

2020 Q4.

Financial update and strategic outlook.

Agenda

- 1 Q4 and full year 2020 results
- 2 A strategy for growth

2020 highlights.



Adaptability

**Strengthened in
challenging times**



**Strong
culture &
acquisition**

**Acquiring EFS
technology and
successfully integrating
the business and
culture**



**Improved
revenue
mix**

**Continued strong
growth of recurring
revenue**

Q4 and full year highlights.

Q4

- Total revenue of 103 mSEK (103 mSEK)
- Recurring revenues up by 14 % yoy
 - 65 % (57 %) of total revenue
- EBIT of 12.7 mSEK (15.3 mSEK)
 - Margin of 12.3 % (14.9 %)
- EPS of 0.22 kr (0.23 kr)

Full year 2020

- Total revenue of 403 mSEK (394 mSEK)
- Recurring revenues up by 10 % yoy
 - 63 % (58 %) of total revenue
- EBIT of 53.3 mSEK (47.5 mSEK)
 - Margin of 13.2 % (12.1 %)
- EPS of 0.78 kr (0.66 kr)

The board proposes a 10 % increase in dividend to 0.66 sek/share (0.60 sek/share)

Strengthened revenue mix.

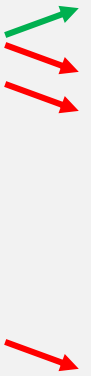
(SEK 000)	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	Q/Q	acc/acc
License	4 972	11 629	4 678	10 157	7 508	10 235	5 817	8 971	-12%	3%
SaaS	10 475	10 728	11 532	12 323	12 884	13 373	13 755	14 571	18%	21%
Support and maintenance	46 037	45 671	46 241	46 705	47 952	48 849	49 552	52 592	13%	8%
Software revenues	61 484	68 029	62 450	69 185	68 344	72 457	69 123	76 134	10%	10%
<i>whereof recurring revenue</i>	56 512	56 399	57 773	59 028	60 836	62 222	63 307	67 163	14%	10%
Deliveries	35 339	33 461	29 975	33 874	34 749	27 839	27 260	27 219	-20%	-12%
Net sales	96 823	101 490	92 425	103 059	103 093	100 296	96 383	103 353	0%	2%
Sales expenses	-11 864	-12 836	-9 924	-12 918	-11 210	-10 270	-9 718	-10 083	-22%	-13%
Other costs	-16 794	-18 806	-20 143	-17 220	-19 037	-19 116	-19 042	-20 401	18%	6%
Personnel costs	-54 121	-53 900	-47 885	-52 979	-54 870	-56 256	-50 192	-58 794	11%	5%
Capitalized development costs	8 955	9 065	9 811	8 430	9 148	9 593	9 606	11 860	41%	11%
Total operating expenses	-73 825	-76 478	-68 140	-74 687	-75 970	-76 048	-69 346	-77 419	4%	2%
EBITDA	22 998	25 012	24 285	28 372	27 122	24 248	27 037	25 935	-9%	4%
%	23,8%	24,6%	26,3%	27,5%	26,3%	24,2%	28,1%	25,1%	-9%	1%
Depreciation/amortization	-13 502	-13 528	-13 065	-13 059	-12 302	-12 479	-13 075	-13 235	1%	-4%
EBIT	9 496	11 484	11 220	15 314	14 820	11 769	13 962	12 699	-17%	12%
%	9,8%	11,3%	12,1%	14,9%	14,4%	11,7%	14,5%	12,3%		



- Increased share of recurring revenue to 65 % (57 %)
 - Recurring revenue growth of 14 % yoy
 - Both SaaS and Support & Maintenance contribute to growth
 - Acquired maintenance of 4 mSEK/quarter
- The non-recurring revenue, traditional license and deliveries are down by 8 mSEK or 18 % from last year.
- Summing up, total revenues are flat from last year's Q4, but with a stronger mix.

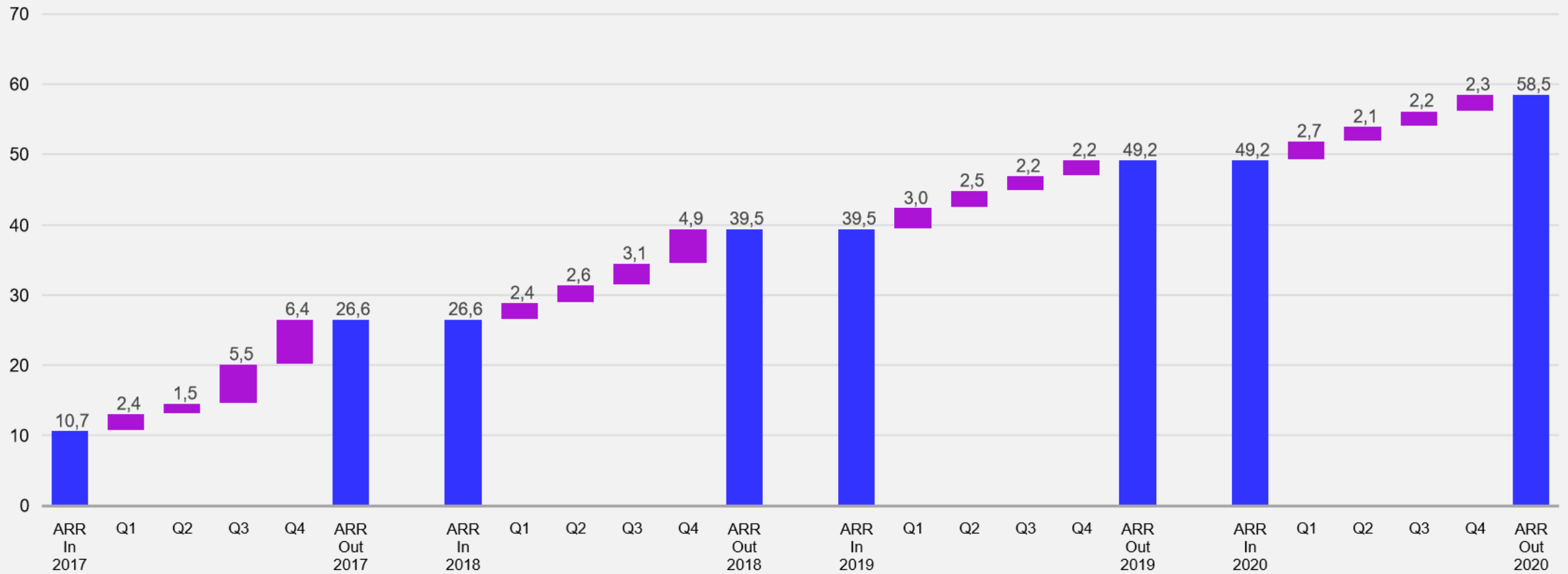
Gearing-up driving costs.

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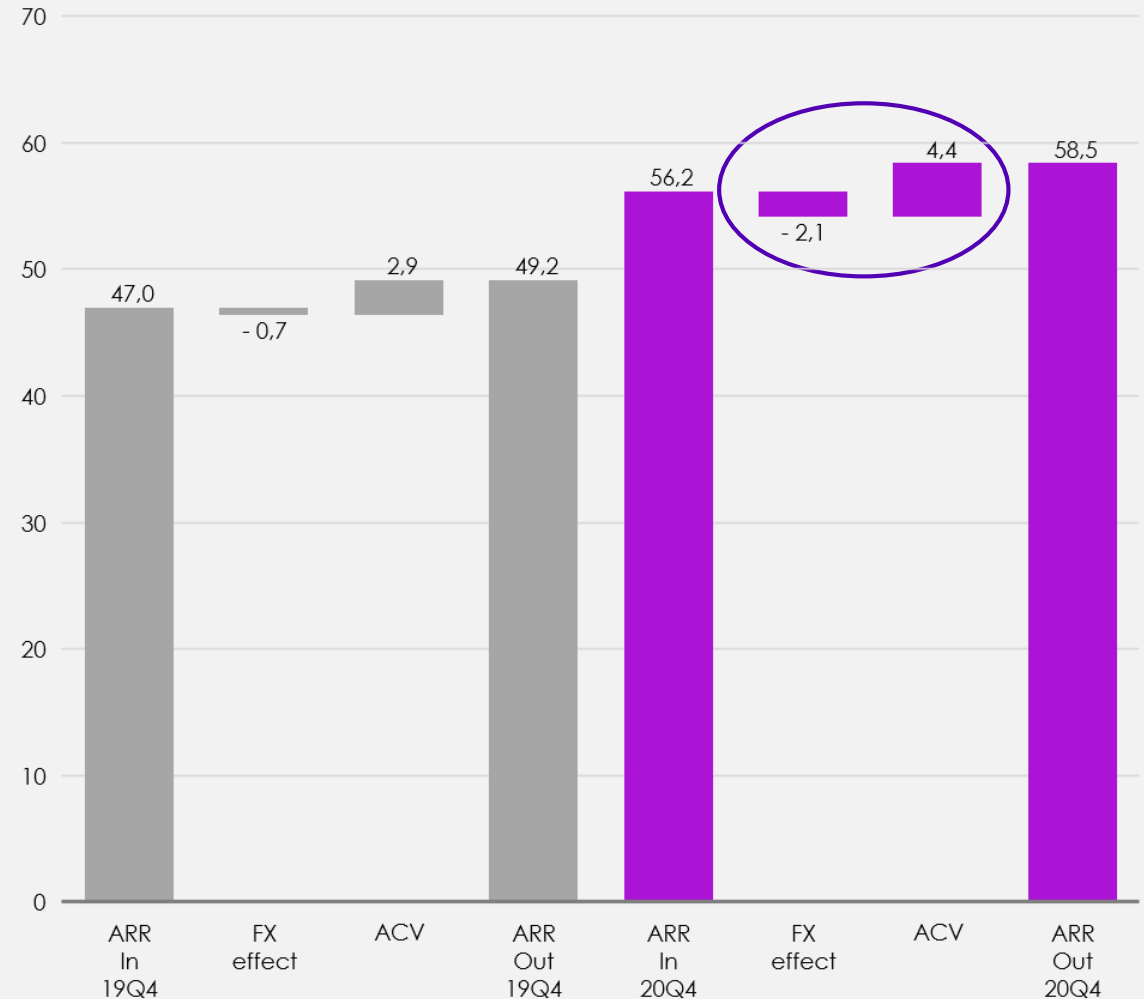
- Decrease in Sales expenses from acquisition of EFS.
 - Reduced kick-back of appr 2 mSEK
- Increased product development (see Capitalized dev.)
- Acquisition and recruitments driving staff costs.
 - UK / US
 - Facilitate future growth in Lasernet
- EBIT down by 2.5 mSEK

Rapid shift towards SaaS.



Q4 ACV stronger than meets the eye.

- The actual SaaS ACV for the quarter is +4.4 mSEK.
- The strengthening of the SEK in Q4 leads to a negative foreign currency revaluation of the contractual ARR of -2.1 mSEK.



Solid financial performance in a challenging year.

SEKm	2014	2015	2016	2017	2018	2019	2020
Net sales	307	349	379	390	406	394	403
- whereof recurring	140	156	164	182	209	230	253
EBIT	20	20	30	38	53	48	53
Margin, %	7%	6%	8%	10%	13%	12%	13%

Recurring revenue.

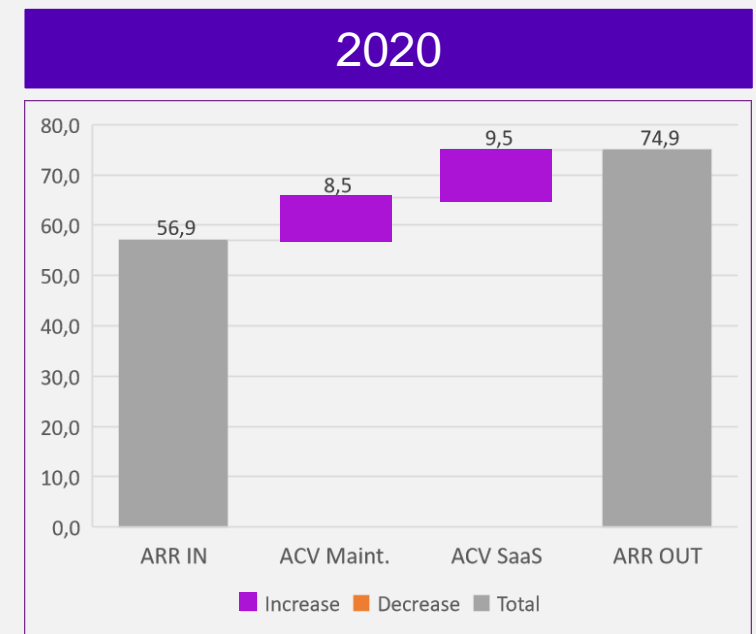
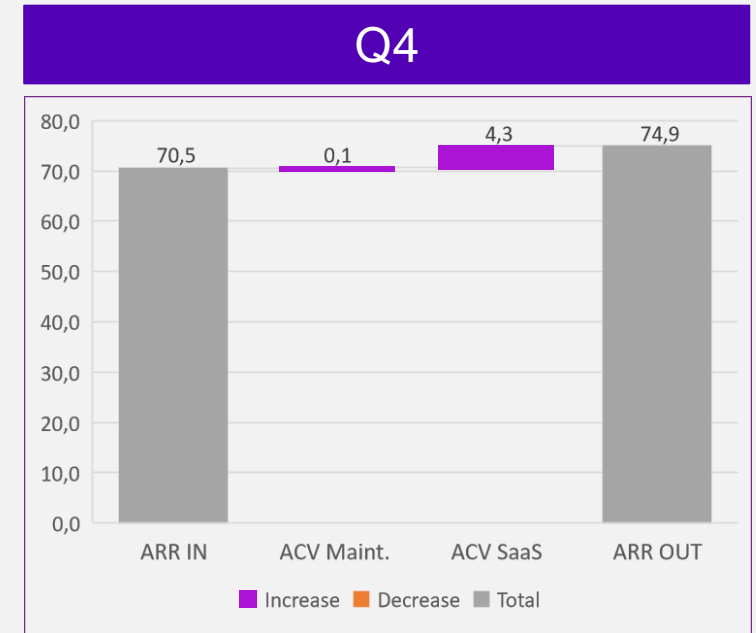
- > 60 % of Net sales
- Shift towards more SaaS sales
- Short-term negative impact on net sales and profitability

Solid financials.

- Net cash* as per Q4-2020 of 15 mSEK
- Proposed increased dividend for 2020 to 0.66 SEK per share
- Remaining loan on 32 mSEK from EFS-acquisition

Positive trend for Lasernet.

- Strong sales trend in Lasernet
- Strengthening organisation in the US and UK, evidence that expansion strategy holds
- Positive development in partner sales as we increase our presence and work closer to them
- Notable strengthened position through acquisition of EFS with partners as well as customers



A strategy for growth.

Strategic outlook 2021 and onwards

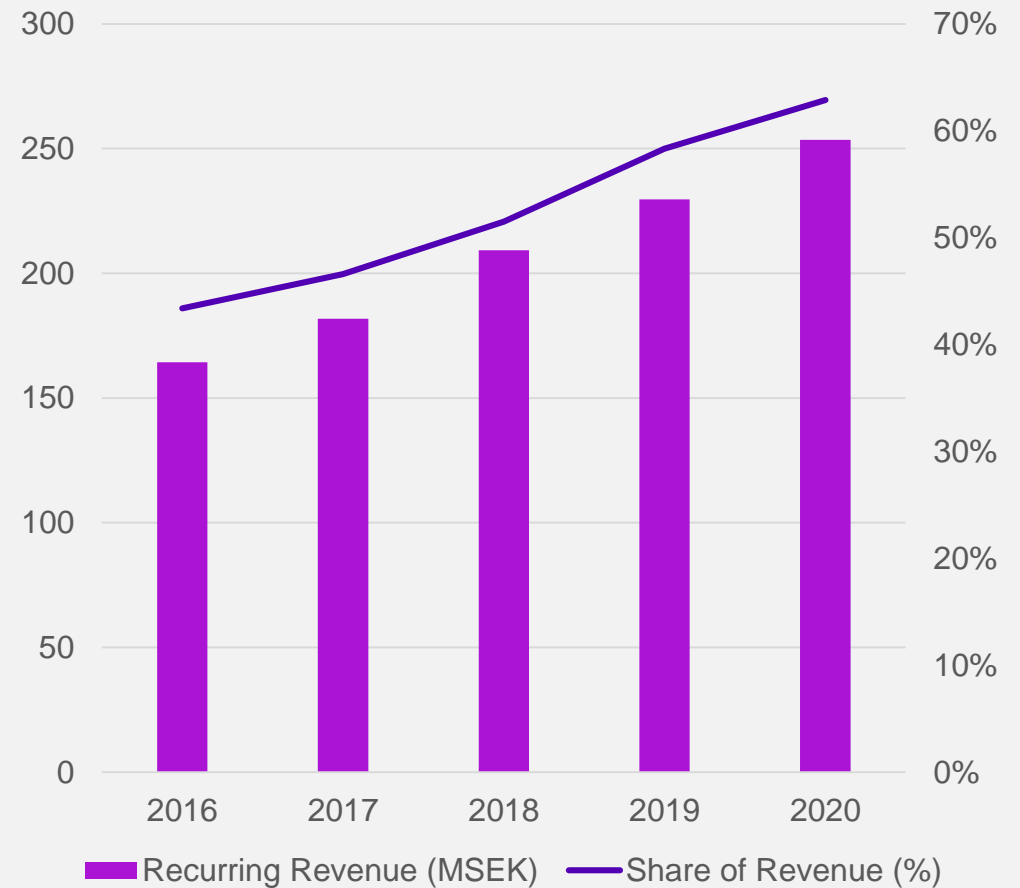
An aerial, high-angle photograph of a city at night. The buildings are illuminated with a mix of blue and purple lights, creating a futuristic or cyberpunk aesthetic. The lights from the buildings and streets create a dense pattern of light against the dark sky. The perspective is looking down from a high vantage point, showing the intricate layout of the city's architecture.

2021 – the start of a new growth journey.

- New financial targets for 2021-2025 focusing on growth
- Focus on accelerating growth in the US and Europe
- Investments in sales and delivery to meet demand (primarily Lasernet)
- Strong network of certified partners supported by own delivery organisation
- High share of recurring revenue as a foundation (focus on driving Software as a Service, SaaS)
- Organic growth complemented with strategic acquisitions

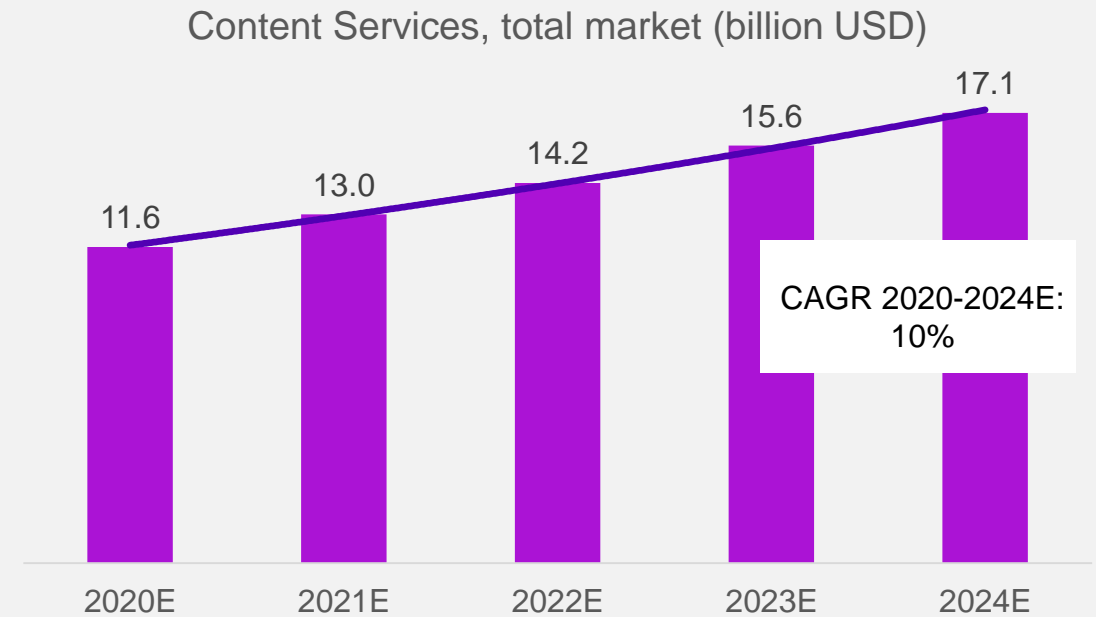
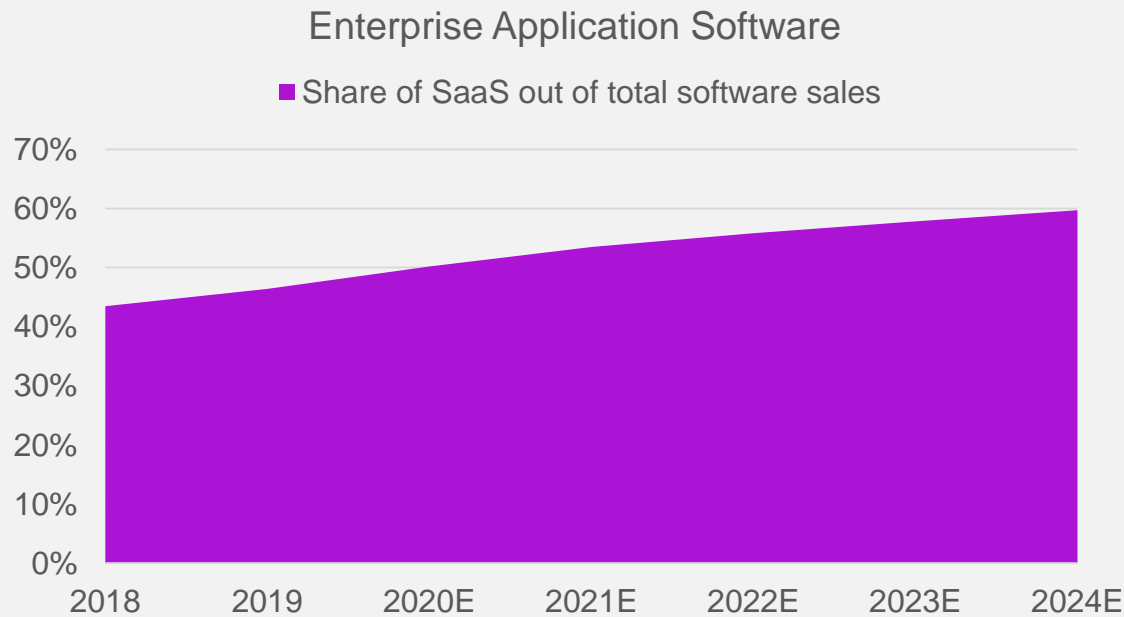
Loyal customer base, high share of recurring revenue.

- More than 60% of total revenues are recurring, e.g. SaaS or support and maintenance connected to traditional software licenses
- Average annual growth of 10% since 2016
- Stable foundation that sets the stage for new investments

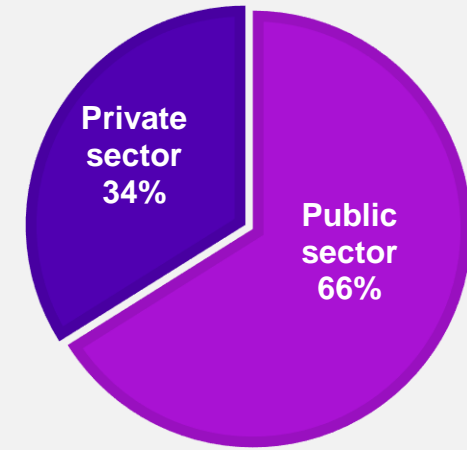


The market opportunity: >11 bn USD 2020.

- Expected global annual growth of 10% (CAGR) for Content Services 2020-2024
- Demand for SaaS increasing (Software as a Service), 60% of total software sales forecasted in 2024
- Formpipe well positioned to make use of market potential, 55% average annual growth of SaaS 2017-2020



Strategy in public sector and private sector.



Public Sector

- Maintain and strengthen relationship with around 500 existing customers in Sweden and Denmark
- Get closer to existing customers and co-create add-ons to current platform
- Maintain good profitability and grow revenue

Private Sector

- Scale sales of Lasernet through continued close partnership with Microsoft and Temenos
 - Join the growth journey
- Invest in resources to support and grow partner network success
- Grow top-line over time through SaaS revenue

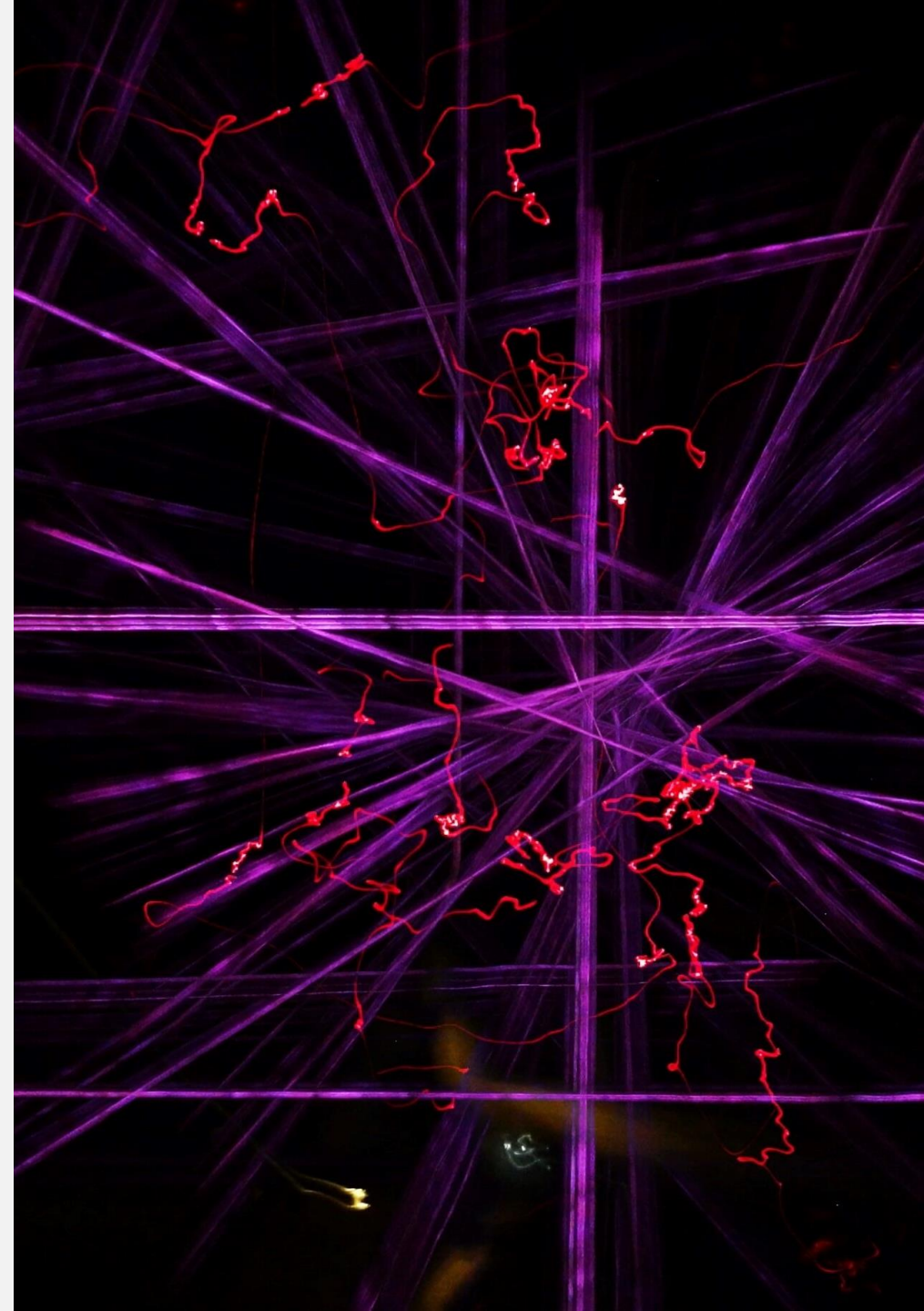
Significant potential for expansion 2021-2025.

- >12 % average annual revenue growth in Lasernet 2016-2020
- Driven by strong sales of Lasetnet as add-on to Microsoft Dynamics 365
- Strengthened position as supplier of add-on products to banking system from Temenos through acquisition of EFS
- 2021 – investment in further expanding Lasetnet sales through existing partner network



What is Lasernet?

- Add-on software to ERP-systems, such as Microsoft Dynamics
- Enables business documents to be delivered in exactly the format and the layout requested
- Used by more than 2000 customers worldwide
- Lasernet together with Autoform DM (prev. EFS product) is a proven and preferred add-on to banking system from partner Temenos
- Global ERP-market expected to reach 50 billion USD in 2024 according to Gartner (ongoing SaaS-transformation)



An aerial photograph of a city at dusk. The sky is a mix of pink, orange, and purple. A large bridge with two towers and cables spans across a river. The city lights are visible in the background and foreground.

2021: A year of investments.

- Investments in growth of organisational capabilities to support partner network
- Focus on winning new business, primarily through Microsoft and Temenos partnerships
- Investments for future growth will have short-term negative impact on EBIT margin in 2021
- Continued focus on excellent deliveries to existing customers in private as well as public sectors

New financial targets 2021–2025.

10%

Average annual
revenue growth
2021-2025

70%

Share of
recurring revenue
in 2025

>20%

Gradually
improved EBIT
margin to reach
by 2025

>50%

Dividend policy
of net profit over
time

Summary.

- Strong track record in delivery of growth of recurring revenue and increased profitability
- Well balanced customer base from public as well as private sectors
- Market leader in Content Services with good expected growth the coming years
- Successful partnership with Microsoft paves the way for continued strong growth in the private sector
- Strengthened position as an add-on to Temenos through the acquisition of EFS
- Investments for future growth will have short-term negative impact on EBIT margin in 2021
- Significant expansion potential driven by investments in sales of Lasernet
- Benefit from rapid conversion to SaaS in both private and public sector

10%

Average annual
revenue growth
2021-2025

70%

Share of
recurring revenue
in 2025

>20%

Gradually
improved EBIT
margin to reach
by 2025

50%

Dividend policy
of net profit over
time



Thank you.

Q&A