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Formpipe acquires the British company EFS

Formpipe acquires EFS Technology Ltd. (EFS), which for many years has been a successful sales partner for Formpipe's Lasernet product. With the deal, Formpipe is increasing its capacity to build a larger network of competent partners in the private sector. EFS revenue for 2019 amounted to GBP 3.4 million.

Formpipe acquires 100% of the shares in EFS. The acquisition is expected to be completed by July 31. The purchase price amounts to GBP 6 million (equivalent to an estimated Enterprise Value of approximately GBP 5 million), which is paid in connection with the takeover and is financed through a combination of own cash and loans. EFS's turnover for the financial year 2019 amounted to GBP 3.4 million, of which just over half consists of recurring revenue from support and maintenance agreements. The acquisition is expected to have some positive impact on Formpipe's earnings per share for the 2020 financial year and will fully contribute to the operations from 2021.

EFS Technology Ltd. is one of Formpipe's very skilled and dedicated partners. The company was founded in 1989 and has many years of experience in successfully selling Formpipe's product Lasetnet together with EFS's own scanning and archiving product, Autoform DM. EFS primarily sells the product packaging Autoform DM / Lasetnet to the customer segment Bank & Finance, where a large proportion of existing customers are found. The company is ISO27001 certified and provides 24/7 support to its international customer base. With the deal, Formpipe is increasing its capacity to build a larger network of competent partners in the private sector. EFS already has both technical and commercial know-how to introduce and support new partners in sales and delivery of Lasetnet globally. EFS will be fully integrated into Formpipe's Private Sector business area. The acquisition also provides good opportunities to increase the rate of growth in EFS's recurring revenue by a transition to a business model with a larger proportion of subscription revenue (SaaS).

“With EFS we can support more partners in the private sector, which allows us to reach a larger market for our products Lasetnet and Long-Term Archive. We continue to build our recurring revenues and see great potential in continuing to expand our partner network using the broad expertise available at EFS. We have worked together for a long time and know the company well. Now we look



forward to welcoming the entire team as part of Formpipe”, says Christian Sundin, CEO of Formpipe.

“We have enormous respect for Formpipe's expertise and quality products and are excited to be part of the Formpipe family. Together, we will continue our commitment to work towards our customers' digital transformation. Based on our extensive experience within the banking & finance sector, we look forward to immediately being able to contribute to an expanded partner network and helping more customers to benefit from Formpipe's offering,” says EFS's founders Alan Devon and Anthony Airey.

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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.

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Formpipe develops ECM products and solutions for structuring information and supplies them to major companies, authorities and organisations. ECM products help organisations to capture, manage and distribute information, and to place it in context. The company's software helps improve efficiency, cut costs and reduce risk exposure. 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.