staff. Fair value adjustments have been made to the book values represented by the excess price embedded in the purchase price and attributed to customer relationships, brand names and existing technology. The adjustments also consider the effect on deferred tax. No portion of the recognised goodwill is anticipated to be income tax deductible.

The acquisition balance sheet is subject to final adjustments no later than one year after the transaction date.

Acquisition balance sheet and purchase price specification

(SEK '000)	Book value	Fair value
Tangible assets	825	825
Intangible assets	-	13 731
Trade and other receivables	6 462	6 462
Cash and cash equivalents	22 983	22 983
Trade payables and other liabilities	-20 534	-20 534
Deferred tax	-58	-2 667
Acquired net assets	9 678	20 800
Goodwill		48 249
Total purchase price		69 050
- Existing cash in the acquired business		-22 983
Changes to group cash at acquisition		46 067

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.

FX effect

Revaluation of ARR IN at the current exchange rates at the end of the period.

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.