

Formpipe.

Interim report January – December 2018

PERIOD OCTOBER 1 – DECEMBER 31, 2018

- Net sales decreased by 1 % to SEK 109.6 m (SEK 110.5 m)
- Software revenues increased by 4 % to SEK 70 .6 m (SEK 68.0 m)
- Recurring revenue amounted to SEK 60.0 m (SEK 51.3 m) which corresponds to 55 % (46 %) of net sales.
- EBITDA SEK 27.3 m; 24.9 % (SEK 25.9 m; 23.4 %)
- EBITDA-adj. SEK 17.9 m; 16.3 % (SEK 17.4 m; 15.7 %)
- EBIT SEK 16.1 m; 14.7 % (SEK 14.7 m; 13.3 %)
- Net profit SEK 12.5 m; 11.4 % (SEK 10.5 m; 9.5 %)
- EPS before dilution SEK 0.24 (SEK 0.20)
- Cash flow from operating activities SEK 60.5 m (SEK 60.9 m)

PERIOD JANUARY 1 – DECEMBER 31, 2018

- Net sales increased by 6 % to SEK 406.4 m (SEK 390.2 m)
- Software revenues increased by 8 % to SEK 267.8 m (SEK 247.9 m)
- Recurring revenue amounted to SEK 223.2 m (SEK 194.8 m) which corresponds to 55 % (50 %) of net sales.
- EBITDA SEK 99.7 m; 24.5 % (SEK 85.8 m; 22.0 %)
- EBITDA-adj. SEK 65.4 m; 16.1 % (SEK 48.9 m; 12.5 %)
- EBIT SEK 53.2 m; 13.1 % (SEK 37.7 m; 9.7 %)
- Net profit SEK 39.9 m; 9.8 % (SEK 24.8 m; 6.4 %)
- EPS before dilution SEK 0.76 (SEK 0.48)
- Cash flow from operating activities SEK 121.4 m (SEK 95.1 m)
- The board proposes a dividend of SEK 0,60 per share (SEK 0,50)

INCOME STATEMENT - SUMMARY

(SEK Million)	Oct-Dec		Jan-Dec	
	2018	2017	2018	2017
Net sales	109,6	110,5	406,4	390,2
<i>whereof recurring revenue</i>	60,0	51,3	223,2	194,8
EBITDA	27,3	25,9	99,7	85,8
EBITDA-adj	17,9	17,4	65,4	48,9
EBIT - excluding items affecting comparability	16,1	15,5	53,2	37,3
EBIT	16,1	14,7	53,2	37,7

Comments from the Groups CEO

A stable and good quarter with solid growth in our recurring revenues, which for the full year increases by 15%. The increase in recurring revenues for the year now compensate the loss of revenue from traditional license sales made as a result of the increasing degree of SaaS sales (Software-as-a-Service). We are also pleased to note that we are improving the results on an annual basis in the segments Denmark and Life Science.

The success we have with the product Lasernet as a cloud solution for the private sector has demonstrated the potential of our partnership with Microsoft. We also see opportunities to expand our offering with more products both through our partner network and in Microsoft Appsource. Through an in-depth focus on our collaboration with Microsoft and with our existing network, we believe that growth in SaaS sales to the private sector can increase further.

In order to gather our efforts in the private sector and focus on the markets that are considered to have the greatest growth potential, we have implemented a

reorganization at the end of the year. Going forward we will have three business areas, Private Sector, Danish Public Sector and Swedish Public Sector. The segment reporting for 2019 will follow the new organizational structure.

We show a cash flow from operations amounting to SEK 121 million (95 million), which partly comes from a good result and a business model with high recurring revenues and partly because the working capital for the quarter stayed at a favorable level. Based on the company's strong and stable cash flow, the Board of Directors proposes a dividend of SEK 0.60 (0.50) per share.

Market

Enterprise content management (ECM) is used to create, store, distribute, discover, archive and manage digital content (such as scanned documents, email, reports,

medical images and office documents), and ultimately analyze usage to enable organizations to deliver relevant content to users where and when they need it. It is in the ECM market that Formpipe has emerged as the market leader in the public sector, as a challenger in e.g. life sciences and legal as well as cross-industry for parts of the product range.

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

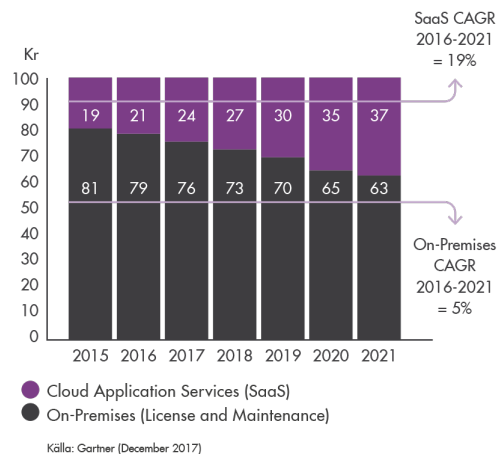
A CHANGING MARKET

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

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

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

Gartner forecast



¹ Source: Gartner, Enterprise Software Markets, Worldwide, 2014-2021, 4Q17 Update

FORMPIPES OFFERINGS IN ECM:

CASE AND DOCUMENT MANAGEMENT

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

GRANTS MANAGEMENT

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

CUSTOMER COMMUNICATIONS MANAGEMENT

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

STRUCTURED DATA ARCHIVING

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

The Future

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

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

Financial Information

REVENUE

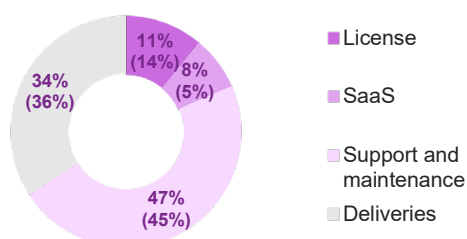
October – December 2018

Net sales for the period totalled to SEK 109.6 million (110.5 million), which corresponds to a decrease of 1 %. Software revenue increased by 4 % from the previous year and totalled to SEK 70.6 million (68.0 million). Total recurring revenue for the period increased by 17 % from the previous year and totalled to SEK 60.0 million (51.3 million), which is equivalent to 55 % of net sales (46 %). Exchange rate effects have affected net sales positively by SEK 3.6 million in comparison with the previous year.

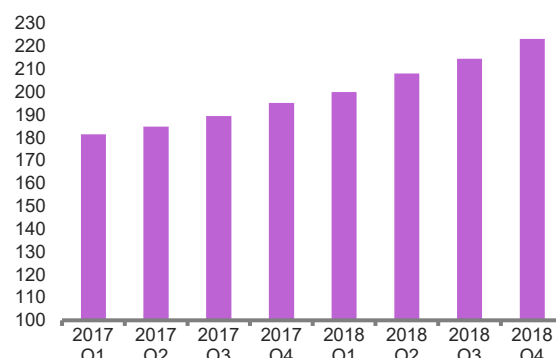
January – December 2018

Net sales for the period totalled to SEK 460.4 million (390.2 million), which corresponds to an increase of 4 %. Software revenue increased by 8 % from the previous year and totalled to SEK 267.8 million (249.7 million). Total recurring revenue for the period increased by 15 % from the previous year and totalled to SEK 223.2 million (194.8 million), which is equivalent to 55 % of net sales (50 %). Exchange rate effects have affected net sales positively by SEK 13.8 million in comparison with the previous year.

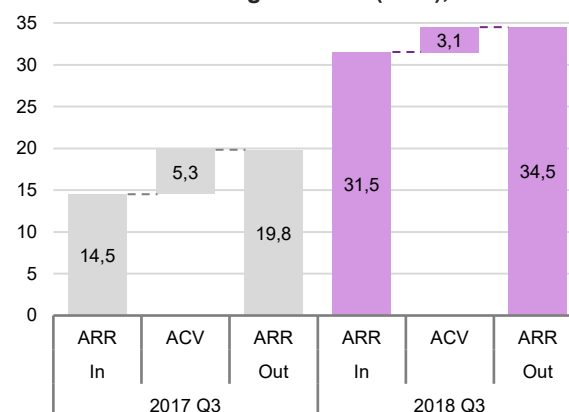
Breakdown of sales revenue, Jan–Dec 2018



Recurring revenue rolling 12 months, MSEK



SaaS Annual Recurring Revenue (ARR), MSEK



COSTS

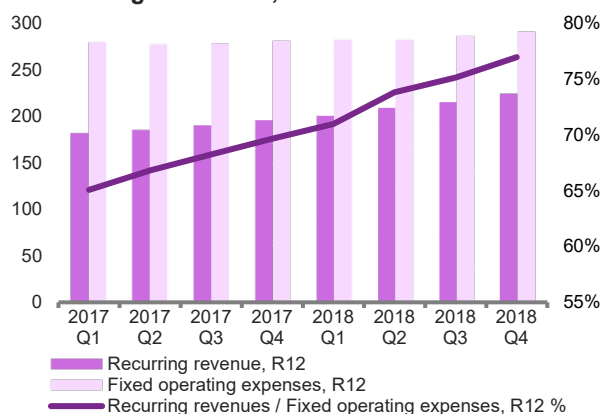
October - December 2018

The operating costs for the period decreased by 2 % and totalled to SEK 93.4 million (94.9 million). Personnel costs increased by 9 % and totalled to SEK 58.2 million (53.6 million). Selling expenses totalled to SEK 13.5 million (19.5 million). Other costs totalled to SEK 20.0 million (20.0 million).

January – December 2018

The operating costs for the period stayed unchanged and totalled to SEK 353.2 million (353.0 million). Personnel costs increased by 3 % and totalled to SEK 215.0 million (208.6 million). Selling expenses totalled to SEK 50.9 million (61.0 million). Other costs totalled to SEK 75.0 million (71.7 million).

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



EARNINGS

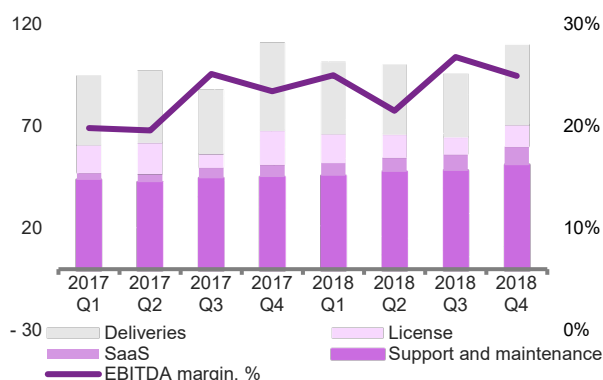
October - December 2018

Operating profit before depreciation and amortization and items affecting comparability (EBITDA) totalled to SEK 27.3 million (25.9 million) with an EBITDA margin of 24.9 % (23.4 %). Operating profit (EBIT) totalled to SEK 13.9 million (11.1 million) with an operating margin of 16.1 % (14.7 %). Net profit totalled to SEK 12.5 million (10.5 million). Exchange rate effects have affected EBITDA positively by SEK 0.8 million in comparison with the previous year.

January - December 2018

Operating profit before depreciation and amortization and items affecting comparability (EBITDA) totalled to SEK 99.7 million (SEK 85.8 million) with an EBITDA margin of 24.5 % (22.0 %). Operating profit (EBIT) totalled to SEK 53.2 million (37.7 million) with an operating margin of 13.1 % (9.7 %). Net profit totalled to SEK 39.9 million (24.8 million). Exchange rate effects have affected EBITDA positively by SEK 2.9 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 123.8 million (82.7 million). The company had interest-bearing debt at the end of the period totalling to SEK 77.1 million (92.1 million). The company's net interest-bearing debt thereby totalled to SEK 46.7 million (-9.4 million).

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

Deferred tax asset

By the end of the period the company's deferred tax assets attributable to accumulated losses amounted to SEK 9.4 million (SEK 14.9 million).

Equity

Equity at the end of the period amounted to SEK 391.0 million (363.1 million), which was equivalent to SEK 7.39 (7.00) 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 9.5 million (6.4 million) from the end of the year.

During the period, the personnel warrant program 2015/2018 was exercised. A total of 314,576 new shares were issued from this program. During the period, new shares were also issued due to the acquisition of the minority stake of the shares in the subsidiary, Formpipe Intelligo. After the share issues, the number of outstanding shares and votes in the company amounts to 52,887,406 and the share capital amounts to SEK 5,288,740.60.

Equity ratio

The equity ratio at the end of the period was 56 % (54 %).

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities for the period January - December totalled to SEK 121.4 million (95.1 million).

Investments and acquisitions

Total investments for the period January - December amounted to SEK 40.1 million (41.3 million).

Investments in intangible assets totalled to SEK 37.1 million (37.9 million) and refer to capitalized product development costs.

Investments in tangible and financial assets totalled to SEK 3.0 million (3.4 million).

Financing

During the period January - December the company has amortized SEK 16.6 million (17.3 million) and the

interest-bearing debt amounted to SEK 77.1 million (92.1 million) at the end of the period.

As an outcome from the exercise of the personnel warrant program 2015/2018, 314 576 new shares was issued and payments amounting to SEK 3.0 million (3.8 million) has been added to the Company. At the same time the Company repurchased 153 224 warrants to a value of SEK 0.9 million (3.3 million).

During the period a new warrant program (2018/2021) has been issued to the company's personnel amounting to 500 000 warrants, which has provided the company with payments of SEK 0.4 million (0.4 million).

During the period dividends amounting to SEK 25.9 million (15.4 million) has been paid out to shareholders.

Proposed appropriation of profits

DIVIDEND

The Board proposes that the AGM to be held on 25 April 2019 adopts a resolution to pay a dividend of SEK 0.70 (0.50) per share, which means a total dividend of SEK 37.0 million (25.9 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 – June 2018

JANUARY-MARCH

Acquisition of minority stake in Formpipe Intelligo AB

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

The minority owner is employed by the Group, why the acquisition was considered to be a transaction with

related parties, and thereby needing a 90% majority at the meeting.

APRIL-JUNE

Issue of warrant incentive program

It was decided at the AGM held on 25 April to issue 500,000 warrants offered to all employees within the Formpipe Software group, where one option gives the right to subscribe for one new share. The programme was fully subscribed.

Issue of shares for non-cash consideration

The AGM approved the Board's proposal for a issue of share for non-cash consideration to finance the acquisition of the remaining 35.1 % of the shares from the minority owner of the subsidiary Formpipe Intelligo AB. Through the issue of shares, 699,805 new shares were issued to a value of 10,700,000 SEK.

Increased number of shares

During the period the personnel warrant program 2015/2018 was exercised. A total of 314,576 new shares were issued from this program.

During the period, the Company completed a rights issue in which 699,805 new shares were issued in connection with the acquisition of the minority's share of the shares in Formpipe Intelligo AB.

The number of shares and votes in the Company has therefore increased with 1 014 381 and the share capital has increased with SEK 101,438.1. After the issue of new shares, the total number of shares and votes in the Company amounts to 52,887,406 and the share capital to SEK 5,288,740.6.

JULY-SEPTEMBER

No significant events have occurred during the period.

OCTOBER-DECEMBER

No significant events have occurred during the period.

Significant events after the periods end

No significant events have occurred after the periods end.

Other

EMPLOYEES

The number of employees at the end of the reporting period totalled to 222 persons (231 persons).

RISKS AND UNCERTAINTY FACTORS

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

TRANSACTIONS WITH RELATED PARTIES

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

ACCOUNTING POLICIES

The group's financial reports are prepared in accordance with International Financial Reporting Standards (IFRS) in the way in which they have been adopted by the European Union, the Swedish Annual Accounts Act, RFR 1 Additional Accounting Regulations for Groups issued by the Swedish Financial Reporting Board and in accordance with the regulations that the Stockholm Stock Exchange stipulates for companies listed on Nasdaq Stockholm. Preparing financial reports in accordance with IFRS requires that the company management makes accounting evaluations and estimates and makes assumptions that affect the application of the accounting policies and the reported values of assets, liabilities, income and costs. The actual result can differ from these estimates and evaluations. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report covers pages 1-14 and the interim report on pages 1-7 is thus an integral part of this financial report. The most important accounting policies according to IFRS, which constitute the accounting standard for the preparation of this interim report, are stated in the company's most recently published annual report except for the changes in the principles of revenue recognition applied by the Group from January 1, 2018 in accordance with IFRS 15. The Group's new accounting principles for revenue recognition are described in the following section "New accounting principles applied from January 1, 2018".

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

New Accounting Standards Applicable from January 1, 2018

IFRS 15 Revenues from contracts with customers

IFRS 15 is the new standard for revenue recognition. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts and all related interpretations (IFRIC and SIC). A revenue is reported when the customer receives control

of the sold item or services, a principle that supersedes the former principle that revenue is reported when risks and benefits have passed to the buyer. The basic principle of IFRS 15 is that the Group accounts for revenues in the manner that best reflects the transfer of the control of the promised product or service to the customer. This revenue recognition is done using a five-step model applied to all customer contracts

- Identify the contract with the customer
- Identify the various performance commitments in the contract
- Set the transaction price
- Distribute the transaction price on performance commitments
- Recognize the revenue when a performance commitment is met

Based on the above five-step model, the Group's contracts with customers include various performance commitments identified as Licenses, SaaS (Software as a Service), Support and Maintenance Agreements, and Consulting Services. A revenue can only be reported when the control of the service or product sold can be considered to have been transferred to the customer for each type of revenue / performance commitment.

The revenue includes the fair value of what has been or will be obtained for goods and services sold in the Group's ongoing operations. Revenues are reported excluding VAT, returns and discounts and after elimination of inter-company sales.

Below are the accounting principles applied by the Group for these performance commitments.

Transition effects from IFRS 15

The Group has analyzed and evaluated IFRS 15 as a regulatory framework and the implementation of IFRS 15 has not led to any transition effects for the Formpipe Group.

Sales of Licenses

The Group develop and sells software. The revenue from license rights is recognized on completion of delivery as agreed and when the customer has received control over the purchased licenses and that no significant obligations remain after delivery date. In the cases where a license is sold and the billing model differs from when the customer has received control over the licenses being delivered, the Group post a provision for a license fee that is settled against the invoices during the term of the agreement. In such cases, the Group assesses whether there is a significant financing component to be reported in the balance sheet and whether there is an interest component that is to be reported under financial items instead of as a regular revenue. The transaction price is thus adjusted for the impact of a significant financing component.

Sales of SaaS (Software as a Service)

The Group sells SaaS (Software-as-a-Service) by hosting the software and related services as cloud-based services. The software is not installed on the client's own servers, but on servers that the Formpipe Group manages for the customer's part. The customer continuously receive this service, which includes license, support & maintenance as well as hosting of the software, during the term of the contract and is recognized linearly over the contract period. The control is transferred to the customer continuously during the term of the agreement.

Sales of Support and Maintenance

The Group sells Support and Maintenance Agreements for the software. Such agreements are signed in connection with the sale of licenses or SaaS (Software as a Service). Revenue from the Support and Maintenance contracts is invoiced in advance and is recognized as revenue over the contract period since the control is transferred to the customer continuously during the term of the agreement.

Sale of Consulting Services

The Group sells consultancy and education services, which are provided on a regular basis or as a fixed price agreement. Revenue from contracts where consultancy hours are delivered on a regular basis is recognized when the worked hours have been delivered.

Revenue from fixed-price contracts for services, successive revenue recognition is applied. Successive revenue recognition means that revenues are reported based on the amount of services delivered out of the total services to be delivered (completion rate). Revenue from fixed-price contracts for services is usually reported during the period of delivery of the services, distributed linearly throughout the contract period.

If any circumstances arise that may change the initial estimate of revenue, costs or degree of completion, the estimates will be reviewed. These reassessments may result in increases or decreases in estimated revenue or expenses and affect revenue during the period when the circumstances that caused the change came to the knowledge of the company.

The Group offers certain agreements where the customer can purchase a license including one year's service. Where such multi-part agreement exists, revenue from the sale of a license is recognized as the fair value of the license in relation to the fair value of the sales agreement as a whole. The revenue from the service part, which corresponds to the fair value of the service part in relation to the fair value of the sales contract, is distributed over the service period. Actual values for each part are determined on the basis of current market prices on these parts when sold separately.

New accounting standards applicable from January 1, 2019

IFRS 16 Leases

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

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

Formpipe will apply the new standard by using the modified retroactive transition method, which means that the comparative figures will not be recalculated. The cumulative effect of applying IFRS 16 will be reported on January 1, 2019. The leasing liabilities attributable to leasing agreements that have previously been classified as operating leases according to IAS 17 will be valued at the present value of the remaining lease payments, discounted using the marginal loan interest rate as of January 1 2019. Formpipe will report a right of use to an amount corresponding to the leasing debt, adjusted for the amount of any prepaid or accrued payments attributable to the leasing agreement, which was reported as of December 31, 2018. Thus, the transition to IFRS 16 will have no significant impact on the Group's equity. The transition to IFRS 16 will have the following preliminary effects on the Group's balance sheet report at the transition date of January 1, 2019:

Financial lease asset:	33,2 Mkr
Financial lease debt:	-33,2 Mkr

ABOUT FORMPIPE

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

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

CALENDAR FOR FINANCIAL INFORMATION

April 25, 2019	Interim report Jan-Mar
April 26, 2019	Annual General Meeting

July 12, 2019
October 24, 2019

Interim report Jan-Jun
Interim report Jan-Sep

E-mail: christian.sundin@formpipe.com

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

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

The General Annual Meeting will be held at the head office at Sveavägen 168, at 2:00 pm on the 26th of April 2019.

Stockholm February 12, 2019
Formpipe Software AB
The Board of Directors and the Managing Director

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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

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CONSOLIDATED INCOME STATEMENT SUMMARY

(SEK 000)	Oct-Dec		Jan-Dec	
	2018	2017	2018	2017
Net Sales	109 550	110 457	406 412	390 240
Sales expenses	-13 549	-19 532	-50 941	-61 036
Other costs	-19 966	-19 978	-75 021	-71 710
Personnel costs	-58 156	-53 580	-215 004	-208 604
Capitalized work for own account	9 419	8 496	34 286	36 869
Operating profit/loss before depreciation/amortization and non-comparative items (EBITDA)	27 299	25 862	99 732	85 759
Items affecting comparability	-	-863	-	398
Depreciation/amortization	-11 159	-10 330	-46 518	-48 482
Operating profit/loss (EBIT)	16 140	14 669	53 214	37 674
Financial income and expenses	-624	-836	-2 814	-3 863
Exchange rate differences	138	-118	506	-917
Tax	-3 122	-3 257	-11 016	-8 057
Net profit for the period	12 533	10 458	39 890	24 837
<u>Of which the following relates to:</u>				
Parent company shareholders	12 533	10 485	39 890	24 832
Shareholding with no controlling influence	-	-27	-	5
<u>Other comprehensive income</u>				
Translation differences	-1 368	7 013	9 499	6 393
Other comprehensive income for the period, net after tax	-1 368	7 013	9 499	6 393
Total comprehensive income for the period	11 165	17 471	49 390	31 230
<u>Of which the following relates to:</u>				
Parent company shareholders	11 165	17 498	49 390	31 225
Shareholding with no controlling influence	-	-27	-	5
<i>EBITDA margin, %</i>	<i>24,9%</i>	<i>23,4%</i>	<i>24,5%</i>	<i>22,0%</i>
<i>EBIT margin, %</i>	<i>14,7%</i>	<i>13,3%</i>	<i>13,1%</i>	<i>9,7%</i>
<i>Profit margin, %</i>	<i>11,4%</i>	<i>9,5%</i>	<i>9,8%</i>	<i>6,4%</i>
Earnings per share attributable to the parent company's shareholders during the period (SEK per share)				
- before dilution	0,24	0,20	0,76	0,48
- after dilution	0,24	0,20	0,75	0,48
Average no. of shares before dilution, in 000	52 887	51 873	52 523	51 623
Average no. of shares after dilution, in 000	53 289	52 188	52 881	52 128

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

CONSOLIDATED BALANCE SHEET SUMMARY

(SEK 000)	Dec 31		Dec 31
	2018	2017	2017
Intangible assets	469 942	465 071	465 071
Tangible assets	5 740	4 596	4 596
Financial assets	6 218	2 964	2 964
Deferred tax asset	9 373	14 937	14 937
Current assets (excl. cash equivalents)	86 860	106 052	106 052
Cash equivalents	123 782	82 663	82 663
TOTAL ASSETS	701 915	676 281	676 281
Equity	391 023	363 051	363 051
Shareholding with no controlling influence	-	2 079	2 079
Long-term liabilities	20 817	97 137	97 137
Current liabilities	290 075	214 014	214 014
TOTAL EQUITY AND LIABILITIES	701 915	676 281	676 281
Net interest-bearing debt (-) / cash (+)	46 719	-9 409	-9 409

CHANGES IN CONSOLIDATED EQUITY

(SEK 000)	Equity attributable to the parent company's shareholders				Total	Shareholdings with no controlling influence	Total
	Share capital	Other contributed capital	Other reserves	Profit/loss brought forward			
Balance at January 1, 2017	5 127	193 829	11 499	135 793	346 249	2 706	348 954
Comprehensive income							
Net profit for the period	-	-	-	24 832	24 832	5	24 837
Other comprehensive income items	-	-	6 393	-	6 393	-	6 393
Total comprehensive income	-	-	6 393	24 832	31 225	5	31 230
Transaction with owners							
Dividend	-	-	-	-15 382	-15 382	-632	-16 014
Share issue	60	3 782	-	-	3 842	-	3 842
Repurchase of warrants	-	-3 282	-	-	-3 282	-	-3 282
Employee warrant schemes	-	400	-	-	400	-	400
Total transaction with owners	60	900	-	-15 382	-14 422	-632	-15 054
Balance at September 30, 2017	5 187	194 729	17 892	145 243	363 051	2 079	365 130
Balance at January 1, 2018	5 187	194 729	17 892	145 243	363 051	2 079	365 130
Comprehensive income							
Net profit for the period	-	-	-	39 890	39 890	-	39 890
Other comprehensive income items	-	-	9 499	-	9 499	-	9 499
Total comprehensive income	-	-	9 499	39 890	49 390	-	49 390
Transaction with owners							
Acquisition of non-controlling interests	-	-	-8 621	-	-8 621	-2 079	-10 700
Dividend	-	-	-	-25 937	-25 937	-	-25 937
Issue for non-cash consideration	70	10 630	-	-	10 700	-	10 700
Share issue	31	2 970	-	-	3 001	-	3 001
Repurchase of warrants	-	-916	-	-	-916	-	-916
Employee warrant schemes	-	355	-	-	355	-	355
Total transaction with owners	101	13 038	-8 621	-25 937	-21 418	-2 079	-23 497
Balance at September 30, 2018	5 288	207 768	18 770	159 196	391 023	-	391 023

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CASH FLOW STATEMENT SUMMARY

(SEK 000)	Oct-Dec		Jan-Dec	
	2018	2017	2018	2017
Cash flow from operating activities before working capital changes	22 782	19 869	90 646	75 336
Cash flow from working capital changes	37 750	41 010	30 714	19 804
Cash flow from operating activities	60 532	60 879	121 360	95 140
Cash flow from investing activities	-11 546	-10 698	-40 133	-41 263
Cash flow from financing activities	-4 270	-4 156	-40 597	-32 329
Cash flow for the period	44 716	46 025	40 630	21 548
Change in cash and cash equivalent				
Cash and cash equivalent at the beginning of the period	79 135	36 388	82 663	60 890
Translation differences	-69	250	490	224
Cash flow for the period	44 716	46 025	40 630	21 548
Cash and cash equivalent at the end of the period	123 782	82 663	123 782	82 663

8 QUARTERS IN SUMMARY

(SEK 000)	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4
License	13 829	15 733	6 792	16 698	14 024	11 380	8 544	10 670
SaaS	3 491	3 866	5 341	6 147	6 535	7 110	8 125	9 031
Support and maintenance	43 638	42 685	44 536	45 130	45 678	47 610	48 147	50 947
Software revenues	60 958	62 285	56 670	67 975	66 237	66 101	64 815	70 647
<i>whereof recurring revenue</i>	47 129	46 552	49 877	51 277	52 214	54 720	56 272	59 978
Deliveries	33 765	34 774	31 332	42 482	34 972	33 916	30 822	38 903
Net sales	94 722	97 059	88 002	110 457	101 209	100 016	95 637	109 550
Sales expenses	-13 625	-15 107	-12 772	-19 532	-10 645	-13 553	-13 195	-13 549
Other costs	-17 502	-18 700	-15 530	-19 978	-18 965	-18 919	-17 171	-19 966
Personnel costs	-54 465	-54 130	-46 428	-53 580	-54 358	-54 163	-48 327	-58 156
Capitalized development costs	9 632	9 892	8 849	8 496	8 055	8 143	8 669	9 419
Total operating expenses	-75 960	-78 046	-65 881	-84 595	-75 913	-78 492	-70 024	-82 252
EBITDA	18 763	19 013	22 121	25 862	25 296	21 524	25 613	27 299
%	19,8%	19,6%	25,1%	23,4%	25,0%	21,5%	26,8%	24,9%
Items affecting comparability	-	1 260	-	-863	-	-	-	-
Depreciation/amortization	-14 356	-12 820	-10 976	-10 330	-11 721	-11 884	-11 754	-11 159
EBIT	4 406	7 453	11 145	14 669	13 575	9 640	13 859	16 140
%	4,7%	7,7%	12,7%	13,3%	13,4%	9,6%	14,5%	14,7%

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

SEGMENT SUMMARY

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

(SEK 000)	Jan-Dec 2018				Group
	Sweden	Denmark	Life Science	Eliminations	
Sales, external	165 191	227 515	13 707	-	406 412
Sales, internal	6 323	1 362	3 469	-11 153	-
Total sales	171 513	228 877	17 176	-11 153	406 412
Costs, external	-116 789	-178 045	-11 847	-	-306 681
Costs, internal	-4 324	-3 433	-3 396	11 153	-
EBITDA	50 400	47 398	1 933	-	99 732
%	29,4%	20,7%	11,3%		24,5%

(SEK 000)	Jan-Dec 2017				Group
	Sweden	Denmark	Life Science	Eliminations	
Sales, external	170 308	208 870	11 062	-	390 240
Sales, internal	4 960	3 776	677	-9 413	-
Total sales	175 268	212 646	11 739	-9 413	390 240
Costs, external	-120 001	-172 288	-12 192	-	-304 482
Costs, internal	-4 785	-3 944	-684	9 413	-
EBITDA	50 482	36 414	-1 137	-	85 759
%	28,8%	17,1%	-9,7%		22,0%

GROUP-WIDE INFORMATION

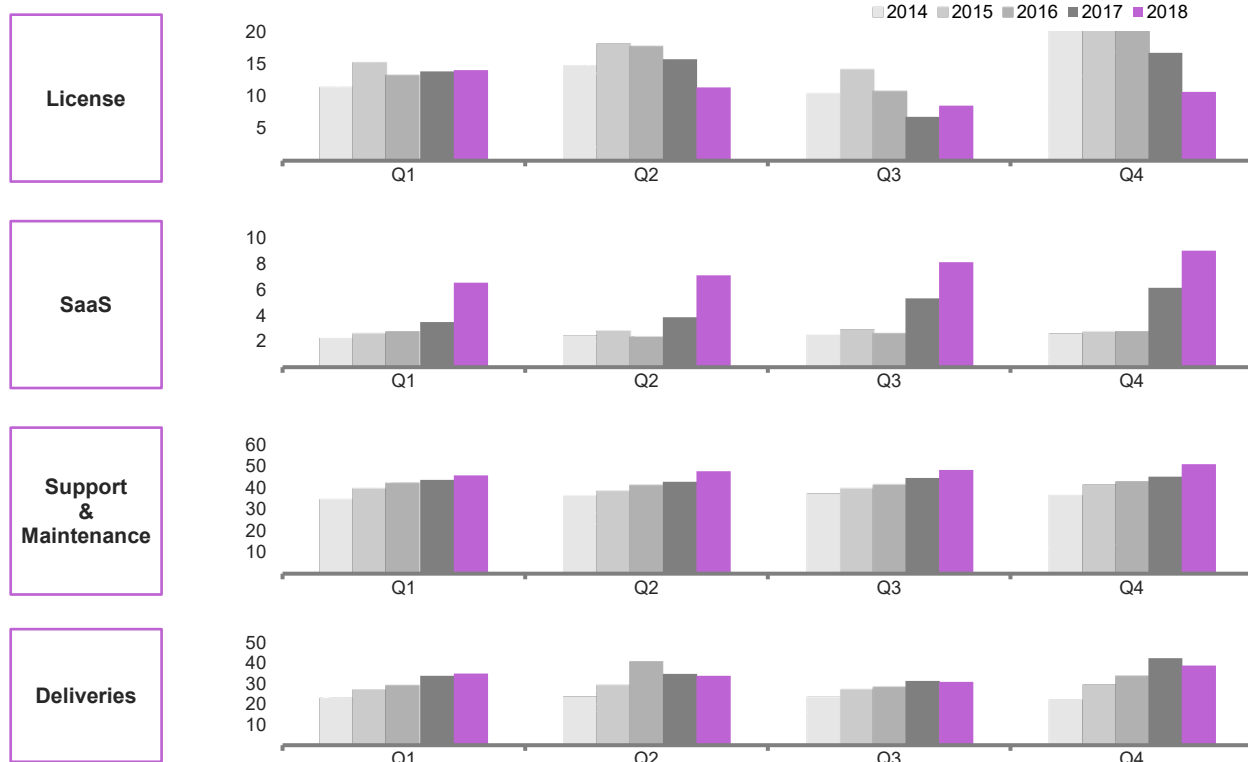
Revenues from all products and services are identified as follows:

2018	Life			Group
	Sweden	Denmark	Science	
License	17 927	25 429	1 262	44 617
SaaS	14 696	13 648	2 458	30 801
Support & Maintenance	100 152	89 068	3 162	192 382
Delivery	32 416	99 371	6 825	138 612
Net sales	165 191	227 515	13 707	406 412

2017	Life			Group
	Sweden	Denmark	Science	
License	23 947	28 103	1 002	53 053
SaaS	12 576	4 717	1 552	18 845
Support & Maintenance	93 047	79 940	3 002	175 990
Delivery	40 738	96 110	5 506	142 353
Net sales	170 308	208 870	11 062	390 240

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SALES ANALYSIS BY QUARTER



NUMBER OF SHARES

	2014-01-01	2015-01-01	2016-01-01	2017-01-01	2018-01-01
	2014-12-31	2015-12-31	2016-12-31	2017-12-31	2018-12-31
Number of outstanding shares at the beginning of the period	48 934 588	50 143 402	50 143 402	51 273 608	51 873 025
Share issue from warrant programme	-	-	1 130 206	599 417	314 576
Non-cash issue	1 208 814	-	-	-	699 805
Number of outstanding shares at the end of the period	50 143 402	50 143 402	51 273 608	51 873 025	52 887 406

KEY RATIOS FOR THE GROUP

	Jan-Dec	
	2018	2017
Net sales, SEK 000	406 412	390 240
EBITDA, SEK 000	99 732	85 759
EBITDA-adj., SEK 000	65 445	48 890
EBIT, SEK 000	53 214	37 674
Net profit for the period, SEK 000	39 890	24 837
EBITDA margin, %	24,5%	22,0%
EBITDA-adj. margin, %	16,1%	12,5%
EBIT margin, %	13,1%	9,7%
Profit margin, %	9,8%	6,4%
Return on equity, %*	10,6%	7,0%
Return on working capital, %*	14,8%	9,8%
Equity ratio, %	56%	54%
Equity per outstanding share at the end of the period, SEK	7,39	7,00
Earnings per share - before dilution, SEK	0,76	0,48
Earnings per share - after dilution, SEK	0,75	0,48
Share price at the end of the period, SEK	19,70	14,15

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

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PARENT COMPANY INCOME STATEMENT SUMMARY*

(SEK 000)	Oct-Dec		Jan-Dec	
	2018	2017	2018	2017
Net sales	42 677	44 704	153 423	152 794
Operating expenses				
Sales expenses	-6 497	-9 265	-16 732	-24 119
Other costs	-9 536	-9 177	-35 960	-32 072
Personnel costs	-20 947	-17 589	-72 511	-66 399
Depreciation/amortization	-1 364	-1 558	-6 029	-6 246
Total operating expenses	-38 343	-37 589	-131 233	-128 836
Operating profit/loss	4 334	7 116	22 190	23 958
Result from participations in group companies	-	-	-	1 168
Other financial items	-300	140	-2 729	1 876
Tax	-5 943	-4 356	-5 943	-4 356
Net profit for the period	4 691	-3 702	20 118	16 046

PARENT COMPANY BALANCE SHEET SUMMARY

(SEK 000)	Dec 31	
	2018	2017
Intangible assets	12 198	14 852
Tangible assets	1 185	967
Financial assets	280 294	324 304
Deferred tax asset	-	-
Current assets (excl. cash equivalents)	94 690	79 439
Cash and bank balances	64 116	65 908
TOTAL ASSETS	452 482	485 470
Restricted equity	22 979	22 878
Non-restricted equity	218 848	211 628
Total equity	241 827	234 506
Long-term liabilities	-	81 429
Current liabilities	210 655	169 535
TOTAL EQUITY AND LIABILITIES	452 482	485 470

PLEGDED ASSETS AND CONTINGENT LIABILITIES

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

(SEK 000)	Dec 31	
	2018	2017
Pledged assets	326 762	310 329
Contingent liabilities	-	-

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DEFINITIONS

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

Software revenue

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

Recurring revenue

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

Annual recurring revenue (ARR)

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

ARR IN

Initial value for the period's Annual recurring revenue.

ACV

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

ARR OUT

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

Fixed operating expenses

Other costs and personnel costs

Operating expenses

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

EBITDA

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

EBITDA-adj.

EBITDA exclusive capitalized work for own account

Items affecting comparability

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

EBIT

Operating profit/loss

Operating margin before depreciation and amortization (EBITDA margin)

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

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

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

Operating margin (EBIT margin)

Operating profit/loss as a percentage of net sales.

Profit margin

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

Earnings per share - before dilution

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

Earnings per share - after dilution

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

Equity per share

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

Return on equity

Profit/loss after tax as a percentage of average equity

Return on working capital

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

Free cash flow

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

Net interest-bearing debt

Interest bearing debts minus cash and cash equivalents

Equity ratio

Equity as a percentage of the balance sheet total.