



Annual Report
2020.

We are a purple company. Being purple means we possess the calm stability of a blue colour, spiced with a fierce energy of a red one. Purple is our heritage and true passion. We are proud of who we are.

We transform businesses and take them into the future. Our skilled people and strong products are here to prove it. When our efforts result in engaged and loyal customers, who come back again and again, then we have delivered. We unleash our customers' full potential.

ORDERING FINANCIAL INFORMATION

Financial information and other related corporate information is published on www.formpipe.se

Information may also be ordered from:

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DISTRIBUTION POLICY

The Annual Report is also available as a downloadable PDF at www.formpipe.se

FINANCIAL CALENDAR

Year-end Report	16 February 2021
Interim report January–March	28 April 2021
Annual General Meeting 2021	28 April 2021
Interim report January–June	15 July 2021
Interim report January–September	29 October 2021

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Digital transformation focused on people

Formpipe focuses on people in the digital transformation. We are a value-driven software company that develops products that provide the right person with the right information in the right context. In both the public and private sectors. We build valuable relationships between data and people.

Formpipe is a Swedish software company that was founded in 2004 and has offices in Sweden, Denmark, the UK, the U.S. and Germany. Today, the Group has around 245 employees and sales of MSEK 403. The Formpipe share is listed on the NASDAQ Stockholm exchange.

Several thousand customers in more than 60 countries currently entrust us and our services. Our market-leading position gives us clear competitive advantages in the development and sale of software for effective and valuable information services. The Company focuses on products for document and records management, automation of information-intensive business processes, e-archives, data quality and smart management of customer communication.

Co-creation with our customers in the public sector provides increasing value of Formpipe as a supplier. We focus on people and are involved in contributing to an inclusive and sustainable digital society, built on trust.

In the private sector, our partners are a vital part of creating value for customers in such sectors as retail, manufacturing sector and the financial sector. Together with them, we are taking our product Lasernet to a global market – a market-leading complement to Microsoft Dynamics 365 and business systems from Temenos.

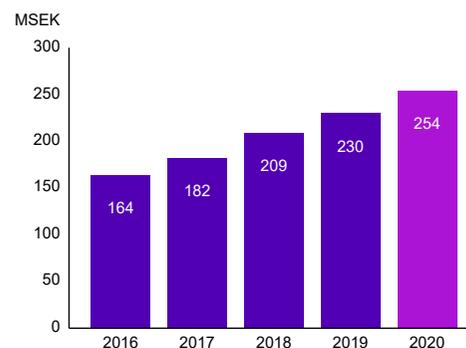
Formpipe has a unique position in the market with a stable and profitable customer base and a high percentage of recurring revenues. This provides good resources for investing in new markets and developing new offerings. The transition to Software as a Service (SaaS) provides returns and the market for Content Services (formerly Enterprise Content Management, ECM) is continuing to grow. The future looks bright for Formpipe's competitive information services.

The year in brief

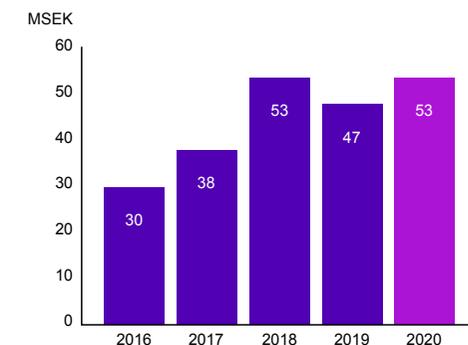
Key ratios 2020

	2020	2019
Net sales, MSEK	403.1	393.8
Software revenue, MSEK	286.1	261.1
Recurring revenues, MSEK	253.5	229.7
EBITDA, MSEK	104.3	100.7
Operating profit (EBIT), MSEK	53.3	47.5
Profit/loss for the year, MSEK	41.4	35.0
Earnings per share, SEK	0.78	0.66
Dividend per share, SEK	0.66	0.60

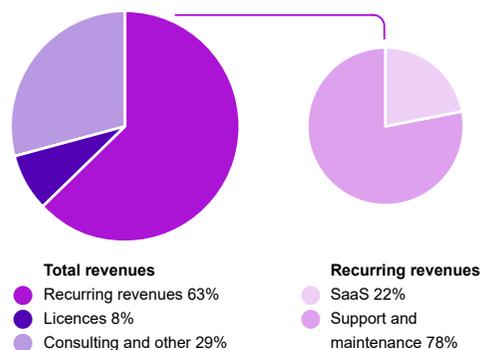
Recurring revenues



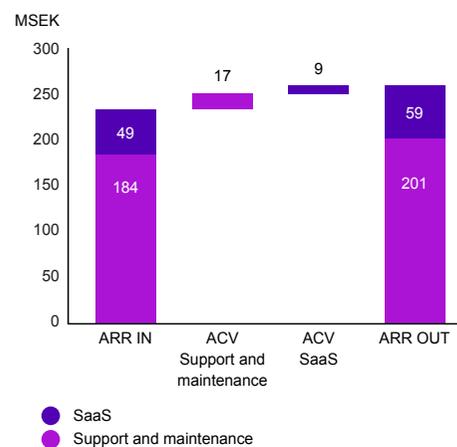
EBIT



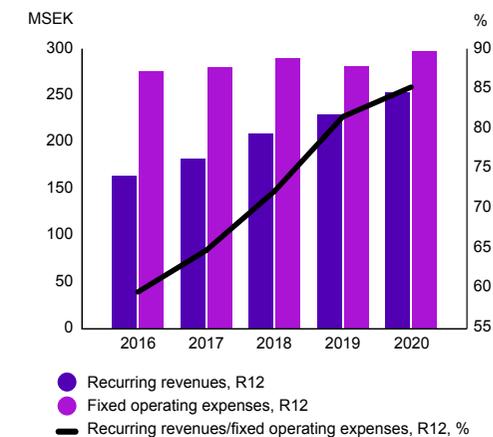
Distribution of revenue types

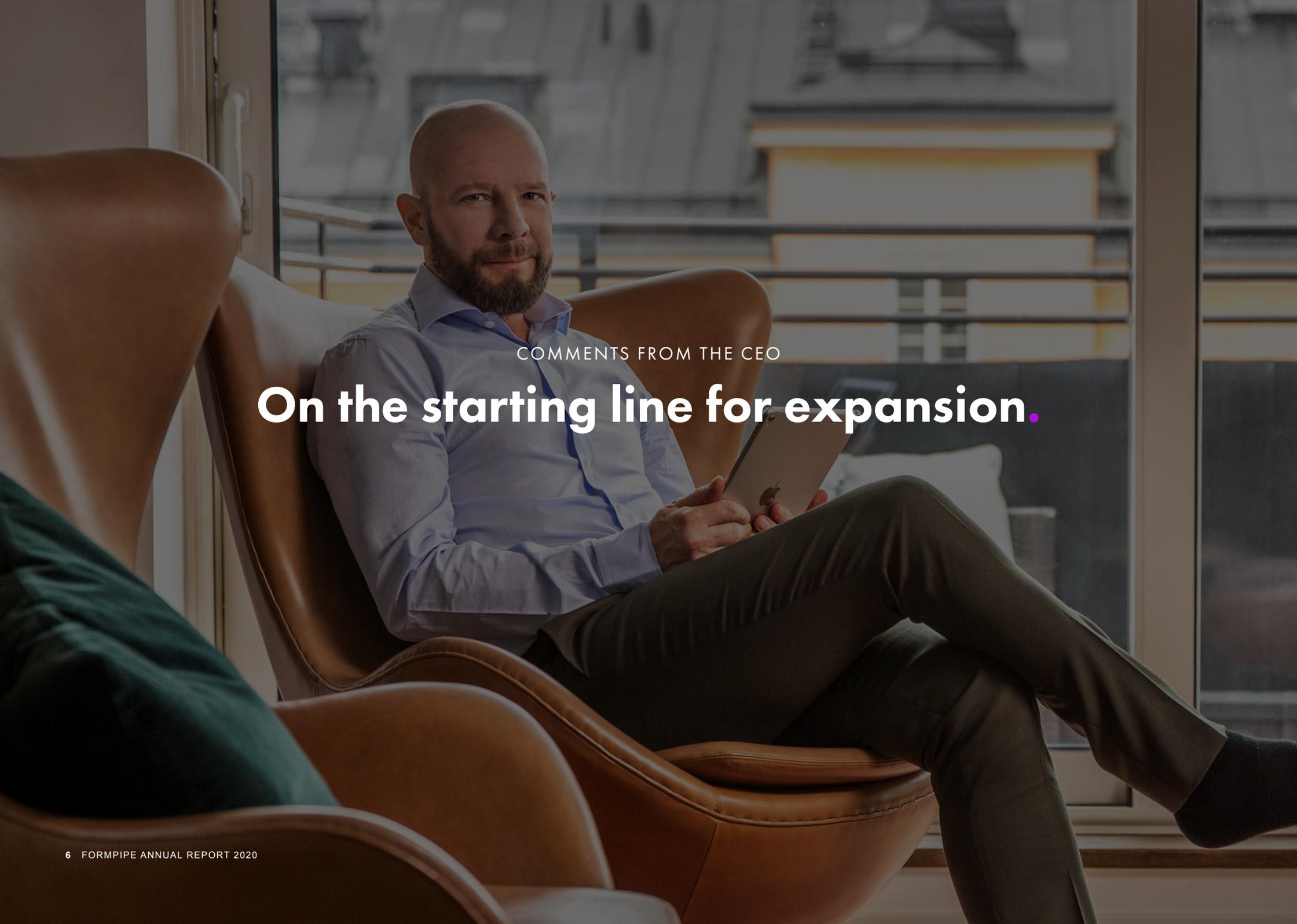


ARR and ACV 2020



Recurring revenues in relation to fixed operating expenses, rolling 12 months





COMMENTS FROM THE CEO

On the starting line for expansion.

On the starting line for expansion

Both for us at Formpipe and for the world at large, 2020 is going to the books as a remarkable year. Despite the challenges that arose in connection with the outbreak of the coronavirus pandemic, we have managed to transform our organisation and deliver to our customers without interruption. Sales for 2020 amounted to MSEK 403.1 (393.8) and the EBIT margin was 13.2% compared with 12.1% in the previous year. The percentage of recurring revenues increased from 58% to 63%, largely driven by a strong growth of Software as a Service (SaaS).

Our business relies on two cornerstones with strong offerings to customers in both the public and private sectors. Both marked by our mission to build valuable relationships between data and people.

In the past two years, we have done a thorough job of creating a common culture and set of values to ensure that we use our structural capital in a way that benefits the entire Company.

We are passionate that the digitalisation of the public sector shall create value for society and its citizens. During many years in a market-leading position, we have delivered systems for automated processes for cases and document management. Our operations in the public sector form a foundation in our continued journey of growth and, in co-creation with our customers, we are broadening our offering in the market.

Positioning to increase the pace in the private sector

Formpipe is also a well-established actor in the private sector, primarily through deliveries of our product Lasernet, which is often implemented as a complement to Microsoft Dynamics 365 – a cloud-based ERP system with strong growth, whose success opens up opportunities for Formpipe.

In August, we carried out the acquisition of the software company EFS Technology, a company that for many years was a significant partner for us at Formpipe in terms of delivering Lasetnet to the users of business systems from Temenos, which is a leading supplier to the financial sector.

We see how the demand for SaaS is steadily growing and we have succeeded well in our work to transform our business model to increasingly generate recurring revenues in the form of SaaS, as well as support & maintenance. In 2020, the percentage of recurring revenues amounted to 63% and the goal is for this figure to continue to grow in the next few years. Thanks to a high percentage of recurring revenues, we have a stable base that enables aggressive investments in growth.

“We see good possibilities of growing our business.”

— Christian Sundin, CEO Formpipe

“We see how the demand for SaaS is steadily growing and we have succeeded well in our work to transform our business model to increasingly generate recurring revenues in the form of SaaS.”

— Christian Sundin, CEO Formpipe

We see good possibilities of growing our business, especially when it comes to sales of Lasernet through our international partner network of business system consultants primarily in ERP. With an average annual sales growth of around 12 per cent since 2016, Lasetnet is an important parameter for Formpipe’s continued journey of growth. In the wake of the coronavirus pandemic, we see opportunities to continue to strengthen our organisation and recruit the right expertise to significantly scale up our business in the next few years. An exciting journey that I am very much looking forward to and that has led us to present a new growth strategy and new financial targets at the beginning of 2021. Read more about them on pages 11, 13 and 74.

A year with the pandemic

Few if anyone could have foreseen the scope of the pandemic that struck the world about a year ago. Now as we look back at the past year, I can note that we at Formpipe really succeeded well in turning a situation that was dramatic in many ways into something positive for our continued development. We have periodically shifted to working entirely digitally. One example that I like to point out is the acquisition of EFS Technology, a deal we carried out and integrated completely without physical meetings. We now have 40 fantastic new team members who have quickly adopted Formpipe’s culture and brand. Something that emphasises our ability to grow as a company and drive our business forward.

In the future, our continued expansion will primarily take place in the U.S. and Europe. I feel certain that new ways of working and routines have given us conditions to do a large part of the work digitally.

Thanks for customers, partners and the whole Formpipe team

I am proud of and pleased with everything we have achieved at Formpipe in 2020. I would like to express my heartfelt gratitude to all of our committed and competent team members who contribute experience, know-how and drive every day to develop Formpipe. It is every one of us who is now shifting into high gear and making it possible for Formpipe to take the next step.

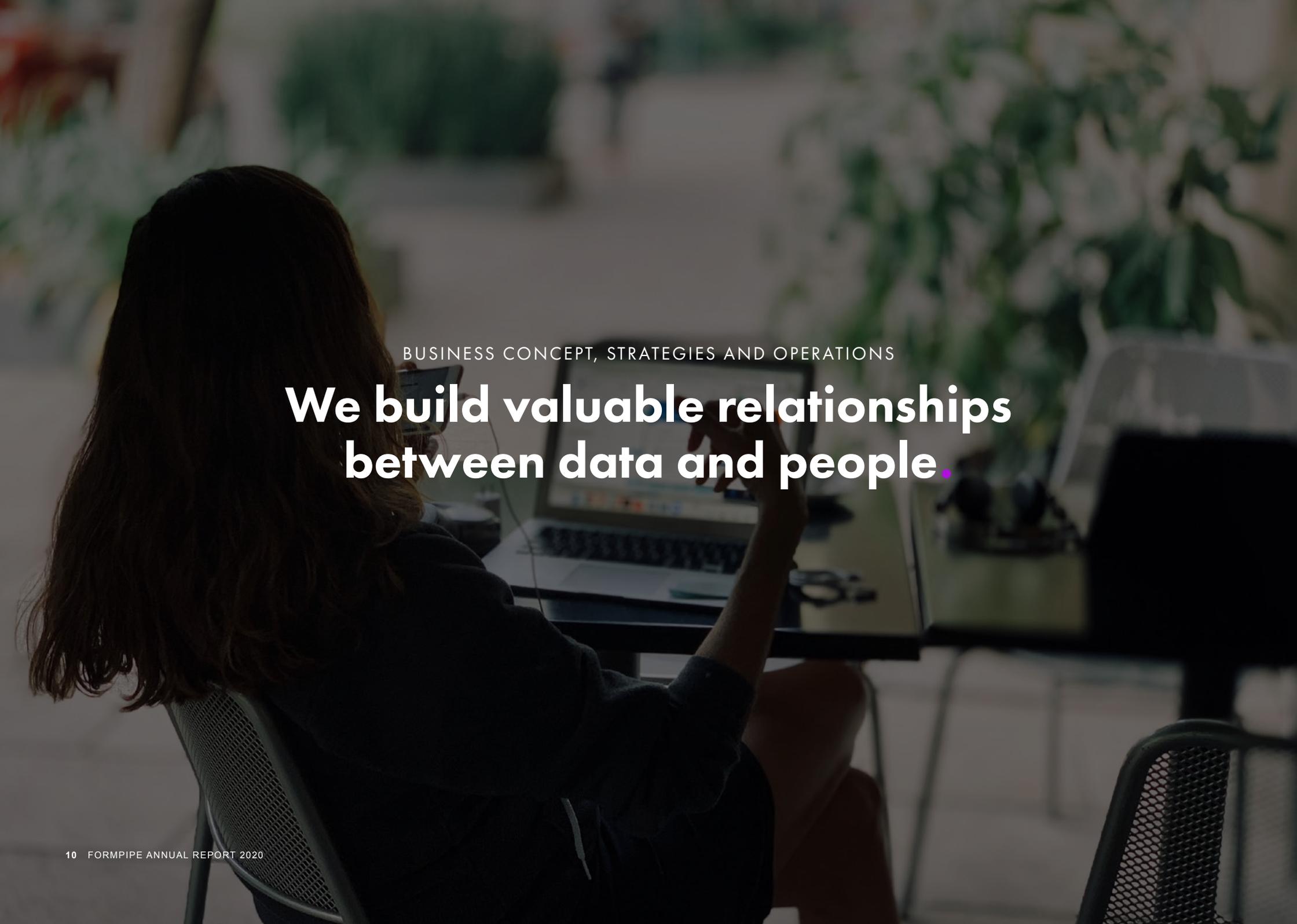
We have a stable and profitable business in both the public and private sectors, a strong and committed organisation with a high level of expertise and competitive products that meet an ever larger demand as digitalisation progresses. Together with our customers and partners, we now see significant opportunities to accelerate growth in the next few years.

Christian Sundin
President and CEO

“It is every one of us who is now shifting into high gear and making it possible for Formpipe to take the next step.”

— Christian Sundin, CEO Formpipe





BUSINESS CONCEPT, STRATEGIES AND OPERATIONS

**We build valuable relationships
between data and people.**

We build valuable relationships between data and people

Formpipe develops software and cloud services in digital information services with a strong delivery capacity through certified partners or our own organisation. The business model is based on increasing the recurring revenues by selling our products as Software as a Service (SaaS) to the furthest possible extent. The Company prioritises organic growth supplemented with strategic acquisitions.

Software development with strong customer relationships as a base

Formpipe's business relies on strong offerings to customers in both the public and private sectors. Both marked by our mission to build valuable relationships between data and people.

We are passionate that the digitalisation of the public sector shall create value for society and its citizens. During many years in a market-leading position, we have delivered systems for automated processes for cases and document management. Our operations in the public sector form a foundation in our continued journey of growth and, in co-creation with our customers, we are broadening our offering in the market.

Formpipe is also a well-established actor in the private sector, primarily through deliveries of the product Lasernet, which is implemented as a much-appreciated complement to various business systems. We make it possible for information-intensive operations to easily automate the generation of business documents, such as invoices, customer communication, reports and logistics-related tags. With an average annual sales growth of more than 12 per cent since 2016, Lasetnet is an important part of Formpipe's continued journey of growth.

Growth strategy 2021–2025

- Formpipe develops and sells software and cloud services in digital information services through a strong network of certified partners or our own organisation.
- The business model is based on increasing the recurring revenues by selling our products as cloud services (SaaS) to the furthest possible extent.
- Strategic acquisitions complement the organic growth.
- Investments in sales and delivery capacity to support partners and meet the demand for Lasetnet.
- Focus on accelerated growth in the U.S. and Europe.

A growing market

Formpipe's products are included in the Content Services category, a market that globally amounts to more than USD 11 billion and, according to Gartner, is expected to grow by 10 per cent on average per year (CAGR) 2020-2024. Formpipe is well-positioned to benefit from the strong underlying market growth through a well-developed network of certified partners supplemented with its own delivery organisation.

Focus on higher percentage of recurring revenues

Formpipe provides its products as Software as a Service (SaaS) where right of use, operation, maintenance, upgrades and support are included in the current agreement. This is supplemented if necessary with traditional software licences with associated agreements for support and maintenance. In recent years, Formpipe has delivered on converting the business model and increasing recurring revenues, which has created a stable and recurring revenue stream that lays the foundation for continued growth initiatives. The recurring revenues have grown by around 10 per cent annually since 2016.

At the end of 2020, more than 60 per cent of Formpipe’s total sales are comprised of recurring revenues. Demand for SaaS offerings is steadily growing and Gartner estimates that the global SaaS revenues for software will reach up to 60 per cent of total sales in 2024. Since 2017, Formpipe has had an average annual growth of SaaS revenues of 55 per cent.

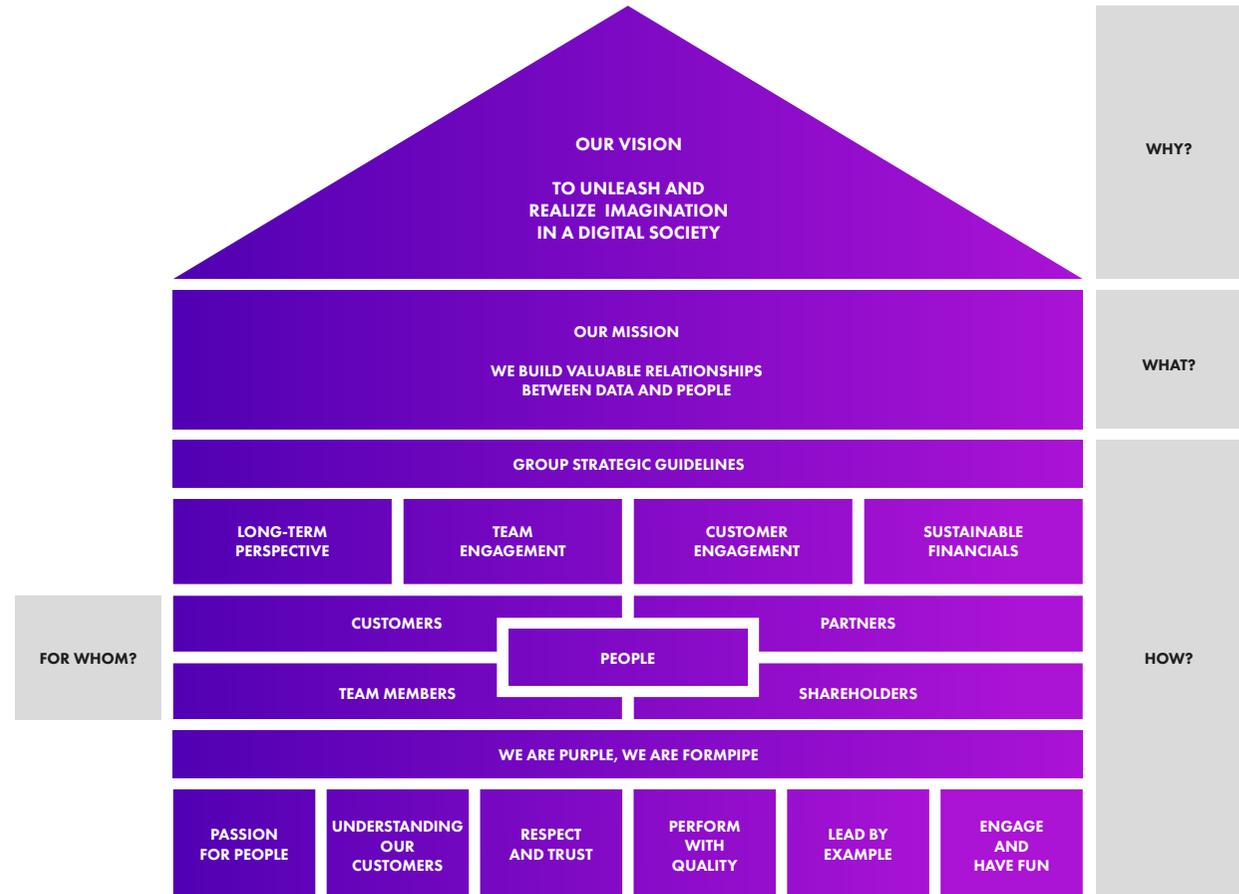
Partners

Formpipe’s business model utilises the Company’s partner network to complete a large number of business deals and customer projects. Knowledge about Formpipe’s products combined with understanding of the customers’ business makes our certified partners central to the work of helping our customers realise the potential of our offerings. Formpipe actively works to evaluate and develop the partner network to increase its reach in the market.

Within the private sector, our partners generate value for customers in such sectors as retailing, the manufacturing sector and the financial sector, mainly through ERP consulting in connection with the new purchase or upgrade of business systems. Together, we are taking our product Lasernet to a global market.

In the public sector, Formpipe’s partner network forms a complement to our own delivery capacity that is close to the business.

Formpipe’s brand platform



Organisation and expertise

Formpipe is a value-driven software company. We stand up for our brand and our corporate culture.

The organisation is decentralised and puts people first, in every instance. All team members are involved in driving Formpipe forward and leadership is marked by clear and open dialogue with short decision pathways. Our business is knowledge intensive, with people who possess a high level of expertise and dedication. Priorities are set to develop our team members and attract new ones. This is done by building an open and stimulating corporate culture where the people have the opportunity to develop and grow.

The Company offers the whole staff participation in share-related incentive programmes.

Formpipe's goal is for all team members to promote long-term customer relationships by always living according to our values.

The organisation is divided into three business areas: private sector, and public sector in Sweden and Denmark. All of them are run based on our mission to build valuable relationships between people and data.



Financial targets

Given the growth opportunities the management has identified, Formpipe's Board of Directors has decided on the following long-term financial targets:

10 %

The average growth rate shall be 10 per cent in the period 2021–2025

>20 %

The operating margin shall be gradually strengthened and exceed 20 per cent in 2025

70 %

70 per cent of total revenues shall be comprised of recurring revenues in 2025

>50 %

Over time, at least 50 per cent of the profit for the year shall be paid to shareholders as dividends

CONTENT SERVICES

A digital transformation close to the business.

A digital transformation close to the business

Digital information is an increasingly clearer lifeblood of economic development – it is the foundation for many new products and services, which lead to productivity and efficiency gains in every sector of the economy. Companies and organisations are now increasingly buying software with subscription fees, as SaaS, and for more specific business processes. This is something that is being driven from the business rather than the IT department.

Right information at the right time

Formpipe's products are used to create, store, distribute, automate, trace, archive and transform information, data and metadata. It is in the market for Content Services (formerly Enterprise Content Management, ECM) that Formpipe has grown to become a market leader in the public sector in Sweden and Denmark and a well-established actor in such sectors as retailing, the manufacturing sector and the financial sector.

We make it possible for information-intensive operations in the private sector to easily automate the generation of business documents, such as invoices, customer communication, reports and logistics-related tags. Today, more than 2000 customers use Formpipe's product Lasernet as an important tool in their operations.

To the public sector, Formpipe provides products for an entirely digital public administration, such as document and case management systems, process automation and e-archives. In Sweden and Denmark, we are market leaders with several hundred customers in these core systems. The offering is supplemented with services that take care of processes close to the operations, such as digital signatures, record keeping from Microsoft Teams, form building and publication, and automated follow-up of compliance to e.g. the General Data Protection Regulation (GDPR).

Services that address specific processes

The digital transformation entails a major impact on the tools that team members use every day to create, read, analyse and distribute information. Three decades of conventions on how operations and maintenance are managed by IT systems are now quickly being replaced by a continuously changing landscape of cloud services. Something that the analyst firm Gartner describes as a paradigm shift from IT-based products to information services close to operations.¹⁾

Today, people are increasingly accustomed to getting quick access to new services and products. As buyers, we increasingly want to order a service that performs a specific process, without actually caring very much about the technology behind it. Increasing numbers of deals are thereby made directly from the business, as a cloud service (SaaS), without

¹⁾ 'Create a Culture of Digital Dexterity With the 'New Work Nucleus' Gartner, 2019, <https://www.gartner.com/document/3913794>

Since 2017, Formpipe has had an average annual growth of SaaS revenues of 55%.

going through a complex and time-consuming purchasing process. Central aspects of these services are often their integration to the operations' core systems and ability to operate seamlessly with, for example, customers' ERP systems, banking platforms and case management systems.

Preferably as a cloud service

An important part of the change of the market is 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 2024. Software and applications retain the highest share for the shift to the cloud during this period.

In line with Formpipe's reality

This development is well in line with Formpipe's strategy and 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, or so-called add-on options, which can process information from both Formpipe's and others' platforms. Since 2017, Formpipe has had an average annual growth of SaaS revenues of 55 per cent.

Growth market

The market for Content Services includes systems and services that process, analyse and improve utilisation of both structured and unstructured information and data. According to Gartner, the market globally amounted to more than USD 11 billion in 2020 with a global market growth of 10 per cent per year on average (CAGR) 2020–2024.

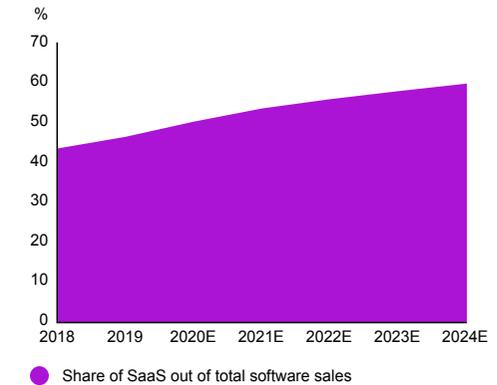
Driving forces

The growth in the market is fuelled in large part by the organisational and corporate-wide need to streamline operations and increase the level of service while they meet legal requirements and regulations. To be able to get the value out of the collective amount of information at companies and organisations, applications and services are needed – in order to securely – collaborate, search, analyse, process and distribute data and content. Growth drivers tend to gain strength as the amount of data and information increases. The volume of data produced in the world is growing quickly, from 33 Zettabytes (ZB) in 2018 to an expected 175 ZB by 2025²⁾.

²⁾ Shaping Europe's digital future, European Commission Feb 2020

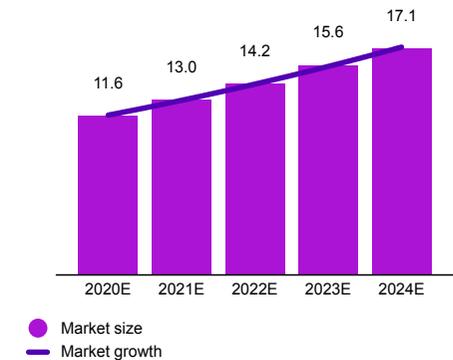
While the core systems' development is largely driven by the need for order and information security, the operations' demand for usability and automation of business processes is growing.

Enterprise Application Software



Source: Gartner, November 2020

Content Services, total market (USD billion)



Source: Gartner, December 2020

While the core systems' development is largely driven by the need for structure and information security, the operations' demand for usability and automation of business processes is growing.

The background is a complex, abstract composition of thin, glowing lines. A dense network of purple lines crisscrosses the entire frame, creating a sense of depth and movement. Interspersed among these are several bright red, wavy lines that resemble stylized, glowing paths or perhaps molecular structures. The overall effect is one of dynamic energy and global connectivity.

PRIVATE SECTOR

We supply leading products and specialised services around the world.

Private sector

Formpipe has a stable foundation to supply leading products and specialised services around the world. We have a large partner network that is an integrated part of our success and we know from experience that our cooperation provides added value for our customers.

Formpipe has expertise that extends across many chimneys and we are proud to digitalise and improve the effectiveness of sectors such as retailing, the manufacturing sector, the financial sector, life science, energy and water, as well as law. We ensure that we meet local requirements, both commercial and technical, in a global market through partners and our own presence. Formpipe has offices in Sweden, Denmark, the UK, the U.S. and Germany.

As a complement to ERP systems, CRM and banking platforms, Lasernet has grown to become one of Formpipe's most popular products. With more than 2,000 customers in more than 60 countries worldwide, we build valuable relationships between data and people on a broad scale.

A complement to ERP systems

The global ERP software market is estimated to reach more than USD 50 billion by 2024.³⁾ Since cloud solutions are becoming increasingly accepted thanks to their scalability, reliability and flexibility, many ERP customers are changing their view of the

internal architecture. This shift, where the customers see the advantages of moving to the cloud, opens up new opportunities for Formpipe where it is common that Lasetnet is introduced in connection with a change or upgrade of an operation's ERP system.

Lasetnet supplements ERP systems and makes it possible for business documents to be delivered in exactly the format and layout wanted. The ERP systems often have a basic functionality for report generation and document creation, but all too often this function is time-consuming and complex to work with to create the operation's desired layouts. Here, Lasetnet comes in and offers the flexibility that the customers want, which shortens the time on the implementation projects and gives the customers a tool to further develop their operations with. It is not uncommon that Lasetnet is initially used for a limited number of user cases, but over time is applied to growing numbers of cases as the operations get under way with their ERP system.

Gartner classifies Lasetnet as a part of the global Customer Communications Management (CCM) market segment, which is mainly driven by a greater need for automation of customer communication in various channels. The CCM market is a market segment of Content Services.

With CCM products, content is produced, individualised, 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.

Global marketplace in the cloud

When the customers begin to see the advantages of the cloud, the solutions that quickly create value receive a higher priority. On-premise solutions that are in the existing architecture begin to be called into question and with new flexible cloud services; the risk is reduced of lock-in to systems that become outdated. Thanks to the successful cooperation with Microsoft, Formpipe has established Lasetnet as a cloud service through the global market places Azure Marketplace and AppSource.

The cloud-based ERP system Microsoft Dynamics 365 grew by 42% in the first quarter of Microsoft's 2021 financial year.⁴⁾

Fruitful collaboration with Microsoft

The strong global development for Lasetnet is driven not least by the success of Microsoft's ERP systems. In a close partnership, Formpipe collaborates with Microsoft in business development through an established partnering programme. Made available on AppSource, Lasetnet can be test run and collaboration is conducted in the pipeline to maximise the benefit of the shared business. Lasetnet's integration with Microsoft Dynamics is market leading and the ability to meet the customers' needs is much appreciated.

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

⁴⁾ <https://www.microsoft.com/en-us/Investor/earnings/FY:2021-Q1/productivity-and-business-processes-performance>

U.S.

Formpipe's establishment in the U.S. is growing stronger and with the technical advantage towards the competitors, Lasernet is supplementing a growing number of Dynamics 365 deals. With a local Formpipe team on site, the business is ready to build up the organisation and thereby strengthen the capacity and use momentum on the market in the next few years.

Temenos is also seeing a growing success on the U.S. market and at the end of 2019 had 17 local offices and more than 40% of their software revenues from the North American market. Temenos is investing to accelerate its North American business.⁵⁾

Clear needs in the financial sector

Through the acquisition of EFS Technology in 2020, Formpipe strengthened its partnership with Temenos and thereby its position in the financial sector. Here, the product Lasetnet together with the acquired product Autoform DM complements Temenos' business system.

By transforming and refining raw data from the system, our more than 80 customers in banking and finance can automate customer communication and report generation and easily archive them in Autoform DM. All seamlessly integrated with the core systems, something that has meant that Formpipe, with the products Lasetnet and Autoform DM, has

The cloud-based ERP system Microsoft Dynamics 365 grew by all of 42% in the first quarter of Microsoft's 2021 financial year.

been rewarded with Temenos Complementary Solution Provider of the Year a full three times.

This successful partnership creates extensive added value for our customers and is an important part of Formpipe's strategy. Formpipe's offering is published on Temenos MarketPlace.

Future

Formpipe sees a significant expansion potential for the sale of Lasetnet, driven by both our successful cooperation with Microsoft and by a strengthened position as a supplier to the Temenos business system through the acquisition of EFS Technology. Investments in growth will mainly take place through an aggressive build-up of capacity with a focus on the U.S. and Europe.

Our partner channel is one of the main factors for Formpipe's continued success. We will further develop our forms of collaboration to further scale up the business. The market trend to increasingly purchase software as a cloud service is continuing, where Lasetnet's SaaS offering is becoming increasingly competitive.



Temenos AG (SWX: TEMN) is a specialised supplier of business systems to banking and finance. The head office is located in Geneva, Switzerland, and the company has a total of 67 offices in 40 countries. Temenos has thousands of customers in more than 145 countries around the world. Their system is used by 41 of the 50 top banks in the world. The company was founded in 1993 and listed on the Swiss stock exchange in 2001.

“Partnering with Formpipe for 15 years has nurtured a very close relationship between our two companies across the world. Our partnership and the tight integration we have with our products helps deliver real added value to our customers and prospects.”

— Paul Roberts, Director Developer Community & MarketPlace, Temenos

⁵⁾ <https://www.temenos.com/wp-content/uploads/2020/09/2020-interim-report.pdf>

Our offering to the private sector

Formpipe is a well-established actor in the private sector, primarily through deliveries of the product Lasernet, which is implemented as a much-appreciated complement to various business systems. We make it possible for information-intensive operations to easily automate the generation of business documents, such as invoices, customer communication, reports and logistics-related tags.

Lasernet's integration with Microsoft Dynamics 365 and the business system from Temenos is prominent. Here, we offer customers a flexible solution that becomes a natural extension of the core systems. The business is complemented with Autoform DM, which in banking and finance is used as an invoice archive, seamlessly linked to Lasernet's function in document generation.

With an average annual sales growth of more than 12 per cent since 2016, Lasernet is an important part of Formpipe's continued journey of growth.

Lasernet by Formpipe.

Used today by more than 2,000 companies worldwide. With Lasernet, content is produced, individualised, 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.

Autoform DM by Formpipe.

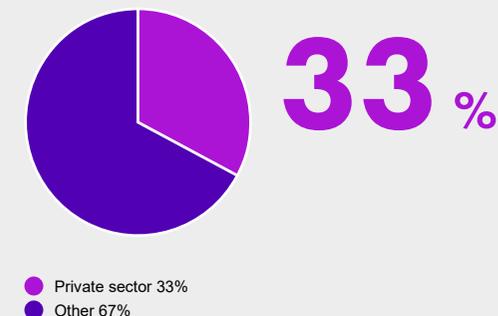
A flexible and powerful digital archive. The product gives customers a versatile archiving for advanced applications. Fast and easy with high performance. A standard connection to Lasernet means that the products are successfully packaged as one solution to customers in, for example, banking and finance, where the archiving of invoices is a common area of use.

Adoxa by Formpipe.

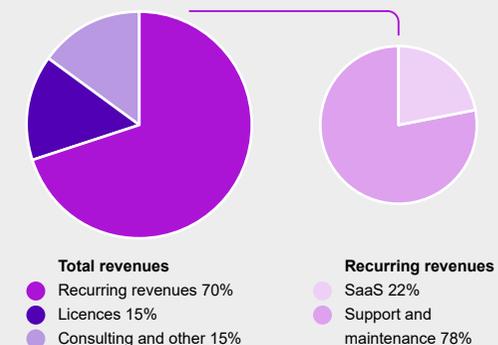
Automated regulatory compliance through continuous searching of business systems. Is combined with regulations that help organisations address deficient data quality and to meet GDPR requirements. Adoxa is mentioned as the only product from Europe in Gartner's report "Market Guide for File Analysis Software."

Key ratios

Share of net revenue



Distribution of revenue types, Private sector





CUSTOMER CASE – VARO MONEY

Cutting edge in digital banking

Varo Bank N.A. is an American neo-bank with the aim to treat its customers better and friendlier than the large American banks. With its customer-first approach and hyper efficient cost model the success is a fact, today Varo is one of the three largest neo-banks in the USA with over 2 million customers.

Varo chose Lasernet by Formpipe to sharpen its user-friendliness – even more. "Lasernet allows us to focus our engineering forces on other areas, saving a lot of time and resources", says Senior Product Manager at Varo, Kelvin Li.

Varo Money Inc, founded in 2015 and based in San Francisco, is the first consumer fintech in US history to become a national bank. Varo Bank N.A., a mobile-only digital bank, was granted a banking charter in August 2020 and is now leading the way with innovative banking services to help their customers make the most of their money.

Varo is on a mission to help people become more financially resilient. Through its mobile app Varo offers customers premium bank accounts that have no minimum balance requirement or monthly account fee, high-interest savings accounts, and tech-first features to help people save and manage their money more easily.

Kelvin Li, Senior Product Manager at Varo explains that Varo selected Lasernet due to the quality of the software, user-friendliness and level of integration.

– Varo is building a mobile banking experience and is changing the future of banking with our mobile app: an easy to use all-in-one bank account that helps customers do more with their money. With Lasernet we received a cost-effective solution that represents Varo’s identity well and allows us direct communication with our customers, through customized documents.

World class user experiences

Varo is adopting the latest technology from Silicon Valley and designing a platform centered around advancing the financial health and wellbeing of all Americans. One of the main factors that differentiates Varo is its technology platform and architecture that employs open API’s and is cloud native. It was therefore very important to find technology partners who could support Varo’s hyper efficient cost that passes real value back to its consumers.

Varo chose to partner with Temenos, a global leader in supplying banking software across multiple banking verticals, providing world class user experiences for roughly 2 billion people worldwide. Using Temenos cloud-native APIs, Varo is accelerating new product development and launching products rapidly to the market, simplifying its compliance regime, and scaling operations seamlessly as momentum builds behind its customer-first approach.

“Varo is building a mobile banking experience and is changing the future of banking with our mobile app.”

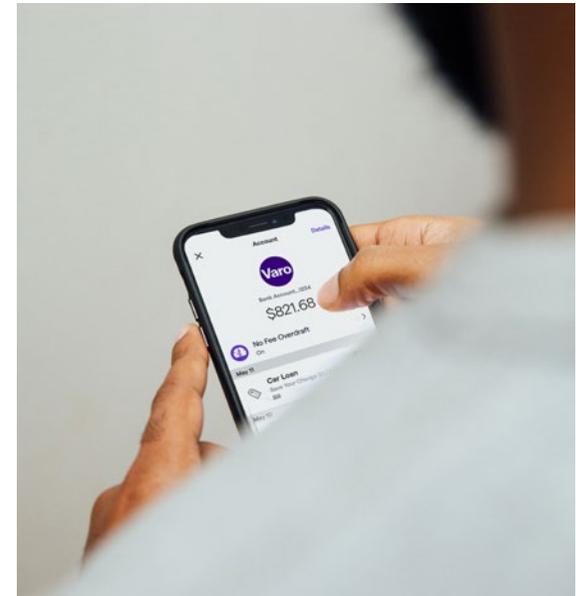
– Kelvin Li, Senior Product Manager, Varo

Varo’s cost to service a customer is 25% of what it will cost a traditional bank. With a lower cost/income ratio compared to traditional banks, Varo now offers market leading digital banking services at a lower cost and is advancing financial inclusion for millions of Americans.

Common bank partner Temenos

Formpipe provides industry leading output and document management solutions for Temenos customers since 2006. The close partnership with Temenos led to the contact with Varo, who bought Lasernet by Formpipe in January 2019, as part of Varo’s implementation of Temenos Core banking software. Lasernet was sold to Varo through Temenos North America, hosting the product in a private cloud solution.

Varo went live with Lasernet for internal customers in August 2020 and for external customers in October 2020.



“Lasernet allows us to focus our engineering forces on other areas, saving a lot of time and resources.”

– Kelvin Li, Senior Product Manager, Varo

Formpipe’s software enhances the raw data in Temenos’ product suite, allowing banks to create exceptional documentation, in multiple languages, whilst ensuring a consistent corporate standard across all documents, with real-time omnichannel distribution to bank customers. As documents are generated or received, they are automatically stored for immediate retrieval through Internet and Mobile banking.

Formpipe has been recognized as a valued Complimentary Partner of the year by Temenos on three separate occasions.

Saving engineering time and resources

For Varo, Temenos holds all the transactions and Lasernet picks up the data. The raw data from Temenos system is transformed by Lasernet, generating PDFs and giving it back to Varo’s customers. Ad hoc changes can be sent through Lasernet, which cuts operational overhead costs.

Varo uploads customer statements directly from Lasernet to Amazon Web Services (AWS). Kelvin Li appreciates that Lasernet allows non-engineers to go into the system and manually make all required changes.

– The ability and configurability allow us to quickly solve any problem or gaps in the requirements, in order to make sure that all data is correct.

The setup helps Varo deliver a customer-first experience and saves a lot of time and money.

– In general, Lasernet allows us to focus our engineering forces on other areas, saving a lot of time and resources. Using the Lasernet tool we are able to create all the forms ourselves.

Rapid scaling based on customer demand

The fintech sector is growing fast, Kelvin Li appreciates that the potential for Lasernet in the bank sector is great.

– Being a startup, we tend to move fast. Lasernet allows us to operate more nimbly, with near endless possibilities in the direct communication via the PDF.

Being deployed in the cloud allows rapid scaling, based on customer demand. The volume of statements are growing rapidly, Varo grew almost 4000% in generation volume between October 2020 and February 2021.

– We need to rely on a really efficient statement generation service to produce statements for our customers. Lasernet provides digital generation that enables a customer to bring up a statement in the app.

Lasernet enables financial actions

– I would say that Lasernet very much contributes to our business and values. It enables us to act anywhere and everywhere at the same time, providing safe and correct documents, fully transparent for our customers to know all about their account, and empowers them to take financial actions.

Kelvin Li sees great potential in the partnership with Formpipe.

– It has been very collaborative, to say the least. And I have to say, without Brian Feast, Banking Team Lead, Operations/Delivery at Formpipe, always communicating with the support we need along the way – often in a day’s notice – we wouldn’t have been so successful.

Varo

Varo is using the Temenos Transact (back-end platform), Temenos Financial Crime Mitigation, Temenos Payments and Temenos Infinity (front-end loan origination solution) services on the cloud. Temenos has proven to be a great partner helping Varo accelerate the cycle of product iteration, in gaining insights and to be able to continue to deliver solutions that solve real pain points for consumers.

Lasernet

by Formpipe.

Lasernet by Formpipe offers the market's strongest functionality when it comes to formulating business documents. The intuitive drag-and-drop interface means that design changes can be made in just minutes.





TEAM MEMBER CASE – TOM HURRION

Unique relationship with leading banking software provider

In 2020 Formpipe acquired EFS Technology Ltd. This strengthens Formpipe's growth strategy, much due to the possibility to develop and deepen the partnership with Temenos, the market leading provider of banking software systems. The acquisition opens up for new, interesting customers within banking and fintech, as the bank sector rapidly changes with new need of state-of-the-art technology and software solutions.

Tom Hurrión is Head of Business Solutions at Formpipe Private Sector, Foxton, UK. He previously worked in EFS Technology Ltd, acquired by Formpipe in 2020. Tom has successfully worked with Lasernet for many years with lots of experience of deploying Lascript for banking, landing many successful projects over the years. Before the acquisition, Tom had built a strong relationship with EFS' partner Temenos.

Temenos has one of the largest ecosystems of partners in the bank and fintech industry and is the clear leader in its market. Key technology partners include IBM, Microsoft, HP, and Oracle. Key service partners include Cognizant, Accenture, Deloitte, Cap Gemini, and ITSS.

Transition from EFS to Formpipe

Previous to the acquisition, Tom Hurrion was EFS' Technical Services Manager, overseeing the projects, delivery, support and presales teams. Working alongside the directors to make strategic decisions for both the operations teams and the company direction as a whole, Tom soon became a key player in his field.

When the acquisition was announced Tom embraced it. He had already worked closely with some of the Formpipe team and had good relationships within the company.

– I liked EFS to be acquired by Formpipe, it was an opportunity for me to continue to work for Formpipe and develop my career under a larger, more established company.

He describes joining the Formpipe team as welcoming and exciting.

– The acquisition felt like a new start with a familiar twist. I like that Formpipe puts its passion for people first and foremost. As a leader I value this highly, I think that an organisation cannot be successful without a genuine concern of its team members, customers and partners.

After the transition to Formpipe, Tom has taken on the role of building a new Business Solutions Group (BSG Team). As part of the acquisition, he was given the opportunity to change his role for something that he felt was more challenging and exciting.

– Having worked closely with the commercial team in my technical services manager role, I liked the idea of being able to build a technical presales team with a new mission and objectives that can support the business. It has been great to form it and build on my management and leadership skills, learnt through my years at EFS. A lot of the hard work that we did at EFS moved with us and we now see that it's working in a larger company, this is very nice.

Tom thinks the key thing is transparency.

– This is Formpipes policy and culture, it's great. Despite big cultural changes for the team the reactions have been positive and the feedback from our new colleagues has been really good.

Business Solutions Group, BSG team

Formpipe previously hasn't had a dedicated business solutions team that have been able to drive this crucial function for steering the future of the products.

– I think that Formpipe needed this, our dedication is a great opportunity to build on. Now we dedicate our time to make the best demos, that wasn't there before. It allows us to find out what our customers need and want to see. It's all new! New technology and new functions.

Tom's key roles are to facilitate and lead the team and be the key communication point to the commercial team and rest of business. As the new team is new, he is currently implementing relevant processes and integrate with Formpipe's current systems. This allows Formpipe to deliver market leading, modern, integrated and dynamic solutions.

According to Tom, the members of the BSG team have the best understanding of the functionality of the solutions Formpipe provides, as well as deep relationships with partners.

"I liked EFS to be acquired by Formpipe, it was an opportunity for me to continue to work for Formpipe and develop my career under a larger, more established company."

– Tom Hurrion,
Head of Business Solutions

– As a team we are able to take this knowledge and apply it to customer requirements and further strengthen Formpipe's place in the market. Maximising our customer and partner relationships helps us to understand their requirements, as well as identify growing trends in technology.

Paving the way for future projects

Tom has mostly working in the banking sector. One important field is OCR, automatically refined text from a document, through the automatic process with Lasernet to read automatically, especially used in trade finance.

Small and growing digital banks now challenge the old and traditional way of banking. The app culture, young users and social media, combined with refined technology is changing the map for the bank industry.

– Its customers now expect that things are done straight away, transactions need to go quicker. The expectations are high, it's all about speed.

A key metric for Formpipe is to fulfil something new that can shake up the bank industry. But being cutting edge and challenging the market can both be a privilege and a baggage.

– We have to keep up and provide our solutions very quickly and robustly. With Lasetnet's quick, automated cloud ready and cloud first processes, the scale abilities are enormous. We have a structural capital that we combine with modern technology and exclusive partners, such as Temenos and Microsoft.

A key requirement today is making banks as paperless a possible. An example case is Metro Bank in London.

– Using the Lasetnet and Autoform DM software, we were able to provide the bank with paperless onboarding processes, such as ID and Verification document capture, digital pad document signing and photo capture. We were also able to produce digital documents that could be emailed or viewed online through internet banking.

At the time, this was revolutionary for on premise retail banks and helped pave the way for future projects.

– The solution is fantastic, I've worked with Lasetnet for 15 years now and my goal is to provide it to as many partners and customers as we can.

Unique relationship with leading banking software provider

The partnership with Temenos gives Formpipe a unique relationship with a leading banking software provider in the financial sector. Temenos has been the number 1 best-selling core banking system in the IBS league table for the last 14 years, with 41 out of 50 top banks running their software.

Temenos has a rich marketplace with over 100 fin-techs available to integrate and provide solutions for Temenos customers. They invest heavily in providing revolutionary, new and exciting technology. The marketplace and fintech solutions help provide these

“The solution is fantastic, I've worked with Lasetnet for 15 years now and my goal is to provide it to as many partners and customers as we can.”

– Tom Hurrion, Head of Business Solutions

complimentary and strategic solutions that Temenos has invested in.

– Temenos is constantly growing. My goal is to create and expand the reach all the regional teams that Temenos has. We want to get into their demo environment and try to grow the business solutions. We are trying to be in every deal where Temenos is.

The close partnership with Temenos makes Formpipe a well-known partner and the go-to document management solution.

– As Temenos' preferred partner we have been able to continually align our products to provide our customers and prospects fully integrated document management solution for the modern digital bank.

This gives Formpipe an opportunity to deliver its products to recognised financial institutions across the globe and expand the market share in this industry.

– We can use the partnership with Temenos to make sure that we are delivering the best value and up to date cloud ready solutions available in the marketplace.

Importance of the purple values

Formpipe's ability to bring in new team members is an important key to success. With Covid it has also been proven that a successful team can work without needing to be geographically located.

– Formpipe has a great capacity to grow. The software and products we provide are the best in the market and can provide solutions in many different sectors. As a global company, we can look for talented team members wherever they are situated.

Tom is currently trying to hire new people and knows that many has heard about Formpipe and that it's seen as an attractive company to work in.

Formpipe's purple values

Passion for people

Understanding our customers

Respect and trust

Perform with quality

Lead by example

Engage and have fun

– I onboarded recently myself, and my experience is really good, so I hope I can inspire more people to join us.

According to Tom, Formpipe's Purple values are vital in securing the best, most motivated and skilful team members. Pay and salary is important, but people are motivated by much more than financial gain.

– Using the Purple values will help ensure that we hire and maintain the best talent by providing an exciting, successful working environment that is also engaging and fun.

With the world in the midst of Covid, and the need to help preserve our environment, Tom sees an unprecedented drive to 'digital first' cloud solutions, especially in the financial sector.

– This should be seen as a great opportunity for Formpipe. Our software can already provide innovative, highly integrated, digital document and archiving solutions, with the fintech business growing, anything can happen.

He enjoys his work and is looking forward to grow and develop his role within the Business Solutions Group, and in the organisation as a whole.

– So far, I have been focusing on building our relationships with Temenos global BSG teams and creating integrations with Temenos's new software offerings. We have had many successes and has seen great progress in this area since being acquired by Formpipe. I hope to see many new customers in 2021.



Tom Hurrion

Age: 36

Title: Head of Business Solutions

Education: Computer Science BSc (Hons), Agile DSDM Practitioner, various management and leadership courses

Comes from: Ware, Hertfordshire, United Kingdom (In-between London and Cambridge)

Family: Wife (Jade Hurrion), pets: cat (Bowser), dog (Pin)

In his free time: Gym, mountain biking, snowboarding, computer games, board games, travelling

Favourite music: Punk, rock, emo, indie

Favourite food: Pizza and thai food

Ideal role model: Sir David Attenborough

Life motto: Live slow, die old



TEAM MEMBER CASE – ANDERS TERP

Right opportunity to shift into high gear in the U.S.

Four years ago, Formpipe began exploring American terrain with the aim of a soft start to marketing and sales of Lasernet for Microsoft Dynamics. Today, Regional Partner Director – US, Anders Terp, sees how digitalisation is intensifying in the U.S., a trend that will probably become a driver of business for Lasernet and Formpipe. “I predict stable growth. My vision is that the U.S. will become the largest market for Lasernet in the long term.”

In 2017, Anders Terp left Denmark to take on the challenge of penetrating and taking the temperature of the American market. The operation was initially a one-man mission. Today, Formpipe’s American team consists of six people with competencies in sales, technology, project management and implementation of Lasernet for Microsoft Dynamics. A team that has continued to grow.

In times where large companies like Microsoft are driving the entire cloud transformation, Formpipe’s integrations to the Microsoft Dynamics platform mean that growing numbers of customers and partners in the U.S. have taken notice of Lasernet. Microsoft Dynamics is quickly taking growing market shares in the U.S., which entails a huge potential.

“In times where large companies like Microsoft are driving the entire cloud transformation, Formpipe’s integrations to the Microsoft Dynamics platform mean that growing numbers of customers and partners in the U.S. have taken notice of Lasernet.”

— Anders Terp, Regional Partner Director – US

“Suddenly, the timing is right from a business perspective. The link to Dynamics is driving our opportunities to find new customers and partners.”

The U.S. customer base is thus far in retail, the manufacturing sector and energy and water, with companies in need of niche solutions.

“The major advantage with Lasetnet for Dynamics is the possibility to create solutions unique to the customer, and that the customer can themselves make changes to the layout quickly and easily. The more a customer gets to know Lasetnet, the more they want to use it.”

Many come back and ask if it is possible to develop more functions.

“This is how we developed the product over the years, together with the customers tailoring the software to their unique needs.”

Anders believes that most European IT companies live with the American dream, to one day conquer the gigantic market in the U.S.

“We do too, and it’s a realistic goal with a product like Lasetnet. But it’s important to not underestimate what is required, what the cultural differences and the distance to Europe actually mean in the day-to-day work.”

Formpipe’s brand is still relatively unknown in the U.S.; making Lasetnet visible on as broad a front as possible is the goal.

“It triggers me to see how impressed and pleased the customers are when they realise what we can add to a project. The positive reactions are growing, which shows we are heading in the right direction.”

The local team

Formpipe’s American team works fantastically well, according to Anders, despite the pandemic, which of course affected the work.

“2020 will always stand out as a strange year. I have never personally met several of our American team members who I work with daily. But we have shown that we can create success together despite this. In 2020, we succeeded for example in getting our first customer in the American public sector. There’s an enormous energy in the team and I love to see how everyone contributes.”

Now, the team will be expanded on the marketing side to further spread knowledge about Formpipe’s solutions.

“We have a really strong offering with Lasetnet and will show the American market that Formpipe is not just any company. So far, we’ve only touched the surface; the possibilities are huge. I predict stable growth and my vision is that the U.S. will become the largest market for Lasetnet in the long term. We will not continue to build the organisation, create engagement and good conditions for successful onboarding.”

“It triggers me to see how impressed and pleased the customers are when they realise what we can add to a project.”

— Anders Terp,
Regional Partner
Director – US

Saving time for our partners

In the past two years, the American partner network has begun to consolidate and Anders is convinced that it will continue to grow, like the customer base.

“Today, we work closely with the customers’ IT departments, which are discovering the advantages of working with us. I believe that we have a very good position for the next few years. Our partners are also very positive when they realise how much time we save them. There are a lot of Dynamics people out there who like the fact that they get relief in their own work with Formpipe as a partner.

Several satisfied customers

An example of a satisfied customer is Nuts and Bolts in Phoenix, a hardware chain that produces 10,000 labels per day in Lasernet.

“This has to work perfectly, otherwise their production stops. If our software doesn’t work, the business doesn’t work. It’s almost a little frightening, but above all it’s good; Lasernet becomes a prerequisite for the customer’s production. Nuts and Bolts is very satisfied with our delivery.”

Another example is an American luxury brand with satellite stores at several international airports. The airports use Microsoft’s receipt system, which proved to lead to a negative customer experience in the stores.

“We have a really strong offering with Lasernet and will show the American market that Formpipe is not just any company.”

– Anders Terp, Regional Partner Director – US

“We customised a solution and converted the company’s receipts to advanced design receipts with the right emphasis for the brand. We received very good feedback on this, which makes me proud.”

Life in the U.S.

From a private perspective, the years in the U.S. have been a big adventure for Anders and his family, who have lived in Chicago for five years, a geographically strategic location to work from with the whole of the U.S. and even Europe quickly within reach from O’Hare Airport.

“We have many fantastic memories to look back on and we appreciate the change that Formpipe made possible. The day that I return to Europe, I want to be sure that Formpipe’s business is strong in the U.S. and contributes to the company’s overall results. It will be interesting to see what happens now when we come to the next step. We are very active and constantly keeping our eyes and ears open. The market is here and Formpipe is in the United States to stay.”



Anders Terp

Age: 46

Title: Regional Partner Director – US

Education: Business college in Denmark

Comes from: Roskilde, Denmark

Family: Wife, daughter and bonus son

Lives in: Lake Forest, North Chicago

In his free time: Golf, tennis and paddle

Favourite music: A lot of Danish music, and some of the greats, like Springsteen and Dire Straits

Favourite food: Mexican

“Formpipe’s brand is still relatively unknown in the U.S.; making Lasernet visible on as broad a front as possible is the goal.”

— Anders Terp, Regional Partner Director – US





CUSTOMER CASE – FRIEDMAN'S HOME IMPROVEMENT

Building community through an unmatched customer experience

Since 1946, Friedman's Home Improvement has been a central point in the local neighbourhood in Northern California. Since the beginning, they have dedicatedly invested in giving their customers unmatched customer service. With four stores in the northern part of the state, Friedman's meets needs from DIY enthusiasts, small businesses and professional craftsmen. At the same time that Friedman's is constantly modernising its operations to meet the requirements that characterise retailing.

The family-run and locally owned company has more than 600 employees. Building and caring for its community is a central part of Friedman's brand. The company is actively expanding its partner network of local volunteer organisation that work to improve the living situation for young people, the elderly and people in vulnerable situations. Friedman's is celebrating its 75-year anniversary in 2021.

In December 2019, Friedman's implemented Microsoft Dynamics 365 and chose Lasernet as their tool to generate all documents that go out to the customers, such as invoices, receipts, delivery slips and return slips, as well as bar codes.

Standard did not offer enough flexibility

With the Microsoft Dynamics 365 platform, Friedman's could handle supply chain activities, from sales, warehouse operations and financial control. But when it concerned customer-centric documents, the standard system did not meet Friedman's requirements for A4-sized receipts, for example.

Friedman's turned to Formpipe and with the product Lasernet, the company can now, with a cost-effective and functional solution, generate customer communication in the desired format and with a brand-adapted layout.

Rapid ROI and increased opportunities for continued value creation

Formpipe could offer and then implement Lasetnet to quickly address the specific need. Friedman's customers now receive receipts in the right layout and format. In addition, the company can easily create further customer documents and themselves configure them based on their needs, and build PDFs in their database for e-commerce tracking.

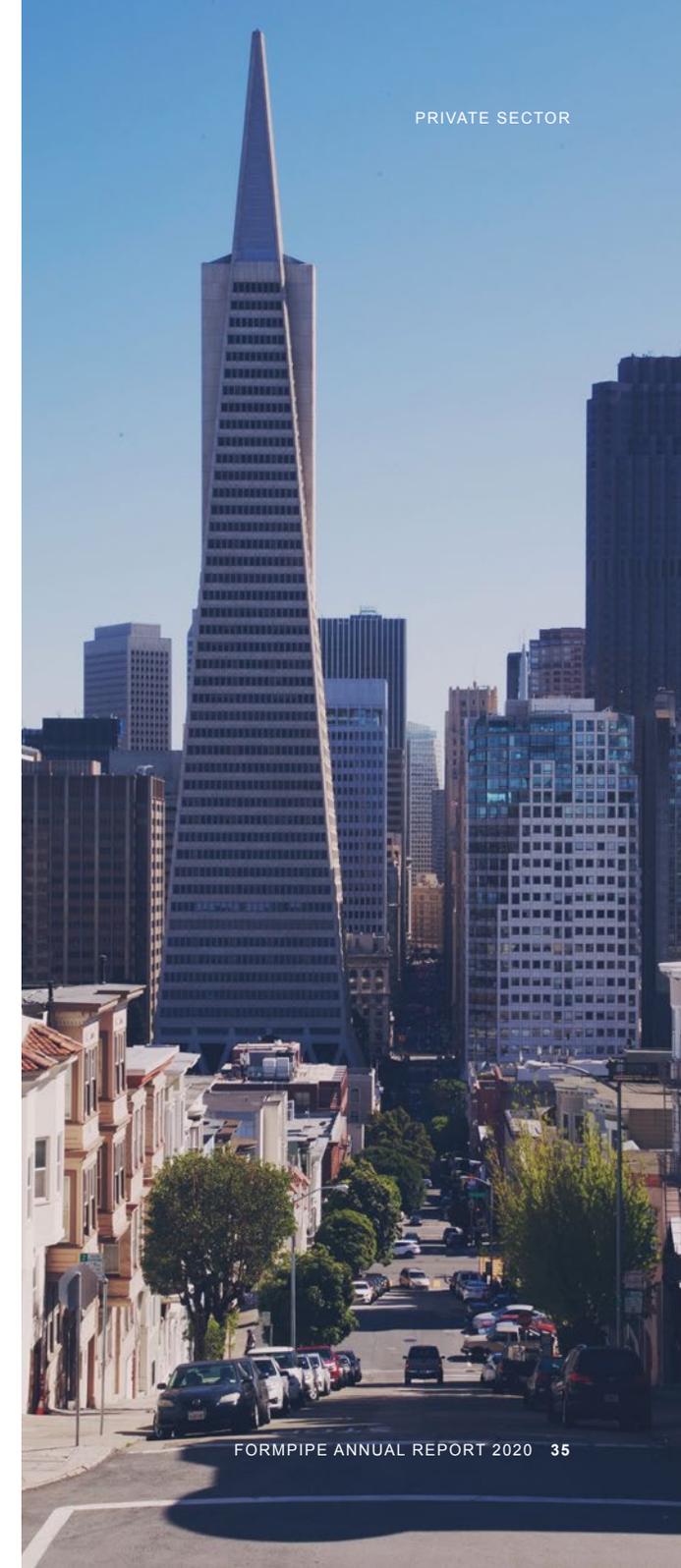


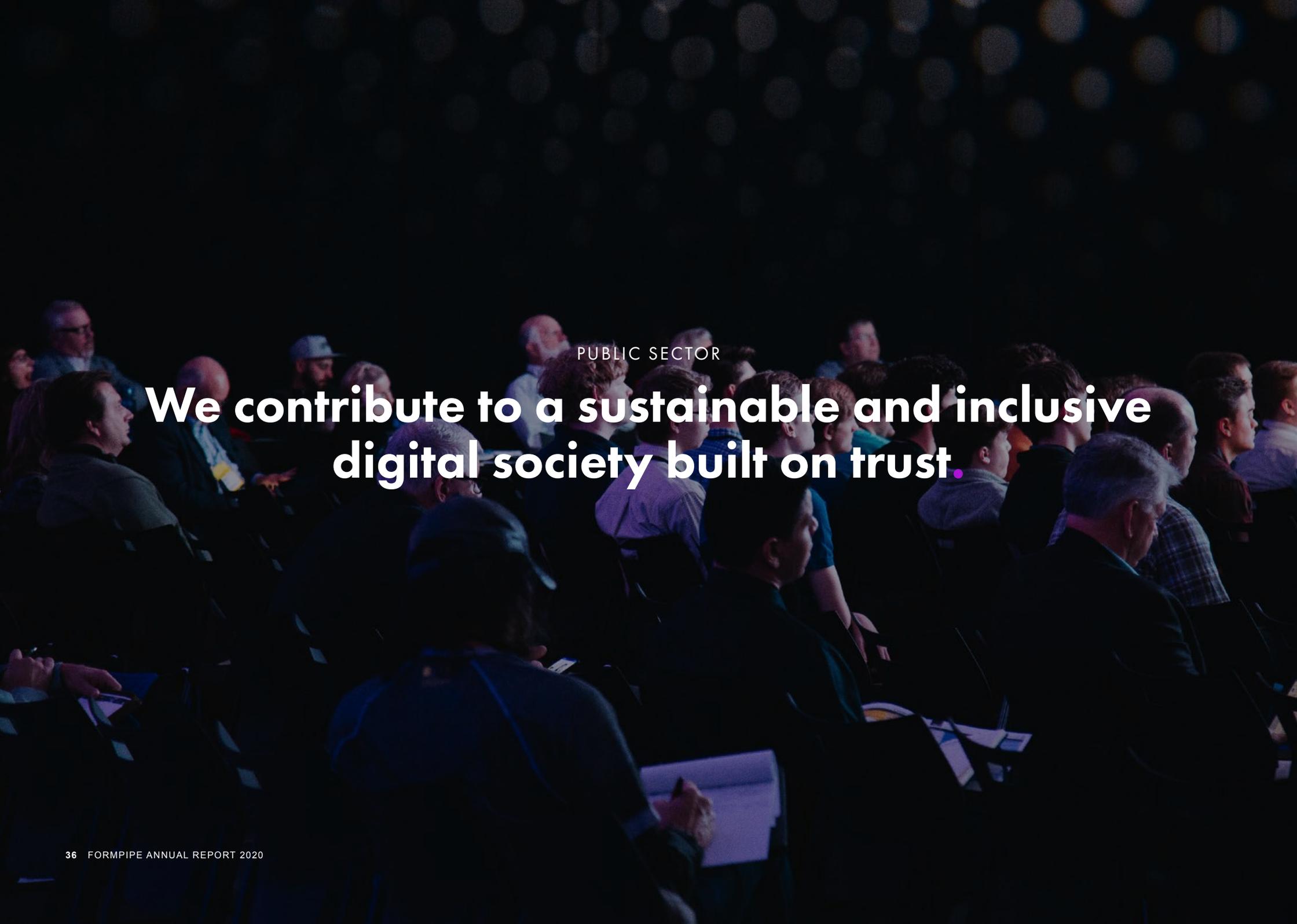
Friedman's Home Improvement is a family-owned store chain that was founded in Northern California in 1946. With their four stores, the company has a committed group of followers in hobby fans and smaller companies. Through their extensive focus on the customer experience and building a strong community, the company has grown over the 75 years in business to more than 600 enthusiastic employees who provide people with tools, furnishings, lighting and more.

Lasetnet

by Formpipe.

Lasetnet is used today by more than 2,000 companies worldwide. With Lasetnet, content is produced, individualised, 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.





PUBLIC SECTOR

We contribute to a sustainable and inclusive digital society built on trust.

Public sector

Formpipe is passionate that the digitalisation of the public sector shall create value for society and its citizens. By focusing on people, we contribute to a sustainable and inclusive digital society built on trust.

External factors that affect public operations change quickly. The operations must be able to adjust faster to be able to deliver according to expectations. An effective digitalisation is a crucial component to be able to continue providing world-class welfare.

Formpipe has a strong commitment to value-creating digitalisation. During many years in a market-leading position, we have delivered systems for document and case management and automated processes. Formpipe's operations in the public sector form a foundation in our continued journey of growth and, in co-creation with our customers, we are expanding our offering in the market.

Customers

Hundreds of authorities, municipalities, universities and state and municipally owned companies build their operations today around Formpipe's record keeping, document and case management system, and supplementary optional services.

A few examples of customers are the Swedish Tax Agency, City of Stockholm, the Danish Prosecution Service, the Agricultural Agency, the University of Gothenburg and the Swedish Transport Administration.

Market driving forces

Greater demand for better service levels

Rapid technological advances in areas such as smartphones, tablets and broadband, as well as the development of e-services in other industries, have spurred citizens, businesses and organisations to make greater demands on more service in the public sector. When we have the opportunity to do large-scale shopping, report an insurance claim or open a new bank account over the mobile phone, we also want to be able to easily ask questions, submit an application and file a report with public actors too. We expect quicker replies and automated decisions – as well as 24/7 availability. Public sector team members also expect it to be easy to get a hold of the information they need.

Demand for greater efficiency

Managing cases is a comprehensive administrative task for municipalities and regional healthcare providers. Over time, this management has become increasingly automated, but the potential for efficiency enhancements is still very extensive. Automation and self-service reduce the administrative burden on citizens, businesses and team members alike. Digitalisation efforts will gradually become even more significant.

Compliance with laws and requirements

Transparency and disclosure policies are necessary both for the work of the EU and in different forms among the Member States. Laws and regulations govern which information must be available. In a time with rapid and revolutionary technical development, the regulations are being challenged. The new General Data Protection Regulation (GDPR) is an example of this. A modern and legally assured handling is in demand, adapted to the requirements of the legislation and the possibilities of digitalisation. Digitisation and archiving of cases, documents and records increases quality, availability and traceability.

Data quality and information security

The ability to manage and use data in a smart way is a key issue for most organisations today. It is simply a prerequisite to be able to make the right decisions and to create efficiency and readily available services.

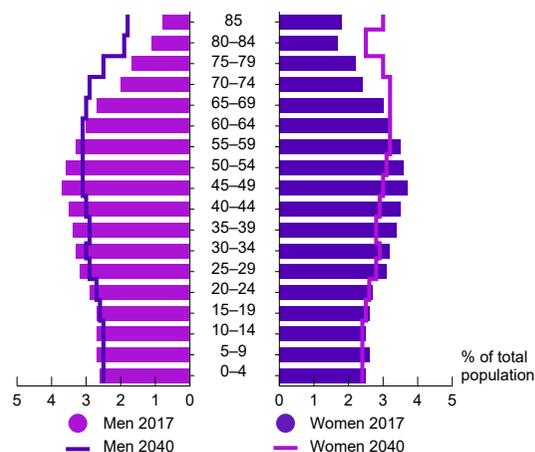
But both data volumes and complexity in terms of data are increasing at breakneck speed, as well as the risks of data breaches. With new solutions and technical advances, the needs are growing for new regulations and compliance requirements, such as GDPR. Organisations that maintain high data quality provide legal security, enable preservation of information and can re-use data for new ideas.

Cloud services

The Danish Agency for Digitisation highlights the possibilities of cloud services and has published a guide to help public organisations use cloud services

Population in the EU

(2017, forecast 2040)



Source: Eurostat 2018

effectively and securely. The Danish Agency for Digitisation's summary states that the use of cloud services in many ways contributes positively to development and operations of solutions in the public sector, and that the public sector's organisations in most cases can use cloud services on the same terms as traditional solutions.

According to Swedish Government Official Reports⁶⁾, many organisations in Swedish public administration see possibilities in being able to outsource IT operations and instead use cloud services. However, they to a large extent would like clarifications regarding the legal circumstances.

Demographic challenge

Extensive pressure on the economy will be created to handle increased costs linked to the demographic development. It is primarily the needs in schools and elderly care that are driving the cost increases. The Swedish Association of Local Authorities and Regions (SALAR) estimates that either more resources or efficiency enhancements of more than SEK 45 billion will be needed in the Swedish public sector to manage providing welfare services at today's level until 2023. This is a development we also see in Denmark and Europe in general. When ever fewer people provide for ever more people, digitisation will play a significant role to handle the need for greater productivity.

Opportunities

Today, digital information is highlighted as a key factor in the EU, not least as an enabler for strong financial growth. This is an area where Europe is seen as being able to take the conductor's baton as a global leader and role model for the digital economy.

The EU's digital strategy talks about a digital transformation that affects everyone. The digital strategy aims at getting this transformation to function for people and businesses, at the same time that it contributes to achieving the EU's goals on climate neutrality by 2050. It brings up important incentives and plans for digitalisation that point out a direction and a context where companies like Formpipe have a given place. Companies that have knowledge, experience and technology to realise the shift to a digital society.

⁶⁾ https://www.regeringen.se/48efac/contentassets/10a3aff9f8b847b48b35036d0907439e/saker-och-kostnadseffektiv-it-drift-rattsliga-forutsattningar-for-utkontraktering-sou_2021_1

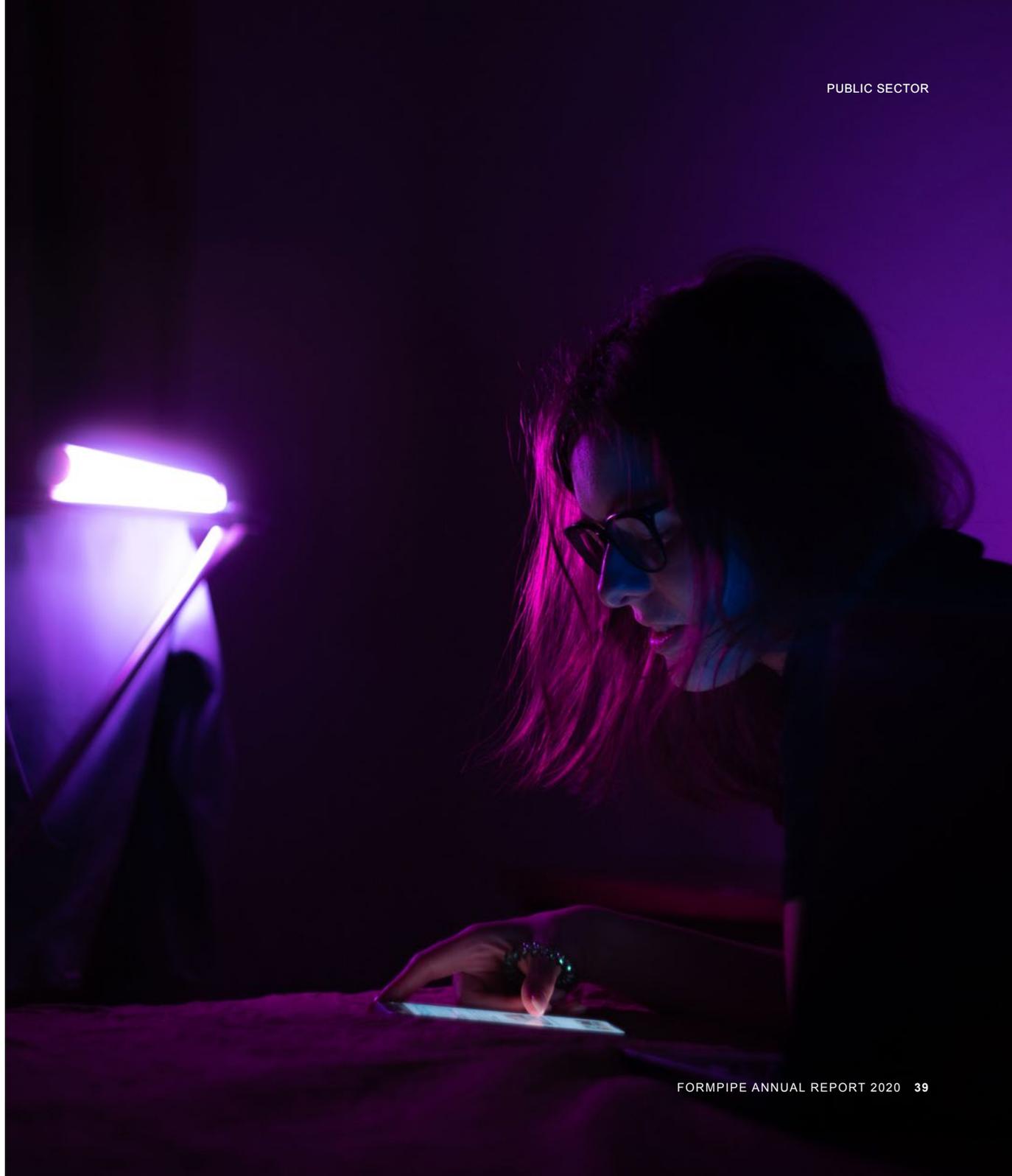
A society that is driven by digital solutions that put people first, shape new opportunities for businesses and increase the development of reliable technology to promote an open and democratic society and a vital and sustainable economy.

In the EU digital strategy, three focus areas are brought up to utilise the possibilities of digitalisation:

- Technology that works for people
- A fair and competitive digital economy
- An open, democratic and sustainable society

Future

Formpipe's offering to the public sector is based on document and case management and the automation of processes. Just like for the Content Services market in general, Formpipe has seen a shift from IT to the business when it comes to requirement specification and the product expectations. For many years, Formpipe has successfully developed add-on options to the primary platform, where services solve more specific processes, but are seamlessly integrated with the business system. Examples are a Teams integration, digital signing, digital committee meetings, automation of regulatory compliance of e.g. GDPR and form building and publication. All co-created together with the existing customer base. This recipe for success is a guiding star in Formpipe's continued development in the market where we see that we are seeking an even closer relationship with our customers to develop our service offering.





Sweden

For the Swedish public sector, Formpipe is a comprehensive supplier in terms of inspiring and supporting municipalities, regions and authorities on the digital journey. All of our solutions are based on Swedish conditions. Our core systems in the market were developed from the very beginning for the Swedish public sector and are being further developed in close cooperation with the customers.

One example of this is that our cloud services for document and case management, as well as for e-archives store all data in Sweden. Information security is a central part of our daily work and we are certified according to ISO 27001.

Deliveries are often made by our own organisation or with supplementary delivery partners. We always have a direct relationship with the customer. This is valued highly and it is through this cooperation that the business is developed.

Development of the business area

Together with our customers in the public sector, we co-create a sustainable and inclusive digital society built on trust focused on the citizens.

Here, we have our stable home base and high customer loyalty. Our market-leading position is something we are proud of that helps us in the introduction of new add-on options for our basic systems.

This is made possible through an active co-creation together with our customers and where proximity is the key. We are increasing this proximity in the wake of the positive effects we saw in 2020 where a larger commitment created greater value for our customers.

A co-creation in product development leads to more relevant and cost-effective products with a shorter time from idea to production deployment. Reducing friction and simplifying people's daily lives is a core value of this development. By, for example, increasing mobility, we create improved conditions to maintain order and high information security, but also to increase accessibility to information.

Greater focus on the user and the end customer means that Formpipe can contribute more to business development. By offering a problem-free digital administration, we make it possible for our customers to be able to focus on their core business – increasing service, transparency and accessibility to the public administration for the citizen.

Authorities

In recent years, authorities have been spending a growing part of their IT budgets on securing existing systems instead of developing new solutions. The Swedish National Audit Office directs criticism at the authorities in the report “Outdated IT systems – obstacles to efficient digitalisation”.⁷⁾ This review shows that there are outdated IT systems at a large number of authorities.

⁷⁾ <https://www.riksrevisionen.se/rapporter/granskningsrapporter/2019/foraldrade-it-system---hinder-for-en-effektiv-digitalisering.html>

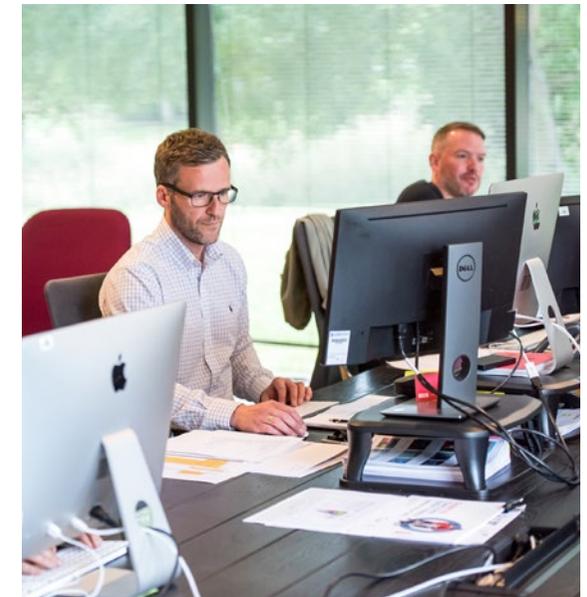
“A co-creation in product development leads to more relevant and cost-effective products with a shorter time from idea to production deployment.”

— **Mauritz Wahlqvist, Business Area Manager, Public Sector Sweden**

In order to make progress in the digitalisation, old systems need to be retired and the operations need to take care of the information in them. In addition, the processes need to move into modern solutions with new technical possibilities. Over time, there is a positive development of the authorities' digital maturity, but development is going slowly. Formpipe plays an important role in this context, by using knowledge and new technology to remove obstacles to effective digitalisation.

Municipalities

In October 2019, the Swedish Association of Local Authorities and Regions (SALAR) released a report that points out growing challenges for municipalities and regions. Above all, it involves challenges linked to the future economy.



Extensive potential in document and case management

According to SALAR's report, it is apparent that the number of team members in municipalities and regions has increased by more than 100,000 since 2014. The time that the public sector uses for value-generating work is decreasing, for example the number of hours the teacher has with students or the doctor has with her patients. More administration is placed on the individual team member, administrative tasks that could largely be replaced by digital solutions. An important task in the next few years will therefore be to work on efficiency enhancement, simplification and automation of administrative tasks surrounding document and case management.

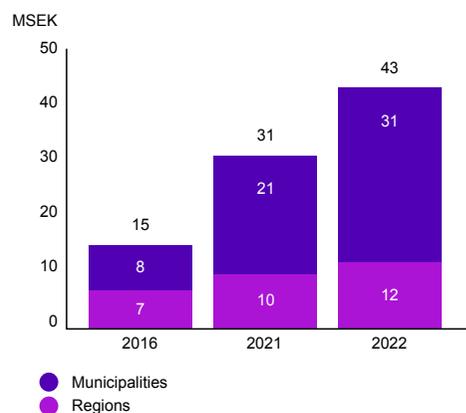
The need for savings and efficiency enhancements is growing

The need for the resources required to maintain welfare at today's level is growing faster than tax revenues. Despite the estimated average tax increase of SEK 0.13 in 2020, municipalities and regions will have SEK 43 billion too little in 2023. This is based on the costs increasing in pace with the population growth, and that the state's contributions are constant at today's level.

This development drives the need to further invest in productivity. For public organisations, automation of work processes may entail significant efficiency gains. This is something that Formpipe actively enables through smart add-on options for the core systems.

Larger gap between income and expenses

Assuming that the costs in municipalities and regions will increase in pace with the demographic requirements, meaning an unchanged staff density, a gap will arise between income and expenses corresponding to SEK 43 billion by 2022.



Source: Swedish Association of Local Authorities and Regions, Ekonomirapporten [The Economy Report], December 2018

Our offering to the Swedish public sector

Up to SEK 45 billion is invested in IT in the public sector every year. The Swedish Government's ambition is for government agencies, municipalities and regions to be the best in the world at using the possibilities of digitalisation to create an efficient public sector – a simpler daily life for private individuals and companies, more jobs and greater welfare.

For the Swedish public sector, Formpipe is a comprehensive supplier in terms of inspiring and supporting municipalities, regions and authorities on their digital journey.

Formpipe has helped several hundred Swedish authorities to digitalise their operations. Our solutions ensure that authorities can meet the highly set requirements on availability and transparency. Formpipe's solutions are used today by more than 80 municipalities and are based on the unique requirements that exist in municipal operations. Formpipe's complete solutions for case and document management also make daily life easier for multiple regions throughout the country. In addition to this, there are a number of state and municipal companies among Formpipe's customers.

In total, this makes Formpipe a market leader in the Swedish public sector. This is something we are proud of that gives us the possibility to continue to expand our undertaking with existing customers and through co-creation to introduce more offerings to the market.

Platina

by Formpipe.

A product and platform that lets operations realise the complete digital information flow. Provides tools for an unbroken digital chain for document and case management in the public sector.

W3D3

by Formpipe.

A function-rich standard product for document and case management. Packaged cloud service with a large customer base.

Long-Term Archive

by Formpipe.

A modern archiving solution for operations seeking security, traceability and flexibility. The solution increases availability to correct information and fulfils all laws and requirements that exist in the area of e-archiving.

Signeringsportalen

by Formpipe.

Digital handling of signatures that eliminate an otherwise time-consuming analogue process.

Teams app

by Formpipe.

Streamlining the workflow through collaboration surrounding working documents and cases in Microsoft Teams. This results in a quality-assured record keeping of finished documents with selected metadata that is transferred to the source system.

Meetings Plus

by Formpipe.

The product minimises the handling of notices to attend, documentation and meeting minutes. Time savings for the committee secretary, easy for the politician and accessible to the citizen. The eliminated paper handling means large savings.

PortalBas

by Formpipe.

A platform for e-services and a publication solution that is linked directly to the case management system and registers the information automatically.

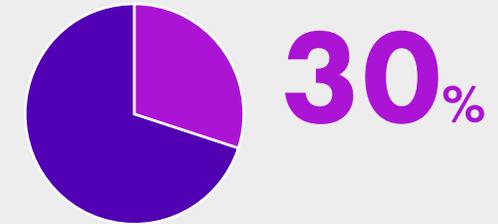
Adoxa

by Formpipe.

Automated regulatory compliance through continuous searching of business systems. Is combined with regulations that help organisations address deficient data quality and to meet GDPR requirements. Adoxa is mentioned as the only product from Europe in Gartner’s report “Market Guide for File Analysis Software.”

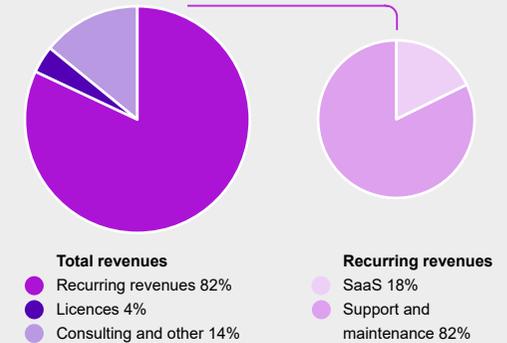
Key ratios

Share of net revenue



- Swedish public sector 30%
- Other 70%

Distribution of revenue types, Sweden



CUSTOMER CASE – ÖREBRO MUNICIPALITY

Sustainable and secure signing solution in Örebro Municipality

Adjustment and signing of confidential meeting minutes and documents is a time-consuming process in the public sector where the majority takes place in analogue and involves many different parties. Together with Örebro Municipality, Formpipe therefore developed the Signing Portal, for a cost-effective and secure signing solution, all entirely digital. Integrated with Formpipe's case management system, the portal includes a smart solution for the entire organisation, both internally and externally.

On the leading edge of digital development in the public sector

The demographic development in Sweden entails a burden to the public sector. This concerns limited resources and a risk of long lead times. For Örebro Municipality, digitalisation and an advanced digital signing were the obvious answer to streamline the flow.

“It is and has been a well-conducted development effort with good dialogue where Formpipe served as a strategic supplier. Based on our requirement specification, one has also succeeded in creating a product in the public sector that is sustainable from an archiving perspective. Before this solution arose, in Örebro Municipality we looked at other e-signing solutions, but these did not meet the full set of

requirements. Thanks to the Signing Portal, we now have an entirely digital signing flow that fulfils the law and is lasting,” says Lars Nilsson, Certified Administration Manager at Örebro Municipality.

Efficiency improvement and the digitalised journey

Today, Örebro Municipality has broadly introduced the Signing Portal in the operations. From e-signing of municipal executive committee meeting minutes to urgent confidential documents, such as chairman decisions linked to on-call social services. There are many areas of use where one has long seen a great need for this kind of solution, not least during the current pandemic.

“The flexibility and time savings of being able to issue these documents digitally has been invaluable,” says Lars Nilsson.

It was when Örebro Municipality realised the importance of being able to produce more with fewer resources that the journey towards a digitalised process began. Based on the saying, “out with the ink”, this entailed a major challenge for many. Leaving a deeply rooted approach when it comes to daily tasks is a major change.

“Besides the digital journey, it has also been a cultural journey. The onset of the pandemic has in many ways forced us into things, partly to explore and develop our digital knowledge, but above all to change our deeply rooted behaviour. Going from one’s secure work method and process to a digital approach entails something new and different,” says Lars Nilsson.

Before year-end, Formpipe was able to introduce external signing, something the procurement department at Örebro Municipality had long been seeking. Being able to send, add and sign contracts, all with quality assurance. Today, Örebro Municipality is continuing its digital journey and a link between Formpipe’s product for e-archiving, Long-Term Archive.

“We want to be able to utilise the search possibilities to find archived documents via Long-Term Archive. A project we expect to finish in 2021,” concludes Lars Nilsson.

Formpipe’s advantages

Flexibility

Thanks to a quality-assured process, confidential documents and agreements can now be signed anywhere; all that is needed is validation via BankID.

Information security

Ownership of all information about documents and signatures goes to the customer, not the supplier.

Long-term storage

A document format that works long term and meets the requirements for long-term storage is e-archive.

The value of co-creation

The Signing Portal by Formpipe is a product developed together with Örebro Municipality, a close cooperation with a customer who dared to enter the industry to develop a solution for a modern digital organisation. Formpipe’s business model builds on a co-creation with our customers to generate the best innovations. Building valuable relationships between data and people.

About the Signing Portal

The Signing Portal by Formpipe is a product for the handling of electronic signatures that eliminates a time-consuming analogue processing. The result is a PDF with embedded signatures that can be validated by anyone and at any time in the system it was sent from. Quality assured and ready for long-term storage. The only requirements that must be met are access to Mobile BankID and a web browser.



ÖREBRO



Lars Nilsson

Örebro Municipality

Customer: Örebro Municipality

Operations: Municipal

Head office: Örebro, Sweden

Facts: Örebro is Sweden’s sixth largest municipality with around 150,000 residents. It is a university city with around 17,000 active students with hundreds of professors and doctoral students. In the college town, one can also find Örebro Castle built in the 13th century. The list of the largest employers includes Örebro Municipality and Region Örebro county.

CUSTOMER CASE – PUBLIC ART AGENCY SWEDEN

A cooperation-centric and quality-assured future for the Public Art Agency Sweden

Life changed overnight for many when the news came out that a new coronavirus was quickly spreading around the world. For Public Art Agency Sweden, Microsoft Teams was the salvation for the remote communication that became a must in connection with the restrictions. It did not take long before it was discovered that there was a need to be able to secure the sharing of documents so that they did not end up outside the register. Formpipe then presented, together with Microsoft, the newly developed product, Teams for W3D3.

Ensured registration

Already before the pandemic, Formpipe had predicted the growth of Microsoft Teams and thereby began a development effort to ensure record keeping from Microsoft Teams to an authorised system. Combining the strengths of W3D3 by Formpipe with record keeping together with Microsoft Teams' easy accessibility, simplified search and mobility. Something that would come to facilitate and quality assure the work process for the Public Art Agency Sweden.

"In general, it's a question of making it easier for the case officers who work in Microsoft Teams. That they can easily follow our Swedish-Nordic laws through record keeping and maintaining order in all of their documents," says Erik Lindeberg, Manager of Business Development at Formpipe.

User friendly and easily accessible

Teams for W3D3 is something the Public Art Agency Sweden implemented as a successful pilot in a selected part of the operations with the ambition of then rolling it out to the entire operation.

"Record keeping in Teams is significantly easier when you only see what you need to see. If there is also a lack of long experience in record keeping, there is a certain threshold one must overcome, something that is eliminated thanks to this solution," says Anders Olofsson, Coordinator of Art Applications and Purchasing at the Public Art Agency Sweden.

Microsoft Teams is a tool that works on different platforms and therefore does not restrict the users to a specific unit. With Formpipe's product Teams for W3D3, the case officer can register documents directly from his or her mobile phone.

"The app works just as well as the computer, which contributes to increased flexibility. This also means that one realises the value of a good and rapid case management that can be part of the daily work as a case officer," says Anders.

What the future has in store remains to be seen, but the conditions for working remotely have improved thanks to digital solutions like Teams for W3D3.

Something the Public Art Agency Sweden views as very positive.

“I believe the future will mean that we have a greater need to run the services between different units. Matching a way of working that is not based on the restriction of only needing to sit in the case management system, but rather finding a synergy between the different systems where the case management can be found in Teams. Working based on this perspective, one is in a good situation. The need for this service will increase, even after the pandemic,” concludes Anders Olofsson.

Focus on people

Formpipe’s product Teams for W3D3 shows an agility and innovative capacity in partnership with Microsoft. A close cooperation where the Public Art Agency Sweden has been involved in the development journey of Teams for W3D3 in an early phase. Formpipe is continuously working to reduce manual

labour and digitalise information flows with a focus on people. Being able to co-create solutions to today’s challenges together with the customer and at the same time, solve tomorrow’s challenges through our common ideation.

About Teams for W3D3

Teams for W3D3 by Formpipe streamlines the workflow through collaboration surrounding working documents and cases in Microsoft Teams. This results in a quality-assured record keeping of finished documents with selected metadata that is transferred to W3D3. With the application for Microsoft Teams, this means a mobility where the same task can be carried out regardless of unit.

Teams for W3D3 builds on a connection standardised by Formpipe – Teams app by Formpipe – to Microsoft Teams, which is also available for Formpipe’s other document and case management systems, such as Platina by Formpipe.



Public Art Agency Sweden

Customer: Public Art Agency Sweden

Operations: National administrative authority

Head office: Stockholm, Sweden

Facts: Public Art Agency Sweden was founded in 1937 and consists of 28 employees. It is under the Ministry of Culture and focuses on the art becoming a natural and prominent element of the societal environment. The Public Art Agency Sweden’s art collection consists of around 100,000 unique works, of which 80 per cent is placed at national authorities in Sweden.

Formpipe’s advantages

Cooperation-centric

Thanks to a quality-assured process, confidential documents and agreements can now be signed anywhere; all that is needed is validation via BankID.

Quality-assured

Record keeping in the right way based on laws and rules that are to be followed and at the same time using functions in Teams for W3D3.

Time savings

Eliminating steps where documents to be registered are first downloaded or emailed before they are registered.



TEAM MEMBER CASE – ANNA DZIUBA

App development at record speed – from idea to customer in seven months

Anna Dziuba moved from Ukraine to Sweden in 2016 to lead the development team at Formpipe in Uppsala. In 2020, the team created a new product – Teams app by Formpipe. The project began with a demo version in March and a decision to move further was made in June. In September, the first version was finished and the product was launched in October. The Teams app now simplifies the work for many case officers in the Swedish public sector.

Formpipe's Teams app is an integrated app for Microsoft Teams that works like a communication tool with case management systems in the public sector. The basis for the decision to develop a new product so quickly was linked to the situation with the coronavirus pandemic. Case officers in the Swedish public sector use 15 per cent of their time in Teams and in connection with the pandemic, growing numbers began using the product. Formpipe saw an opportunity to save time and money for the customers through simpler use via an integrated app. So the decision was made to launch the project with a very tight time frame to be able to offer a new product as early as autumn 2020. The venture was exceeded

expectations and the product was well received in the market, with the Public Art Agency Sweden as the first customer. Today, Formpipe's Teams app can simplify the daily work for case officers in municipalities, regions, authorities and universities.

After having led the project with great success, Anna Dziuba was assigned the role of Product Owner for Formpipe's Teams app at the beginning of 2021. This is an entirely new role in Formpipe where Anna manages technical and tactical targets for the product.

"It was the product department that wanted a person who works in a dedicated role with technical and tactical issues. My responsibility is to help the development team with requirement clarifications and formulations around how the product is to fit into the larger context.

Anna has technical discussions with the development team and communicates with other departments regarding technical issues concerning the product. She is also responsible for the sales team's demo environment and plans acceptance testing of the product in the support team. Anna's colleague, Product Manager Henrik Steensland, manages strategic issues concerning marketing, sales and strategic planning for the product.

From Ukraine to Sweden

Before Anna came to Sweden, she was a consultant for Formpipe at Sigma Software in Ukraine, where she led a development team for five years. In 2016 when she got the offer to begin at Formpipe in Uppsala, it felt like an attractive challenge.

"It was a fantastic opportunity so my husband and I decided to take the chance. We were curious about the much talked about Swedish lifestyle."

Curiosity is what drives Anna, and curiosity is a useful characteristic at Formpipe.

"If something is new and seems interesting, it captures my attention, my brain begins working and shaping new plans and goals."

Being able to be part of the positive culture that characterises Formpipe, she perceives as very stimulating.

"I appreciate the climate and like being part of the Formpipe team. Here, you can learn cool things, get support and have fun at the same time; it's fantastic. I especially appreciate the trust and support I get in my team at the product department."

Teamwork with customers and product teams

The work of developing the new product was intensive. Anna put together a reference group with five customers, who got to participate in the pilot project.

"The customers got to be involved and influence things very early in the development process. The reference group helped us see how the integration worked and their feedback was incredibly important."

Since the application is an integration, it needed to be integrated with other Formpipe systems and

adapted to the large systems' delivery plan. Anna therefore got to have close cooperation with other product teams where the requirement clarifications, technical solutions, test strategies, release planning and improvement initiatives were discussed.

"It's exciting to work with the other teams. They've shown great interest throughout the process and they did everything to prepare the way in the best way."

Anna also has a development team in Ukraine that she communicates with daily.

"The customers got to be involved and influence things very early in the development process. The reference group's feedback was incredibly important."

— Anna Dziuba,
Product Owner

“It’s a small, but extremely committed team with broad expertise in the new product. Among others, we have a usability specialist in the Ukrainian team, which adds huge value to the product.”

Cooperation with Microsoft

The project has been conducted with close cooperation with Microsoft since the product is integrated with Microsoft’s system.

“It was the first time I got to participate in direct communication with Microsoft and it was very exciting. We had regular contact with their technical specialists who collaborated with us in the pilot project. Having them involved in the development process was special.”

Microsoft participated in meetings on technical issues regarding integration and reviewed mockups and technical details.

“This is our first offering that has been developed from beginning to end in cooperation with Microsoft. Their support played a major role and meant that it went faster to implement.”

“I love this product; I’m really proud of it! And now we will develop it further. I think it will sell fantastically well.”

— Anna Dziuba, Product Owner

The close contact with Microsoft also means some external help in the sale of the product. The sales cycles are generally very long in the public sector, but this project went at record speed: From idea to customer, it only took seven months. Anna is very satisfied with the results.

Her goal is now to get the new product to grow. There are many dimensions and a broad spectrum for development: technical excellence, user friendliness and to continue adapting the product to the market’s needs.



Anna Dziuba

Age: 35

Title: Product Owner

Education: Master of Science in Computer Science

Comes from: Kharkov, Ukraine

Family: A wonderful husband and two lovely children

Lives in: A small house in Täby Kyrkby outside Stockholm

Leisure time interests: Knitting, travel – preferably a knitting trip to Iceland

Favourite music: Swedish pop and Ukrainian folk music

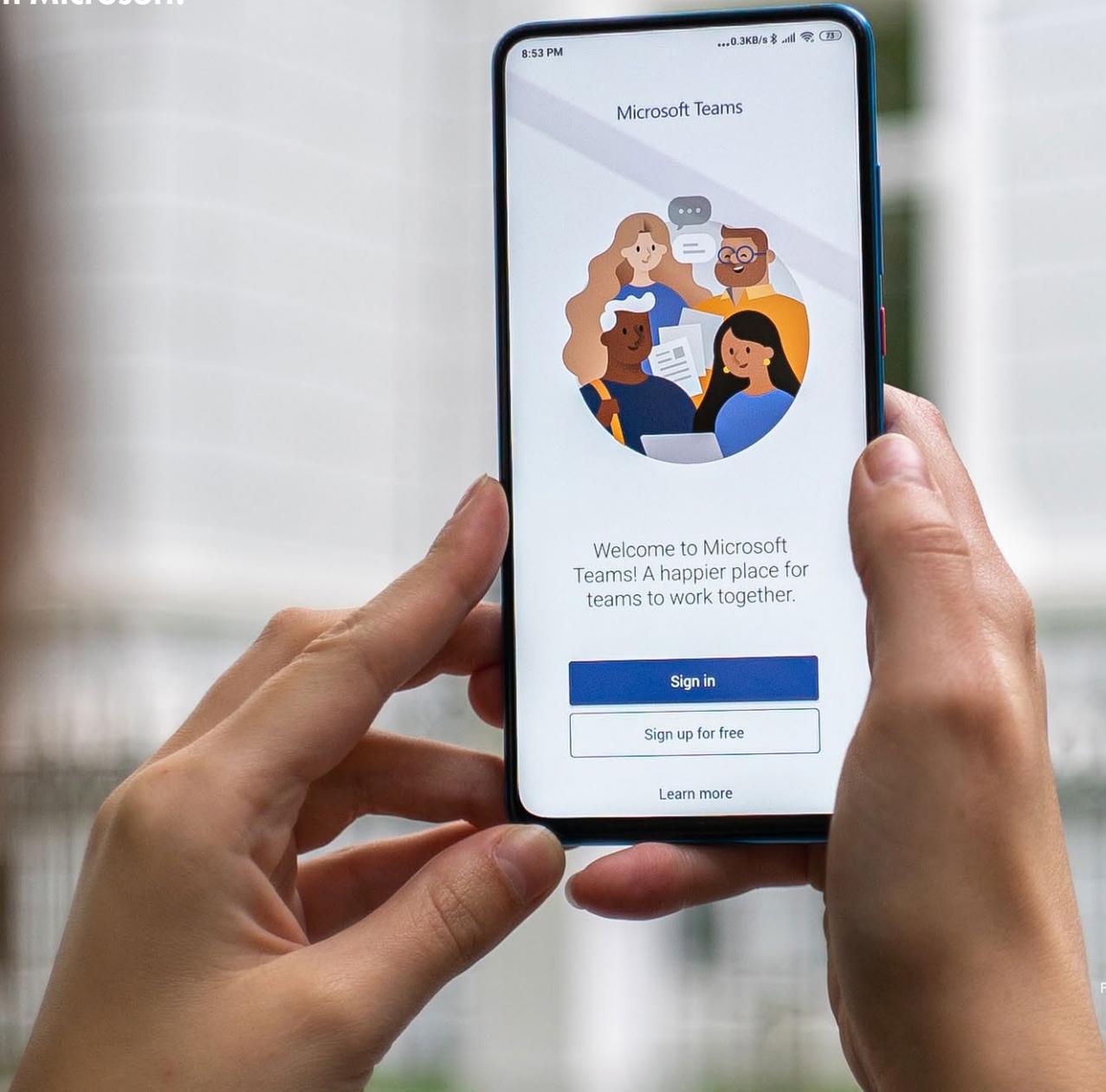
Favourite food: All kinds of buns, cardamom buns are my favourite.

Role model: My grandmother Nina

Life motto: One can always ask

“This is our first offering that has been developed from beginning to end in cooperation with Microsoft.”

— Anna Dziuba, Product Owner





Denmark

The digitalisation of the Danish public sector creates value, growth and efficiency. Digital solutions bring people closer to each other, create transparency and release innovative capacity. Digital solutions and process automation create opportunities to meet the growing welfare needs and at the same time we improve service to the citizens.

Formpipe's expertise in the Danish market extends back to the 1990s. A dedicated team based in Copenhagen offers our customers service in the entire value chain.

The product Acadre ensures an effective and correct document and case management for more than 70,000 users. With TAS by Formpipe, we have created a smart and secure grant management product. With Adoxa, we have enabled quality-ready and GDPR-secured data like never before. Formpipe has conditions to continue to strengthen the relationship between data and people in the Danish public sector.

Development of the business area

For many years, Denmark has been ranked among the best in digitalisation of the public sector and 2020 is no exception as Denmark tops the list in several international studies. As a central supplier to the Danish public sector, Formpipe is proud of its contribution of products for an entirely digital administration.

In 2020, greater interest was shown for some of these products also beyond Danish borders and increasingly in the private sector. Our product Adoxa (formerly Quality Control), enables good data quality for common operations and since laws like GDPR need to be complied with regardless of industry, the addressable market is large. Gartner again pointed out Adoxa as a prominent product in the market for File Analysis Software, which, together with the large customer base in the Danish public sector, creates international credibility.

The customer base for Adoxa has grown by 30 customers since 2018 and today more than 50 organisations use Adoxa to comply with GDPR and to actively improve their operations' data quality. This is done among other things by identifying on a large scale personal data in unstructured data, such as e-mails and body text in documents.

The Danish-developed product TAS by Formpipe has been in the Swedish Formpipe partner Alkemit's portfolio since the end of 2020. The product makes it possible for organisations to administer, manage and distribute grants, and combine funds, increase transparency and increase security in every part of the grant process.

In a market-leading position

Formpipe has a leading position in the market for the public sector in Denmark, with around 40 per cent of Denmark's municipalities as customers of our document and case management solutions and with

“The customer base for Adoxa has grown by 30 customers since 2018 and today more than 50 organisations use Adoxa to comply with GDPR and to actively improve their operations’ data quality.”

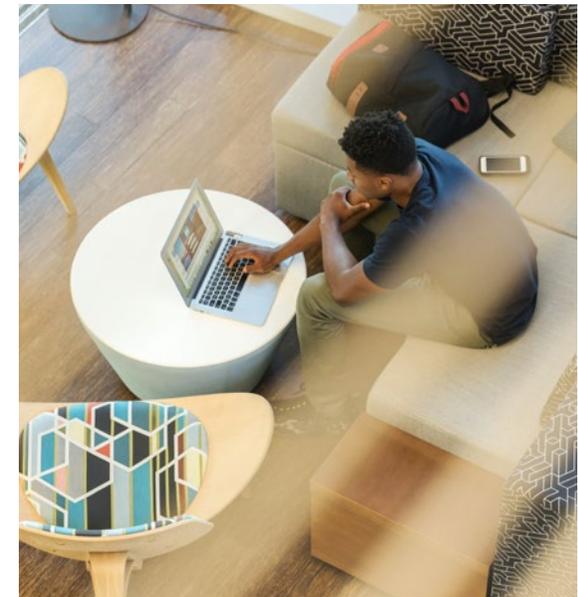
— Thomas à Porta, Business Area Manager, Public Sector Denmark

a leading position in the area of Grants Management in several government agencies. More than DKK 20 billion is paid out with the help of Formpipe Grants Management products every year, with the fastest speed and the largest amount of automated digital processes in the whole of Europe.

The Danish analysts Devoteam ranks the Danish Content Services market, known there as ESDH (ECM), every year. As in earlier years, Acadre by Formpipe was among the highest ranking systems on the market in 2020. Thanks to its interoperability with Microsoft 365, report functions and general support for document and case management, the product is considered to be leading for the customers in the Danish public sector.⁸⁾

Examples of Formpipe's customers in Denmark are the Danish Business Authority, Syddjur Municipality, Region Syddanmark, Nordea Foundation, the Danish Prosecution Service and the Danish Agricultural Agency.

⁸⁾ Source Devoteam, 2020



Leading digitalisation

In the UN E-Government Survey 2020, Denmark is in first place for the second consecutive time. The survey comprises 193 countries where public digitalisation is compared. Denmark is highlighted in the study for its clear ability to cooperate between the national government, the regions and municipalities in public digital solutions. The administration has a holistic approach to digitalisation, something that the survey calls completely unique to Denmark. It is a recipe for success to ensure coherent and user friendly solutions for citizens and businesses.

Denmark is also ranked at the top of other large public digitalisation surveys, such as the OECD Digital Government Index and the European Commission's Digital Economy and Society Index (DESI).

Many EU countries express a desire to build a digital infrastructure on a par with the Danish one. This leading position is the result of a clear public digitalisation strategy. A position that must be maintained and it is pleasing that the Danish government is now strengthening its digitalisation ambitions and with an updated digitalisation strategy, will ensure high ambitions for both public organisations and private companies for a common digital future.

Focus on people

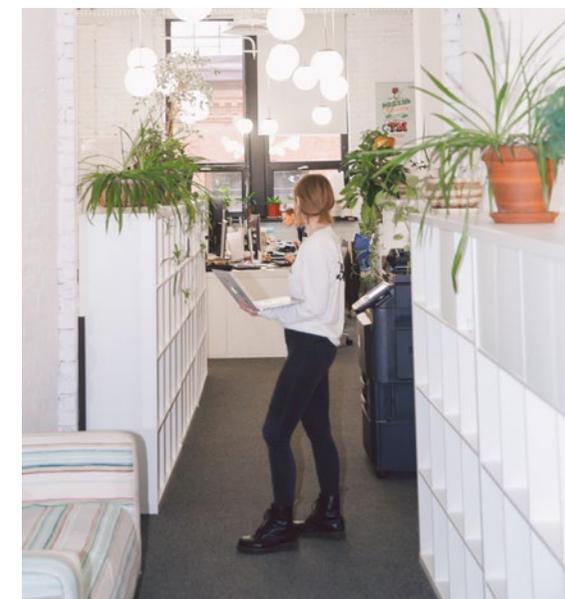
The digitalisation of the Danish public sector creates value, growth and efficiency. Digital solutions bring people closer to each other and create the transparency and innovative capacity that means that we can continue to make use of the valuable relationship between data and people. Digital solutions and automation create opportunities to meet the growing welfare needs and at the same time increase the service to the citizens.

According to the employers' organisation Dansk Industri, modernisation and digitalisation of the public sector can free up DKK 20 billion by 2025. Money that can then be fed back to the public sector and contribute to better service and welfare.

A digital society, built on trust

2020 was a stress test for the entire public digital infrastructure, where Denmark's public administration could ensure a robust and cohesive service through the initial stages of the coronavirus pandemic. This strengthens the trust in digitalisation in the country and that citizens can rely on public solutions and data processing.

A collaboration where Formpipe contributed a robust standard product to the Danish Business Authority, which in a short amount of time was upgraded to meet the quickly added requirements that were set to be able to deliver the government financed aid packages.



Our offering to the Danish public sector

Formpipe has contributed products and services to the public sector in Denmark since 1998 and several of our customers and team members have been involved since then. Our workforce has more than 30 years' experience of digitalisation of operating processes, which means that Formpipe is one of the most competent digitalisation partners that today assist the public sector.

Formpipe has extensive knowledge of the opportunities and challenges that the Danish public sector is facing in the future and plays an active role in the ecosystem that is building the digital society. We see data as the future's most valuable asset. Therefore, we proudly take joint ownership with our customers and partners to provide digital solutions that ensure reliable, usable and sustainable data.

We are passionate about our customers and want to see them succeed in the digital society. We know that the best ideas and solutions arise in a trusting and transparent relationship between people and we strive to establish and develop this relationship with our customers. By combining our customer's insights into their operational challenges with our extensive software expertise, we achieve the most innovative and secure solutions to drive effective digitalisation. This is a recipe for success and the explanation of our market-leading position as an important supplier to the Danish public sector.

Adoxa by Formpipe.

Automated regulatory compliance through continuous searching of business systems. Is combined with regulations that help organisations address deficient data quality and to meet GDPR requirements. Adoxa is mentioned as the only product from Europe in Gartner's report "Market Guide for File Analysis Software."

Acadre by Formpipe.

Efficient document management, correct record keeping and control over the organisation's data. All to be able to reap the benefits of working digitally. The product has more than 70,000 users.

TAS by Formpipe.

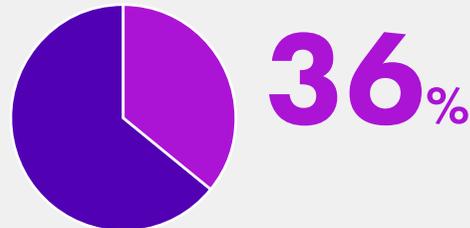
A secure and smooth grants management platform for public organisations.

TAP by Formpipe.

A configurable standard platform for application and grant management.

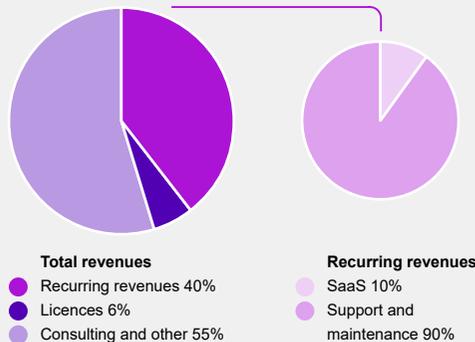
Key ratios

Share of net revenue



- Danish public sector 36%
- Other 64%

Distribution of revenue types, Denmark





CUSTOMER CASE – DANISH BUSINESS AUTHORITY

When high ambitions and cooperation characterised by trust create results at record speed

The Danish Business Authority cooperated with Formpipe to build the system support for the Danish government's financial aid package for COVID-19. This is a prime example of how we can jointly create innovative digital solutions at record speed when we have high ambitions, a shared mission and well-functioning cooperation.

The world and people's daily lives were turned upside down in 2020. For many, the year entailed a long period of cancelled meetings, home schooling, isolation and losses, as well as for many unfortunately also terminations, lay-offs and bankruptcies. As a direct consequence of COVID-19, Denmark shut down entirely on 11 March. To support an economy that was strongly challenged and support the companies and team members who otherwise would have been threatened by terminations, the Danish Parliament quickly enacted a number of financial aid packages.

A mission critical to society

In a short amount of time, the mission was defined to set up, configure and develop IT support in order to distribute the aid packages. This was done in

cooperation with Formpipe and some other suppliers. Formpipe contributed with its standard product TAS – a flexible and user friendly administration platform and engine for disbursements, for every part of the grants process. The Danish Business Authority had used TAS for several years, but to address this major challenge, Formpipe was asked to help fine-tune and upgrade the product. This was something that gave 300 new users access and ensured an efficient and correct payment of the Government's different aid packages as a result of COVID-19.

— Carsten Ingerslev, Office Manager for Administration and Digitalisation at the Danish Business Authority, tells about the process.

“When we found out in March 2020 that the aid packages were on the way, we had to find out in record time how we could succeed in securing the IT support for these large and complex disbursements. The basis idea was that we would use what we had on the shelf. Fortunately, we at the Danish Business Authority already have a number of long-term and good suppliers, and we are also accustomed to paying out money. We called our existing contacts and simply asked them to help out with their best team. This has possibly been the most important thing in IT they ever had to do.”

“Fortunately, we at the Danish Business Authority already have a number of long-term and good suppliers, and we are also accustomed to paying out money. We called our existing contacts and simply asked them to help out with their best team.”

— **Carsten Ingerslev, Office Manager for Administration and Digitalisation at the Danish Business Authority**

Humble about stress testing

Formpipe’s grant administration platform has for many years solved complex grant and disbursement challenges for many organisations. Stig Riemer, Head of Grants Management at Formpipe, confirms that the system was tested in connection with the unusual circumstances caused by COVID-19 in 2020.

“As a long-term supplier to the Danish Business Authority, we were asked, together with some of their other suppliers, to take on this task. We were initially humble about the undertaking, which for natural reasons was not clearly defined from the beginning. But we could quickly see that Formpipe had the possibility to deliver our part of the solution somewhat without problem with our standard TAS platform, which with some adjustments could be set to manage the task.”

The system was accordingly stress tested to an extent never tried before. Stig Riemer confirms that it was a pleasure to be able to draw the conclusion that Formpipe’s solution is solid.

“It is clearly so sustainable that it passed the test, even if it meant that we had to strongly optimise TAS in terms of performance.”

In the middle of January 2021, more than 230,000 applications had been processed and more than DKK 26 billion had been paid out to Danish companies from the government’s aid packages. All through the Danish Business Authority.

Valuable relationships crucial

Thomas à Porta is the Business Area Manager for the Danish public sector at Formpipe. He is also proud of having been able to contribute to an important social mission.

“We took it on and delivered in this situation critical to society. In our joint effort, we proved the value of long-term and valuable relationships. Our cooperation with the Danish Business Authority has developed over many years and fortunately the relationship has only gotten stronger through this process.

“We knew from the beginning that we are playing on the same team and the dialogue between us has been open and trusting. It is crucial during such a trial that is intense, complex and crucial for the future for many people and businesses. Society has demanded fast measures and I am proud that we were able to create pioneering results in a short amount of time in cooperation with a good and long-term customer.



Danish Business Authority

Customer: Danish Business Authority

Operations: Authority

Office: Copenhagen, Nykøbing Falster and Silkeborg (three different geographic “corners” of Denmark)

Facts: The Danish Business Authority’s main mission is to make it attractive and easy to run a responsible business in every part of Denmark. The authority reports to the Ministry of Economic and Business Affairs, is ambitious and modern and has around 650 employees. The Danish Business Authority strives to create the best possible grounds for Danish businesses to grow and develop with sustainability and digitalisation as central building blocks for strategic growth for businesses.



TEAM MEMBER CASE – GRY HANSEN

The purple atmosphere lives

Care, passion and fun are words that Marketing Coordinator Gry Hansen thinks of when she remembers what it was like to begin at Formpipe. “The atmosphere is informal, but in a professional manner. I like that everyone’s voice is heard. If you have an idea for a project, the door is always open to our CEO who takes your suggestions seriously.”

Gry Hansen is hugely committed to the customers, the products and her colleagues. Together with the marketing team, she also keeps the social wheels rolling. Formpipe’s purple atmosphere lives, despite COVID-19.

Gry Hansen is the Marketing Coordinator at Formpipe in Denmark where she began working almost two years ago. Gry had to go out strong in the beginning when she, a result of an unplanned resignation and a parental leave came in, was completely alone at the Danish marketing department when she started. This meant a lot of responsibility, but also extensive freedom, which Gry feels is characteristic of Formpipe.

“Of course, it was nervous at the beginning, a new workplace, I didn’t know anyone, everything was new and I was alone in my department. But this also meant that I could largely formulate my role as I saw fit.”

So instead of being worried about everything she did not know, Gry asked loads of questions and made her own suggestions. She was pleased to discover that here was not a mindset of “this is how we do it and how we’ve always done it”.

“On the contrary, the doors were open and I immediately felt seen and listened to. Now I have learned to draw up guidelines, have the courage to place requirements on others, stand up for my perspective and rely on my intuition.”

Gry came in in connection with Project ONE, one of Formpipe’s largest internal projects ever, was to be launched. The project aimed to implement an updated brand for Formpipe’s external audience through a new social media structure, new accounts, updated message handling and a new website. Gry came to lead a complex sub-project that concerned defining, writing and project managing the final publication of the entire Danish part of the new website.

“Project ONE is a cornerstone for Formpipe’s entire culture so it was a perfect way for me to get into the company quickly. I soon understood that there was elbowroom and then had the courage to stand out. I gained self-confidence from it, dared to test things, and received affirmation. I had never felt so much support at a workplace before. It was a wonderful experience.”

Marketing team

In connection with Project ONE, a Group-wide marketing team was formed, which today consists of eight people in Denmark, Sweden and the UK, who collaborate across the entire organisation. Here, according to her colleagues, Gry provides structure and clarity at the meetings where she represents the Danish market and the Danish language.

Every second Friday, the team holds a large meeting where they discuss various issues and figure out who has what competencies for upcoming assignments and how to use these in the smartest way.

“We continuously work based on what’s best for Formpipe and how each individual can best deliver. More eyes and ears provide more ideas; I like that we always help each other out, the group develops together.”

Gry is pleasantly surprised by how well the team’s cooperation works; they are not at the same office and given COVID-19 have not been able to visit each other.

“Somehow we’ve managed to build up a fantastic unit. We’ve developed an increasingly personal relationship. We have an incredible amount to talk about and there is a lot of humour. It’s inspiring and it has a positive impact on the work; we become more effective.”

Accommodating managers

In her role as the Marketing Coordinator, Gry plays a central role in bearing and communicating Formpipe’s brand. She is conducting several internal communication initiatives to give fuel to and stimulate the Formpipe culture. Everything from singing presentations at Friday meetings to producing materials for social media.

Gry’s entire attitude is about saying yes to life, she explains, that one gets so much more out of life if one has the courage to believe in and trust oneself.

“Project ONE is a cornerstone for Formpipe’s entire culture so it was a perfect way for me to get into the company quickly.”

— Gry Hansen,
Marketing Coordinator

“The analysts Gartner have mentioned Adoxa as the only representative product from Europe in the market for File Analysis Software for the second consecutive year.”

— Gry Hansen, Marketing Coordinator

She likes that the culture at Formpipe is never marked by competition, but rather by highlighting individual competencies and making space for them.

“The managers know that the best way to develop the team members is to let us do what we really want to do, then we deliver better.”

Gry sees the freedom at Formpipe as very stimulating, that it is OK to question and suggest, that one gets feedback on what one is good at and freedom to pursue one's own line.

“I like that Formpipe supports you in what you are passionate about; the managers are very accommodated that way. My biggest passion, for example, is events and customer communication and there, the managers say “if that's what you think you're best at, then do it!” Of course, there are some defined expectations within the scope of one's role, but if you want to improve yourself or something in the organisation, you know that they listen and will try to make it work.”

New generation of Adoxa

With an integrated role in the marketing team, Gry is laying the foundation for higher cross-sales possibility between the public sector's regional markets. For example, she is very involved in the marketing of the new generation of Adoxa, a product that searches through, identifies and offers correction of inaccuracies in organisation data. Adoxa is often used to identify incorrectly stored and processed personal data, and enables correction and regulatory compliance with GDPR.

The product has been developed in recent years and is currently a strong offering in the Danish market. During spring 2021, a new generation of Adoxa will be released to further scale the product up.

“The world's databases are just growing and a great deal of energy is consumed, something that is not particularly good for the environment. We have to clean them up, otherwise it won't work in the long run.”

Adoxa helps companies and organisations screen their databases and signals if there is data that can be deleted. This is relevant to both the public and private sector, such as schools and museums that have large amounts of personal data about their students, customers and visitors.

“This problem will only get bigger. The companies need to become more aware, but also be given tools to manage GDPR in an efficient way. Consequently, the new generation of Adoxa has incredibly large potential.”

Since Adoxa does not know any geographic boundaries, the system can be used by both the Swedish and Danish public sectors, and scalability and the synergies are huge. The new generation of Adoxa is ready for the cloud, easy to use and scalable.

“This is a huge and very complex improvement with updated UI and UX design, a cloud- and future-proof platform and open API alternatives. It's a more modern variant of the offering that gives our customers extensive added value. The product has become even more business-oriented for organisations that can now themselves make changes; engineers are no longer needed for this. This makes Adoxa incredibly easy to use.”

The analysts Gartner have mentioned Adoxa as the only representative product from Europe in the market for File Analysis Software for the second consecutive year.

Formpipe's purple atmosphere

During the COVID year of 2020, a lot changed. All working from home created completely new challenges, especially for the social context when one could no longer meet as usual.

“It suddenly became extra important to be active and inventive around the social aspect; it's such a large part of Formpipe's culture. Since we couldn't meet any more, we need to involve everyone and find new things to keep people together.”

One example is the popular “Home treasure hunt” where it is about finding given items in one’s home the fastest to win nice prizes.

“People got so overexcited and it created a fun mood.”

Gry also tells about the morning song online, “which sounds terribly fun and offers a lot of laughs” and a quiz with questions like: Who is sitting here? Who has four children? Who has a cat?

“It’s about finding simple things that remind us of who we are, to not lose touch. It puts a smile on your face, you remember your colleagues and they remember you. All of this has been good to keep up that purple atmosphere. We have to laugh together even if we can’t meet.”

A social and digital approach that in all likelihood has come to stay.

“More and more people will continue to work from home even after the pandemic. It’s a logical development and people think all of the pranks online are really fun.”

Extra proud

In terms of the purple atmosphere, Gry remembers one time when she was extra proud of being part of Formpipe.

“It was at the beginning of the pandemic when our business area manager personally drove out with chocolate Easter egg to all of us. We’re around 80 people at the Danish office, so it made me incredibly proud that he made it a priority and told us how much he appreciated our efforts. Not many companies prioritise things this way, I would dare say.”

Gry says that it is about caring for real and having a genuine understanding of other people’s feelings.

“It sounds like a cliché when people at companies say ‘we’re like a family’, but that’s really what it’s like here at Formpipe.”



Gry Hansen

Age: 29

Title: Marketing Coordinator

Education: Bachelor in Leisure Management

Lives in: Copenhagen

Family: Boyfriend and an adopted cat

In his free time: I like to be with my family and my friends and eat a lot of good food with them. What we in Denmark call “hygge”.

Favourite music: Music from before my parents were born.

Favourite food: Just love all kinds of food.

Role model: Pippi Longstocking



OUR SHARE

Formpipe's share 2020.

Our share

The Formpipe share is listed on the Nasdaq Stockholm exchange, with the short name FPIP. Market value at year-end was MSEK 1,599.

Equity totals SEK 5,346,390.70 for 53,463,907 shares at par value SEK 0.10. Each share carries the right to a single vote and qualified shareholders may vote for the entire total of shares owned and represented. All shares carry an equal right to shares in the Company assets and profit.

Share price and trading volume of shares in 2020

In 2020, the Formpipe share price rose from SEK 22.05 to the closing price of SEK 29.90 on 30 December. The highest price paid for the year was SEK 31.10 on 2 September. The lowest price paid was SEK 14.96 on 23 March. A total of 17 million shares were traded in 2020 at a value of SEK 399 million.

Appropriation of profits

The Board of Directors proposes that the Annual General Meeting on 28 April 2021 resolve to approve a dividend of SEK 0.66 (0.60) per share, which entails a total dividend of MSEK 35.3 (31.9).

As a basis for its proposal on the appropriation of profits, the Board has assessed the Parent Company and Group consolidation requirements, liquidity and financial position otherwise as well as the ability to meet its commitments on the long term in accordance with Chapter 17 Section 3 Paragraphs 2–3 of the Swedish Companies Act.

Employee share-related incentive programme

The AGM held on 30 June 2020 resolved to offer staff a new share-related incentive programme based on warrants. This programme includes 500,000 warrants and a duration of three years.

In total, the Company has three outstanding programmes of 500,000 warrants each, all of which have a term of three years.

Shareholders

The schedule of shareholders and ownership structure of Formpipe is based on data from Euroclear as of 31 December 2020. The twenty largest shareholders represent 74.1 (73.9) per cent of the equity. In all, Formpipe had approximately 3,300 shareholders as of the date above.

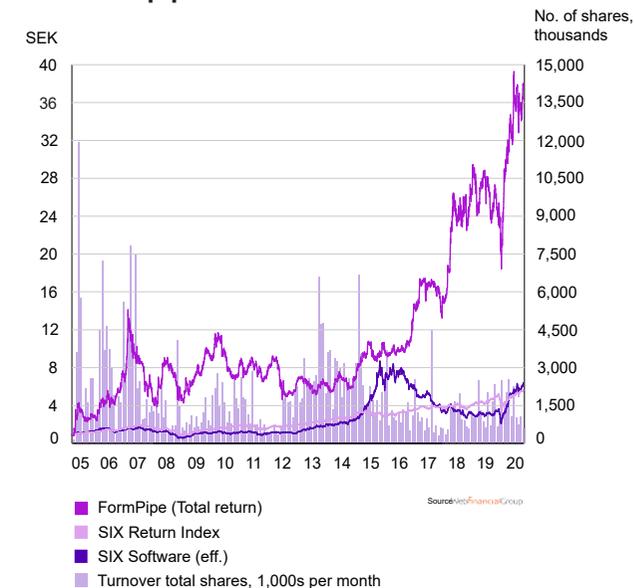
Ownership structure total shares 31/12/2020

Shareholders	Holdings, no.	Holdings, %
Aktiebolaget Grens-specialisten	5,564,128	10.41%
Swedbank Robur Microcap	4,000,000	7.48%
Alcur Select	3,618,530	6.77%
Seb Sv Småbol Chans/Risk	3,589,322	6.71%
Wernhoff, Thomas	2,650,000	4.96%
Nordea Småbolagsfond Sverige	2,451,742	4.59%
Humle Småbolagsfond	2,086,475	3.90%
Försäkringsaktiebolaget Avanza Pension	1,809,021	3.38%
Tin Ny Teknik	1,796,465	3.36%
Ubs Switzerland AG, W8imy	1,793,500	3.35%
Andra Ap-Fonden	1,511,230	2.83%
Seb AB, Luxembourg Branch, W8imy	1,330,857	2.49%
Carnegie Micro Cap	1,168,671	2.19%
Seb Nanocap	1,000,000	1.87%
Credit Suisse (Switzerland) Ltd	984,767	1.84%
Sundin, Carl Christian Quintus	946,840	1.77%
Seb Life International	931,442	1.74%
Nordea Institutionella, Småbolagsfonden Sverige	900,170	1.68%
Alfredson, Joakim	787,000	1.47%
Andersson, Willmar	708,137	1.32%
Jce Asset Management AB	662,000	1.24%
Alcur	534,345	1.00%
Euroclear Bank S.A./N.V, W8imy	528,092	0.99%
Blomdahl, Håkan	500,000	0.94%
Nordea Innovation Stars Fund	480,957	0.90%
Jonsson, Christer	405,260	0.76%
Ab Wallinder & Co.	376,632	0.70%
Shb Luxembourg CL Acct Swden	359,620	0.67%
Nordlander, Bo	328,159	0.61%
Hugemark, Staffan	321,764	0.60%
Other	9,338,781	17.47%
Total	53,463,907	100.00%

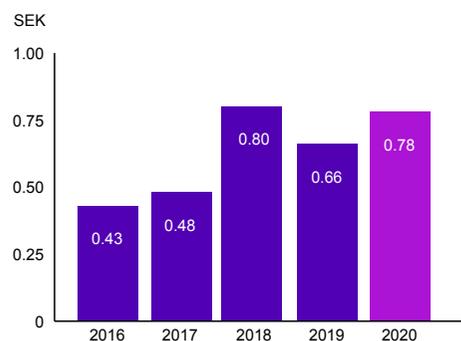
Development of share capital

Year	Month	Transaction	Number of shares	Total SEK	Total number of shares	Par value/share
2004	Oct	Share capital	100,000	100,000	100,000	1
2004	Nov	Split 10:1	900,000	–	1,000,000	0.1
2004	Dec	In kind share issue	4,799,970	479,997	5,799,970	0.1
2005	Dec	New share issue Digital Diary AB	615,000	61,500	6,414,970	0.1
2005	Dec	Offset share issue	1,917,909	191,791	8,332,879	0.1
2006	Sep	New share issue ALP Data i Linköping AB	454,545	45,455	8,787,424	0.1
2007	Sep	New share issue EFS Technology A/S	1,011,236	101,124	9,768,660	0.1
2008	Sep	New share issue EBI System AB	1,937,521	193,752	11,736,181	0.1
2010	Mar	New share issue share option redemption	268,323	26,832	12,004,504	0.1
2011	Mar	New share issue share option redemption	229,143	22,914	12,233,647	0.1
2012	Jul	New share issue - pre-emptive rights	36,700,941	3,670,094	48,934,588	0.1
2014	Jul	In kind share issue	1,208,814	120,881	50,143,402	0.1
2016	Jul	New share issue share option redemption	1,130,206	113,020.60	51,273,608	0.1
2017	Jun	New share issue share option redemption	599,417	59,941.70	51,873,025	0.1
2018	May	In kind share issue	699,805	69,980.50	52,572,830	0.6
2018	Jun	New share issue share option redemption	314,576	31,457.60	52,887,406	0.1
2019	Jun	New share issue share option redemption	286,501	28,650.10	53,173,907	0.1
2020	Jun	New share issue share option redemption	290,000	29,000.00	53,463,907	0.1
Equity, 31/12/2020			53,463,907	5,346,390.70	53,463,907	0.1

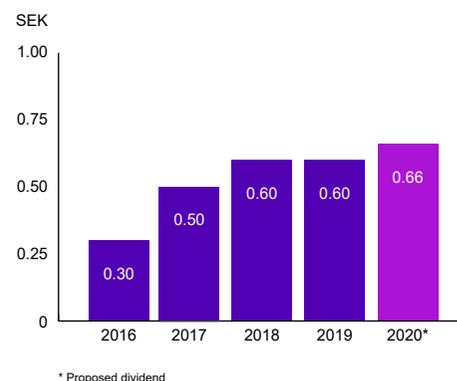
The Formpipe share – total return



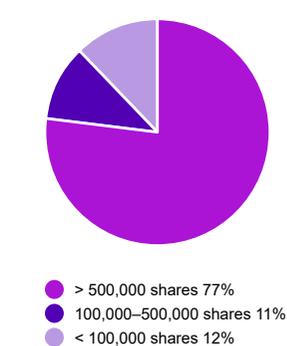
Earnings per share

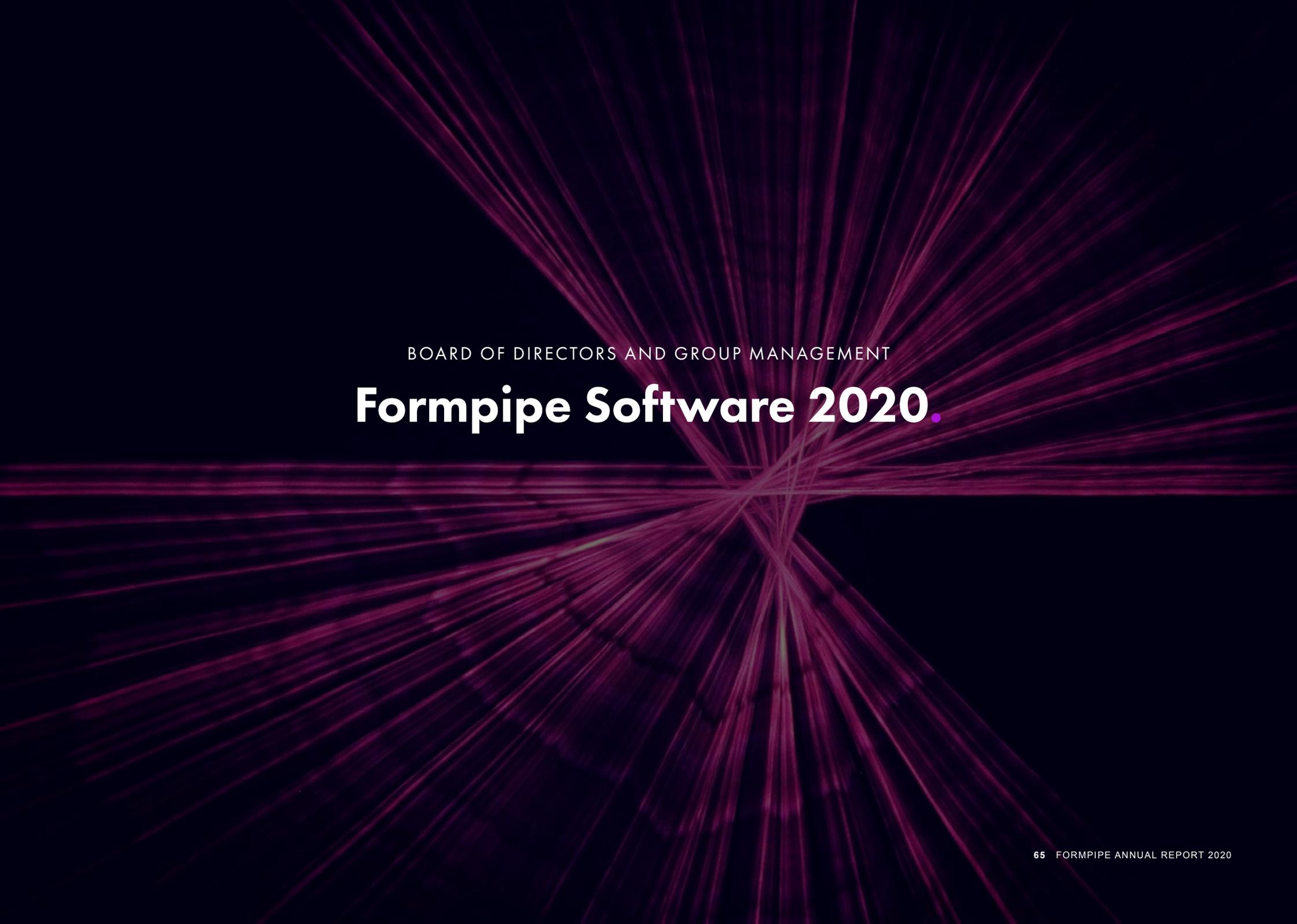


Dividend per share



Distribution of shareholdings





BOARD OF DIRECTORS AND GROUP MANAGEMENT

Formpipe Software 2020.

Board of Directors



Bo Nordlander

Chairman

Elected: 2009
Date of birth 1956
Shareholding: 328,159
Other board appointments: Chairman of the Board of Time People Group AB (publ).



Martin Bjäringer

Board member

Elected: 2020
Date of birth 1959
Shareholding: 3,800,000
Other board appointments: -



Åsa Landén Ericsson

Board member

Elected: 2017
Date of birth 1965
Shareholding: 10,000
Other board appointments: -



Peter Lindström

Board member

Elected: 2016
Date of birth 1970
Shareholding: 45,000
Other board appointments: -



Annikki Schaeferdick

Board member

Elected: 2017
Date of birth 1969
Shareholding: 16,000
Other board appointments: Member of the Boards of Proact IT AB, Axiell Group AB and Syster P AB and Chairman of the Board of Competella AB.



Erik Syrén

Board member

Elected: 2019
Date of birth 1978
Shareholding: 59,816
Other board appointments: Member of the Boards of Lime Technologies AB, Wiraya Solutions AB, Syringa Capital AB and Syringa Consulting AB.

Group Management



Christian Sundin
CEO

Shareholding: 946,840
Warrants: 756,900



Joakim Alfredson
CFO

Shareholding: 787,000
Warrants: -



Lina Elo
Director of HR

Shareholding: 6,659
Warrants: 2,000



Staffan Hugemark
VP Business Area

Private Sector
Shareholding: 321,764
Warrants: -



Erik Lindeberg
Director of Business Development

Shareholding: 50,364
Warrants: 50,000



Mats Persson
CTO

Shareholding: 6,500
Warrants: 18,000



Thomas à Porta
VP Business Area

Public Sector Denmark
Shareholding: 92,000
Warrants: -



Mauritz Wahlqvist
VP Business Area

Public Sector Sweden
Shareholding: 71,319
Warrants: 100,000

KEY RATIOS

Formpipe Software 2020.

Key ratios

MSEK	2020	2019	2018	2017	2016
Sales*					
Net sales	403.1	393.8	406.4	390.2	378.7
Software revenue	286.1	261.1	253.9	234.8	233.9
Recurring revenues	253.5	229.7	209.3	181.8	164.2
Licensing	32.5	31.4	44.6	53.1	69.6
SaaS	54.6	45.1	30.8	18.8	9.9
Maintenance and Support	198.9	184.7	178.5	162.9	154.4
Consulting and other	117.1	132.6	152.5	155.4	144.8
Growth and distribution					
Sales growth, %	2.4%	-3.1%	4.1%	3.0%	8.4%
Growth in software revenues, %	9.5%	2.8%	8.1%	0.4%	4.4%
Growth in recurring revenues, %	10.4%	9.7%	15.1%	10.7%	5.0%
Share of net sales, software revenue, %	71.0%	66.3%	62.5%	60.2%	61.8%
Share of net sales, recurring revenues, %	62.9%	58.3%	51.5%	46.6%	43.4%
Margins					
Operating margin before depreciation and items affecting comparability (EBITDA), %	25.9%	25.6%	24.5%	22.0%	23.2%
Operating margin (EBIT), %	13.2%	12.1%	13.1%	9.7%	7.8%
Profit margin, %	10.3%	8.9%	9.8%	6.4%	6.0%
Return on capital					
Return on operating capital employed, %	14.1%	13.3%	14.8%	9.8%	7.5%
Return on capital employed, %	12.6%	10.9%	11.5%	8.9%	7.3%
Return on equity, %	10.4%	8.9%	10.6%	7.0%	6.9%
Return on total capital, %	14.8%	14.1%	7.7%	5.7%	5.1%

* Reclassification has occurred between the revenue classes Support and maintenance and Consulting and other for the product TAP. The reclassification amounts to MDKK 10 per year for the financial years 2019-2016 from Support and maintenance to Consulting and other.

MSEK	2020	2019	2018	2017	2016
Capital structure					
Operating capital	384.0	372.4	344.1	373.9	393.5
Capital employed	442.6	406.1	467.9	456.6	454.4
Equity	398.9	400.1	391.0	363.1	346.2
Interest bearing net debt (+)/cash (-)	5.5	-0.7	-46.7	9.4	45.6
Debt/equity ratio, %	55.4%	59.3%	55.7%	53.7%	53.3%
Cash flow and liquidity					
Cash flow from operating activities	115.0	63.7	121.4	95.1	72.2
Cash flow from investing activities	-92.0	-42.2	-40.6	-41.3	-35.7
Cash flow from financing activities	3.1	-112.5	-40.1	-32.3	-13.0
Cash flow for the year	26.0	-91.1	40.6	21.5	23.6
Free cash flow	23.0	21.5	80.8	53.9	33.4
Cash and cash equivalents	58.6	33.7	123.8	82.7	60.9
Personnel					
Total staff, annual average, count	233	222	227	231	235
Total staff at year-end, count	245	221	222	231	230
Share data					
Total shares at year-end, thousands	53,464	53,174	52,887	51,873	51,274
Average total shares before dilution, thousands	53,343	53,015	52,523	51,623	50,803
Average total shares after dilution, thousands	53,549	53,343	52,881	52,128	51,203
Earnings per share before dilution, SEK	0.78	0.66	0.76	0.48	0.43
Earnings per share after dilution, SEK	0.77	0.66	0.75	0.48	0.43
Dividend per share	0.66	0.60	0.60	0.50	0.30
Equity per average total shares	7.48	7.55	7.44	7.03	6.82

MANAGEMENT REPORT

Financial year 2020.

Management Report

The Board of Directors and the Chief Executive Officer of Formpipe Software AB (publ), registration number 556668-6605, hereby present their Management Report for the fiscal year 2020.

Group structure

Formpipe Software AB (publ) is the Parent Company in a Group with ten wholly owned subsidiaries: Formpipe Intelligo AB, Formpipe Software Holding A/S, Formpipe Software A/S, Formpipe Lasernet A/S, Formpipe Lasetnet GMBH, Formpipe Software Benelux B.V., Formpipe Software Ltd., Formpipe Lasetnet Ltd., Formpipe Life Science Ltd., and Formpipe Inc.

Formpipe Software AB (publ) is listed on the NASDAQ Stockholm exchange, with the short name FPIP.

About Formpipe

Formpipe's business idea is to develop IT solutions to create unique business value for companies and organisations that see data management as a business-critical process. Formpipe develops and provides high quality information management software and solutions. Focus is on the relationship between data and people. With Formpipe's software, the user shall always be able to rely on, cooperate with and make the right decisions based on their data. The data must be correct, placed in the right context and be accessible at the right time. Formpipe's software

is categorised in the market for Content Services (formerly Enterprise Content Management, ECM) for document and case management, automation of processes, e-archiving and in the submarket to Content Services called CCM (Customer Communications Management) for the management of customer communication. Offering outstanding product quality and stability allows Formpipe to help its customers realise cost savings and efficiencies. Formpipe offers a unique position to the market for Content Services, with a stable and profitable customer base that provides resources for investing in new markets and developing new offerings. Formpipe's foremost means of competition are products of high quality and a great understanding of how efficient information management works and a good understanding of the high security requirements placed on these products. Formpipe is certified according to ISO 27001, the internationally recognised standard that shows that one conducts systematic information security work in the organisation and protects one's information assets in a proper manner.

The Company's operations are divided into three business areas: Public Sector Sweden, Public Sector Denmark and Private Sector. Within the areas for public sector, Formpipe has a market-leading position in its respective target areas. The Private Sector business area offers industry-independent solutions in Customer Communication Management and solutions originating from the Company's strong positions in the public sector to better provide companies with various needs and conditions.

Business model

Formpipe develops and provides efficient information management software. The Company focuses on solutions for document and records management, workflow automation, e-archiving, quality management and input and output data management. By offering superior product quality and industry-leading expertise, Formpipe helps its customers realise cost savings and efficiencies. The products are used as cloud services, hosting solutions or on-site installation at customers' premises. Formpipe implements its software through certified partners and the Company's delivery organisation. This business model contributes to a balanced delivery capacity and continuously improved knowledge of our customers' needs.

High share of recurring revenues

Formpipe's business model is based on licence revenues for the Company's software products and contractually recurring revenues for support and maintenance and delivery revenues from implementation and upgrade projects. Formpipe also provides its products as cloud services (Software as a Service) where operation, maintenance, upgrades and support are included in the current agreement. This provides the Company a stable, recurring revenue stream as most customers continually renew their agreements. Through complete, industry-tailored solutions that can scale to meet the changing needs of the customer's organisation, we generate repeat business from additional development and enhancements. These developments and enhancement projects often lead to more users and supplemental products are covered, thereby increasing both licence revenues and extended support and maintenance revenues.

Strong customer relations

Formpipe's customers are at the heart of the work we do. We have a deep understanding of our customers' business, and we understand that their business issues are often complex. Formpipe provides relevant and innovative solutions that provide the customers maximum value for their investments. Through strong and close customer relationships in select industries, Formpipe continually develops new software and solutions to cross sell to other customers in the same industry, which creates value for both Formpipe and our customers.

Partners – a channel for growth and greater understanding

Formpipe's business model utilises the Company's partner network to complete a large number of business deals and customer projects. Knowledge about Formpipe's products combined with understanding of the customers' business makes our certified partners central to the work of helping our customers realise the potential of our offerings. Formpipe actively works to evaluate and develop the partner network to increase its reach in the market.

Within the private sector, our partners create value for customers in such sectors as retailing, the manufacturing sector and the financial sector, mainly through ERP consulting in connection with the new purchase or upgrade of business systems. Together, we are taking our product Lasernet to a global market.

In the public sector, Formpipe's partner network forms a complement to our own delivery capacity that is close to the business.

Effective organisation and high levels of expertise

Formpipe is a value-driven software company. We stand up for our brand and our corporate culture.

The organisation is decentralised and puts people first, in every instance. All of the employees are involved in driving Formpipe forward and leadership is marked by clear and open dialogue with short decision pathways. Our business is knowledge intensive, with employees who possess a high level of expertise and dedication. We focus on attracting and developing top talent by fostering an open and stimulating corporate culture where employees are encouraged to grow and develop.

The Company offers all employees participation in share-related incentive programmes.

Formpipe's goal is for all employees to promote long-term customer relationships by always living according to our values.

The organisation is divided into three business areas: private sector, and public sector in Sweden and Denmark. All of them are run based on our mission to build valuable relationships between data and people.

Financial year 2020

The 2020 financial year did not turn out as anyone could have foreseen. The COVID-19 pandemic affected most of the year and changed the circumstances for both Formpipe and the Company's customers. Formpipe quickly adjusted its operations to the employees working from home, which worked very well. Initially, in the spring, a slowdown

in customer activities and on-going projects was noticed. After the summer, the activity essentially returned to a normal level, but with slightly longer sales cycles.

Sales and earnings for the year still ended up slightly higher than the previous year, which is evidence of the robust business model that the Company has with a high percentage of recurring revenues and a stable customer base. Of the total revenues of MSEK 403 (394), recurring revenues accounted for MSEK 254 (230) and thereby comprised 63 (58) per cent of the revenues. The higher scalability in the recurring revenues is clear when the company increased the operating profit by 12 per cent to MSEK 53 (48) despite the year's challenges.

During the year, one acquisition was made of the British company EFS Technology Ltd., which has been a long-term partner of Formpipe in the product Lasernet. EFS was a software company with 30 employees that offered Lasetnet and the proprietary archive product Autoform DM to customers that implement Temenos' ERP system. Temenos is a successful ERP supplier to the financial sector and Formpipe sees major opportunities to deepen that cooperation further. The acquisition was carried out on 1 August and EFS has been fully incorporated in the Private Sector business area.

Private sector

The product Lasetnet further confirmed its potential during the year and extensive focus was placed on structuring the business area to enable increased growth for Lasetnet. Lasetnet, which is a

well-integrated add-on to the ERP systems, is seen as a natural part of introduction projects and is much appreciated by both customers and partners. In connection with the acquisition of EFS Technology Ltd., which has extensive experience and in-depth knowledge of the Lasernet product, nearly doubled the business area's capacity to handle projects and support partners.

Lasernet's growth is largely driven by Microsoft's success with Dynamics and its clear focus on cloud solutions, but also functions excellently with other systems. EFS' long relationship with Temenos also entails an opportunity for Formpipe to quickly grow Lasernet's sales in another channel, besides Microsoft Dynamics. Temenos' customers are comprised of banks and financial institutions, which often means larger, but fewer projects, a good complement to the more business-intensive channel for Microsoft Dynamics.

Both Microsoft and Temenos see strong growth in the U.S. market, which means that Formpipe has strengthened and will continue to strengthen its presence in the U.S., both in terms of its own staff, but also by increasing the number of certified partners.

Public Sector Sweden

The business area for the public sector in Sweden experienced a wait-and-see market in the wake of the pandemic. Even if the ambition was to maintain the investment pace in the public sector, the customers' decision-making processes were prolonged, which in turn affected Formpipe through a lower pace in implementation projects and longer sales cycles.

However, the dialogue with the customers has worked well and many new product offerings have been developed during the year to meet the customers' needs, which have also changed given more working from home during the pandemic. It can be mentioned how Formpipe, together with a few customers and Microsoft, developed a product for integration between the customers' Formpipe system and Microsoft Teams. The product makes it possible to easily and correctly register information that is created in Teams directly in the customers' case management system. Another customer need that has become more tangible during the pandemic and that Formpipe has listened to and developed during the year is a solution to electronically sign documents. There are several solutions in the market for electronic signing, but the public sector sets high standards on security, but also on a coherent process surrounding documents, signing and archiving. Formpipe's signing portal seamlessly integrates to the customers' case and document management systems and gives the customers a coherent process from beginning to end.

A weak business year in a normal comparison. The pandemic has changed the way people work and Formpipe has developed tools that help the customers handle the new day-to-day and thereby continues to be the public sector's foremost supplier on their digitalisation journey.

Public Sector Denmark

The public sector in Denmark has also been affected by the stringent lockdowns in the wake of the pandemic. Like Sweden, the customers' decision-making processes have suffered and procurements have been postponed or taken longer to conduct.

However, Formpipe came to play an important role in the Danish handling of the grant assistance when the Company's suitable product, TAS, was procured to administer the Danish layoff assistance.

The undertaking at the Danish Agricultural Agency, where Formpipe's product TAP is used for the management and disbursement of EU grants to agriculture, has gradually decreased in recent years, which was also the case in 2020. The planned EU CAP2020 reform was delayed due to uncertainties around Brexit and COVID-19, which meant that the authority's needs in the near term have decreased. Sales for Formpipe have decreased for a few years from around MSEK 60 to around MSEK 15, which has entailed a transition for the business area.

Formpipe's extensive experience in grants management is an asset as more authorities see the advantages of automated support for these processes. In Denmark, the Agency for Public Finance and Management initiated a procurement for more centralised management of grant assistance for the Danish authorities. Thanks to its many years of experience and well-established products, Formpipe has a lead over the competition in this area prior to the procurement, which was intended to come out in 2020, but has been delayed as an effect of COVID-19.

Formpipe's operations directed at the Danish municipal market continued its positive development and was successful in converting customers to the now applicable framework agreements, SKI 02.18 and 02.19. These framework agreements mainly build on annually fixed costs for the customers, where they specify what components they want to be included in their solution. This suits both the customers well,

who can better adapt their solutions to their specific needs and at the same time get a more easily budgeted IT cost, and Formpipe, which increases its recurring revenues.

The decrease in delivery revenue from the Danish Agricultural Agency has largely been compensated by the increased recurring revenues, which means that the business area has strengthened its revenue mix during the year and increased the share of recurring revenues by 16% to MSEK 58 (50), which corresponds to 40 (34) per cent of the total revenue.

Outlook for 2021

Formpipe sees continued growth potential for Lasernet, which attracts ever larger and more internationally spread customers. Lasename is a distinct growth area for the Company and in 2021 will further increase the rate of expansion and strongly expand the number of employees in both the U.S. and Europe. In addition to the external help from Microsoft Dynamics' success, closer cooperation with Temenos entails major opportunities for Lasename and Formpipe. Lasename is already a much appreciated third-party product to Temenos, but currently has a low share of installations in the total customer base. In connection with Temenos now increasingly recommending SaaS, an opportunity is opening up for Lasename to be included in the customers' upgrade projects to a significantly higher extent than before.

Within the business areas for the public sectors in Denmark and Sweden, the goal is to further assist the customers in their digitalisation journey.

The strong position that Formpipe has in the public sector is one of the Company's most valuable assets and through an in-depth dialogue with the customers, new solutions will be developed and offered to the broad customer base.

Based on the good circumstances that the Company has identified in its respective business areas, Formpipe is turning up the goal for future growth. In 2021, the Company will invest in increased resourced both in the Private and Public Sectors. These investments will be charged to earnings in 2021 before they begin to provide a visible effect in increased sales.

In connection with the Company beginning this strategic journey of growth, new financial targets are also being communicated.

- Average annual growth of 10 per cent for the years 2021–2025
- Recurring revenues shall account for 70 per cent of total revenues in 2025
- The operating margin shall be gradually strengthened and exceed 20 per cent in 2025
- Dividends of at least 50 per cent of the profit for the year over time

Market

Digital information is an increasingly clearer lifeblood of economic development; it is the foundation for many new products and services, which lead to productivity and efficiency gains in every sector of the economy. Being able to make use of the possibilities of digitalisation has come to be one of the most

important issues of our time. The gains 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. documents, e-mail, reports, records, business documents or information from other source systems. The goal is to be able to refine and analyse 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 market that Formpipe has grown to become a market leader in the public sector and a strong actor in the private sector where we digitalise and improve the effectiveness of customer communication in sectors, such as retailing, the financial sector and the manufacturing sector.

The growth in the market is fuelled in large part by the organisational 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 organisations, applications and services are needed – in order to securely – collaborate, search, analyse, process and distribute data and content. Growth drivers tend to continually gain strength as the amount of data and information increases.

Analyst and consulting firm Gartner's forecast for the global market is an average annual growth (CAGR) of 10 per cent in 2020–2024. The global market for Content Services amounted to more than USD 11 billion in 2020.⁹⁾

⁹⁾ Enterprise Application Software Forecast Q420, Gartner, Inc. 2020

Transition to Software as a Service

Development in the market 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 Software as a Service (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 2024.¹⁰⁾

This development is well in line with Formpipe's strategy and 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. Since 2017, Formpipe has had an average annual growth of SaaS revenues of 55 per cent.

Business areas

Private sector

The global ERP software market is estimated to reach more than USD 50 billion by 2024.¹¹⁾ Since cloud solutions are becoming increasingly accepted due to their scalability, reliability and flexibility, many ERP customers are changing their view of the internal architecture. This shift, where the customers see advantages of moving to the cloud, opens up new possibilities for Formpipe. Lasernet is a product that supplements ERP systems and makes it possible for business documents to be delivered in exactly the format and layout wanted. Lasename continues to develop strongly internationally, a positive

development that above all is a result of Formpipe's close cooperation with Microsoft and their offering in the cloud (Azure) for Microsoft Dynamics. Lasename is a natural complement 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 forms a valuable complement to the business systems from Temenos, a well-established and ever stronger system supplier to the financial sector.

Estimated impact of COVID-19 on the Private Sector business area

We see an increased opportunity to recruit sought-after expertise during the pandemic. At the same time, we see a 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.

Within the Private business area, new sales are largely driven by our partners selling the product Lasename as a part of introduction projects for 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 will be postponed.

When the pandemic is over, the potentially postponed ERP investments are deemed to have created a dammed up need with higher demand than normal.

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 among municipalities, regions and authorities. Up to SEK 45 billion is invested in IT in the Swedish public sector every year.¹²⁾ The Swedish Government's ambition is for government agencies, municipalities and regions to be the best in the world at using the possibilities of digitalisation to create an efficient public sector – a simpler daily life for private individuals and companies, more jobs and greater welfare. Digital solutions and automation are an important component to meet the growing welfare needs and at the same time increase the service to the citizens.

Formpipe is also a leading provider of software for information management 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.

According to the employer organisation Dansk Industri, modernisation and digitalisation of the public sector can free up DKK 20 billion by 2025.¹³⁾ Money that can then be fed back to the public sector and contribute to increasing the level of service.

¹⁰⁾ Market Trends: Cloud Shift — 2020 Through 2024, Gartner, Inc. 2020

¹¹⁾ Enterprise Application Software Forecast Q420, Gartner, Inc. 2020

¹²⁾ Regeringen.se

¹³⁾ www.danskindustri.dk

Estimated impact of COVID-19 on operations in the public sector

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

- Continue buying as usual.
- Now is not the time to discontinue procurements or postpone purchases.
- Public operations are needed as a stable and secure customer when times are uncertain.

In practice, some customers have nonetheless had a need to replan and postpone projects due to practical or technical reasons resulting from the pandemic. There is also reason to believe that, due to these practical reasons, fewer procurements will be initiated than otherwise would have been expected.

In Denmark, the government encourages public organisations to act as the stable purchasing force in society and to help private companies make it through the financial concern. In spite of this, we see that some customers also here have a need for replanning and delaying projects for practical or technical reasons.

Significant events during the year

Postponement of the Annual General Meeting 2020

As a result of the uncertainty that arose due to the spread of COVID-19, the Board of Directors decided to postpone the Annual General Meeting to Tuesday, 30 June 2020 at 10:00 a.m. By postponing the Annual General Meeting, the Board of Directors was

given an opportunity for a continuous analysis and assessment of the situation, and based on this, the dividend proposal for 2019 could be evaluated.

Annual General Meeting 2020

- The Annual General Meeting re-elected Board members Bo Nordlander (Chairman), Peter Lindström, Åsa Landén Ericsson, Annikki Schaeferdiek and Erik Syrén, and elected Martin Bjäringer as a new Board member.
- The incentive programme that was offered to the employees after the Annual General Meeting was fully subscribed and 500,000 warrants were issued.
- SEK 0.60 per share (0.60) was distributed to shareholders, comprising a dividend totalling SEK 32,078,344.20 (31,732,443.60).

Higher number of shares

By utilising warrants issued to the staff in the programme from 2017, a total of 290,000 new shares were issued.

After this increase, the number of shares and votes in the Company amounted to 53,463,907 and the Company's share capital was SEK 5,346,390.70.

Acquisitions

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

Significant orders

Formpipe received many orders throughout the year, of which several were fairly larger, with a subsequent positive effect on the year's earnings.

Comments on the income statement

Historic development

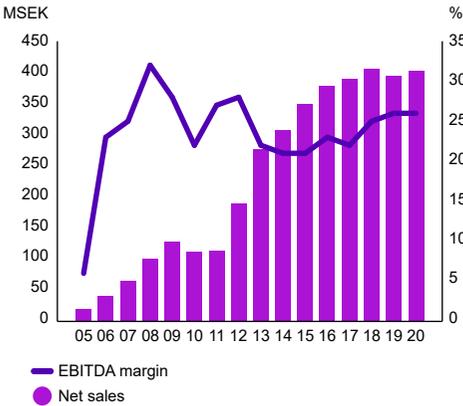
Formpipe's first financial year was 2005. A five-year summary shows that the Company had a historically strong sales increase, partly driven by acquisitions, with retained high profitability. However, 2010 showed declining sales and profitability. This was partially explained by the Company's choice of strategy to become a pure product company and thereby refrain from consulting revenues for the benefit of its partners. The first full-year with a completed transition was 2011 and system revenues amounted to 94 per cent of the revenues. The acquisition of the Traen Group, which was consolidated as of 1 August 2012, entailed strongly increased net sales in 2012 as well as 2013 when it was included for the full year. In 2014, a minor acquisition was made that contributed to growth, but also the underlying organic growth was good, which also continued in 2015 and 2016. In 2017, 2018 and 2019, both sales and profitability were negatively impacted by the transition of parts of the Company's new sales towards SaaS, where the licence revenues are allocated to periods over the contract's duration instead of recognising income at contract signing. In 2019, the delivery revenues decreased as a result of the phase-out of one of three framework agreements at the customer, the Danish Agricultural Agency. 2020 was negatively impacted by COVID-19 and the restrictions that followed in the wake of the pandemic. During the year, one minor

acquisition was carried out and the total revenue increased by 2 per cent and the margin from the previous year was maintained.

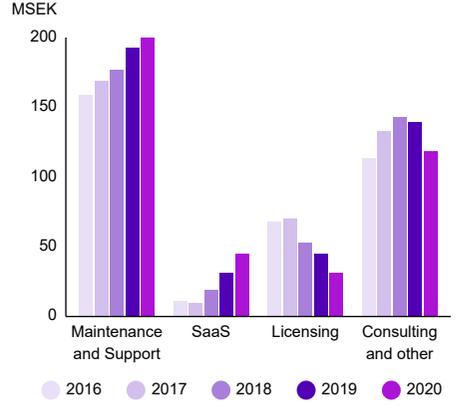
Revenues

Net sales for the period totalled MSEK 403.1 (393.8), which is equivalent to a growth of 2 per cent. Software revenue increased by 10 per cent over the previous year, amounting to MSEK 286.1 (261.1). Total recurring revenues for the period increased by 10 per cent from the previous year and amounted to MSEK 253.5 (229.7), corresponding to 63 per cent (58) of net sales. Currency exchange rate effects have had a negative effect of MSEK 2.7 on net sales compared with the previous year.

Net sales and profitability



Sales growth by revenue type



Expenses

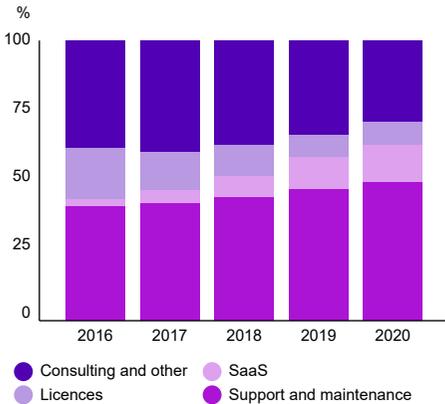
Operating expenses were largely unchanged from the previous year, amounting to MSEK 349.9 (346.3).

A large part of Formpipe’s operating expenses are linked with staff, and staff expenses for the year totalled MSEK 220.1 (208.9), an increase of 5 per cent. The number of employees at year-end was 245 (221), and the average for the year was 233 (222). The distribution of personnel along with salaries and other remunerations appears in Note 8.

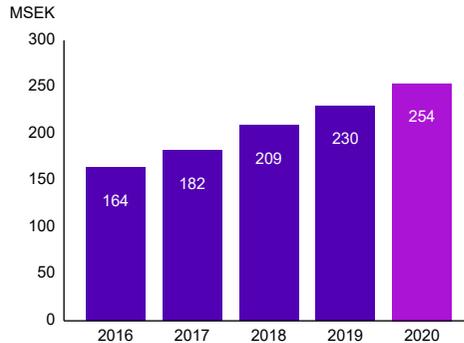
Cost of sales totalled MSEK 41.3 (47.5) and consists primarily of third-party providers of consulting and products and sales commissions to partners.

Other expenses amounted to MSEK 77.6 (73.0).

Sales revenue distribution



Recurring revenues



Capitalised development work at the Company's own expense during the year amounted to MSEK 40.2 (36.3).

Depreciation for the year amounted to MSEK 51.1 (53.2).

Net financial items amounted to an expense of MSEK 0.8 (3.2) and consist of interest expenses of MSEK 1.0 (1.8) and exchange-rate differences as an income of MSEK 0.6 (expense: 1.1).

Tax expense for the year amounted to MSEK 11.1 (9.3).

Profit

Operating profit before depreciation and items affecting comparability (EBITDA) for the year amounted to MSEK 104.3 (100.7), with an EBITDA margin of 25.9 (25.6) per cent. Currency exchange rate effects have had a negative effect of MSEK 0.7 on EBITDA compared with the previous year.

Operating profit for the year totalled MSEK 53.3 (47.5), which corresponds to an operating margin of 13.2 (12.1) per cent.

Profit before tax was MSEK 52.5 (44.3), corresponding to a margin of 13.0 (11.2) per cent.

Profit for the year totalled MSEK 41.4 (35.0), which corresponds to a profit margin of 10.3 (8.9) per cent and is distributed per share according to the table below.

Earnings per share	2020	2019
Total outstanding shares at year-end	53,463,907	53,173,907
Average total shares before dilution	53,343,074	53,014,740
Average total shares after dilution	53,549,144	53,343,153
Profit or loss for the year attributable to Parent's shareholders, KSEK	41,388	35,034
Earnings per share attributable to shareholders of the Parent Company:		
- per number of shares outstanding, SEK	0.77	0.66
- per average total shares before dilution, SEK	0.78	0.66
- per average total shares after dilution, SEK	0.77	0.66

Parent Company

Net sales for the Parent Company totalled MSEK 131.2 (133.9), and profit for the year was MSEK 4.4 (3.1).

Comments on the statement of financial position

Investments and business combinations

Total investments during the year amounted to MSEK 46.0 (42.2), excluding potential acquisitions and divestments of operations.

Investments in acquisitions for the period amounted to MSEK 46.1 (-).

Intangible assets

Formpipe continually invests resources in product development for new and existing applications. A total of MSEK 43.3 (40.6) has been invested in intangible assets over the year, primarily in respect of capitalised development costs.

The goodwill items were valued in the accounts and it was confirmed that no cash flow generating units have booked value in excess of the recoverable amount, whereby no impairment requirements exist as at year-end.

Property, plant and equipment and financial assets

Investments in property, plant and equipment and financial assets amounted to MSEK 3.6 (1.7) and mainly comprised computer and office equipment.

Financial position and liquidity

Cash and cash equivalents

Cash and cash equivalents amounted to MSEK 58.6 (33.7) at the end of the period. At year-end, Formpipe had interest-bearing liabilities of MSEK 64.2 (33.0), of which MSEK 20.5 (27.1) pertained to leasing liabilities according to IFRS 16. The company has an overdraft facility totalling MSEK 50.0, which at the end of period was unused (MSEK 5.9). The Company's net debt at year-end accordingly amounted to MSEK 5.6 (-0.7), which corresponds to a net cash of MSEK 14.9 (27.8) excluding IFRS 16-related liabilities.

The Company has a strong cash flow, and under the current circumstances no need for additional external financing is perceived. A strong negative inflow of orders may have an impact on operating cash flow, and so a short-term financing requirement can never be ruled out. However, the management believes that no such need will arise in future periods.

Deferred tax assets

The Group's deferred tax asset pertaining to accumulated tax loss carryforwards amounted to MSEK 3.6 (7.7) at the end of the period.

Equity

Equity at year-end was MSEK 398.9 (400.1), corresponding to SEK 7.46 (7.52) per outstanding share. Value changes in the Swedish krona have impacted the value of the Group's net assets in foreign currency by MSEK -14.6 from the previous year-end.

Interest-bearing liabilities

During the period, a new loan of MDKK 41.5 was raised as payment for the acquisition of a subsidiary, which is equivalent to MSEK 58.4. During the period, the loan was repaid in an amount of MDKK 9.8 and at the end of the period amounted to MDKK 31.7, equivalent to MSEK 42.8.

During the period January-December, the Company repaid MSEK 27.3 (79.1) of which lease liabilities account for MSEK 8.3.

The Company's existing overdraft facility totalling MSEK 50.0 was unused at the end of period (MSEK 5.9). Leasing-related liabilities amounted to MSEK 20.5 (27.1) at the end of the period. The Company's total interest-bearing liability amounted to MSEK 64.2 (33.0) at the end of the period.

Debt/equity ratio

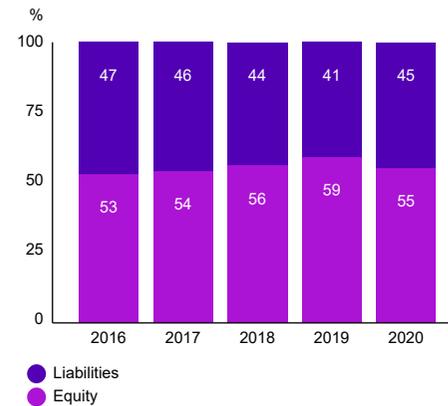
The Group's equity ratio was 55 (59) per cent at year-end.

Comments on the cash flow statement

Cash flow from operations amounted to SEK 115.0 (63.7) million.

Annual cash flow from investing activities amounted to MSEK -46.1 (-42.2), investments in intangible

Debt/equity ratio



assets amounted to MSEK 43.3 (40.6), investments in tangible and financial assets amounted to MSEK 2.6 (1.7) and investments in acquisitions amounted to MSEK 46.1 (-).

Cash flow from financing activities amounted to MSEK 3.1 (-112.5) and is comprised of the raising of loans for MSEK 58.1 (-), repayment of loans of MSEK -13.1 (-80.2), credit facility utilisation of MSEK -5.9 (5.9), repayments of leasing-related liabilities of MSEK -8.3 (-7.4), paid-in proceeds for shares as a result of redemption of the personnel's warrant programme of MSEK 4.6 (2.9), paid proceeds for the buy-back of warrants of MSEK -1.3 (-2.6), paid-in premiums from a new warrant programme for the personnel of MSEK 0.8 (0.6) and paid dividends totalling MSEK -32.1 (-31.7).

The Group's total cash flow for the year amounted to MSEK 23.0 (-91.1).

Significant risks and uncertainty factors

The most obvious uncertainty factors in Formpipe's operations concern company sales and the Company's ability to attract and retain skilled staff.

Recurring revenues constituted 63 (58) per cent of Formpipe's net sales of MSEK 403.1 (393.8). Recurring revenues recur each year and thus constitute a stable and secure base for company earnings. The remaining revenues come from new licence sales and supply function projects, and are subject to greater uncertainty as they are affected by short-term customer demand and changing market conditions. A significant shift was noted in 2017 when more and more customers choose to buy licences based on a SaaS model rather than a traditional licence with associated annual maintenance. This shift continued in 2018 and 2019 and affected the Company's sales, earnings and cash flow negatively during the financial year, although to a lesser extent than the previous year. From 2020, the positive effects of the higher recurring revenues from SaaS began exceeding the negative effects from the unrealised revenues from traditional licences. In the long term, this is very positive for the Company as it increases the share of recurring revenues and thereby reduces the fluctuation and the risk in earnings and profit.

Projects for our new delivery operations relate to the Company's own product portfolio, and therefore the risk in this type of consulting activity can be considered lower than traditional resource consulting. Large portions of this activity concern upgrades which are simple to plan and implement, and which in turn contribute to an operation that is stable over the long term. The delivery organisation is primarily found in the Group's Danish operations. The Danish market has greater flexibility and better opportunities to quickly redeploy

the workforce based on changes in demand, which is a more manageable risk for the Group.

Formpipe's human resources are important, and the availability of skilled personnel is a critical success factor. The Company satisfies this by offering its employees market-adjusted and competitive terms of employment. Over time, however, the availability of staff with the right skills varies, which can lead to cost increases for the Company.

The sensitivity analysis below describes the effect on Formpipe's pre-tax profit, which amounted to MSEK 53.3 (44.3), with changes to several factors:

Sensitivity analysis	Change	Effect on pre-tax profit, MSEK
Demand for licences	+/- 5%	+/- 1.6
Demand for delivery	+/- 5%	+/- 5.9
Staff expenses	+/- 5%	-/+ 11.0
STIBOR/CIBOR*	+/- 100 bps	-/+ 0.6
DKK/SEK	+/- 5%	+/- 1.8
EUR/SEK	+/- 5%	+/- 0.1
GBP/SEK	+/- 5%	-/+ 0.0
USD/SEK	+/- 5%	+/- 0.0

* The change in the reference interest rate for the loan (STIBOR and CIBOR) is calculated as the full-year effect based on interest-bearing debt at year-end.

Further explanation of the risks and uncertainty factors to which the Company is exposed can be found under Notes 3 and 4.

Uncertainty regarding the impact from COVID-19

Formpipe's high percentage of recurring revenues gives the Company good conditions to manage

external risk factors, which has been demonstrated during the on-going pandemic. The Company believes that it is well equipped even if COVID-19 were to entail further restrictions and wait-and-see market conditions.

Guidelines on remuneration for senior executives

The AGM resolved to approve the proposal of the Board for guidelines to remuneration for the Company's Chief Executive Officer and other senior executives as follows: The AGM resolution principally agrees with previously applied policies for remuneration. The guidelines apply for agreements that are made after the 2020 Annual General Meeting, or where a change in remuneration occurs thereafter. The Board has not appointed a separate remuneration committee; instead, the Board in its entirety deals with issues relating to remuneration and other conditions of employment.

The Company shall offer market-adjusted terms which allow the Company to recruit and retain skilled personnel. Remuneration to senior executives shall consist of basic salary, variable remuneration, a long-term incentive programme, pensions, severance terms and other customary benefits. The remuneration is based on the individual's commitment and performance in relation to targets defined in advance, both individual targets and shared targets for the Company as a whole. There is continuous evaluation of individual performance. The basic salary is usually reviewed once a year and must take into account the quality of the individual's performance.

The basic salary for the Managing Director and other senior executives must be competitive. The variable remuneration shall take into account the individual's level of responsibility and degree of influence. The extent of the variable remuneration is related to the extent by which financial objectives established by the Group's Board of Directors are met. The variable remuneration shall constitute no more than 40 per cent in addition to the basic salary. All variable remuneration plans have defined maximum allocation and outcome limits. A provision is made in the annual accounts for variable remuneration attributable to the financial year when applicable and is disbursed in close connection with the Annual General Meeting. The Company has stock-related incentive programmes directed at the entire staff (including the Chief Executive Officer and other senior executives) that is intended to promote the Company's long-term interests. The Board continuously evaluates whether additional option programmes or any other form of stock-related or stock price-related incentive programme should be proposed to the Annual General Meeting. The Chief Executive Officer and other senior executives shall have defined contribution pension agreements. Retirement occurs at age 65 for the Chief Executive Officer and the senior executives. Pension provisions are based solely on the budgeted salary. In the event of termination of the employment of the Chief Executive Officer, six months' notice of termination and six months' severance pay will apply if the contract is terminated by the Company. Other income which the Chief Executive Officer receives during the period for which severance pay is paid will be subtracted from the severance pay. If the Chief Executive Officer terminates the contract, six months' notice must be given. A mutual notice period of 3 to 6 months applies between the Company and the other

senior executives. In the event the Company is the object of a public takeover bid that results in at least 30 per cent of the Company's shares ending up in the possession of one and the same shareholder, the Chief Executive Officer is entitled, upon termination of employment by the Company or the Chief Executive Officer, to special severance pay corresponding to 12 basic monthly salaries at the time notice is given. Such severance pay is not subject to deduction for other income, shall be paid in its entirety upon the cessation of the employment and replaces the severance pay to which the Chief Executive Officer is normally entitled according to his or her employment contract.

The Annual General Meeting provided the Board of Directors with an opportunity to deviate from the proposed guidelines above in the event there are particular grounds for doing so in specific cases.

The guidelines for the remuneration of senior executives proposed to the 2021 Annual General Meeting are essentially unchanged, but are described in detail in accordance with the new guidelines applicable for 2021 in the Company's Corporate Governance Report.

Share structure

Formpipe's shares are traded under the short name FPIP on Nasdaq Stockholm. Each share in Formpipe entitles the holder to one vote at the Annual General Meeting and entails an equal right to the Company's assets and income.

Formpipe's share capital was SEK 5,346,390.70 at year-end 2020, allocated to 53,463,907 shares.

As of 31 December 2020, Formpipe had three warrant programmes outstanding for a total of 1,500,000 warrants registered for employees. The warrants can increase the total shares outstanding and voting rights in the Company by a maximum of 2.8 per cent. A new share issue in connection with the redemption of the 2018/2021 warrant programme may result in an increase in share capital by no more than SEK 50,000 and 500,000 shares. A new share issue in connection with the redemption of the 2019/2022 warrant programme may result in an increase in share capital by no more than SEK 50,000 and 500,000 shares. A new share issue in connection with the redemption of the 2020/2023 warrant programme may result in an increase in share capital by no more than SEK 50,000 and 500,000 shares.

Formpipe held no treasury shares at the end of 2020.

At the end of 2020, there were no agreements limiting the right to transfer shares.

Proposed appropriation of profit

Appropriation of profits, SEK

The following retained earnings are at the disposal of the Annual General Meeting:	
Non-restricted reserves	163,038,246
Profit for the year	4,359,702
	167,397,948

The Board of Directors proposes:

To pay a dividend of SEK 0.66 per share to shareholders, totalling	35,286,179
To be carried forward	132,111,769
	167,397,948

The Board of Directors proposes that the Annual General Meeting on 28 April 2021 resolve to approve a dividend of SEK 0.66 (0.60) per share, which entails a total dividend of SEK 35,286,178.62 (31,904,344.20).

As a basis for its proposal to carry the retained profit forward, the Board has assessed the Parent Company and Group consolidation requirements, liquidity and financial position otherwise as well as the ability to meet its commitments on the short and long terms in accordance with Chapter 17 Section 3 Paragraphs 2–3 of the Swedish Companies Act. In its proposal, the Board has also taken into account the effects of any continued and prolonged spread of the coronavirus (COVID-19). The Board of Directors assesses that the proposed appropriation of profits is well-adjusted to the business' nature, scope and risks and the Parent Company's and the Group's capital requirements.

This annual report shows that the equity ratio for the Parent Company was 44 (60) per cent.

Group equity was MSEK 398.9 (400.1) at the end of the period and net debt was MSEK 5.6 (-0.7).

Corporate governance report

The Formpipe Corporate Governance Report is on pages 114–122 of this Annual Report.



SUSTAINABILITY REPORT

Sustainability Report for 2020.

Sustainability Report

This is Formpipe's statutory sustainability report for the 2020 financial year. The report comprises the Parent Company Formpipe Software AB and its subsidiaries. Information on the corporate structure and business model is on page 71 in the Management Report.

A driving actor in value-creating digitalisation

Formpipe has the ambition to be a driving actor in the value-creating digitisation of public administrations and private organisations. Through Formpipe's offerings, the long-term conditions are improved for our customers, our customers' customers and the environment. By utilising modern information technology, working life and the day-to-day are made more efficient and easier. Time is freed up for individuals, which in the long term provides a higher quality of life. The environmental footprint decreases as a result of less travel and lower resource utilisation in the form of paper, printing, storage, transports, etc.

Resource and efficiency gains as a result of using Formpipe's systems for structured and increasingly automated information management make it possible for public organisations to meet demands for a higher level of service and to do more with fewer resources. Formpipe's operations are run from a long-term sustainable perspective where all of the Company's stakeholders' needs are met.

With customers in public and private organisations, high standards are set on good business ethics, IT security and data integrity. An inability to meet these standards leads to worse financial circumstances and in the short term also negative consequences for the Company's continued existence. Through its high product quality, Formpipe is on the forefront in terms of developing and providing software and solutions for high-quality and secure information management. Through continuous development work, it is ensured that the customers' and society's growing demands are met.

Steering documents

Guidance for compliance in the sustainability area are in the company's policies regarding: Corporate Social Responsibility (CSR), the Personnel Handbook, Salaries, Equality Plan, Sexual harassment preparedness plan, Information Security, IT Security and Quality Assurance.

Core values

Formpipe is a value-driven software company. We stand up for our brand and continuously develop our corporate culture. Formpipe's goal is for all employees to promote long-term customer relationships by always living according to our values. Something that is being worked on actively and is continuously followed up in recurring pulse measurements described under the heading Employees and social involvement.

The organisation is divided into three business areas: private sector, and public sector in Sweden and Denmark. All of them are run based on our mission to build valuable relationships between data and people. Formpipe’s core values form the basis for our Code of Conduct and are of major significance to the entire organisation. They permeate our way of acting, interacting, making decisions and managing the work in the future.

Passion for people

We are proud of who we are and put people first

Understanding our customers

We listen and create true business value

Respect and trust

We are open-minded and we are honest

Perform with quality

We take ownership and we act professionally

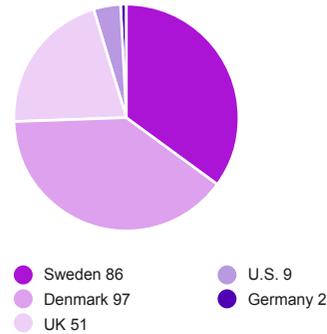
Lead by example

We are value driven and we support each other

Engage and have fun

We have a unique team spirit and we love what we do

Employees by country



Stakeholders



Customer engagement and product quality

Strong customer engagement is of central importance to Formpipe’s operations. It is through our active co-creation that we drive the digitalisation of the public sector forward and strengthen our offering to the private sector. A customer engagement in the continuous maintenance and further development of our products is one way to strengthen our relevance and for investments in our services to come to the maximum benefit of our customers.

Product quality is also a prerequisite for being the customers’ first choice and a long-term actor in a competitive market.

In earlier years, the respective business area formulated and conducted an annual customer survey to strengthen our offering in the long term and meet our customers’ business needs. It was decided in 2020 to replace these surveys beginning in 2021 by a more regular measurement of the Customer Net Promoter Score (cNPS), an increasingly popular measurement of customer engagement. Formpipe will continuously send out surveys with the cNPS question: “how likely is it that you would recommend Formpipe to a friend or colleague?”. In connection with this changed approach, our goal is to be at a higher cNPS value than the average compared to other companies.

In these measurements, space will also be provided for future-oriented suggestions from customers on product improvements or product development.

Besides the cNPS measurements, there are also active user associations that contribute to the products' development through a set process.

Formpipe will in continuation report the development of the cNPS figure in the sustainability report.

Target: The target will be formulated in comparison with other comparable companies in similar industries as these become available. Something that Formpipe expects to occur in the next few years.

Results: N/A

Business ethics and IT security

Formpipe's customers set high standards on good business ethics, IT security and data integrity. These areas are important success factors for the Company's long-term financial conditions and survival.

IT security and data integrity

Formpipe is and has been successful in its work in IT and information security. Information in various forms is one of our most important assets. We therefore need to be assured that we handle and protect our information in the right way. Formpipe is certified according to ISO 27001. It is an internationally recognised standard that shows that the Company conducts systematic information security work in the organisation and protects its information assets.

Corruption, bribes and money laundering

Formpipe does not offer, does not request and does not accept bribes or other illegal payments to win or keep business. The Company intends to only do business with business partners who conduct business that is consistent with legislation and whose business is financed in a legal manner. Formpipe does not promote money laundering and follows the general guidelines on combating money laundering that exist in applicable laws and conventions.

Human rights

Formpipe supports and respects human rights regardless of where we work and we follow the UN Guiding Principles on Business and Human Rights and the UN framework for reporting guiding principles.

Employees and social involvement

At Formpipe, we safeguard each other and live according to our core values. Both managers and employees have a responsibility to contribute to creating a good working climate and resolving any challenges that may arise. Offering a good working environment contributes to possibilities of attracting and keeping skilled personnel, which is a prerequisite for the Company's continued development. By our employees thriving and having fun together, Formpipe can supply good products and maintain a good relationship to our customers. This will in term lead to us achieving better financial results and Formpipe will remain in the market as the high-quality supplier we are.

Working environment

Formpipe strives to create a working environment where our employees thrive, have fun and are committed. The employees are involved, can influence their work situation and are given the opportunity of personal development. Formpipe has long measured the employees' commitment, motivation and well-being by annually conducting an employee survey. In 2019, the Company shifted from the earlier annual employee surveys to a new tool where continuous "pulses" are taken to better be able to take the temperature of the employees' commitment. In 2020, the increasingly popular measurement of Employee Net Promoter Score (eNPS) will also be applied in these pulse measurements.

Formpipe's eNPS at the end of 2020 was: 9

With this approach, Formpipe gains insights that can be quickly acted on – a transition to governing the business with an efficient and agile method. In connection with this changed approach, our goal is to be at a higher cNPS value than the average compared to other companies.

Target: The target will be formulated in comparison with other comparable companies in similar industries as these become available. Something that Formpipe expects to occur in the next few years.

Results: N/A

Gender distribution, diversity and non-discrimination

Formpipe’s basic philosophy is that we will recruit qualified employees and promote equal rights and opportunities regardless of gender, cross-gender identity or expression, ethnic identity, religion or other beliefs, disability, sexual orientation or age. This approach permeates the entire company. Formpipe permits no form of discrimination, whether direct or indirect.

Target: The percentage of women shall be above the average for the IT industry.

Results: A comparison has been made between the Swedish part of the organisation and the Swedish IT and Telecom Industry average. Then, Formpipe reaches a target above the average at 30 per cent women compared with the 2019 industry average of 29 per cent (a basis for the average of 2020 was

unavailable). For Formpipe as a whole, the percentage of women is 24 per cent and there the comparison in the other countries was not possible. The Company intends to develop this target and seek better comparative figures in 2021 to better be able to report diversity.

Diversity on the Board

Formpipe strives to meet the guidelines in the Swedish Corporate Governance Code, which is administered by the Swedish Corporate Governance Board (SCGB), with regard to the Board of Director’s composition. The SCGB’s target for listed companies is an even gender distribution where the boards consist of at least 40 per cent women by 2020.

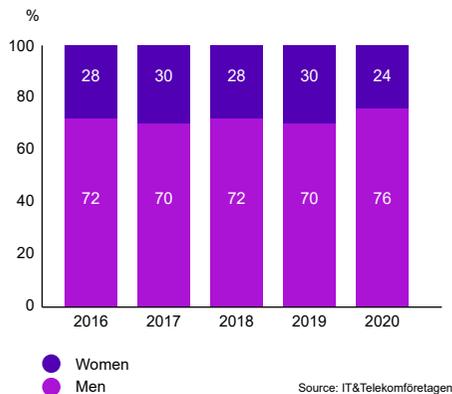
Target: An even gender distribution with at least 40 per cent women.

Results: The target was not achieved in 2020. The percentage of women on the Board was 33 per cent at year-end.

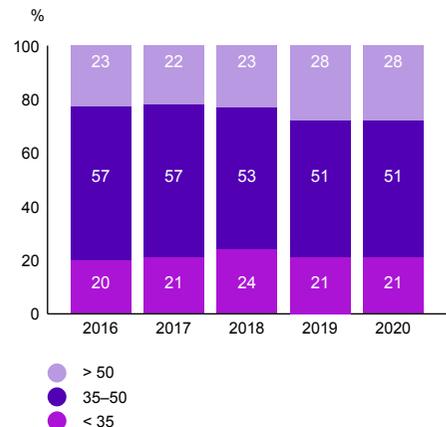
Community involvement

Every year, Formpipe allocates money for charity. This money is distributed during the year based on what is happening in the surrounding world and how well the initiatives harmonise with Formpipe’s core values. In 2020, Formpipe made donations to IT for Children, a Swedish initiated organisation that is mainly active in Ghana, West Africa. Our donation is intended to support IT for Children’s mission to drive positive social change by offering free access to computers, internet and education in information and communication technology for children in Ghana. This is something that matches well with Formpipe’s mission to build valuable relationships between data and people and contribute to an inclusive and sustainable digital society, built on trust.

Percentage women and men



Employees by age group



Environmental impact

Formpipe safeguards a sustainable environment for current and future generations by limiting negative environmental and climate impact to the furthest extent possible in the scope of our operations. Formpipe’s products shall also make it easier for the customer and the customer’s customer to minimise their environmental impact.

Sustainable IT

By maintaining the IT equipment, we increase its lifespan and reduce the need to invest in new

equipment. All electronic waste is collected and source sorted to be recycled in the best way. Centralised operations with virtual servers reduce the energy use and save resources

Travel

We strive to travel as little as possible and use web meetings, webinars, etc. We mainly provide support remotely, which further reduces our need to travel and means that we can be even faster and more efficient in finding solutions for our customers. In the cases we nonetheless need to travel, these journeys shall take place in an environmentally friendly and cost-effective manner. In 2020, travel was restricted almost entirely and there, digital meetings and communication have proven to be a worthy replacement for many physical meetings. Formpipe has as a result initiated a project that aims to investigate how a new way of working can be formulated to best match the individual's needs and the Company's long-term development even after the pandemic.

Energy use

In our work to safeguard the environment, we endeavour to make conscientious choices and to reduce electricity consumption by, for example:

- using suppliers who offer green electricity
- turning off computers, screens and lighting when not used
- using premises of the right size

Materials and recycling

Formpipe has a deliberate environmental thinking with regard to the purchase of office materials, food and other products. The Company strives to purchase energy-saving office machines and products that are environmentally labelled, organic, locally produced and recyclable. Formpipe works for greater recycling of materials and source sorting of e.g. paper and glass. The Company strives to choose environmentally adapted packaging and to not use disposable items.

Onboarding and training

Formpipe actively works to develop the onboarding process for new employees. In this, many parts of the sustainability report are already included and in 2021 the Company will further integrate these targets and approaches into the process and see how this can be supplemented with further training efforts by our employees.

Development of the sustainability report

As a result of a perceived increased standardisation in the reporting of sustainability targets, Formpipe intends to investigate the possibility of even more clearly reporting on ESG criteria for the Company's impact. The Company hopes this will enable comparability between Formpipe and other actors in the industry, something that Formpipe believes benefits a long-term positive development for the Company, all of its stakeholders and society in general.



FINANCIAL STATEMENTS

Financial Statements for 2020.

Consolidated income statement

KSEK	Note	2020	2019
Net sales	5, 6	403,126	393,797
Operating expenses			
Cost of sales	5, 6	-41,282	-47,543
Other costs	5, 7, 28	-77,596	-72,963
Staff expenses	5, 8	-220,112	-208,886
Own work capitalised		40,206	36,261
Operating profit before depreciation (EBITDA)		104,342	100,667
Depreciation	14, 15, 26	-51,091	-53,154
Operating profit (EBIT)		53,251	47,514
Income from financing activities	9, 11	607	7
Expenses from financing activities	9, 11, 26	-1,403	-3,236
Profit/loss after financial items		52,455	44,285
Tax on profit/loss for the year	10, 23	-11,067	-9,251
Profit/loss for the year		41,388	35,034
<i>Of which attributable to:</i>			
Shareholders of the Parent Company		41,388	35,034
Total		41,388	35,034
<i>Other comprehensive income</i>			
Items that may be reclassified to profit/loss			
Currency differences		-14,642	4,943
Other comprehensive income for the year, net after tax		-14,642	4,943
Total comprehensive income for the year		26,746	39,976
<i>Of which attributable to:</i>			
Shareholders of the Parent Company		26,746	39,976
Total		26,746	39,976
KSEK		2020	2019
Earnings per share, based on income attributable to shareholders of the Parent over the year (SEK per share)	12		
– before dilution		0.78	0.66
– after dilution		0.77	0.66
Average total shares before dilution, thousands		53,343	53,015
Average total shares after dilution, thousands		53,549	53,343

Consolidated statement of financial position

KSEK	Note	31/12/2020	31/12/2019
ASSETS			
Non-current assets			
Intangible assets	14		
Capitalised expenditure		130,643	129,632
Goodwill		380,218	342,377
Other intangible non-current assets		12,762	380
Total intangible non-current assets		523,623	472,389
Property, plant and equipment	15		
Other equipment		27,138	33,745
Total property, plant and equipment		27,138	33,745
Financial assets			
Other financial assets	16, 17	1,473	1,565
Other non-current receivables	6, 16, 17	1,811	3,259
Total non-current financial assets		3,284	4,824
Non-current receivables			
Deferred tax assets	23	3,645	7,664
Total non-current receivables		3,645	7,664
Total non-current assets		557,689	518,623
Current receivables			
Trade and other receivables	17, 18	61,474	87,295
Current tax assets		6,465	2,210
Other receivables	17	507	249
Accruals and prepaid income	6, 17, 19	35,790	32,514
Total current receivables		104,235	122,268
Cash and cash equivalents	17, 20	58,593	33,682
Total non-current assets		162,828	155,951
TOTAL ASSETS		720,517	674,573

KSEK	Note	31/12/2020	31/12/2019
EQUITY			
Share capital	21	5,346	5,317
Other paid-in capital		212,640	208,600
Revaluation reserves		9,071	23,713
Retained earnings including profit for the year		171,807	162,498
Total equity attributable to shareholders of the Parent		398,865	400,129
LIABILITIES			
Non-current liabilities			
Borrowing from credit institutions	17, 22	29,434	-
Deferred tax liabilities	23	28,434	23,818
Non-current lease liabilities	26	13,277	19,973
Total non-current liabilities		71,145	43,791
Current liabilities			
Borrowing from credit institutions	17, 22	14,258	5,937
Current lease liabilities	26	7,218	7,082
Trade and other payables	17	15,722	15,703
Current tax liabilities		1,665	2,177
Other liabilities	24	16,916	11,666
Accrued expenses and deferred income	6, 17, 25	194,728	188,088
Total current liabilities		250,507	230,654
Total liabilities		321,653	274,445
TOTAL EQUITY AND LIABILITIES		720,517	674,573

Consolidated statement of changes in equity

KSEK	Note	Equity attributable to shareholders of the Parent				Total
		Share capital	Other contributed capital	Revaluation reserves	Retained earnings including profit for the year	
Equity on 1 January 2019		5,289	207,767	18,770	159,197	391,023
Comprehensive income						
Profit/loss for the year		-	-	-	35,034	35,034
Other comprehensive income		-	-	4,943	-	4,943
Total comprehensive income		-	-	4,943	35,034	39,976
Transactions with shareholders						
Dividends	12	-	-	-	-31,732	-31,732
New warrant issue	21	29	2,828	-	-	2,856
Warrant buy-back	21	-	-2,610	-	-	-2,610
Paid-in premiums for staff share option programme	21	-	615	-	-	615
Total transactions with shareholders		29	833	-	-31,732	-30,871
Equity on 31 December 2019		5,317	208,600	23,713	162,498	400,129
Equity on 1 January 2020		5,317	208,600	23,713	162,498	400,129
Comprehensive income						
Profit/loss for the year		-	-	-	41,388	41,388
Other comprehensive income		-	-	-14,642	-	-14,642
Total comprehensive income		-	-	-14,642	41,388	26,746
Transactions with shareholders						
Dividends	12	-	-	-	-32,078	-32,078
New warrant issue	21	29	4,553	-	-	4,582
Warrant buy-back	21	-	-1,264	-	-	-1,264
Paid-in premiums for staff share option programme	21	-	750	-	-	750
Total transactions with shareholders		29	4,039	-	-32,078	-28,010
Equity on 31 December 2020		5,346	212,640	9,071	171,807	398,865

Income statement – Parent

KSEK	Note	2020	2019
Net sales	27	131,160	133,927
Operating expenses	27		
Cost of sales		-8,782	-7,683
Other costs	7, 28	-44,755	-44,855
Staff expenses	8	-71,951	-68,878
Depreciation		-6,270	-6,011
Total operating expenses		-131,758	-127,427
Operating profit/loss		-598	6,500
Income from financing activities	9, 11	2,669	477
Expenses from financing activities	9, 11	-965	-2,877
Profit/loss after financial items		1,106	4,100
Appropriations	27	4,491	-
Tax on profit/loss for the year	10, 23	-1,237	-970
Profit/loss for the year		4,360	3,129

The Parent Company has no items to report under Other comprehensive income, hence this is not reported.

Statement of financial position – Parent

KSEK	Note	31/12/2020	31/12/2019
ASSETS			
Non-current assets			
Intangible assets	14		
Capitalised expenditure		6,851	5,954
Customer contracts		-	4,295
Total intangible non-current assets		6,851	10,248
Property, plant and equipment	15		
Other equipment		981	891
Total property, plant and equipment		981	891
Financial assets			
Shares in subsidiaries	16	344,636	275,586
Other non-current receivables	6.16	1,811	3,259
Total non-current financial assets		346,446	278,846
Total non-current assets		354,278	289,985
Current assets			
Non-current receivables			
Trade and other receivables	18	14,470	44,579
Current tax assets		5,542	2,210
Loans to group companies	27	15,740	14,107
Other receivables		105	227
Accruals and prepaid income	19	8,930	7,635
Total current receivables		44,787	68,756
Cash and cash equivalents	20	30,666	641
Total non-current assets		75,454	69,397
TOTAL ASSETS		429,732	359,381

KSEK	Note	31/12/2020	31/12/2019
EQUITY			
Restricted equity			
Share capital	21	5,346	5,317
Other contributed capital		17,691	17,691
		23,037	23,008
Non-restricted equity			
Distributable reserves		181,493	177,453
Retained earnings		-18,454	10,495
Profit/loss for the year		4,360	3,129
		167,398	191,077
Total equity		190,435	214,085
LIABILITIES			
Non-current liabilities			
Borrowing from credit institutions	22	29,434	-
Total non-current liabilities		29,434	-
Current liabilities			
Borrowing from credit institutions	22	14,258	5,937
Trade and other payables		9,590	7,767
Liabilities to group companies	27	98,751	34,794
Other liabilities	24	2,083	6,486
Accrued expenses and deferred income	25	85,180	90,312
Total current liabilities		209,863	145,296
Total liabilities		239,297	145,296
TOTAL EQUITY AND LIABILITIES		429,732	359,381

Statement of changes in equity – Parent

KSEK	Note	Restricted equity		Non-restricted equity		Total equity
		Share capital	Other contributed capital	Distributable reserves	Retained earnings including profit for the year	
Equity on 1 January 2019		5,289	17,691	176,620	42,227	241,827
Comprehensive income						
Profit/loss for the year		-	-	-	3,129	3,129
Total comprehensive income		-	-	-	3,129	3,129
Transactions with shareholders						
Dividends	12	-	-	-	-31,732	-31,732
New warrant issue	21	29	-	2,828	-	2,856
Warrant buy-back	21	-	-	-2,610	-	-2,610
Paid-in premiums for staff share option programme	21	-	-	615	-	615
Total transactions with shareholders		29	-	833	-31,732	-30,871
Equity on 31 December 2019		5,317	17,691	177,453	13,624	214,085
Equity on 1 January 2020						
		5,317	17,691	177,453	13,624	214,085
Comprehensive income						
Profit/loss for the year		-	-	-	4,360	4,360
Total comprehensive income		-	-	-	4,360	4,360
Transactions with shareholders						
Dividends	12	-	-	-	-32,078	-32,078
New warrant issue	21	29	-	4,553	-	4,582
Warrant buy-back	21	-	-	-1,264	-	-1,264
Paid-in premiums for staff share option programme	21	-	-	750	-	750
Total transactions with shareholders		29	-	4,039	-32,078	-28,010
Equity on 31 December 2020		5,346	17,691	181,493	-14,095	190,435

Cash flow statement

KSEK	Note	Group		Parent Company	
		2020	2019	2020	2019
Cash flow from operating activities					
Operating profit/loss		53,251	47,514	-598	6,500
Items not affecting cash flows					
– Depreciation		51,490	52,886	6,270	6,011
– Other items		-1,836	1,489	2,227	-1,158
Other items affecting liquidity					
Interest revenue	2	7	7	442	477
Interest expense		-1,403	-2,153	-965	-1,719
Income tax paid		-9,389	-8,296	-4,569	-9,408
Cash flow from operating activities before changes in working capital		92,115	91,447	2,807	703
Increase (-) / decrease (+) trade receivables		28,276	-23,912	31,844	-24,384
Increase (-) / decrease (+) other current receivables*		333	-9,413	-2,000	5,677
Increase (+) / decrease (-) trade payables		-1,372	-11,030	7,100	-13,147
Increase (+) / decrease (-) non-current liabilities		-4,354	16,609	52,542	9,173
Cash flow from changes in working capital		22,884	-27,746	89,486	-22,681
Cash flow from operating activities		114,999	63,701	92,293	-21,978

* The lines regarding work in progress have been reclassified for the 2019 financial year to the lines for other current receivables.

KSEK	Note	Group		Parent Company	
		2020	2019	2020	2019
Cash flow from investing activities					
Investment in intangible non-current assets	14	-43,348	-40,589	-2,341	-3,467
Investment in property, plant, and equipment	15	-2,631	-1,654	-621	-299
Investment in financial assets	16	-	-	-	64,087
Investments in subsidiaries	28	-46,067	-	-69,050	-
Cash flow from investing activities		-92,046	-42,243	-72,012	60,320
Cash flow from financing activities					
New share issue	21	4,582	2,856	4,582	2,856
Issue of warrants	21	750	615	750	615
Warrant buy-back		-1,264	-2,610	-1,264	-2,610
Raising of loans	22	58,361	5,937	58,361	-
Repayment of loans	22	-19,018	-80,212	-14,669	-76,883
Repayment of lease liabilities	22, 26	-8,274	-7,375	-	-
Dividend paid	13	-32,078	-31,732	-32,078	-31,732
Cash flow from financing activities		3,060	-112,521	15,682	-107,754
Cash flow for the year		26,013	-91,064	35,963	-69,412
Currency translation differences for cash and cash equivalents		-1,103	965	-	-
Cash and cash equivalents at start of year		33,682	123,782	-5,296	64,116
Cash and cash equivalents at year-end	20	58,593	33,682	30,666	-5,296

Notes

All amounts in these notes are stated in SEK thousands (KSEK) unless otherwise specified. The closing date is 31 December 2020.

Note 1. General information

Formpipe Software AB (Parent) and its subsidiaries (jointly, the Group) sell software and consulting services used to capture, manage and distribute information.

The Group has offices in Sweden, Denmark, the Netherlands, Germany, the UK and the U.S.

The Parent is a Limited Liability company registered and domiciled in Sweden. The address of the head office is Formpipe

Software AB (publ), Box 23131, SE-104 35 Stockholm. The visiting address is Sveavägen 168, Stockholm.

The Parent is listed on the Nasdaq Stockholm Stock Exchange.

The Board of Directors approved the consolidated financial statements on 1 April 2021.

Note 2. Summary of significant accounting principles

The significant accounting policies used in preparing these Consolidated and Parent financial statements are stated below. These policies have been consistently applied for all represented years, unless otherwise stated.

Basis for preparing the reports

The consolidated annual report for the Formpipe Group was prepared in compliance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation Supplementary Accounting Rules for Groups (RFR 1), as well as International Financial Reporting Standards (IFRS) and the IFRC interpretations as adopted by the EU. The consolidated financial statements have been prepared in accordance with the cost method.

The Parent's financial statements were prepared in compliance with the Swedish Annual Accounts Act and RFR 2. The accounting policies in the Parent are considered to follow the Group's except the parts below. No other differences between the consolidated and Parent accounting policies are considered to be material.

- In the acquisition of subsidiaries, value arises in the Parent in the form of shares in subsidiaries at the value of the purchase consideration and no goodwill thereby arises in the Parent in connection with the acquisition of subsidiaries. The value of the shares in subsidiaries is a difference from the consolidated financial statements as they are eliminated in the consolidated statement of financial position. Acquisition expenses are booked to the balance in the Parent, but expensed in the Group.

- The goodwill that may arise in the Parent statement of financial position is not attributable to acquisition of shares in subsidiaries, but arises in case of acquisitions of assets and liabilities and mergers of subsidiaries, so called goodwill from net asset acquisition and merger good will. All merger goodwill or other asset-acquisition goodwill that arose internally in the Group is eliminated in the Group's consolidation and thereby does not affect consolidated goodwill in the statement of financial position.
- Goodwill in the Parent is considered to have a limited economic useful life and is subject to amortisation over the Parent's income statement. Consolidated goodwill is not subject to amortisation.

Preparation of financial statements in accordance with IFRS requires using several significant accounting estimates. Management is also required to make certain judgements when applying the Group accounting policies. The estimates and assumptions are regularly reviewed. Information about the areas that are complex or involve a high proportion of assumptions and estimates, or areas where accounting estimates are of key significance to the consolidated financial statements are stated in Note 4.

New or amended standards applied by the Group

No new or amended standards were applied by the Group.

New standards, or amended or changed interpretations of current standards where the change has not come into force are not applied in advance by the Group

A number of new standards and interpretations will come into force for financial years commencing after 1 January 2020 and have not been applied at the time of the compilation of this financial statement. None of these is expected to have any significant impact on the Group's financial statements:

Segment reporting (see Note 5)

Operating segments are reported in compliance with the internal reporting structure as provided to the chief operating decision-maker for the entity. The chief operating decision-maker is the function responsible for allocation of resources and assessment of the operating segments' profit or loss. In the Group, this function is identified as the Group Chief Executive Officer.

For the comparison year 2019, the segment overview was adjusted as the Group, beginning in 2020, combines intra-Group invoicing (income and expenses) to a net amount as there is significant invoicing within the business areas regarding royalties to IP owning companies. The line Intra-Group net thereby refers to the intra-Group income and expenses recognised net against each other for a more realistic picture of the respective business area. Reversal of operating leases in accordance with IFRS 16 is also recognised included in the respective business area in continuation in the intra-Group follow-up.

Consolidated financial statements

Subsidiaries

Subsidiaries are all of the companies (including companies for special purposes) where the Group is entitled to govern financial and operational strategies in a manner usually pursuant to shareholdings amounting to more than half of the voting rights. The occurrence and effect of potential voting rights that are currently possible to utilise or convert are observed in the assessment of whether the Group exercises control over another company. The Group also assesses if controlling influence exists although it does not have shareholdings amounting to more than half of the voting rights, but nonetheless has the possibility to control financial and operating strategies through de facto control. De facto control can arise under circumstances where the share of the Group's voting rights in relation to the size and spread of other shareholders' voting rights give the Group the possibility to control financial and operating strategies, etc. Subsidiaries are consolidated in the financial statements on the date control is transferred to the Group. They are de-consolidated on the date that control ceases.

Business combinations for the Group are accounted for using the acquisition method. The cost of an acquisition comprises the fair value of assets transferred, the liabilities the Group incurred or assumed in regard to the previous owners, and equity instruments issued at the transfer date. The purchase price also includes the fair value of all assets or liabilities that result from any agreement for contingent consideration. Identifiable acquired assets and assumed liabilities and contingent liabilities in a business combination are measured initially at their transfer-date

fair value. For each business combination, the Group determines whether non-controlling interests in the acquired business are reported at fair value or at the proportionate share of the carrying amount of the identifiable net assets in the acquired business. Profit/loss from subsidiaries acquired or divested during the year is included in the consolidated income statement as of the date of acquisition or until the date of divestment. This date is the day that the Group receives or loses control over a subsidiary.

Non-controlling interests in the subsidiaries' earnings and equity are recognised separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet.

Transaction expenses attributable to the acquisition are recognised as incurred.

When the business combination is taken in more than one step, the previous equity stakes in the acquired business are remeasured at their fair value at the transfer date. Any profit or loss is reported in the income statement.

Every contingent consideration to be transferred by the Group is recorded at fair value at the transfer date. Subsequent changes to the fair value of contingent consideration that was classified as an asset or liability is accounted for in accordance with IFRS 9 in either the income statement or other comprehensive income. Contingent consideration classified as equity is not revalued and subsequent settlement is recognised in equity.

Goodwill is initially recognised as the amount whereby the total cost and fair value of the holding without control exceeds the fair value of the net identifiable assets of the acquired assets and assumed liabilities. If the cost is lower than the fair value of the net identifiable assets of the business, the difference is recognised immediately in the income statement.

Intra-group transactions, and balances, and gains or costs on intra-group transactions are eliminated. Profit or loss arising from intra-group transactions and that are recorded as assets are also eliminated. The accounting policies of subsidiaries have been amended, when necessary, to ensure consistent application of Group policies.

Group contributions from the Parent to subsidiaries are recognised as an increase in the holding in the subsidiary, while at that time an assessment is made as to whether there is objective evidence that the shares may be impaired. Group contributions received by the Parent are recognised using the same policies as regular dividends from subsidiaries, as financial income.

Foreign currency translation

FUNCTIONAL AND PRESENTATION CURRENCY

Items in the individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements are presented in Swedish kronor (SEK), which is the Parent's functional and presentation currency.

TRANSACTIONS AND BALANCE ITEMS

Foreign currency transactions are translated into the functional currency according to the exchange rates prevailing on the date of the transaction or the date on which the items are revalued. Exchange gains and losses arising from the settlement of these transactions, and when translating foreign currency monetary assets and liabilities at the closing rate on the statement of financial position date are recognised in the income statement.

Currency exchange rate gains and losses attributable to loans and cash and cash equivalents are reported in the income statement as financial revenues or expenses.

Translation differences for non-monetary financial assets and liabilities are recognised at fair value of profit or loss.

GROUP ENTITIES

The results and financial position of all Group entities that have a different functional currency than the Group's presentation currency are translated into the Group's presentation currency as follows:

- a) Assets and liabilities in each of the statements of financial position are translated at the closing rate,
- b) Income and expenses for each income statement are translated at the average rate (to the extent the average rate is not a reasonable approximation of the accumulated effect of the applicable rates on the transaction date, in which case income and expenses are translated at the transaction date rate), and
- c) All exchange rate differences that arise are recognised in Other comprehensive income.

In consolidation, exchange rate differences arising due to translation of net investment in foreign operations are recorded as Other comprehensive income. When disposing the foreign operation, wholly or in part, exchange rate differences recognised as Other comprehensive income are recorded in the income statement and recognised as part of the capital gain or loss.

Goodwill and changes to fair value that arise in acquisition of a foreign business are treated as assets and liabilities of the operations and translated on the statement of financial position date.

Note 11 presents the exchange rates used in the Group's consolidation for the financial year and for the comparison year.

Cash flow statement

The cash flow statement is prepared using the indirect method.

Revenue

A revenue is recognised when the customer receives control of the sold good or service, a principle that replaces the earlier principle that revenues are recognised when risks and benefits

have been transferred to the buyer. The basic principle in IFRS 15 is that the Group recognises revenue in the way that best reflects the transfer of control of the promised good or service to the customer. This recognition in the Group takes place with the aid of a five-step model applied to all customer contracts.

- Identify the contract with the customer
- Identify the various performance commitments in the contract
- Determine the transaction price
- Allocate the transaction price to the performance commitments
- Recognise revenue once the performance commitment is fulfilled

Using the above five-step model, the Group's contracts with customers can contain various performance obligations that are identified as Licences, SaaS (Software as a Service), Support and maintenance agreements and Consultancy services. A revenue can be recognised only when the control over the sold good or service can be considered to have been transferred to the customer for the respective type of revenue class/performance obligation.

Revenues include the fair value of the consideration received or receivable for sold goods and services in the Group's ongoing operations. Revenues are recognised excluding VAT, returns, discounts and after eliminations for internal Group transactions.

The accounting principles that the Group applies to these performance obligations are presented below.

Sales of licences

The Group develops and sells software. Sales of licence rights are recognised as revenue upon completed delivery according to agreement and once the customer has obtained control over the purchased licences and that no substantial obligations remain after the delivery date. If a licence is sold and the invoicing model deviates from when the customer obtained control over the licences delivered, the Group reserves a licence revenue and a receivable that is dissolved against the invoicing during the agreement's duration. In such cases, the Group makes an assessment whether there is a material financing component that must be recognised in the balance sheet and if there is an interest component that must be recognised under financial items instead of as a regular revenue. The transaction price is thereby adjusted for the effects of a significant financing component. The receivable that is on the balance sheet is divided up into a long-term component and a short-term component based on the time frame financed towards the customer when the invoicing model differs from the revenue recognition.

Sales of Software as a service (SaaS)

The Group sells software as a service by taking care of the operation of software as cloud-based services. The software

is then not installed on the customer's own servers, but rather on servers the Formpipe Group manages the operations from. This service, which includes licence, support & maintenance and operation, is continuously received by the customer during the period of the agreement and it is recognised as revenue on a straight-line basis over the contract period as the control is transferred to the customer continuously during the period of the agreement. These services are normally invoiced between three to 12 months in advance of which the Group's remaining obligations re recognised in the balance sheet as a prepaid income under other current liabilities.

Sales of Support and maintenance agreements

The Group sells Support and maintenance agreements for the software. Such agreements are signed in connection with the sale of licences or SaaS (Software as a Service). Revenues from Support and maintenance agreements are invoiced in advance and recognised as revenue on a straight-line basis over the contract period as the control is transferred to the customer continuously during the period of the agreement. These services are normally invoiced between three to 12 months in advance of which the Group's remaining obligations re recognised in the balance sheet as a prepaid income under other current liabilities.

Sale of services

The Group sells consulting and training services that are provided on open account or fixed price agreements. Revenues for on-account agreements are recognised at the agreed rates as the agreed hours are delivered.

Sales revenues from fixed price agreements regarding services are recognised using the completion method. The completion method means that revenues are recognised based on the proportion of services that have been performed compared to the total services to be performed (percentage completion). Sales revenues from fixed price agreements for services are normally recognised in the period the services are delivered, on a straight-line basis over the agreement period.

When circumstances arise that can change the original estimated revenues, expenditures or completion percentage, these estimations are retested. Retesting can result in the increase or decrease of estimated revenues or expenditures, and will impact revenues for the period when company managers became aware of the circumstances causing the change.

Contract assets, receivables and contract liabilities

Formpipe Software distinguishes between asset classes and receivables based on whether or not the right to compensation is conditional on anything other than the time value of money. Contract assets are primarily attributable to transactions where Formpipe Software fulfils a performance obligation to transfer a licence, which is a part of the packaged offering to the customer, but the right to payment for the licence is dependent

on Formpipe Software fulfilling other performance obligations in the agreement, such as support and maintenance. Contract assets are transferred to receivables when the right becomes unconditional, meaning when only the time value of money is required before compensation falls due for payment.

Contract liabilities relate to advance payments received from customers.

The Group offers certain agreements where customers can purchase licences including one year of service. For such multiple element agreements, the revenue recognised from the sale of the licence is the amount of the fair value of the licence element in relation to the fair value of the whole agreement. Revenues from the service portion, corresponding to the service element in relation to the fair value of the sales agreement, are allocated over the period of service. Fair value for each element is measured based on market prices of these elements when sold separately.

Interest income

Finance income is recognised as revenue allocated over the term using the effective interest method.

Current and deferred income tax (see Notes 10, 23)

The tax expense for the period comprises current tax calculated on the period's tax profit according to current tax rates. The current tax expense is adjusted with changes in deferred tax assets and liabilities related to temporary differences and unutilised tax loss carryforwards.

Tax cost is calculated based on the applicable tax rates enacted or substantively enacted by the statement of financial position date and in the countries where the Parent's subsidiaries operate and generate taxable income. Management regularly assesses the claims made in tax returns regarding circumstances where applicable tax regulations are subject to interpretation and makes provisions for amounts that will likely be paid to tax authorities, when deemed appropriate.

Deferred tax is recognised fully, using the statement of financial position liability method for all temporary differences that arise between the taxable amount of assets and liabilities and their recognised amounts in the consolidated financial statements. However, deferred tax is not recognised when it arises from a transaction that is the first reporting of an asset or liability that is not a business combination and which, at the transaction date does not affect reported or taxable income. Deferred income tax is calculated by applying the tax rates (and regulations) that are enacted as of the statement of financial position date and are expected to apply when the affected deferred tax asset is sold or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent it is probable that anticipated future income will be available against which the temporary differences can be utilised.

Deferred tax is calculated on the temporary differences that arise in shares of subsidiaries and related companies, except when the date for settling the temporary difference can be controlled by the Group and it is probable that the temporary differences will not be reversed in the foreseeable future.

Intangible assets (see Note 14)

Goodwill

Goodwill is the amount by which the cost exceeds the acquisition date fair value of the Group's share of the acquired subsidiary's net identifiable assets. Goodwill on acquisitions of subsidiaries is reported under intangible assets. Goodwill that is recognised separately is tested annually or more often if events or changed circumstances indicate a possible loss in value, to identify possible impairment requirements. Goodwill is recognised at cost less accumulated impairment losses. Goodwill impairment is not reversed. Gain or loss arising from disposal of the unit include the remaining carrying amount of the goodwill related to that unit.

In impairment testing, goodwill acquired in a business combination is allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored for internal management, which for the Formpipe Group is the operating segment level.

Customer relations

Customer relations identified in business combinations are recognised at the time of acquisition at fair value. Customer relations have a determinable useful life and are recognised at fair value at the time of acquisition less accumulated depreciation and impairment loss. Depreciation is linear in order to allocate the cost of customer relationships over their estimated useful life (5 years).

Technology

Technology identified in business combinations are recognised at the time of acquisition at fair value. Technology has a determinable useful life and is recognised at fair value at the time of acquisition less accumulated depreciation and impairment losses. Depreciation is linear in order to allocate the cost of technology over its estimated useful life (3 years).

Brand names

Acquired brand names are recognised at cost and the brands identified in business combinations are recognised at the time of acquisition at fair value. Acquired brand names have a determinable useful life and are recognised at cost less accumulated amortisation and impairment loss. Brands identified in business combinations also have a determinable useful life and are recognised at fair value at the time of acquisition less accumulated amortisation and impairment loss. Amortisation is linear in order to allocate the cost of brand names over their estimated useful life (3 years).

Proprietary software

Costs for maintaining software are recognised when they arise. Development costs that are directly attributable to development and testing of identifiable and unique software products under the Group's control, are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so it is available for use
- the company intends to complete the software and to use or sell it
- conditions are present to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technological, financial, and other resources are available to complete development and to use or sell the software, and
- the expenses directly attributable to the software during its development can be measured reliably.

Directly attributable expenses that are capitalised as part of the software include staff costs and a reasonable proportion of indirect cost.

Other development costs that do not meet these criteria are charged as they arise.

Previously recognised development costs are not reported as an asset in subsequent periods.

Development costs for software recognised as an asset are depreciated over its estimated useful life (3–7 years).

Tangible assets (see Note 15)

Property, plant and equipment is recognised at cost less depreciation. The cost comprises expenses that are directly or indirectly attributable to acquisition of the asset.

Additional expenses are added to the asset's carrying amount or recognised as a separate asset, depending on the most appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount for the replaced part is derecognised in the statement of financial position. All other forms of repair and maintenance are recognised as expenses in the income statement in the period in which they arise.

Depreciation of assets is linear in order to allocate their cost or revalued amount to their estimated residual value for their useful life, as follows:

– Computer equipment	3 years
– Other equipment	3-5 years

The residual values and useful life of all assets are tested annually on the statement of financial position date and adjusted as necessary.

Impairment loss is recognised immediately for assets when their carrying amount exceeds the recoverable amount for the asset where the loss equals the difference in amounts.

Gain or loss arising on disposal is the difference between the selling income and the asset's carrying amount, and is recognised as other income/expense – net in the income statement.

Financial assets and liabilities (see Notes 16, 17)

The Group classifies its financial assets and liabilities into the following categories: financial assets at fair value through profit or loss; financial assets and liabilities measured at amortised cost. The classification of financial assets is governed by the business model to collect the contractual cash flows and whether or not the contractual cash flows are only comprised of capital amounts and interest. Financial liabilities are classified as and recognised at amortised cost unless they are derivatives. Derivatives are recognised at fair value with real value changes recognised in profit or loss.

(a) Financial assets and liabilities measured at amortised cost

Financial assets measured at amortised cost are held in a business model where the financial assets are held to collect contractual cash flows. There are no sales of receivables and receivables are not evaluated on a fair value basis. The contractual cash flows are only comprised of capital amounts and interest. They comprise Trade receivables, Other receivables and Cash and cash equivalents included in current assets unless the item has a settlement date more than 12 months after the statement of financial position date, in which case they are classified as non-current assets. Financial liabilities measured at amortised cost comprise Borrowings and Trade payables in the balance sheet where cost is its fair value at acquisition date. Borrowings correspond to the amount received less any transaction costs.

Financial assets and liabilities measured at amortised cost are recognised after the acquisition date at amortised cost applying the effective interest method.

(b) Financial assets and liabilities measured at fair value through profit and loss

Financial assets measured at fair value through profit or loss are either derivatives, equity instruments not designed to be recognised at fair value through other comprehensive income or debt instruments not held in a business model consisting of collecting contractual cash flows or to both collect contractual cash flows and sell the financial assets, such as debt instruments whose contractual cash flows are not only comprised of capital amounts and interest. The Group has no financial assets and liabilities measured at fair value through profit and loss.

Trade receivables (see Note 18)

Trade and other receivables are initially reported at fair value and thereafter at amortised cost applying the effective interest method less provision impairment. The carrying amount, after any impairments, for trade receivables is presumed to correspond to their fair value, since these items are current in their nature.

For trade receivables, the Group applies the simplified impairment model and recognises expected bad debt losses for the remaining duration. The assessment is based on there being significant financial difficulties at the debtor, the likelihood the debtor will enter bankruptcy or financial reconstruction, late or non-payment, payment history and assumptions about prospective information. Changes in the provision for expected bad debt losses are recognised as Selling expenses. When the trade receivable is deemed non-collectable, it is written off against the provision account for trade receivables. Recovery of any amount previously written off is added to sales expenses in the income statement.

Impairment of tangible and intangible assets

Carrying amounts for assets are reviewed to identify any impairment requirements. This is done every balance sheet date or more often if events or changed circumstances indicate a possible value decrease. The impairment made corresponds to the amount by which the book value of the asset exceeds its recovery value. The recoverable amount is the higher of the asset's fair value less selling cost or its value in use. For impairment testing, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash generating units).

Goodwill acquired in a business combination is allocated upon impairment testing to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored for internal management, which for the Formpipe Group is the operating segment level.

All assets, except financial assets and goodwill, that have been previously impaired are tested annually on the statement of financial position date to determine if they should be reversed.

Trade receivables and contract assets are written off when there is no reasonable expectation of repayment.

Cash and cash equivalents (see Note 20)

Cash and cash equivalents include cash and bank balances, and other short-term investments with original maturity of three months or less from the acquisition date. Utilised overdraft facilities are reported as borrowings under current liabilities in the statement of financial position.

Share capital (see Note 21)

Common shares are classified as equity.

Transaction expenses directly attributable to the new share issue or warrants are recorded, net of tax, in equity as a deduction from the issue proceeds.

Trade payables and other liabilities (see Note 24)

Trade and other payables are initially reported at fair value and thereafter at amortised cost applying the effective interest method. The amounts are not hedged and most often paid within 30 days. Trade payables and other liabilities are classified as current liabilities if they are due for payment within one year or less. If not, they are taken up as non-current liabilities. The carrying amount for trade payables and other liabilities is presumed to correspond to their fair value, since these items are current by nature.

Borrowing (see Note 22)

Borrowing is initially recognised at fair value, net after transaction costs. They are subsequently recognised at amortised cost and any differences between the amount received (net transaction costs) and the repayment amount is recognised in the income statement over the borrowing period using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Employee benefits (see Note 8)**Post-retirement obligations**

The Group has defined contribution pension plans. Defined contribution retirement plans are those where the Group pays fixed fees to a separate legal entity. The Group has no legal or informal obligations to pay additional fees if this legal entity does not have sufficient resources to pay all the benefits to employees that are related to their service in the current or previous periods. The fees are recognised as staff expenses when due for payment. Prepaid fees are recognised as an asset to the extent that cash repayment or reduction of future payments can flow to the Group.

Warrant programme

The Group implements from time to time share-based compensation plans. A premium corresponding to the fair value of the options is paid by the employee on the grant date. Share option premium is recorded as Other paid-in capital. Payments received for the shares, after deducting any directly attributable transaction expenses, are added to share capital (par value) and Other paid-in capital when the options are exercised.

The consideration paid by the staff for all outstanding options is based on market prices determined using the Black-Scholes Pricing Model. No benefits or remuneration are paid to the staff,

and therefore no staff expenses arise in the income statement in compliance with IFRS 2.

Benefits on termination of employment

Termination benefits are paid when the employee's employment is terminated before the normal retirement date or when the employee decides to accept voluntary redundancy in exchange for those benefits. The Group recognises severance pay when, and only when, it is demonstrably committed to either terminate the employment of the employee in accordance with a detailed formal plan for the termination and is without realistic possibility of withdrawal, or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Benefits that fall due more than 12 months after the statement of financial position date are discounted to present value.

Profit-sharing and bonuses

The Group recognises a liability and an expense for bonuses and profit-sharing plans based on a formula that includes the profit that is attributable to the Parent shareholder after adjustment. The Group recognises a provision when a legal or informal obligation based on prior practice arises.

Current benefits

Current benefits to employees are expensed as the related services are received. The benefits are calculated without discounting.

Provisions

Provisions for restructuring expenses and legal requirements are recognised when the Group when a legal or informal obligation based on previous events arises, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured. Provisions for restructuring include expenses for termination benefits. No provisions are made for future operating losses.

Provisions are discounted at present value of the expenditures expected to be required to settle the obligation. This uses a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the provision. The increase in the provision due to time passing is recognised as an interest expense.

Leases (see Note 26)**The Group's leasing activities and the reporting of them**

The Group leases a number of premises, offices, office machines and vehicles. The leases are normally written for fixed periods of between 6 months and 5 years. The lease agreements have different terms and conditions, index clauses and right to extension.

Agreements may contain both leasing and non-leasing components. Non-leasing components have been expensed and not recognised as a part of the ROU or leasing liability.

The conditions are negotiated separately for each agreement and include a number of different contractual terms. The leases contain no special terms or restrictions except that the lessor retains the rights to pledge leased assets. The leased assets may not be used as collateral for loans.

The leases are recognised as rights of use (ROU) and a corresponding liability, the date that the leased asset is available for use by the Group.

Assets and liabilities that arise from leases are initially recognised at present value.

The leasing liabilities include the present value of the following lease payments:

- fixed fees (including substantive fixed fees), less any benefits in connection with the signing of the lease that are to be obtained, variable leasing fees that depend on an index or a price, initially valued using an index or price at the start date
- amounts expected to be paid out by the lessee according to residual value guarantees
- the redemption price for an option to buy if the Group is reasonably certain to exercise such a possibility
- penalties payable upon termination of the lease if the lease term reflects that the Group will exercise a possibility to terminate the lease.

Leasing payments that will be made for reasonably certain extension options are also included in the valuation of the liability.

The leasing payments are discounted by the lease's implicit interest rate. If this interest rate cannot be easily determined, which is normally the case for the Group's leases, the lessee's marginal loan interest rate is used, which is the interest rate that the individual lessee would have to pay to borrow the necessary funds to buy an asset of similar value as the ROU in a similar economic environment with similar terms and collateral.

The Group determines the marginal loan interest rate in the following way:

- when it is possible, financing that was recently obtained from an external party is used as a starting point and then adjusted to reflect changes in the financing circumstances since the financing was received
- if no loans from external parties have been raised recently, a method is used that is based on a risk-free interest rate that is adjusted for credit risk
- adjustments are made for the specific conditions in the agreement, such as lease term, country, currency and collateral.

The Group is exposed to potential future increases in variable leasing payments based on an index or an interest rate that is not included in the leasing liability until they enter into effect. When adjustments of leasing payments based on an index or an interest rate enter into effect, the leasing liability is revalued and adjusted against the ROU.

Leasing payments are distributed between repayment of the liability and interest. The interest is recognised in the income statement over the leasing period in a way that entails a fixed interest rate for the leasing liability recognised during the respective period.

The assets with a ROU are valued at cost and include the following:

- the amount the leasing liability is originally valued at
- leasing fees that have been paid at or before the start date, less any benefits received in connection with the signing of the lease
- initial direct expenses
- expenses to restore the asset to the condition prescribed in the terms of the lease.

ROUs are usually depreciated straight-line over the shorter of the useful life and the leasing period. If the Group is reasonably certain to use a purchase option, the ROU is depreciated over the useful life of the underlying asset.

Payments for short contracts regarding equipment and vehicles and all leases of minor value are expensed straight-line in the income statement. Short contracts are agreements with a lease term of 12 months or less. Agreements of less value include, for example, IT equipment and small office furniture.

All of the Group's ROUs for leases are recognised under property, plant and equipment.

Options to extend and terminate agreements

Options to extend and terminate agreements are included in a number of the Group's leases for premises, offices and equipment. Terms are used to maximise the flexibility in the handling of the assets used in the Group's business. The overwhelming majority of the options that provide an opportunity to extend and terminate agreements can only be used by the Group and not by the lessor.

Dividends (see Note 13)

Dividends to the Parent Company's shareholders are recognised as a liability in the Group financial reporting for the period for which the dividend is approved by these shareholders.

Items affecting comparability

Items affecting comparability are recognised separately in the financial reporting when necessary in order to explain Group results. Items affecting comparability refer to material income or expense items that are recognised separately due to the significance of their nature or amounts when they are considered to

fall outside the ordinary operations and are of a non-recurring nature and thereby impede the comparison of the Company's development in the financial reporting. In order for an item to be considered an item affecting comparability, it must be material relative to the line in the income statement that the item is recognised separately from.

Note 3. Financial risk management

Financial risks

The Group is exposed in its operations to many financial risks: market risk (currency risk, fair value interest risk, cash flow interest risk and price risk). The overall Group risk management policy concentrates on the unpredictability of the financial markets and strives to minimise potentially negative effects on the financial results of the Group. The Group may hold no derivative instruments to hedge risk exposures.

Risk management is done by a central finance unit following policies established by the Board of Directors. The Formpipe Software Finance Policy is approved by the Board for one year at a time. The Finance Policy sets the guidelines for managing financial risks within the Group. The Formpipe Software Finance Policy is designed to produce the highest possible returns on the Company's liquid assets, or the lowest possible borrowing costs when the Company has a net debt, while closely limiting and controlling risk levels and maintaining appropriate payment readiness in order to be able to meet all the Company payment obligations at all times.

The Group finance unit identifies, assesses and hedges financial risks in close co-operation with Group operating units. The Board establishes the written policies for both overall risk management and for specific considerations such as currency risk, credit risk, use of derivatives and non-derivative financial instruments, and investing excess liquidity.

	2020		2019			
	Profit/loss for the year	Equity	Profit/loss for the year	Equity		
KSEK	41,388	398,865	35,034	400,129		
Sensitivity analysis, currency risk						
DKK	+/- 10%	2,809	30,886	+/- 10%	2,039	29,193
EUR	+/- 10%	230	784	+/- 10%	126	586
GBP	+/- 10%	77	8,500	+/- 10%	-204	1,920
USD	+/- 10%	0	-555	+/- 10%	5	-631
Total	+/- 10%	3,116	39,614	+/- 10%	1,966	31,068

(II) PRICE RISK

The Group holds no investments in shares and therefore has no exposure to price risk. The Group is not exposed to price risk for basic materials or commodities.

(a) Market risk

(I) CURRENCY RISK

The Group operates internationally and is exposed to currency risks arising from various currency exposures, primarily in regard to DKK, but also in regard to GBP, EUR and USD. Currency risk arises through future business transactions, recognised assets and liabilities and net investments in foreign operations.

The Group risk management policy is to hedge known material future cash flows. The Group had no hedges through forward contracts or other hedges at the end of the 2019 financial year or at the end of the 2020 financial year.

The Group holds foreign operations whose net assets are exposed to currency risk. Currency exposure arises when the net assets in Group foreign operations are primarily managed through borrowing in the specific foreign currencies.

If the SEK had been weakened/strengthened by 10 per cent relative to the reporting currencies in the Group's foreign subsidiaries, with all other variables constant, the profit for the year and equity for the Group for 2020 and 2019 would have been affected as per the table below.

(III) INTEREST RATE RISK REGARDING CASH FLOWS AND FAIR VALUE.

The Group holds no material interest-bearing assets, and therefore Group revenues and cash flows from ongoing operations

are substantially independent of changes in market interest rates in relation to its assets.

Group interest rate risk arises through short- and long-term borrowing. Borrowings that use variable interest rates and thereby expose the Group to interest rate risk in regard to cash flows.

At the end of the period, the interest-bearing borrowing amounted to KSEK 43,692 (5,937) with variable interest linked to STIBOR. A change of 10 bps in the underlying reference interest rate would have changed profit for the year and equity by plus or minus KSEK 19 (41).

(b) Credit risk

Credit risk is managed at Group level. Credit risk arises through cash and equivalents at banks or financial institutions or through credit exposure to customers including outstanding receivables and agreed transactions. If the customer credit rating is determined by an independent agency, these ratings are used. When no independent credit rating is available, a risk assessment is made of the customer's creditworthiness in which their financial position is considered as well as previous experience and other factors. Individual risk limits are established based on internal and external credit assessments in accordance with the limits established by the Board of Directors. Use of credit limits is monitored regularly.

There is not a high concentration of credit risks, neither through exposure to individual customers, particular sectors and/or regions. Formpipe has significant sales to the public sectors in Sweden and Denmark, whereby the risk related to these trade receivables is nearly non-existent. The Group has a portion of

sales to the private sector, mainly in Sweden and Denmark. However, these deals are smaller in size and greater in number, whereby the credit risk for these receivables is widely spread. Customer losses for the Group are negligible.

(c) Liquidity risk

Liquidity risk is managed by the Group maintaining sufficient levels of cash and equivalents and short-term investments on liquid markets, available financing through agreed credit facilities and the capability to close market positions.

Management also closely follows rolling forecasts of Group liquidity reserves on the basis of anticipated cash flows.

In the following table, the Group's financial liabilities are analysed according to the period which remains on the balance sheet date until the contractual maturity date. The amounts specified in the table are the agreed, non-discounted cash flows. The amounts due within 12 months agree with the recorded amounts, as discounting effects are negligible.

The carrying amount of liabilities to credit institutions in the table below relates to the values based on the closing day rate. The amount includes the part that the Group utilises of its bank overdraft facilities. The bank overdraft facilities have a limit of MSEK 50.

The trade payables and other liabilities within the interval < 1 year in the table below fall due for payment in full within 2021.

The Company's net cash (interest-bearing liabilities less cash and cash equivalents) amounted to KSEK 1,623 (690) at year-end.

KSEK	< 1 yr	1-2 yrs	2-5 years	> 5 years
2020				
Non-current lease liabilities recognised and valued as per IFRS 16		12,723	2,163	-
Non-current liabilities to credit institutions			29,434	
Current liabilities to credit institutions	14,258	-	-	-
Current lease liabilities recognised and valued as per IFRS 16	7,074	-	-	-
Trade payables and other liabilities	34,303	-	-	-
Total	55,635	12,723	31,597	-
2019				
Non-current lease liabilities recognised and valued as per IFRS 16		13,540	7,035	-
Current liabilities to credit institutions	5,937	-	-	-
Current lease liabilities recognised and valued as per IFRS 16	6,622	-	-	-
Trade payables and other liabilities	29,547	-	-	-
Total	42,106	13,540	7,035	-

Capital risk management

Capital is defined as total equity. The Group objective with regard to capital is to ensure its capability to continue operations long term, in order to generate returns to the shareholders and continued benefit to other stakeholders; and to maintain an optimal capital structure that minimises capital costs.

To maintain or change its capital structure, the Group can change dividends issued to the shareholders, return capital to the share holders, issue new shares or sell assets to reduce debt. The Board determines when to change the capital structure based on assessment of the maximum long-term return to the shareholders.

As the Group strategy is currently based to a certain extent on acquisition, Group debt levels will fluctuate significantly from year to year. Therefore, the Board and senior executives continually assess future payment obligations and decide based on a comprehensive assessment of how to administer Group assets.

Estimating fair value

The fair value of financial instruments traded on an active market (as with financial assets valued at fair value through profit and loss) are based on quoted market prices on the statement of financial position date. The quoted market prices used for Group financial assets is the bid price.

Note 4. Uncertainty factors, accounting estimates and estimates for accounting purposes

Uncertainty factors, accounting estimates and judgements are regularly assessed and based on historical experience and other factors, including expectations about future events that are considered reasonable in the present circumstances.

The Group makes judgements and assumptions concerning the future. These result in accounting estimates, which, by definition, rarely correspond with actual outcome. The estimates and assumptions that involve a noteworthy risk of significant adjustments to the book values of assets and liabilities during the next financial year are discussed below.

Impairment testing of goodwill

The Group conducts annual impairment testing of goodwill. The recoverable amount for cash-generating units was measured by calculating value in use. Value in use is judged based on forecast future cash flows for each of the cash-generating units. Impairment testing involves assumptions about expected growth, gross margins and discount rates, as specified in Note 14.

Customer relationships, technology and brand names

The Group has made judgements about useful life for customer relationships, technology, and brand names as identified in the acquisition analyses, which affects recognised expenses for

Financial instruments (Note 17) are measured according to classification in the fair value hierarchy as follows:

1. Quoted prices (unadjusted) on active markets for identical assets or liabilities.
2. Other observable inputs about the asset or liability than quoted prices in level 1, either directly (prices) or indirectly (derived from prices)
3. Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the end of 2020, the Group holds no (MSEK -) financial derivatives and no (MSEK -) financial instruments measured at fair value through profit or loss that are included in hierarchy three.

The carrying amount, after any impairments, for trade receivables and trade payables is presumed to correspond to their fair value, since these items are current in their nature. Fair value of financial liabilities are measured, for informational purposes, by discounting future contractual cash flows at current market interest rates that are available to the Company for similar financial instruments.

depreciation in the income statement and valuation of assets in the statement of financial position. Reporting of these items in the statement of financial position is presented by Note 14.

Capitalised expenditure

Development expenses are capitalised based on the policies described under 'Intangible Assets' and 'Proprietary software' in Note 2. The Group evaluates the market conditions for every individual software. If the market conditions are deemed to not exist, an impairment is applied to the capitalized development expenditures for that specific software. This affects recognised expenses for depreciation in the income statement and valuation of assets in the statement of financial position. Reporting of this item in the statement of financial position is presented by Note 14.

Deferred tax assets

Deferred tax assets are capitalised based on the policies described under 'Intangible Assets' in Note 2. The Group has made assessments based on forecast future cash flows for the respective cash generating unit regarding the extent to which it is probable that future taxable income will be available against which tax loss carry-forwards can be utilised. Specification of this item in the statement of financial position is presented by Note 23.

Period-allocation of revenues

Group revenues are linked to contracts where the underlying fair value of various kinds of revenues do not always agree with the contract formulation, which requires assessments. These cases can arise in connection with procurements where the procurement basis is formulated in such a way that the contract's designations and divisions differ from the fair value of the respective type of revenue. In these cases, the Group also goes through the agreements, pricing and delivery times and delivery acceptances. Thereafter, the fair value of the revenue type is assessed and the agreed price is distributed over the contractual period and recognised in revenue.

Important estimates and assessments regarding the length of the leases.

When the lease's length is determined, management takes into account all available information that provides a financial incentive to use an extension option, or to not use an option to terminate an agreement. Possibilities of extending an agreement are only included in the lease's length if it is reasonably certain that the agreement will be extended (or not concluded).

For leases that concern premises, offices, office machines and vehicles, the following factors are normally the most significant:

- If the agreements contain significant fees to terminate the agreements (or not extend them), the Group normally deems that it is reasonably certain that extension will take place (or that termination will not take place).

Note 5. Segment information

Operating segments are reported in compliance with the internal reporting structure as provided to the chief operating decision-maker for the entity. The chief operating decision-maker is the function responsible for allocation of resources and assessment of the operating segments' profit or loss. In the Group, this function is identified as the Group Chief Executive Officer.

The Group's segments are divided based on the customer groups they address. The segments are divided into SE Public, DK Public, Private and Other and reflect the Group's internal reporting and follow-up by Group Management; it is also based on these segments that the Chief Operating Decision Maker (CODM) assesses the business. The segments have the same operations and business model, that is to develop and sell software and services with Content Service. Content Service is a comprehensive term describing the technologies, products and systems that capture, process, store, archive and deliver information in a systematic, controlled manner.

- If the Group has costs of improvements on external properties and expects that they have a significant residual value, it is usually reasonably certain that the agreements will be extended (or not terminated).
- Otherwise, the Group takes into account other factors, including historical leasing period, and the costs and interruptions to operations that are required to replace the leased asset.

The leasing period is reviewed if an option is used (or not used) or if the Group is forced to use the option (or not use it). The assessment whether it is reasonably certain is reviewed only if a significant event or changes in circumstances arise that affect this assessment and the change is within the lessee's control. During the current financial year, none of the Group's leases have been revalued due to revised useful lives.

Uncertainties attributable to COVID-19

In a business like Formpipe's, the continued spread of the coronavirus may have a negative impact. Customers, employees and projects may be impacted to a material extent, which may have negative financial and other consequences. The Group's customers may continue to work remotely and postpone business enhancements and upgrade projects, which would have a braking effect on new sales of both products and delivery assignments. However, the increased profitability over the preceding year demonstrates Formpipe's adaptive ability and stamina in the prevailing circumstances and that Formpipe's high share of recurring revenues gives the Company good conditions to manage external risk factors.

The segments SE Public and DK Public have their customers in the public sectors of Sweden and Denmark. The Private segment gathers the Group's offers that target customers outside the public sector and are also not tied to a special geographic market. The Other segment includes the Group's older products that are not included in any of the other segments and the Group's overhead costs.

The operating segments are assessed based on net sales and income using the metric known as EBITDA. This metric is defined as operating income before depreciation, transaction related expenses, and other non-recurring items affecting comparison.

Income statement by segment

2020	SE Public	DK Public	Private	Other	Group
Licences	5,077	8,101	19,352	-	32,530
SaaS	17,843	6,079	30,662	0	54,584
Maintenance and Support	79,815	52,241	62,302	4,587	198,945
Delivery services	16,702	80,456	19,907	2	117,067
Total sales	119,437	146,877	132,223	4,589	403,126
Expenses, external	-65,408	-102,265	-108,096	-23,014	-298,783
Intra-Group net	78	-5	-73	-	-
Total expenses	-65,330	-102,270	-108,169	-23,014	-298,783
EBITDA	54,107	44,607	24,054	-18,425	104,342
Depreciation					-51,091
EBIT					53,251
Net financial items					-796
Tax					-11,067
Profit/loss for the year					41,388

2019*	SE Public	DK Public	Private	Other	Group
Licences	8,738	5,231	17,467	0	31,436
SaaS	16,328	6,655	22,071	5	45,059
Maintenance and Support	79,744	43,485	56,264	5,161	184,653
Delivery services	17,849	92,280	22,521	0	132,650
Total sales	122,659	147,651	118,322	5,165	393,797
Expenses, external	-71,028	-111,885	-95,412	-14,805	-293,130
Intra-Group net	41	-119	78	-	-
Total expenses	-70,987	-112,004	-95,334	-14,805	-293,130
EBITDA	51,672	35,647	22,989	-9,640	100,667
Depreciation					-53,154
EBIT					47,514
Net financial items					-3,229
Tax					-9,251
Profit/loss for the year					35,034

* For the year 2019, the segment overview was adjusted as the Group, beginning in Q4 2020, combines intra-Group invoicing (income and expenses) to a net amount as there is significant invoicing within the business areas regarding royalties to IP owning companies. The line Intra-Group net thereby refers to the intra-Group income

and expenses recognised net against each other for a more realistic picture of the respective business area. Reversal of operating leases in accordance with IFRS 16 is also recognised included in the respective business area in continuation in the intra-Group follow-up.

Geographic distribution of external revenues

A geographic breakdown of the external revenues from all products and services are identified as follows:

2020	SE Public	DK Public	Private	Other	Group
Nordic region	119,437	146,754	43,684	4,537	314,412
UK	-	-	27,223	18	27,241
Rest of Europe	-	123	33,681	25	33,828
North America	-	-	21,717	-	21,717
Rest of world	-	-	5,918	9	5,927
Total	119,437	146,877	132,223	4,589	403,126

2019	SE Public	DK Public	Private	Other	Group
Nordic region	122,659	147,527	44,020	5,111	319,318
UK	-	-	22,840	16	22,856
Rest of Europe	-	124	31,318	31	31,473
North America	-	-	19,703	-	19,703
Rest of world	-	-	440	6	446
Total	122,659	147,651	118,322	5,165	393,797

The table below presents how the Group's legal entities are divided in the segment reporting.

Company name	Domicile	2020				2019			
		SE Public	DK Public	Private	Other	SE Public	DK Public	Private	Other
Formpipe Software AB	Sweden	x		x	x	x		x	x
Formpipe Intelligo AB	Sweden			x				x	
Formpipe Software Holding A/S	Denmark		x				x		
Formpipe Software A/S	Denmark		x				x		
Formpipe Lasernet A/S	Denmark			x				x	
Formpipe Lasernet GmbH	Germany			x				x	
Formpipe Software Benelux BV	Netherlands			x				x	
Formpipe Lasernet Ltd.	UK			x				x	
Formpipe Life Science Ltd	UK			x				x	
Formpipe Inc.	U.S.			x				x	
Formpipe Software Ltd	UK			x					

Information about customers

The Group is domiciled in Sweden. Revenues from external customers in the SE Public segment amount to KSEK 119,437 (122,659), total revenues from external customers in the DK Public segment amount to KSEK 146,877 (147,651) and total revenues from external customers in the Private segment amount to KSEK 132,223 (118,322) and total revenues from external customers in the Other segment amount to KSEK 4,589 (5,165).

2020	SE	DK	Private	Other	Group
	Public	Public			
Capitalised expenditure	56,802	39,264	28,759	5,819	130,643
Goodwill	59,880	172,338	148,001	-	380,218
Other intangible assets	-	283	12,072	406	12,762
Total	116,682	211,884	188,832	6,225	523,623

2019	SE	DK	Private	Other	Group
	Public	Public			
Capitalised expenditure	57,792	45,795	26,045	-	129,632
Goodwill	59,880	178,417	104,080	-	342,377
Other intangible assets	-	380	-	-	380
Total	117,671	224,592	130,125	-	472,389

Note 6 Revenue from contracts with customers

The Group's revenues relate almost solely to revenues from contracts with customers. The majority of the contracts include multiple components and various performance obligations of which revenue recognition takes place through four different revenue classes where the time of recognition can vary between the revenue classes. The agreements can be broken down into the various revenue classes to allocate the revenues to the correct component and performance obligation under the agreement and thereby ensure that revenue recognition takes place at the right time. The Group also has a smaller number of agreements with customers that only contain the component and the performance obligation of consulting revenues. The respective revenue classes are described in more detail in Note 2, pages 94–97. The four different revenue types are presented below and the time at which revenue recognition occurs.

Licences	At one time
Software as a service (SaaS)	Over time
Maintenance and Support	Over time
Consulting and other services	At one time

The revenue classes where the Group's revenue recognition can be affected by IFRS 15 are when the revenue recognition concerning Licences differs from the agreed invoicing model. In such cases, the Group recognises a revenue and a long-term

Revenues of KSEK 46,924 (68,983) refer to a single external customer and are attributable to the DK Public segment.

Assets

The operating segments are not assessed based on management of assets and liabilities, beyond the presentation made below. Other assets and liabilities are managed by the asset management.

and a short-term contract receivable that is dissolved over the contract period as invoicing takes place.

The revenue types of SaaS and Support and Maintenance where the control is transferred to the customer on straight-line basis over the contract period are almost solely invoiced 3–12 months in advance, from which the Group in the balance sheet builds up a current contractual liability in the balance-sheet item prepaid income.

In the cases when the Consulting Revenues differ from the agreed invoicing model, the Group reserves an income in connection with the delivered hour and in the balance sheet builds up a current receivable under the balance sheet item accrued income.

The Group has no non-current receivables or liabilities attributable to the revenue types SaaS, Support and Maintenance and Consulting Revenues.

Contract assets

The Group's contract assets pertain to the agreements with customers where the invoicing model differs from the revenue recognition for sold Licences where the control has been transferred to the customer with the invoicing taking place over the duration of the contract. The Group recognises the following contract assets:

Type of contract asset	Balance sheet item	Note reference	2020	2019
Contract assets long-term component	Other non-current receivables		1,811	3,259
Contract assets short-term component	Accruals and prepaid income	Note 19	1,449	1,449
			3,259	4,708

Contract liabilities

The Group's contract liabilities refer to all advance invoicing to customers. The Group invoices all SaaS and Support and Maintenance revenues in advance. These are invoiced almost solely 3–12 months in advance. Certain advance invoicing also takes

place with regard to consulting hours that are subsequently settled against delivered hours in the course of the year. All advance invoicing is classified as short-term as no significant long-term advance invoicing occurs in the Group.

Type of contract liability	Balance sheet item	Note reference	2020	2019
Contract liability, short-term component	Accrued expenses and deferred income	25	154,120	149,683
			154,120	149,683

The increase in the contract liabilities from 2019 to 2020 is a combination of an increased contract stock, but above all that the Group is experiencing a shift from traditional licence sales to the customers buying the Group's products as a service through SaaS where the control is transferred monthly to the customer. Licence sales are recognised as revenue at one point in time and SaaS is recognised as revenue on a straight-line basis over the contractual period and invoiced 3–12 months in advance from which a contract liability arises.

Of the revenues invoiced in advance that constitute the Group's contract liability at the beginning of the financial year, all have essentially been recognised as revenue in 2019.

Remaining long-term agreements

The average contract period for new customers amounts to 3–5 years where the Group has contracted recurring revenues during the contract period. Agreements that have run through the contract period have an automatic extension period of 1 year.

The Group assesses that agreements with a remaining duration exceeding one year will be recognised as revenue in an amount of KSEK 259,900 (233,500) during the 2021 financial year.

Recognised assets from expenses for obtaining agreements

The Group has a partner network that sells the Group's products. When a partner wins a new customer where the Group stands as the supplier of the end customer, in some cases a kickback may be payable to the partner on either licences sold, one-year's worth of SaaS or the annual value of Support and Maintenance. The material part of expensed kickbacks pertains to traditional licences, which are expensed at a certain point in time. Kickbacks regarding SaaS and Support and Maintenance are allocated to periods over one year as the kickback essentially is based on one year's value. The Group therefore has no long-term components attributable to expenses for obtaining agreements.

Note 7. Auditor's remuneration

	Group		Parent Company	
	2020	2019	2020	2019
PricewaterhouseCoopers AB				
Audit assignment	1,179	1,338	486	650
Auditing services other than audit assignment	316	122	-	100
Tax consultancy	27	145	-	145
Other services	72	17	-	-
Total PricewaterhouseCoopers AB	1,595	1,622	486	895
Other auditors				
Audit assignment	310	357	-	-
Group total	1,905	1,979	486	895

The audit assignment refers to fees charged for the statutory required audit, that is work necessary to prepare the auditor's report, and auditing advice provided in connection thereto.

The audit assignment amounts to KSEK 1,490 (1,695), of which KSEK 486 (650) is for PwC Sweden. Audit activities in addition to the audit assignment amount to KSEK 316 (122), of which KSEK 316 (100) is for PwC Sweden.

Note 8. Staff, management and Board of Directors

Salaries and other employee benefits for all employees identified for the Parent Company and subsidiaries

	2020	2019
Parent Company		
Salaries and other benefits	44,702	42,403
Pension cost	5,546	5,284
Social security contributions	15,386	15,231
Subsidiaries		
Salaries and other benefits	135,422	127,806
Pension cost	8,144	8,430
Social security contributions	4,503	4,720
Group		
Salaries and other benefits	180,125	170,208
Pension cost	13,690	13,713
Social security contributions	19,889	19,951

Number of employees at year-end	Group		Parent Company	
	2020	2019	2020	2019
Formpipe Software AB, SE	76	75	76	75
Formpipe Intelligo AB, SE	10	7	-	-
Formpipe Software A/S, DK	85	98	-	-
Formpipe Lasernet A/S, DK	12	12	-	-
Formpipe Lasetnet GmbH, DE	2	2	-	-
Formpipe Software Benelux BV, NL	-	3	-	-
Formpipe Lasetnet Ltd, UK	-	4	-	-
Formpipe Life Science Ltd, UK	19	16	-	-
Formpipe Inc, USA	9	4	-	-
Formpipe Software Ltd.	32	-	-	-
Total staff	245	221	76	75
Average staff	233	222	76	74

Salary and employee benefits – Board, senior executives 2020

		Basic salary/ Director's fee	Variable remuneration	Retirement expenses	Other remunerations	Total
Bo Nordlander (Chair)	2020	380	-	-	-	380
Peter Lindström	2020	190	-	-	-	190
Martin Bjäringer	2020	190	-	-	-	190
Annikki Schaeferdiek	2020	190	-	-	-	190
Åsa Landén Ericsson	2020	190	-	-	-	190
Erik Syrén	2020	190	-	-	-	190
Christian Sundin (CEO)	2020	2,169	382	513	74	3,138
Other senior executives, 7 persons	2020	9,570	1,520	1,270	290	12,651
Total 2020		13,069	1,902	1,784	364	17,119

Salary and employee benefits – Board, senior executives 2019

		Basic salary/ Director's fee	Variable remuneration	Retirement expenses	Other remunerations	Total
Bo Nordlander (Chair)	2019	380	-	-	-	380
Peter Lindström	2019	190	-	-	-	190
Martin Henricson	2019	190	-	-	-	190
Annikki Schaeferdiek	2019	190	-	-	-	190
Åsa Landén Ericsson	2019	190	-	-	-	190
Erik Syrén	2019	190	-	-	-	190
Christian Sundin (CEO)	2019	2,106	331	500	161	3,098
Other senior executives, 7 persons	2019	9,345	1,103	1,221	407	12,076
Total 2019		12,781	1,435	1,720	568	16,504

Senior executives refer to all of the people included in the Group Management established in connection with the reorganisation that took place at year-end 2018. Group Management also

includes the CEO Christian Sundin, who is thereby not included in the senior executives line, but is instead reported separately on his own line.

Members, Board of Directors

	Group		Parent Company	
	2020	2019	2020	2019
Women	2	2	2	2
Men	4	4	4	4

Boards of Directors for subsidiaries

	Women	Men	Women	Men
	2020	2020	2019	2019
Members, Board of Directors				
Formpipe Intelligo AB, SE	-	3	-	3
Formpipe Software Holding A/S, DK	-	3	-	3
Formpipe Software A/S, DK	-	3	-	3
Formpipe Lasernet A/S, DK	-	3	-	3
Formpipe Lasernet GmbH, DE	-	2	-	2
Formpipe Software Benelux BV, NL	-	2	-	2
Formpipe Lasernet Ltd, UK	-	2	-	2
Formpipe Life Science Ltd, UK	-	1	-	1
Formpipe Inc, USA	-	1	-	1
Formpipe Software Ltd.	-	1	-	2

The Board of Directors in subsidiaries received no remuneration for 2019.

There are no post-retirement obligations for Board members, nor do Board members receive remuneration on leaving their mandate.

Senior Management, including CEO

	Group		Parent Company	
	2020	2019	2020	2019
Women	1	1	1	1
Men	7	7	7	7

Chief Executive Officer

The CEO retains a performance-based variable remuneration in addition to his basic salary. The size of the performance-based remuneration is related to the degree by which financial targets established by the Group's Board of Directors are met. The performance-based remuneration can constitute 40 per cent of the basic salary. The CEO retains no Board fees.

Board of Directors' fees

The Board members' remuneration in the form of Board fees are handled through the Company's regular salary administration.

CEO and Board of Directors annually set basic salaries for senior managers and determine any changes. All changes to remuneration take effect on 1 January.

Since the new rules regarding Board fees were introduced, no invoicing of Board fees has occurred from any of the Board members.

Variable remuneration

The Company has both a basic salary and performance-based remuneration for all senior executives, and sales commission for employed salespeople. The extent of the earnings-based remuneration of senior executives is related to the extent by which financial objectives established by the Group's Board of Directors are met. The performance-based remuneration

shall constitute an addition of no more than 30 to 40 per cent of the basic salary. All variable remuneration plans have defined maximum allocation and outcome limits.

Pension cost

Retirement occurs at age 65 for the CEO. The CEO retirement programme corresponds to 25 per cent of the basic salary.

Other remunerations

Other remuneration includes holiday pay, car allowance and other benefits and sales commissions.

Severance pay

In the event of termination of the employment of the Chief Executive Officer, six months' notice of termination and six months' severance pay will apply if the contract is terminated by the

Company. Other income which the Chief Executive Officer receives during the period for which severance pay is paid will be subtracted from the severance pay. If the Chief Executive Officer terminates the contract, six months' notice must be given. A mutual notice period of 3 to 6 months applies between the Company and the other senior executives. In the event the Company is the object of a public takeover bid that results in at least 30 per cent of the Company's shares ending up in the possession of one and the same shareholder, the Chief Executive Officer is entitled, upon termination of employment by the Company or the Chief Executive Officer, to special severance pay corresponding to 12 basic monthly salaries at the time notice is given. Such severance pay is not subject to deduction for other income, shall be paid in its entirety upon the cessation of the employment and replaces the severance pay to which the Chief Executive Officer is normally entitled according to his or her employment contract.

Note 9. Financial income and expenses

	Group		Parent Company	
	2020	2019	2020	2019
Income from financing activities				
Interest income	3	7	442	477
Exchange rate differences	605	-	2,227	-
	607	7	2,669	477
Expenses from financing activities				
Interest expense bank borrowings	-460	-950	-459	-950
Interest expenses, lease liabilities	-545	-683	-	-
Other interest expenses	-12	-117	-215	-401
Exchange rate differences	-	-1,083	-	-1,158
Other financial expenses	-388	-402	-292	-368
	-1,403	-3,236	-965	-2,877

Note 10. Income tax

	Group		Parent Company	
	2020	2019	2020	2019
Current tax	4,790	4,451	1,237	970
Deferred tax	6,277	4,800	-	-
	11,067	9,251	1,237	970

Deferred tax refers to capitalisation of tax loss carryforwards of KSEK - (994), utilisation of accumulated tax loss carryforwards from previous years totalling KSEK -3,898 (-2,914) and deferred tax expenses attributable to intangible assets of KSEK -2,618

(-2,997), revaluation effects of a changed tax rate of KSEK 209 (53) and deferred tax assets attributable to IFRS 16 Leases of KSEK 31 (64).

At the end of the period, the Group has accumulated losses of MSEK 6.7 (7.8) where that related to loss carryforwards are not capitalised in the Group. All other loss carryforwards in the Group are capitalised as deferred tax assets, also refer to Note 23.

Income tax on consolidated earnings before tax differs from the theoretical amount that would have been obtained when using the weighted average tax rate for the profit/loss recognised in the consolidated entities as follows:

	Group		Parent Company	
	2020	2019	2020	2019
Profit/loss before tax	52,455	44,285	5,596	4,100
Anticipated tax rate according to the current Swedish tax rate of 21.4 per cent	11,225	9,477	1,198	877
Effect of other tax rates for foreign subsidiaries	-1,367	-2,312	-	-
Non-taxable income	-	-0	-	-
Non-allowable expenses	53	143	41	93
Difference between accounting and tax depreciation	1,334	3,322	-	-
Tax attributable to previous years	37	-33	-2	-
Effect of subsidiaries' tax rates	-208	-53	-	-
Capitalised loss carryforwards	-	-994	-	-
Utilisation of previously unrecognised loss carryforwards	-8	-299	-	-
Tax expense	11,067	9,251	1,237	970

Note 11. Exchange-rate differences – net

Exchange rates (against SEK)

	Average price January–December		Closing day rate, 31 December	
	2020	2019	2020	2019
DKK	1.41	1.42	1.35	1.40
EUR	10.49	10.59	10.04	10.43
GBP	11.80	12.07	11.09	12.21
USD	9.20	9.46	8.19	9.32

Exchange rate differences were recognised in the income statement as follows:

	Group		Parent Company	
	2020	2019	2020	2019
Other revenues and expenses – net	515	-549	574	-570
Financial items – net	605	-1,083	2,227	-1158

Note 12. Earnings per share

Before dilution

Earnings per share before dilution is calculated by dividing the profit/loss attributable to shareholders of the Parent Company

by the weighted average outstanding common shares for the period excluding repurchased shares held as treasury shares in the Parent Company.

	2020	2019
Profit or loss for the year attributable to shareholders of the Parent	41,388	35,034
Weighted average outstanding common shares (thousands)	53,343	53,015
Earnings per share before dilution (SEK per share)	0.78	0.66

After dilution

In calculating earnings per share after dilution, the weighted average total outstanding common shares before dilution effects to all potential common shares. The Parent owns one category of potential common shares that have a dilution effect – stock options. In calculating warrants, the total shares that could have been purchased at fair value (calculated as the average market

price of shares in the Parent Company for the entire year), for an amount corresponding to the monetary value of the subscription rights that are tied to outstanding warrants. The total shares calculated as above is compared to the total shares that could have been issued (assuming all warrants are exercised).

	2020	2019
Weighted average outstanding common shares (thousands)	53,343	53,015
Adjustments for:		
– warrants 2016 to 2019 (thousands)	-	112
– warrants 2017 to 2020 (thousands)	73	133
– warrants 2018 to 2021 (thousands)	133	84
– warrants 2019 to 2022 (thousands)	-	-
– warrants 2020 to 2023 (thousands)	-	-
"Weighted average total common shares used in calculating earnings per share after dilution (thousands)"	53,549	53,343
Earnings per share after dilution (SEK per share)	0.77	0.66

Note 13. Dividend per share

The Board of Directors proposes that the Annual General Meeting on 28 April 2021 resolve to approve a dividend of SEK 0.66 (0.60) per share, which entails a total dividend of SEK 35,286,178.62 (31,904,344.20).

Refer to the management report for the appropriation of profits and the Board's reasoned statement as per Chapter 17 Section 3 Paragraphs 2–3 of the Swedish Companies Act.

Note 14. Intangible assets

Group	Goodwill	Capitalised expenditure	“Customer relations”	Technology	Brand names	Total
Financial year 2019						
Opening carrying amount	338,237	130,937	656	112	-	469,942
Increase due to business combination	-	-	-	-	-	-
Exchange rate differences	4,140	1,390	41	1	-	5,573
Purchases	-	39,729	-	860	-	40,589
Depreciation	-	-42,424	-698	-593	-	-43,714
Impairment losses	-	-	-	-	-	-
Closing carrying amount	342,377	129,632	-	380	-	472,389
As of 31 December 2019						
Cost	365,425	518,955	54,908	4,362	6,943	950,593
Accumulated amortisation	-	-389,323	-54,908	-3,982	-6,943	-455,156
Accumulated impairment	-23,049	-	-	-	-	-23,049
Carrying amount	342,377	129,632	-	380	-	472,389
Financial year 2020						
Opening carrying amount	342,377	129,632	-	380	-	472,389
Increase due to business combination	48,249	-	8,051	3,679	2,001	61,980
Exchange rate differences	-10,408	-2,160	-214	-107	-46	-12,935
Purchases	-	42,880	-	-	468	43,348
Depreciation	-	-39,709	-695	-405	-349	-41,159
Impairment losses	-	-	-	-	-	-
Closing carrying amount	380,218	130,643	7,142	3,546	2,073	523,623
As of 31 December 2020						
Cost	401,140	550,676	60,514	7,705	9,222	1,029,258
Accumulated amortisation	-	-420,033	-53,372	-4,159	-7,149	-484,714
Accumulated impairment	-20,922	-	-	-	-	-20,922
Carrying amount	380,218	130,643	7,142	3,546	2,073	523,623

Capitalised expenditures represent essentially only product development.

Parent Company

	Goodwill	Capitalised expenditure	Customer contracts	Total
Financial year 2019				
Opening carrying amount	-	3,514	8,684	12,198
Purchases	-	3,467	-	3,467
Depreciation	-	-1,028	-4,389	-5,417
Closing carrying amount	-	5,954	4,295	10,248
As of 31 December 2019				
Cost	60,785	38,393	22,019	121,196
Accumulated amortisation	-60,785	-32,439	-17,725	-110,948
Carrying amount	-	5,954	4,295	10,248
Financial year 2020				
Opening carrying amount	-	5,954	4,295	10,248
Purchases	-	2,341	-	2,341
Depreciation	-	-1,444	-4,295	-5,739
Closing carrying amount	-	6,851	-	6,851
As of 31 December 2020				
Cost	60,785	40,734	22,019	123,538
Accumulated amortisation	-60,785	-33,883	-22,019	-116,687
Carrying amount	-	6,851	-	6,851

Impairment testing of goodwill in the Group

Group goodwill at year-end was KSEK 380,218 (342,377). Goodwill is not amortised according to plan, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate possible impairment. Goodwill is tracked by the Group financial administration. For impairment testing, assets are allocated to the smallest level for which identifiable cash flows can be determined (cash-generating units), that is per segment within the Group. Allocation of Group goodwill to these cash-generating units shows KSEK 59,880 (59,880) for SE Public, KSEK 172,338 (178,417) for DK Public and KSEK 148,001 (104,080) for Private.

During the 2020 financial year, no impairment requirements were noted for any of the Group's cash generating units, which pertains to the Group's segments. In connection with the Group's impairment tests during the 2019 financial year, the outcome was the same; no impairment requirements of the Group's cash-generating units were noted.

Impairment testing for all units is based on calculating value in use. This value is based on future cash flow forecasts where the

five first years are based on the business plan established by the senior company management.

Critical variables and the method of estimating these values for the five-year explicit forecast period are described below.

Forecast and long-term growth rate

The explicit forecasting period is five years. The cash flows in addition to the explicit forecast period have been assigned a growth rate of 2 (2) per cent, which is somewhat higher than the expected general GDP growth and is motivated by the fact that the Company is active in a growth industry with a continued good outlook for high growth beyond the explicit forecast period.

Explicit growth and margins

The growth rate in income and expenses, i.e. the margin trend, during the first five years is based on a balanced overall assessment of external analyses of relevant markets for our operations and the experience of senior executives and an assessment of the company's market position and the Group's business plan.

Discount factors

Discount factors are calculated as the Group's weighted average cost of capital including risk premium after tax (WACC). The risk premium differs between the segments as they act on different markets and the certainty of the forecasts varies. WACC for the DK Public segment decreased to 8 per cent for 2020 from 11 per cent to reflect the lower risk in the business.

WACC, %	2020	2019
Segment:		
SE Public	8%	8%
DK Public	8%	11%
Private	11%	11%

Note 15. Property, plant and equipment

Group	Group			Parent Company	
	Other equipment	Lease assets IFRS 16	Total	Other equipment	Total
Financial year 2019					
Opening carrying amount	5,740	-	5,740	1,185	1,185
Adjustment due to changed accounting principle	-	35,130	35,130	-	-
Exchange rate differences	95	-145	-50	-	-
Purchases	1,113	1,063	2,176	299	299
Divestment and disposals	-	-144	-144	-	-
Depreciation	-1,651	-7,505	-9,156	-593	-593
Reversed accumulated depreciation on disposals	-	48	48	-	-
Closing carrying amount	5,297	28,448	33,745	891	891
As of 31 December 2019					
Cost	24,609	35,865	60,474	10,264	10,264
Accumulated amortisation	-19,312	-7,416	-26,729	-9,373	-9,373
Carrying amount	5,297	28,448	33,745	891	891
Financial year 2020					
Opening carrying amount	5,297	28,448	33,745	891	891
Increase due to business combination	850	1,525	2,375	-	-
Exchange rate differences	-204	-449	-652	-	-
Purchases	2,445	843	3,288	621	621
Divestment and disposals	-1,186	-2,549	-3,735	-	-
Depreciation	-2,894	-7,437	-10,331	-531	-531
Reversed accumulated depreciation on disposals	1,095	1,352	2,447	-	-
Closing carrying amount	5,404	21,734	27,138	981	981

Sensitivity analysis

For all units and the SE Public, DK Public and Private segments, the recoverable amount exceeds the carrying amounts. Senior Management has tested and assesses that a reasonable and supportable change (+1 percentage point) in the critical variables above would not have such a large effect that they would individually or together reduce the recoverable amounts to a value lower their carrying amounts.

Group	Group			Parent Company	
	Other equipment	Lease assets IFRS 16	Total	Other equipment	Total
As of 31 December 2020					
Cost	30,317	34,997	65,314	10,885	10,885
Accumulated amortisation	-24,913	-13,263	-38,176	-9,904	-9,904
Carrying amount	5,404	21,734	27,138	981	981

Note 16. Financial assets

	Parent Company	
	2020	2019
Shares in subsidiaries		
Opening cost	275,586	275,586
Transaction-related changes	69,050	-
Closing accumulated cost	344,636	275,586

	Group		Parent Company	
	2020	2019	2020	2019
Other non-current financial assets				
Other financial assets	1,473	1,565	-	-
Other non-current receivables	1,811	3,259	1,811	3,259
Closing value, financial assets	3,284	4,824	346,446	278,846

The Group had no issued securities or mortgages during the 2020 and 2019 financial years.

	Group		Parent Company	
	2020	2019	2020	2019
Pledged assets				
Mortgages	-	-	-	-

The Group had the following subsidiaries at the end of the period. All subsidiaries are consolidated in the Group.

Subsidiaries						
Company	Domicile	Business	Legal form	Co. reg. no.	Ownership	Carrying amount
Formpipe Intelligo AB	Sweden	Development, sale and consultancy services, software	Limited Liability Company	556411-3479	100%	27,477
Formpipe Software Holding A/S	Denmark	Holding company, subgroup	Limited Liability Company	20811307	100%	161,705
Formpipe Software A/S	Denmark	Development, sale and consultancy services, software	Limited Liability Company	29177015	100%	-
Formpipe Lasernet A/S	Denmark	Development, sale and consultancy services, software	Limited Liability Company	26366216	100%	61,048
Formpipe Lernet GmbH	Germany	Software sales	Limited Liability Company	141866	100%	-
Formpipe Software Benelux BV	Netherlands	Software sales	Limited Liability Company	853770153	100%	-
Formpipe Lernet Ltd.	UK	Software sales	Limited Liability Company	06377974	100%	-
Formpipe Life Science Ltd	UK	Development, sale and consultancy services, software	Limited Liability Company	05797675	100%	25,356
Formpipe Inc.	U.S.	Software sales	Limited Liability Company	141194334	100%	-
Formpipe Software Ltd	UK	Development, sale and consultancy services, software	Limited Liability Company	02438041	100%	69,050

Note 17. Financial instruments by category

31 December 2020	Measured at amortised cost	Measured at fair value through profit and loss (Hierarchy 3)	Total
Assets in the statement of financial position			
Other financial assets	1,473	-	1,473
Other non-current receivables	1,811	-	1,811
Trade and other receivables	61,981	-	61,981
Accrued income	13,843	-	13,843
Cash and cash equivalents	58,593	-	58,593
Total	137,700	-	137,700
Liabilities in the statement of financial position			
Borrowing from credit institutions	43,692	-	43,692
Trade and other payables	15,722	-	15,722
Accrued employee-related expenses	29,887	-	29,887
Total	89,301	-	89,301

31 December 2019	Measured at amortised cost	Measured at fair value through profit and loss	Total
Assets in the statement of financial position			
Other financial assets	1,565	-	1,565
Other non-current receivables	3,259	-	3,259
Trade and other receivables	87,544	-	87,544
Accrued income	11,502	-	11,502
Cash and cash equivalents	33,682	-	33,682
Total	137,552	-	137,552
Liabilities in the statement of financial position			
Borrowing from credit institutions	5,937	-	5,937
Trade and other payables	15,703	-	15,703
Accrued employee-related expenses	31,845	-	31,845
Total	53,485	-	53,485

In addition to the financial instruments presented in the tables (above), the Group has financial liabilities in the form of lease liabilities, which are reported and valued according to IFRS 16.

Credit ratings for the loans and trade receivables cannot be assessed based on external credit ratings. Impairments for trade receivables are historically very rare. Liquid assets are entirely cash and cash equivalents.

Liabilities to credit institutions refer to the Group's bank loans. Borrowing in the previous year referred to the utilised part of the Group's bank overdraft facilities.

The Group holds no financial instruments in the balance sheet that are classified as held for trade.

Note 18. Trade and other receivables

	Group		Parent Company	
	2020	2019	2020	2019
Trade and other receivables	61,474	87,295	14,470	44,579
	61,474	87,295	14,470	44,579

The Group has no non-current trade receivables. Fair value regarding current trade receivables equals the carrying amount.

As at 31 December 2020, trade receivables were KSEK 61,474 (87,295). They were distributed as follows: KSEK 18,125 (46,209), KDKK 19,511 (21,376), KGBP 855 (215), KEUR 439

(481) and KUSD 382 (384). The consolidated trade receivables of 61,474 includes an impairment reserve of the consolidated trade receivables for anticipated credit losses of KSEK 707 (-). The age analysis of trade receivables is as follows:

	Group		Parent Company	
	2020	2019	2020	2019
Past due trade receivables on the statement of financial position date:				
Less than 3 months	21,527	17,990	2,128	7,075
More than 3 months	1,615	4,597	-450	577
	23,142	22,587	1,678	7,652

At 31 December 2020, the Group wrote down the trade receivables by KSEK 707 (-) for doubtful debts. The impairment reserve pertains to a total of four customers and no general impairment reserve has been made as the Group historically has had very low credit losses for customer losses.

For other classes of trade receivables and other receivables, there are no assets for which there are expected future credit losses.

The maximum exposure for credit risk on the statement of financial position date is the fair value in each class of receivable identified above. The Group has no pledge as collateral.

Note 19. Accruals and prepaid income

	Group		Parent Company	
	2020	2019	2020	2019
Pre-paid insurance	755	912	650	813
Prepaid IT expenses	1,488	7,605	560	1,688
Prepaid rent	51	535	964	1,019
Prepaid sales and marketing expenses	18,816	11,375	618	459
Accrued income	12,394	10,053	4,633	1,721
Accrued income (Contract asset)	1,449	1,449	1,449	1,449
Other	838	586	59	486
Total	35,790	32,514	8,930	7,635

Note 20. Cash and cash equivalents

	Group		Parent Company	
	2020	2019	2020	2019
Cash and cash equivalents	58,593	33,682	30,666	641
	58,593	33,682	30,666	641

Approved overdraft facilities total KSEK 50,000 and at year-end, was utilised (KSEK 5,937).

Note 21. Share capital

	Total shares (thousands)
As of 31 December 2018	52,887
New share issue - share option redemption	287
As of 31 December 2019	53,174
New share issue - share option redemption	290
As of 31 December 2020	53,464

Total shares outstanding are 53,463,907 (53,173,907), par value SEK 0.1 (0.1) per share. All shares issued are fully paid up.

New share issue – share option redemption

On 09/06/2019, the Company issued 286,501 shares for redemption by the staff warrant programme 2017/2020.

Share-related compensation

On 1 July 2020, company staff were offered the opportunity to acquire warrants for company shares. A total of 500,000 warrants were issued. Each warrant entitles the holder to subscribe to one new share in the Company during the period from 15 May 2022 to 26 May 2023 at a price of SEK 29.95 per new share. The paid-in option premiums totalling SEK 750,000 were recognised as an increase in Other paid-in capital.

On 30 April 2019, company staff were offered the opportunity to acquire warrants for company shares. A total of 500,000 warrants were issued. Each warrant entitles the holder to subscribe to one new share in the Company during the period from 9 May 2022 to 20 May 2022 at a price of SEK 25.79 per new share. The paid-in option premiums totalling SEK 615,000 were recognised as an increase in Other paid-in capital.

On 26 April 2018, Company staff were offered the opportunity to acquire warrants for Company shares. A total of 500,000

warrants were issued. Each warrant entitles the holder to subscribe to one new share in the Company during the period from 10 May 2021 to 21 May 2021 at a price of SEK 17.90 per new share. The paid-in option premiums totalling SEK 355,000 were recognised as an increase in Other paid-in capital.

On 26 April 2017, company staff were offered the opportunity to acquire warrants for company shares. A total of 500,000 warrants were issued. Each warrant entitles the holder to subscribe to one new share in the Company during the period from 11 May 2020 to 22 May 2020 at a price of SEK 15.80 per new share. The paid-in option premiums totalling SEK 400,000 were recognised as an increase in Other paid-in capital.

The consideration paid by the staff for all outstanding options is based on market prices determined using the Black-Scholes Pricing Model. No benefits or remuneration are paid to the staff, and therefore no staff expenses arise in the income statement in compliance with IFRS 2.

Changes to the total number of outstanding warrants and the weighted average exercise price are as follows:

	2020		2019	
	“Average exercise price, SEK per share”	Warrants (total)	“Average exercise price, SEK per share”	Warrants (total)
At 1 January	19.83	1,500,000	14.56	1,500,000
+ Allocated	29.95	500,000	25.79	500,000
- Exercised	15.80	-290,000	9.97	-286,501
- Bought back	15.80	-181,000	9.97	-211,499
- Expired	15.80	-29,000	9.97	-2,000
As of 31 December	24.55	1,500,000	19.83	1,500,000

At the period end, the Company has three (three) outstanding warrant programmes with the following expiry date and exercise prices:

Maturity	Exercise price	Warrants	
		2020	2019
22/05/2020	15.80	-	500,000
21/05/2021	17.90	500,000	500,000
22/05/2022	25.79	500,000	500,000
26/05/2023	29.95	500,000	
		1,500,000	1,500,000

The weighted average fair value of the options allocated during 2020, determined using the Black-Scholes Pricing Model, was SEK 1.50 (1.23) per option. Significant input data to the model included the weighted average share price of SEK 21.49 (21.49) as of the grant date, exercise of the exercise price of SEK 25.79

(25.79) per new share, volatility of 25 (25) per cent, estimated time to expiry of the warrants of 1,029 (1,075) days and annualised risk free interest of 0.00 (0.00) per cent. The options do not carry a right to payment of dividend, which is included in the calculation.

Note 22. Borrowings

	2020	2019
Non-current		
Bank borrowings	29,434	-
Total non-current	29,434	-
Currency		
Bank borrowings	14,258	-
Overdraft facilities	-	5,937
Total current	14,258	5,937
Total borrowings	43,692	5,937

The bank loans are taken up in the Parent Company in DKK and carry variable interest until 31 December 2023. The Group has no pledged assets for raised bank loans. Furthermore, these bank borrowings were subject to regular terms and conditions primarily in regard to EBIT against net debt. The Group has fulfilled all loan terms during the financial year. At year-end, the Group's borrowing amounted to KSEK 43,692 (5,937), of which KSEK - (5,937) refers to the utilised portion of the Group's overdraft facilities.

The Group has credit facilities of KSEK 50,000 (50,000). The credit facilities were not utilised at year-end (KSEK 5,937). The credit facilities have variable interest rates.

Carrying amounts agree with the fair values when the discount rate is the same as the borrowing interest rate.

The amount recognised, per currency, for Group borrowings are as follows in SEK:

	2020	2019
DKK	43,692	-
SEK	-	5,937
Total	43,692	5,937

Between the Group and the bank, there are a number of agreed covenants that the Group must fulfil. Continuous follow-up takes place of these covenants with the bank and no covenants have been broken during 2020 or 2019.

Below is the Group's reconciliation of liabilities originating from the financing activities in the Group's cash flow statement, which pertains to the column Liabilities to credit institutions, and a reconciliation of the Group's net debt. Liabilities to credit institutions affected the cash flow as per below.

	Cash and cash equivalents	Borrowing from credit institutions	Interest-bearing current/non-current liabilities	Total
Net cash as of 31 December 2018	123,782	76,883	180	46,719
Cash flow	-91,064	-69,863	-7,375	-13,826
Exchange rate differences	965	-1,083	1,139	909
Other non-cash items	-	-	33,111	-33,111
Net cash as of 31 December 2019	33,683	5,937	27,055	690
Cash flow	26,013	39,343	-8,274	-5,057
Exchange rate differences	-1,103	-1,588	-513	998
Other non-cash items	-	-	2,226	-2,226
Net debt at 31 December 2020	58,593	43,692	20,495	-5,594

Note 23. Deferred tax

Deferred tax assets and liabilities are offset when there is a legal right to set-off for the tax assets and liabilities in question and when the deferred taxes are for the same tax agency.

The Group has no offset tax assets or liabilities.

	2020	2019
Deferred tax assets	3,645	7,664
Deferred tax liabilities	28,434	23,818

Gross changes to deferred tax assets are as follows:

	2020	2019
Opening balance	7,664	9,373
Unutilised loss carryforwards	-3,898	-2,870
Loss carried forward, not reported previously	31	1,042
Exchange rate differences	-152	119
Closing balance	3,645	7,664

The deferred tax assets are deemed to be able to be utilised within the next five-year period.

Gross changes to deferred tax assets allocated to asset type:

	Tax loss carryforwards	Other	Total
As of 31 December 2018	9,373	-	9,373
Unutilised loss carryforwards	-2,870	-	-2,870
Loss carried forward, not reported previously	979	-	979
Deferred tax asset attributable to leased assets	-	64	64
Exchange rate differences	119	-	119
As of 31 December 2019	7,600	64	7,664
Unutilised loss carryforwards	-3,898	-	-3,898
Deferred tax asset attributable to leased assets	-	31	31
Exchange rate differences	-152	-	-152
As of 31 December 2020	3,550	95	3,645

Deferred tax assets are recognised as tax loss carryforwards to the extent to which it is probable that they can be utilised against future taxable profit. As of the end of the year, there is a tax loss carryforward in the SE Public segment amounting to KSEK - (-), in the DK Public segment to KSEK - (-) and in the Private segment, there is a loss carryforward amounting to

KSEK 6,707 (7,777) where a related tax loss carryforward is not capitalised in the Group. In 2020, KSEK 3,898 (2,870) of the tax loss carryforwards were utilised, and KSEK - (979) was capitalised. The entire amount capitalised during the year is deemed to be able to be used next year after joint taxation in Denmark.

Gross changes to deferred tax liabilities are as follows:

	2020	2019
Opening balance	23,818	20,636
Increase due to business combination	2,609	-
Recognised in income statement	2,618	2,986
Revaluation due to changed tax rates	-208	-55
Exchange rate differences	-402	249
Closing balance	28,434	23,818

Of the deferred tax liabilities of KSEK 28,434, a total of KSEK 4,260 is expected to be used in the next twelve-month period. The remaining amount will be used within the next five-year period.

Gross changes to deferred tax liabilities allocated to asset type:

	Intangible assets	Other	Total
As of 31 December 2018	20,636	-	20,636
Recognised in income statement	2,986	-	2,986
Revaluation due to changed tax rates	-55	-	-55
Exchange rate differences	249	-	249
As of 31 December 2019	23,818	-	23,818
Increase due to business combination	2,609	-	2,609
Recognised in income statement	2,618	-	2,618
Revaluation due to changed tax rates	-208	-	-208
Exchange rate differences	-402	-	-402
As of 31 December 2020	28,434	-	28,434

Deferred taxes recognised as intangible assets refers to fair value adjustments for acquired assets, as well as capitalised development expenses.

The acquisition of EFS Technology Ltd., now Formpipe Software Ltd., increased the deferred tax liabilities relating to acquisition

of intangible assets by KSEK 2,609 (-). A dissolution of deferred tax liabilities attributable to amortisation of acquired intangible assets for the year totalled KSEK 247 (165) and attributable to amortisation of capitalised development expenses to KSEK 4,257 (4,470). Own work capitalised increased the deferred tax liability by KSEK 4,874 (5,877).

Note 24. Other liabilities

	Group		Parent Company	
	2020	2019	2020	2019
Current liabilities				
Value-added tax	6,152	9,578	740	5,373
Other current liabilities	10,764	2,088	1,344	1,113
Total other current liabilities	16,916	11,666	2,083	6,486

Note 25. Accrued expenses and deferred income

	Group		Parent Company	
	2020	2019	2020	2019
Staff-related accrued expenses	29,887	31,845	10,063	13,459
Deferred income (Agreement liability)	154,120	149,683	68,700	74,193
Other accrued expenses	10,722	6,560	6,417	2,660
	194,728	188,088	85,180	90,312

Note 26. Leases

Commitments regarding operational leasing where one group company is the tenant.

The Group rents several premises and offices, with notice periods of between 1 and 5 years. The lease agreements have different terms and conditions, index clauses and right to extension.

The Group also leases various types of office equipment and cars under operational leasing agreements subject to cancellation. The notice period for cancellation for the Group in regard to these agreements is 1 month.

Total future minimum leasing fees for operational leasing agreements not subject to cancellation are as follows:

	2020	2019
Within 1 year	6,622	6,414
Between 1 and 2 years	2,736	3,813
Between 2 and 5 years	1,007	3,251
More than 5 years	-	-
	10,366	13,478

Lease liabilities recognised as per 1 January 2019	33,111
Repayment of leasing liability in 2019	-7,403
Additional leasing in the form of new leases and indexation of current leases	1,024
Exchange rate differences	324
Lease liabilities recognised as at 31 December 2019	27,055
Repayment of leasing liability in 2020	-8,274
Additional leasing in the form of new leases and indexation of current leases	2,208
Exchange rate differences	-495
Lease liabilities recognised as at 31 December 2020	20,495

The following amounts related to leases are recognised in the balance sheet:

Lease liabilities	31/12/2020	01/01/2019
Non-current lease liabilities	13,277	19,973
Current lease liabilities	7,218	7,082
	20,495	27,055
Closing carrying amounts for ROU assets	31/12/2020	01/01/2019
Office premises	20,313	27,217
Vehicles	1,146	865
Equipment	274	366
	21,734	28,448

See Note 3 regarding the term analysis for lease liabilities.

Additional ROUs during 2020 amounted to KSEK 2,368 (1,063), divestments amounted to KSEK 1,197 (96) and exchange-rate differences amounted to KSEK -449 (-96).

The following amounts related to leases are recognised in the income statement:

	2020	2019
Depreciation on ROUs		
Office premises	-6,889	-6,710
Vehicles	-457	-703
Equipment	-91	-91
	-7,437	-7,505
Interest expenses, lease liabilities		
Office premises	-524	-659
Vehicles	-14	-16
Equipment	-6	-8
	-545	-683
	2020	2019
Expenses attributable to short-term leases (included in other expenses)	-	-
Expenses attributable to leases for which the underlying asset is of low value that is not a short-term lease (included in other expenses)	-70	-56
Expenses attributable to variable leasing payments that are not included in lease liabilities (included in other expenses)	-1	-1
	-71	-57

The total cash flow for leases in 2020 amounted to KSEK -8,274 (-7,375).

Note 27. Disclosures on related parties

Related parties refers to:

- Companies that directly or indirectly (through one or more agents) exert a controlling influence on Formpipe Software AB.
- Natural persons (and family members thereof) who directly or indirectly own a significant proportion of voting shares in Formpipe Software AB such that they exert a significant influence on the Company.
- Key individuals who are responsible for planning and managing activities, such as members of the Board of Directors and senior executives.

Formpipe Software AB has no noted transactions with related parties as defined in IAS 24 Related party disclosure (as above) to report except as specified in Note 8 Staff, management and Board of Directors.

Transactions between subsidiaries in the Group are regulated by the Company Transfer Pricing policy and are conducted at arm's length.

Holdings and ownership in subsidiaries are presented in Note 16.

Remuneration of senior executives is presented in Note 8.

	Parent Company	
	2020	2019
Transactions with Group companies		
Sales to Group companies	80	548
Purchases from Group companies	-4,250	-4,035
Interest income from Group companies	441	477
Interest expenses to Group companies	-173	-339
Group contributions from Group companies	4,491	-
Loans to group companies	15,740	14,107
Liabilities to group companies	98,751	34,794

Note 28. Business combinations

Acquisition of EFS Technology Ltd. ("EFS") – 1 August 2020, now Formpipe Software Ltd.

With the aim of strengthening Formpipe's offering to the Private business area and contributing to further growth, EFS Technology Ltd. ("EFS") was acquired on 1 August. EFS is a leading provider of software for production and document management to the banking and manufacturing sectors. The acquisition was for 100 per cent of the shares in EFS and has impacted the Group statement of financial position and cash and cash equivalents 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-recurring transaction related expenses (EBITDA). If the acquisition had taken place on 1 January 2020, EFS would have contributed a total of MSEK 34.0 in sales and MSEK 8.7 in EBITDA. The company was incorporated in the Group's Private segment.

The transaction has led to goodwill which consists of synergy effects and staff. Adjustments to the carrying amount is represented by the excess price embedded in the purchase price in regard to customer relationships, technology and brand names. This adjustment also considers the effect of deferred tax. No portion of the recognised goodwill is anticipated to be income tax deductible. For additional information regarding goodwill, refer to Note 14.

Acquisition-related costs have been expensed in profit or loss in an amount of KSEK 532 under the item Other expenses.

The acquisition statement of financial position is subject to final adjustment no later than one year after the transaction date.

Consideration and recognised amounts of identifiable net assets:	Fair value
Property, plant and equipment	825
Intangible assets	13,731
Trade and other receivables	6,462
Cash and cash equivalents	22,983
Trade payables and other liabilities	-20,534
Deferred tax liability	-2,667
Acquired net assets	20,800
Goodwill	48,249
Cash consideration	69,050
– Liquid funds in company acquired	-22,983
Changes to Group cash and cash equivalents at acquisition	46,067

Fair value adjustments were made to identifiable intangible assets regarding customer relationships and brand names. Amortisation for these assets is linear. Of the total amount of KSEK 13,731, KSEK 6,521 relates to customer relationships amortised over five years, KSEK 2,980 relates to technology amortised over five years and KSEK 1,621 relates to brand names amortised over three years.

The acquisition statement of financial position was prepared using the exchange rate on the transaction date of SEK/GBP 11.4510. The acquired net assets and goodwill will be translated at the actual statement of financial position date price.

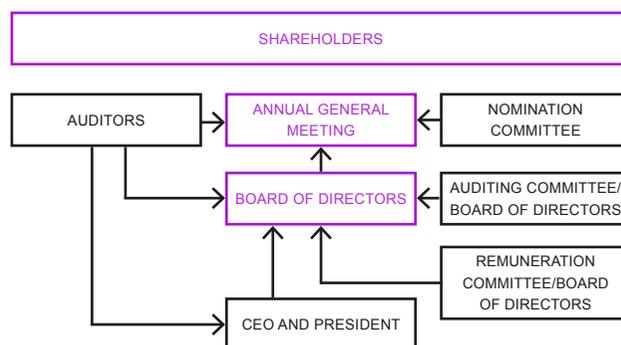
Corporate governance report

Introduction

Formpipe Software AB (publ) ("Formpipe") is a Swedish Public Limited company domiciled in Stockholm. In 2020, the Group had operations in Sweden, Denmark, the Netherlands, the United Kingdom, Germany and the USA. Governance, management and control of Formpipe are divided between the shareholders at the Annual General Meeting, the Company Board of Directors, and the CEO in accordance with the Swedish Companies Act, the current Articles of Association, Nasdaq Stockholm Issuer Rules and the Swedish Code of Corporate Governance. The Formpipe Corporate Governance Report for 2020 describes the corporate governance, management, administration and internal controls for financial reporting within the company. The Swedish Code of Corporate Governance is based on the 'Comply or explain' principle, which permits companies using the code to choose an alternative to compliance with specific rules as long as the alternative is described and the reasons for choosing it are fully explained.

Reporting structure within Formpipe Software

Corporate governance is essentially about how the Company is to be managed and operated from the shareholder's perspective. Corporate governance at Formpipe is regulated by external regulations and internal steering documents.



Examples of external regulations

- Swedish Companies Act
- The Nasdaq Stockholm Rule Book for Issuers
- Applicable accounting legislation
- Swedish Corporate Governance Code
- EU Market Abuse Regulation (MAR)

Examples of internal regulations

- Articles of Association
- The instructions and work plan for the CEO and the Board
- Internal policies, handbooks and guidelines

Shareholders

On 31/12/2020, Formpipe had approximately 3,300 shareholders owning a total of 53,463,907 shares. The largest single shareholder as of 31/12/2020 was

Aktiebolaget Grenspecialisten, holding 10.4 per cent of voting rights and equity. The 20 largest shareholders owned a total of 74.1 per cent of voting rights and equity.

Annual General Meeting

The Annual General Meeting (AGM) of the Shareholders is the Annual Shareholders Meeting where the Annual Report is presented. The shareholders' right to influence the affairs of Formpipe is exercised at the shareholders' meeting as the Company's highest decision-making body. Each share entitles the holder to one vote at the Meeting and there are no restrictions in the right to vote. The Annual General Meeting has several mandatory matters to address, including adopting the Company's statement of financial position and income statement, and determining the disposition of the Company's profit or loss, determining remuneration policies for senior executives and discharging the Board members and CEO from liability. The Annual General Meeting elects members to the Board of Directors as proposed by the nomination committee (see below) for the period to the next ordinary Annual General Meeting.

Annual General Meeting 2020

Formpipe's Annual General Meeting was postponed due to uncertainty regarding what effects COVID-19 would have for the business and was held on 30 June 2020 at the Company's premises in Stockholm. Legal Counsel Johan Hessius was elected Chair of the Annual General Meeting. The Company's Board of Directors, senior executives, nomination committee and auditors attended the meeting.

Company shareholders received advance notice at www.formpipe.se of the time and location for the Annual General Meeting and of their right to have any matter addressed at the meeting within the required time limit. All shareholders who were registered in the Company share registry and who provided timely notice of their intention to participate were entitled to take part in the meeting and vote for their shares. According to Act (2020:198) regarding Temporary Exceptions to Facilitate the Implementation of Annual General Meetings in Companies and Associations, the Board had decided that the shareholders could exercise their right to vote by postal voting before the Annual General Meeting. The Company encouraged the shareholders to use this opportunity to reduce the risk of the spread of the virus that causes COVID-19.

The resolutions passed included:

- Adopting the statement of financial position and income statement, as well as the appropriation of profits for the 2019 financial year.
- The re-election of Board members Bo Nordlander (Chairman), Peter Lindström, Åsa Landén Ericsson, Annikki Schaeferdiek and Erik Syrén, and election of Martin Bjäringer as a new Board member.
- Electing Bo Nordlander as Board Chair
- Authorisation to the Board to purchase and transfer treasury shares.
- Authorisation to the Board to buy-back warrants.
- Issuing of warrants for staff.
- Guidelines on remuneration of senior executives.

The minutes of the Annual General Meeting were published on the Company's website two weeks

after the meeting. The information from the Annual General Meeting, including the notice to attend, meeting minutes and information regarding the nomination committee is published at the Formpipe website, www.formpipe.se.

Annual General Meeting 2021

The Formpipe Annual General Meeting of Shareholders 2021 will take place on 28 April at the Company's premises. Information regarding shareholders providing notice of their intent to participate in the 2021 AGM will be available in advance at www.formpipe.com. This information will include a description of how shareholders may bring any matter before the meeting.

Nomination committee

The Nomination Committee work is begun by evaluating the sitting Board by the Chairman of the Board sending all Board members a survey covering the following main areas: strategy, reporting and control, composition and expertise and the Board's working methods. The results are then discussed in the Board as a separate agenda item and where comparison is done against previous years. The Chairman of the Board presents the results to the Nomination Committee. The Nomination Committee also has individual meetings with all Board members when necessary. The Nomination Committee applied rule 4.1 in the Swedish Corporate Governance Code and the policy for diversity for the Board in its work. Diversity is an important factor in the nomination work of the Nomination Committee. The Nomination Committee continuously strives for an even gender distribution and diversity in terms of competence, experience

and background on the Board, which is also reflected in the current composition. The nomination committee's work must be characterised by openness and discussion so as to achieve a well balanced Board. The nomination committee nominates individuals to the Board for the next mandate period, who are then proposed to the Annual General Meeting for election. The nomination committee also proposes remuneration for the auditors and members of the Board of Directors, and for the election of auditors where necessary. The 2020 AGM resolved that the Nomination Committee for the 2021 AGM shall consist of three members. The Chairman of the Board shall contact the three largest shareholders or shareholder groups in terms of votes (this refers to both directly registered shareholders and trustee-registered shareholders) according to Euroclear Sweden AB's print-out of the share register as of the last day of trading in September of the current year (i.e. the year when the AGM that established the current principles was held) and other reliable information that was provided to the Company at this time. Documented shareholding through pension or endowment insurance can be taken into account. These shareholders shall each appoint a representative, who shall form the Nomination Committee for the mandate period to the next Annual General Meeting. The Nomination Committee can choose to co-opt the Chairman of the Board. The names of the Nomination Committee were published at the Company's website no later than six months before the Annual General Meeting. The complete description of nomination committee policies will be contained in the document 'Nomination committee's proposals and explanatory statement regarding the proposed members of the Board of Directors' prior to the 2020 AGM at www.formpipe.se.

The members of the Nomination Committee for the period prior to the 2021 AGM are:

Malin Ruijsenaars, representing AB Grenspecialisten	5,564,128 shares
Louise Hedberg, representing SEB Investment Management	5,549,446 shares
Veronica Sandman, representing an owner grouping consisting of Martin Bjäringer and Carl Rosvall	3,800,000 shares
Bo Nordlander (co-opted), Chairman of Formpipe Software AB	328,159 shares

Articles of Association

The Articles of Association stipulate that Formpipe is a Public Limited Company, which shall conduct business, directly or indirectly, in the specified fields and with all activities compatible therewith: consulting operations regarding Internet and Intranet solutions; consulting operations regarding information, management, and data processing; development and design of computer software and related products and services, including sales thereof in combination with suitable hardware; administration and trade in securities and real estate. The share capital for Formpipe shall amount to not less than SEK 2,000,000 and no more than SEK 8,000,000. The number of shares shall be no less than 20,000,000 and no more than 80,000,000. The Board of Directors shall consist of no less than three and no more than six members with no more than three deputies. The complete Articles of Association can be downloaded from www.formpipe.com.

Board of Directors

The job of the Board of Directors

The job of the Board of Directors is to manage the Company's affairs on behalf of its shareholders. The work of

Formpipe's Board is governed, other than by applicable laws and recommendations, by the Board's work plan which contains the rules for the delegation of duties and decision-making powers between the Board and the CEO for financial reporting, investments and financing. The work plan is approved once a year.

Responsibilities of the Board

The Board of Directors at Formpipe has overall operational responsibility for the Company's organisation and management, and to ensure that guidelines for managing Company assets and funds are appropriate for their purpose. The Board is responsible to ensure the Company is governed in accordance with the laws and ordinances, as well as the issuer rules of which the Swedish Code of Corporate Governance is part. The Board is also responsible for developing and monitoring the Group's strategies by means of plans and targets, decisions on acquisitions and divestments of companies, major investments, recruitments and remuneration to the Group executive, along with regular monitoring of operations over the year. The Board of Directors annually approves the year-end financial statement, with regard to the business plan, operations-related policies and the work plan for the CEO.

Work of the Board of Directors for 2020

At the Annual General Meeting on 30 June 2020, Board members Bo Nordlander (Chairman), Peter Lindström (Board member), Åsa Landén Ericsson (Board member), Annikki Schaeferdiek (Board member) and Erik Syrén (Board member) were re-elected, and Martin Bjäringer (Board member) was elected as a new Board member. The Board

has held 14 meetings recorded in minutes, which considered the Company's financial positions and reporting, the focus of business operations, acquisitions, market assessments, strategic alternatives and organisational issues.

The Board Chair

Bo Nordlander, the Chair for the Board of Directors, leads the Board's work to ensure it is carried out in accordance with applicable laws and regulations. The Chair monitors operations in dialogue with the CEO and is responsible for ensuring that all Board members receive the information necessary to conduct high quality discussions and decision-making. The Chair also participates in the evaluation and developmental issues related to the Group's senior managers.

The composition of the Board of Directors

Formpipe normally holds eight general meetings of the Board of Directors annually plus an inaugural meeting immediately after the Annual General Meeting. Additional Board meetings are held as necessary. The Board consists of six full members and no deputies. The CEO is not part of the Board of Directors, but attends all Board meetings as a speaker except when the CEO's performance is under evaluation. The CEO reports to the Board regarding the operative activities of the Group and ensures that Board members receive factual and relevant information for their decision-making processes. In addition to the CEO, the company's CFO also attends as the secretary. The table below specifies the members of the Board of Directors and their assessment in regard to their independence in relation to the Company and shareholders.

Board member	Participation/ total meetings	Audit Committee	Remuneration Committee	Independent	Other
Bo Nordlander Chairman of the Board since 2013 Board member since 2009 Year of birth: 1956 Shareholding: 328,159	14/14	Yes	Yes	Yes	Bo was formerly the CEO of SIX Financial Information Nordic AB (2010-2016), Head of Capital Market & Wealth, Tieto (2007-2009), CEO Abaris (2001-2007), Entra AB (1991-2001). Bo holds a degree in business administration from the School of Business, Economics and Law.
Peter Lindström Board member since 2016 Year of birth: 1970 Shareholding: 45,000	14/14	Yes	Yes	Yes	Peter has an executive MBA from the School of Economics and Management at Lund University and an electrical engineering degree from the Faculty of Engineering at Lund University. Peter is the Executive Vice President, Head of Sales at and a part of the management group at Axis Communications AB. Peter has more than 25 years' extensive experience from senior roles in the IT industry, both at a regional and global level.
Annikki Schaeferdiök Board member since 2017 Year of birth: 1969 Shareholding: 16,000	14/14	Yes	Yes	Yes	Annikki holds a Master of Science in Engineering from the Institute of Technology at Linköping University. Annikki has 20 years' experience from the IT/telecom industry. Annikki worked among other things in Berglin for a small technology firm, as the CEO of Netwise, and the Business Area Manager of Ericsson's Multimedia unit and since 2010 runs her own company Syster P that makes jewellery with its own e-commerce and sales in some 15 countries. Other assignments: Member of the Boards of Proact IT AB, Axiell Group AB and Chairman of the Board of Competella AB.
Åsa Landén Ericsson Board member since 2017 Year of birth: 1965 Shareholding: 10,000	14/14	Yes	Yes	Yes	Åsa holds an MSc. in Industrial Economics from Chalmers University of Technology and an MBA from INSEAD. Åsa has more than 25 years' experience in senior positions in the IT and telecom sector. She is currently the President and CEO of C.A.G. Group AB. Earlier assignments include the CEO of the systems integrators Cygate AB, the CEO of the IT consulting firm Enfo BI & Analytics, President and CEO of ENEA AB, CEO of Scanpix Sweden AB, Board member of ENEA AB, Rejlers AB and Acando AB.
Erik Syrén Board member since 2019 Year of birth: 1978 Shareholding: 59,816	14/14	Yes	Yes	Yes	Erik attended the economics programme at Lund University. Erik was formerly CEO and now sits on the Board of Directors of the listed CRM company Lime Technologies AB (publ), where he has been involved in running the company for the past 20 years. Erik is also a member of the Board of the fast-growing software company Wiraya Solutions AB. Other assignments: Member of the Boards of Syringa Capital and Syringa Consulting.
Martin Bjäringer Board member since 2020 Year of birth: 1959 Shareholding: 3,800,000	8/8	Yes	Yes	Yes	Martin holds a Master of Science in Business Administration and Economics from Stockholm University. Martin has worked as a private investor since 2000. Before then he worked at Alfred Berg Fondkommission from 1982. In the years 1993-2007, Martin was a co-owner and Chairman of the Board of Protect Data. For many years, he has been a major shareholder in Björn Borg AB and a former Board member. In 2012, Martin was involved in the founding of the Swedish venture capital fund Monterro, which specialises in Nordic software companies and started its third fund in 2019, which now manages more than SEK 4 billion.

The composition of the Board of Directors for Formpipe meets the requirements of the Nasdaq Stockholm Stock Exchange and the Swedish Code of Corporate Governance in regard to composition and independent Board members.

The Board's work plan

The Board's work plan was approved on 30 June 2020 at the inaugural meeting of the Board. These procedures are revised at least once annually or when necessary. The procedures include – among other things – the Board's responsibilities and tasks, the tasks of the Chairman of the Board and audit issues, as well as stating which reports and financial information should be received by the Board of Directors prior to each Ordinary General Meeting. The work plan also includes instructions to the CEO.

Audit and Remuneration Committee

The Board as a whole operates as the audit and remuneration committees. The description of tasks in regard to its work as an audit committee and remuneration committee is prepared and approved as an appendix to the approved work plan. The work plan with appendix was approved at the inaugural Board meeting on 30 June 2020. During 2020, the committees have held separate meetings to address these issues (two meetings of the Audit Committee and three meetings of the Remuneration Committee).

CEO and Group management

CEO Christian Sundin manages the Group and its operations within the framework approved by the Board of Directors.

Christian Sundin

Chief Executive Officer

Date of birth: 1971

Employed since: 2006

Shareholding: 946,840

Warrants: 756,900

Christian was employed as CFO at Formpipe prior to taking over the CEO post in 2007. Christian has a background within the Ericsson Corporation and solid experience of implementing larger IT systems. Christian has a degree in Economics. Christian does not hold any material assignment outside Formpipe and has no material shareholding or part ownership in any companies other than Formpipe.

The latest valid instruction to the CEO was passed by the Board on 30 June 2020. The CEO continuously prepares necessary documentation to inform and provide a basis for decision-making, and he explains and substantiates proposals for Board determination. The Board Chair conducts an annual performance assessment interview with the CEO in compliance with the CEO instruction and applicable requirements specification. The CEO leads the executive management of the Group in their activities and makes final decisions in consultation with the business area managers. An annual business plan is also prepared in consultation with the relevant business area manager. The business plan is followed up with monthly reports from each business area within the Company, where the review concentrates on growth and cost control.

Auditors

The Annual General Meeting of shareholders appoints one or two auditors with no more than two deputies for the purpose of auditing the company financial statements and annual accounts, as well as the work of the administration of the Board of Directors and CEO. Chief Auditor is Aleksander Lyckow from PricewaterhouseCoopers AB.

Internal control regarding financial reporting for the 2020 financial year

The report has been prepared in compliance with the Swedish Code of Corporate Governance and is thereby delimited to the internal control regarding financial reporting. The Board of Directors is responsible for managing corporate governance at Formpipe and thereby for management of internal controls. The overall purpose for this is to protect the Company's assets and thereby the investment of all shareholders. The Board is also responsible for ensuring that financial reporting is prepared in compliance with applicable law. Quality assurance of Formpipe's financial reporting is conducted by the Board, addressing all critical accounting issues and the financial reports submitted by the Company. This presumes that the Board addresses issues concerning internal control, regulatory compliance, material uncertainties in recognised values, any uncorrected errors, events after the statement of financial position date, changes to estimates and assessments, any determined irregularities and other circumstances that impact the quality of these financial reports.

Description of the internal control organisation

Control environment

An active and fully engaged Board of Directors is the foundation for good internal control. The Board at Formpipe has established clear working processes and work plans for their administration. An important part of work in the Board is to prepare and approve basic policies, guidelines and frameworks related to

both operating control and financial reporting. The Company's governing documents are designated "The Board of Director's Work plan and instruction for delegation of responsibilities between the Board and Chief Executive Officer and instruction for economic reporting to the Board of Directors in Formpipe (including subsidiaries and branches)". The purpose of this policy includes creating the basis for sound internal control. Follow-up and amendment are conducted continuously and communicated to all staff members involved in financial reporting. The Board conducts monthly assessment of operational performance and results using a purpose-designed reporting package that contains income statement and calculated key ratios along with additional material operational and financial information. The Board functions in its entirety as an Audit Committee. The Board has reviewed and assessed the accounting and economic reporting procedures, and monitored and assessed the work, qualifications and independence of the external auditors. During the year, the Board conducted a review and received written reports from the company's external auditors. Other established policies that provide the basis for internal control within Formpipe are the Authorisation Policy, Financing Policy, Information Policy and IT Policy. Formpipe works according to a business area-based organisational structure where the respective business area manager is a member of Group management and responsible for the results within that business area. In addition to the business area managers, Group management also includes the CEO, CFO, CTO, Director of HR and Director of Business Development. Formpipe's business areas have common structures, accounting systems and policies, which facilitates the creation of suitable procedures and control systems.

Risk assessment

Formpipe actively and continuously conducts risk analyses, risk assessments and risk management to ensure that the risks the Company faces are managed appropriately within established rules. These risk assessments consider the Company's administrative procedures regarding invoicing and agreement management. Statement of financial position and income items that carry material risk for errors arising are monitored also continuously. The items carrying such risk for company operations include new sales and recurring revenues, as well as intangible assets. The risk assessment is conducted regularly by senior executives and reported monthly to the Board by the CEO.

Control activities

Policy documents and guidelines define how correct accounting, reporting and provision of information shall take place and how control activities are to be performed. Formpipe follows its Financial Guidelines, which include treatment of control activities such as reconciliation, authorisation flows, account reconciliations, financial systems and comparative metrics. The control structure manages the risks that the Board deems material to internal control of financial reporting. These control structures consist of clear delegation of responsibilities, clear procedures and clear roles. Examples of control activities include reporting decision-making processes and chains of command for significant decisions (such as new major customers, investments, agreements and similar) as well as auditing all financial reports that are presented.

Information and communication

The Company's steering documents, which are the policies, guidelines and manuals for internal and

external communication, are updated regularly and communicated internally through appropriate channels, such as internal meetings, internal newsletters and the Company intranet. A clear policy is established for communication with external parties that specifies all guidelines for how this information is to be published – the approved company Information Policy. The purpose of this policy is to ensure complete and correct compliance with all disclosure requirements for Formpipe according to applicable Issuer rules.

In addition, the Company is covered by the provisions in the EU Market Abuse Regulation No 596/2014 (MAR) that sets requirements on how the Company handles insider information. MAR regulates how insider information shall be made public to the market, under what conditions publication may be postponed and the manner in which the Company is obliged to keep a list of people working for the Company who have had access to insider information (a so-called log book).

Since 2017, the Company uses the digital tool InsiderLog to ensure that its handling of insider information meets the requirements in MAR and the Company's insider policy; from the decision to postpone publication of insider information all the way to the message to be submitted to the Swedish Financial Supervisory Authority when the insider event is over and information has been published. Only authorised persons in the Company have access to InsiderLog.

Follow-up and monitoring

Follow-up of internal control is appropriate and conducted regularly by the company. The Board of Directors meets at least once a year with the Company's auditors to review the current standing, without the

CEO or other senior executives attending. The Board also ensures that the company's auditors conduct a cursory review of the financial reporting from the third quarter. Lastly, the auditors also submit a brief report on how internal control was done during the year. The Board annually assesses whether a separate internal audit function should be implemented at Formpipe. The current position of the Board on this issue is that the existing processes provide satisfactory management of this ongoing process and of internal control, and hence no formal internal auditing function has been implemented.

Guidelines for remuneration of senior executives 2020

The AGM resolved to approve the proposal of the Board for guidelines to remuneration for the Company's Chief Executive Officer and other senior executives as follows: The AGM resolution principally agrees with previously applied policies for remuneration. The guidelines apply for agreements that are made after the 2020 Annual General Meeting, or where a change in remuneration occurs thereafter. The Board has not appointed a separate remuneration committee; instead, the Board in its entirety deals with issues relating to remuneration and other conditions of employment.

The Company shall offer market-adjusted terms which allow the Company to recruit and retain skilled personnel. Remuneration to senior executives shall consist of basic salary, variable remuneration, a long-term incentive programme, pensions, severance terms and other customary benefits.

The remuneration is based on the individual's commitment and performance in relation to targets defined in advance, both individual targets and shared targets for the Company as a whole. There is continuous evaluation of individual performance. The basic salary is usually reviewed once a year and must take into account the quality of the individual's performance.

The basic salary for the Managing Director and other senior executives must be competitive. The variable remuneration shall take into account the individual's level of responsibility and degree of influence. The extent of the variable remuneration is related to the extent by which financial objectives established by the Group's Board of Directors are met. The variable remuneration shall constitute no more than 40 per cent in addition to the basic salary. All variable remuneration plans have defined maximum allocation and outcome limits. A provision is made in the annual accounts for variable remuneration attributable to the financial year when applicable and is disbursed in close connection with the Annual General Meeting. The Company has stock-related incentive programmes directed at the entire staff (including the Chief Executive Officer and other senior executives) that is intended to promote the Company's long-term interests. The Board continuously evaluates whether additional option programmes or any other form of stock-related or stock price-related incentive programme should be proposed to the Annual General Meeting. The Chief Executive Officer and other senior executives shall have defined contribution pension agreements. Retirement occurs at age 65 for the Chief Executive Officer and the senior executives. Pension provisions are based solely on the budgeted salary. In the event of termination of the employment of the Chief Executive Officer, six months' notice of

termination and six months' severance pay will apply if the contract is terminated by the Company. Other income which the Chief Executive Officer receives during the period for which severance pay is paid will be subtracted from the severance pay. If the Chief Executive Officer terminates the contract, six months' notice must be given. A mutual notice period of 3 to 6 months applies between the Company and the other senior executives. In the event the Company is the object of a public takeover bid that results in at least 30 per cent of the Company's shares ending up in the possession of one and the same shareholder, the Chief Executive Officer is entitled, upon termination of employment by the Company or the Chief Executive Officer, to special severance pay corresponding to 12 basic monthly salaries at the time notice is given. Such severance pay is not subject to deduction for other income, shall be paid in its entirety upon the cessation of the employment and replaces the severance pay to which the Chief Executive Officer is normally entitled according to his or her employment contract.

The Annual General Meeting provided the Board of Directors with an opportunity to deviate from the proposed guidelines above in the event there are particular grounds for doing so in specific cases.

Reservation has been made in the annual accounts for variable remuneration attributable to 2020, and this will be paid soon after the 2021 AGM.

The guidelines for the remuneration of senior executives proposed to the 2021 Annual General Meeting are essentially unchanged, but are described below in detail in accordance with the guidelines applicable for 2021.

Guidelines for remuneration of senior executives 2021

The guidelines for the remuneration of senior executives proposed to the 2021 Annual General Meeting cover salary and other remuneration of the Company's CEO and other senior executives. The guidelines also comprise remuneration of Board members insofar as they receive remuneration in addition to Board fees for services concerning a position covered by these guidelines. The guidelines are to be applied to remuneration that is agreed, and changes made in already agreed remuneration, after the guidelines have been adopted by the 2021 Annual General Meeting. The guidelines do not cover remuneration resolved by the General Meeting.

Regarding employment conditions that are subject to rules other than Swedish, proper adaptations may be made to comply with such compulsory rules or fixed local practice, whereby the overall purpose of the guidelines shall be fulfilled to the extent possible.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

Formpipe's strategy is to develop high-quality software and cloud services for organisations that place high demands on information management. Formpipe aims to grow both organically within select industries and through strategic acquisitions that reinforce the Company's offering in Content Services.

A successful implementation of the Company's business strategy and the safeguarding of the

Company's long-term interests, including its sustainability, presuppose that the Company can recruit and retain qualified employees. This requires that the Company can offer competitive compensation. These guidelines mean that senior executives can be offered competitive overall compensation.

In the Company, a share-related incentive programme has been established directed at the entire staff (including the CEO and other senior executives) that promotes employee shareholdings, which creates incentive to promote the Company's business strategy, long-term interests and sustainability. It has been approved by the General Meeting and therefore is not covered by these guidelines. For the same reason, the long-term share-related incentive programme that the Board proposed that the 2021 Annual General Meeting should approve is also not covered. The proposed programme essentially corresponds to existing programmes.

Forms of remuneration

The Company shall offer market-adjusted terms which allow the Company to recruit and retain skilled personnel. Remuneration of senior executives shall consist of basic salary, variable remuneration, pensions, severance terms and other customary benefits. The remuneration is based on the individual's commitment and performance in relation to targets defined in advance, both individual targets and shared targets for the Company as a whole. There is continuous evaluation of individual performance. In addition to this, the General Meeting can pass a resolution regarding for example share- and share price-related remuneration, also independent of these guidelines.

Fixed salary

The basic salary is usually reviewed once a year and must take into account the quality of the individual's performance. The basic salary for the CEO and other senior executives must be competitive.

Variable salary

The variable remuneration shall take into account the individual's level of responsibility and degree of influence. The size of the variable remuneration shall be linked to predetermined and measurable criteria based on the outcome of the Company's earnings and growth of recurring revenues in relation to the targets set by the Board, which creates incentive to promote the Company's business strategy, long-term interests and sustainability. Fulfilment of criteria for disbursements of variable cash remuneration shall be able to be measured during a period of one year. The variable salary may total a maximum of 40 per cent of the fixed annual cash salary.

When the measurement period for fulfilment of criteria for payment of variable cash remuneration ends, the degree to which the criteria were fulfilled shall be assessed/determined. The Board of Directors is responsible for the assessment insofar as concerns variable cash remuneration of the CEO. Insofar as concerns variable cash remuneration of other senior executives, the CEO is responsible for the assessment. Insofar as pertains to financial targets, the assessment shall be based on the financial information most recently published by the Company. Variable remuneration is reserved in the annual accounts and paid out the year after the end of the measurement period.

Pension

The Chief Executive Officer and other senior executives shall have defined contribution pension agreements. Retirement occurs at age 65 for the Chief Executive Officer and the senior executives. Pension provisions are based solely on the budgeted salary unless otherwise is pursuant to compulsory collective agreement terms. Pension benefits may total a maximum of 35 per cent of the fixed annual cash salary.

Termination and severance terms

In the event of termination of the employment of the Chief Executive Officer, six months' notice of termination and six months' severance pay will apply if the contract is terminated by the Company. Other income which the Chief Executive Officer receives during the period for which severance pay is paid will be subtracted from the severance pay. If the Chief Executive Officer terminates the contract, six months' notice must be given. A mutual notice period of 3 to 6 months applies between the Company and the other senior executives. In the event the Company is the object of a public takeover bid that results in at least 30 per cent of the Company's shares ending up in the possession of one and the same shareholder, the Chief Executive Officer is entitled, upon termination of employment by the Company or the Chief Executive Officer, to special severance pay corresponding to 12 basic monthly salaries at the time notice is given. Such severance pay is not subject to deduction for other income, shall be paid in its entirety upon the cessation of the employment and replaces the severance pay to which the Chief Executive Officer is normally entitled according to his or her employment contract.

In addition to this, remuneration for potential commitments regarding competition restrictions may be payable. Such remuneration shall compensate for any loss of income and shall only be payable insofar as the former executive is not entitled to severance pay. The remuneration shall amount to a maximum of 50 per cent of the fixed income at the time of termination and be payable during the time that the commitment regarding competition restriction applies, which shall be no more than 12 months after the end of employment.

Other customer benefits

Other benefits may include keep-fit measures, life insurance, medical expenses insurance and a company car. Such benefits may total a maximum of 15 per cent of the fixed annual cash salary.

Salary and terms of employment for employees

In the preparation of the Board's proposal on these remuneration guidelines, salary and terms of employment for the Company's employees have been taken into account by information on employees' total remuneration, the remuneration's components and the remuneration's increase and rate of increase over time have constituted a part of the Board's decision documentation in the evaluation of the reasonability of the guidelines and the limitations that are pursuant to them.

The decision-making process to adopt, revise and implement the guidelines

The Board has not appointed a separate remuneration committee; instead, the Board in its entirety

deals with issues relating to remuneration and other conditions of employment. The Board's tasks include submitting proposals on guidelines for remuneration of senior executives. The Board of Directors shall prepare proposals on new guidelines at least once every four years and present the proposal for resolution at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the General Meeting. The Board of Directors shall also follow and evaluate programmes for variable remuneration for company management, the application of guidelines for remuneration of senior executives and regarding remuneration structures and levels in the Company. In the Board's handling of and decision in remuneration-related issues, the CEO or other persons in company management are not present insofar as they are affected by the issues.

Deviation from the guidelines

The Board may decide to temporarily deviate from the guidelines in part or in whole if in an individual case there are special reasons to do so and a deviation is necessary to safeguard the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee's tasks include preparing the Board's decision in remuneration issues, which includes decisions on deviations from the guidelines.

Information on decided remuneration not yet due for payment

Reservation has been made in the annual accounts for variable remuneration attributable to 2020, and this will be paid soon after the 2021 AGM.

Remuneration

Remuneration to the Board

The 2020 AGM resolved that the total remuneration to the members of the Board for the current year shall be KSEK 1,330, of which KSEK 380 is for the Board Chair and KSEK 190 for each member (Note 8).

Remuneration of the CEO

Christian Sundin's fixed remuneration in 2020 amounted to KSEK 2,169 and the variable remuneration amounted to KSEK 382 in accordance with set targets. In addition to this, pension in an amount of KSEK 513 and other remuneration amounting to KSEK 74 were expensed during the year (Note 8).

Remuneration to other senior executives

Basic salary for other senior executives for 2020 was KSEK 9,570. Variable remuneration for the same period totalled KSEK 1,520 and pension contributions were KSEK 1,270. Other remuneration totalled KSEK 290 (Note 8).

Remuneration to the auditors

Remuneration to the auditors is made on account in accordance with the recommendations of the nomination committee. A total of KSEK 1,905 was paid in fees to the auditors and auditing company for 2020. The total refers to work for auditing, regular advice and other reviews (Note 7).

Annual report signing

The Board of Directors and Chief Executive Officer hereby certify that these consolidated financial statements were prepared in accordance with the International Financial Reporting Standard, IFRS, as adopted in the EU and provide a fair representation of the Group's financial position and performance. These financial statements were prepared in accordance with generally accepted accounting principles and provide a true and fair view of the Parent's financial position and performance. The Management report for the Group and Parent Company provide a fair representation of operations in the Group and Parent Company, their financial position and performance, and describes the material risks and uncertainties facing the Parent Company and Group companies.

Stockholm, 1 April 2021

Bo Nordlander
Chair

Annikki Schaeferdiek
Board member

Martin Bjäringer
Board member

Åsa Landén Ericsson
Board member

Peter Lindström
Board member

Erik Syrén
Board member

Christian Sundin
Chief Executive Officer

Our auditor report was submitted on 1 April 2021
PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised Public Accountant

Auditor's report

To the General Meeting of Shareholders of Formpipe Software AB, corporate registration number 556668-6605.

Statement on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Formpipe Software AB (publ) for the year 2020 except for the corporate governance report and sustainability report on pages 114–122 and 82–87, respectively. The Company's annual report and consolidated financial statements are included in this document on pages 88–113.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as at 31 December 2020, and of its financial performance and cash flows for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and, in all material respects, presents a true and fair view of the Group's financial position as at 31 December 2020, and of its their financial performance and cash flows for the year in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance report and the sustainability report on pages 114–122

and 82–87, respectively. The management report is consistent with the other parts of the annual report and the consolidated financial statements.

We therefore recommend that the General Meeting adopt the consolidated income statement and balance sheet and the income statement and balance sheet of the Parent.

Our opinions in this statement on the annual accounts and consolidated financial statements are consistent with the content of the supplementary report submitted to the parent company's and Group's Board of Directors in accordance with Article 11 of the Audit Regulation (537/2014).

Basis for the opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility according to these standards is described in more detail in the section on Auditors' responsibility. We are independent in relation to the Parent and Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethics responsibility according to these requirements. This includes, based on the best of our knowledge and conviction, that no prohibited services as referred to in Article 5.1 of the Audit Regulation (537/2014) have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We are of the opinion that the audit proof we have acquired is sufficient and appropriate as a basis for our statements.

Our audit approach

Audit focus and scope

We structured our audit by determining the materiality level and assessing the risk of material misstatements in the financial statements. We paid particular attention to the areas where the CEO and Board made subjective judgements, such as important accounting estimates made based on assumptions and forecasts of future events, which are uncertain by nature. As in all audits, we also took into account the risk that the Board and the CEO neglect internal control, and among other things have considered if there is evidence of systematic deviations that have given rise to a risk of material misstatements as a result of improprieties.

We adapted our audit to carry out an appropriate review with the aim of being able to express an opinion on the financial statements as a whole, considering the Group's structure, accounting processes and controls and the industry within which the Group is active.

Materiality

The scope and focus of the audit was influenced by our assessment of materiality. An audit is structured to achieve a reasonable degree of certainty as to whether or not the financial statements contain any material misstatements. Misstatements can arise as a result of fraud or error. They are viewed as material if they individually or together can reasonably be expected to affect the financial decisions the users make based on the financial statements.

Based on professional judgement, we determined certain quantitative materiality figures, including for the financial statements as a whole (see table

below). Using these and qualitative considerations, we determined the audit's focus and scope and our audit measures' nature, timing and scope, and to determine the effect of individual and joint misstatements on the financial statements as a whole.

Particularly significant areas

Areas of particular significance to the audit are those that in our professional opinion were the most significant to the audit of the annual accounts and consolidated financial statements for the period in question. These areas are addressed within the scope of the audit of, and in our opinion on, the annual accounts and consolidated financial statements as a whole, but we make no separate statements regarding these areas.

Period-allocation of revenues

Formpipe describes its revenue recognition on page 77 in the Management Report. Risk management is described on page 119 in the corporate governance report. In Note 5, a breakdown is made of the revenues from various products and services.

Formpipe's its revenue streams are divided into licence revenue, SaaS revenue (Software as a Service), support and maintenance revenue and delivery revenue. Fair value of the respective revenue in an agreement (the allocation) does not always agree fully with the underlying agreement. This can be due to the formulation of the procurement documentation or to different designations/division being used in agreements with the customer. In these cases, Formpipe goes through the agreements, pricing, their deliveries and timetables for this. Then, fair value per commitment has been assessed and the

agreed price has then been allocated over the contract period and recognised as revenue according to this fixed model. Allocating fair value requires assessments, which in turn leads to an inherent subjectivity where faults can result in material misstatements in the financial statements. The risk primarily relates to the period in which the revenue shall be recognised.

How our audit took into account particularly significant areas

We focused our review on a number of measures, of which a selection is highlighted below:

- We have done a review of the Company's sales process with the aim of ensuring that relevant procedures and controls are implemented for the allocation of revenue to different commitments
- We have reviewed on, a spot check basis, new agreements during the year with a focus on agreements near the end of the year.
- We have followed up possible credits after the account closing to ensure that the recognised sale is not adjusted out in subsequent periods.
- A review is done that the reporting and disclosures in the annual report are in accordance with IFRS 15 Revenues.

From this review, nothing has come forth to give rise to material observations being reported in the Auditing Committee.

Measurement of goodwill

Formpipe describes critical estimates and assumptions in Note 4 and impairment testing of goodwill in Note 14.

In Formpipe's statement of financial position, MSEK 380 is recognised in the form of goodwill tied to corporate acquisitions. This amount corresponds to nearly 52 per cent of the total assets. Measurement of goodwill depends on the management's assessments. Management annually prepares an impairment testing of goodwill. This testing shows whether there are any impairment requirements (if book value exceeds fair value) or not. The assumptions and assessments relate in part to the future and pertain, for example, to the development of revenues and operating margin, investment needs and the applied discount rate. If the future development deviates negatively from assessments and assumptions made, an impairment requirement may arise even if this is not deemed to be the case as of the closing date. Formpipe's impairment testing shows that no impairment requirement exists.

We focused our review on a number of measures, of which a selection is highlighted below:

- Gathered and reviewed Formpipe's model for impairment testing to assess the mathematical accuracy of the model and the reasonability of assumptions made.
- Assessing the reasonability of the assumptions regarding growth and cash flow by cash flow generating unit.
- Control of the reasonability of the applied discount interest rate.
- Implementation of sensitivity analyses where the effects of changes in assumptions and assessments are analysed to identify especially sensitive such assumptions and assessments.

- A review of disclosure requirements according to IAS 36 Impairment of Assets has been provided in the annual report.

The assumptions that form the basis of Formpipe's estimates are deemed to be within acceptable intervals.

Information other than the annual accounts and consolidated financial statements

This document also contains information other than the annual accounts and consolidated accounts and can be found on pages 1–87 and 88–136 and also contains the statutory sustainability report on pages 82–87. It is the Board and the CEO who have the responsibility for this other information.

Our opinion regarding the annual report and consolidated financial statements does not comprise this information and we make no statement confirming this other information.

In connection with our audit of the annual report and consolidated financial statements, it is our responsibility to read the information identified above and consider if the information to a material extent is inconsistent with the annual report and consolidated financial statements. In this review, we also take into account the information we collected otherwise during the audit and assess if the information otherwise appears to contain material misstatements.

If we draw the conclusion based on the work done regarding this information that the other information contains a material misstatement, we are obliged to report it. We have nothing to report in this respect.

Responsibilities of the Board of Directors and the Chief Executive Officer

It is the Board of Directors and the CEO that are responsible for the preparation of the annual report and consolidated financial statements and that they provide a true and fair view according to the Annual Accounts Act and, with regard to the consolidated financial statements, according to IFRS as adopted by the EU and the Annual Accounts Act. The Board and CEO are also responsible for the internal control that they deem to be necessary to prepare annual report and the consolidated financial statements that do not contain any material misstatement, whether due to error or impropriety.

In preparing the annual report and consolidated financial statements, the Board and CEO are responsible for the assessment of the Company's and the Group's ability to continue the operations. They provide information, when appropriate, concerning conditions that may affect the ability to continue operations and to use the going concern assumption. The going concern assumption is not, however, applied if the Board and CEO intend to liquidate the Company, cease operations or have no realistic alternative than to do either.

Auditor's responsibility

Our objectives are to achieve a reasonable degree of certainty whether or not the annual report and consolidated financial statements as a whole contain any material misstatements, whether due to error or impropriety, and to provide an audit report that contains our opinions. Reasonable certainty is a high degree of certainty, but is no guarantee that an

audit done according to ISA and generally accepted auditing standards in Sweden will always discover a material misstatement if such exists. Misstatements can arise due to impropriety or error and are considered to be material if they individually or together can reasonably be expected to affect financial decisions that users make based on the annual report and consolidated financial statements.

A further description of our responsibility for the audit of the annual accounts and consolidated financial statements is available on the website of the Supervisory Board of Public Accountants: www.revisorsinspektionen.se/revisornsansvar. This description is a part of the audit report.

Statement on other legal and regulatory requirements

Opinions

In addition to our audit of the annual report and consolidated financial statements, we also conducted an audit of the Board's and the CEO's administration for Formpipe Software AB for 2020 and of the proposed appropriation of the Company's profit or loss.

We recommend to the General Meeting of shareholders that the profit be dealt with in accordance with the proposal in the management report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Basis for the opinions

We have conducted the audit in accordance with generally accepted accounting standards in Sweden. Our responsibility according to these standards is described in more detail in the section on Auditors' responsibility. We are independent in relation to the Parent and Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethics responsibility according to these requirements.

We are of the opinion that the audit proof we have acquired is sufficient and appropriate as a basis for our statements.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors has the responsibility for the proposal on the appropriation of the Company's profit or loss. In the event of a proposed dividend, this includes an assessment of whether the dividend is justifiable considering the requirements set by the Company's and Group's nature of operations, scope and risks on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position otherwise.

The Board is responsible for the Company's organisation and the management of its affairs. This includes continuously assessing the Company's and Group's financial situation, and ensuring that the Company's organisation is structured so that accounting, asset management and the Company's financial affairs otherwise are controlled in a satisfactory manner. The CEO shall take care of the operating management according to the Board's guidelines

and instructions and take the actions necessary for the Company's bookkeeping to be performed in accordance with law and for asset management to be managed in a satisfactory manner.

Auditor's responsibility

Our objective regarding the audit of the management, and thereby our statement regarding discharge from liability, is to collect audit evidence to be able to assess with a reasonable degree of certainty if any Board member or the CEO to any material respect:

- took any action or committed any negligence that may lead to a liability to pay damages to the Company, or
- in any way acted counter to the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective regarding the audit of the proposed appropriation of the Company's profit or loss, and thereby our statement regarding this, is to assess with a reasonable degree of certainty if the proposal is consistent with the Swedish Companies Act.

Reasonable certainty is a high degree of certainty, but no guarantee that an audit done in accordance with generally accepted auditing practices in Sweden will always discover actions or negligence that can lead to liability to pay damages to the Company, or that a proposed appropriation of the Company's profit or loss is not consistent with the Swedish Companies Act.

A further description of our responsibility for the audit of the administration is available on the website of the Supervisory Board of Public Accountants: www.revisorsinspektionen.se/revisornsansvar. This description is a part of the audit report.

Auditor's review of the corporate governance report

It is the Board of Directors who is responsible for the corporate governance report on pages 114–122 and that it has been prepared in accordance with the Annual Accounts Act.

Our review has been conducted in accordance with FAR's statement RevU 16 Auditor's review of the corporate governance report. This means that our review of the corporate governance report has another direction and is substantially more limited in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We consider that this review provides us adequate grounds for our opinions.

A corporate governance report has been prepared. Disclosures as per Chapter 6 Section 6 Paragraph 2 Items 2–6 of the Annual Accounts Act and Chapter 7 Section 31 Paragraph 2 of the same law is consistent with the annual report and consolidated financial statements and complies with the Annual Accounts Act.

Auditor statement on the statutory sustainability report

It is the Board of Directors who is responsible for the sustainability report on pages 82–87 and that it has been prepared in accordance with the Annual Accounts Act.

Our review has been conducted in accordance with FAR's recommendation RevR 12 Auditor's statement on the statutory sustainability report. This means that our review of the sustainability report has another direction and is substantially more limited in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We consider that this review provides us adequate grounds for our opinions.

A sustainability report has been prepared.

PricewaterhouseCoopers AB, SE-113 97 Stockholm, was elected Formpipe Software AB's auditor by the General Meeting on 30 June 2020 and has been the Company's auditor since the General Meeting in April 2004.

Stockholm, 1 April 2021

PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised Public Accountant

Remuneration report

Introduction

This report describes how the guidelines for remuneration for senior executives for Formpipe, adopted by the 2020 AGM, were applied in 2020. The report also includes information on remuneration of the CEO. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's Rules on remuneration of senior executives and incentive programmes.

Further information on remuneration of senior executives is in Note 8 on pages 104–105 in the Annual Report for 2020. Information on the Remuneration Committee's work in 2020 is in the corporate governance report on page 117 of the Annual Report for 2020. Directors' fees are not covered by this report. Such fees are decided annually by the Annual General Meeting and presented in the corporate governance report in the Annual Report for 2020.

Significant events 2020

The CEO summarises the Company's overall results in his account on pages 6–9 of the Annual Report 2020.

Guidelines on remuneration of Formpipe's senior executives

Formpipe has a clear strategy for achieving profitable growth and creating shareholder value. A successful implementation of the Company's business strategy and the safeguarding of the Company's long-term interests, including its sustainability, presuppose that the Company can recruit and retain qualified employees. This requires that the Company can offer competitive compensation. These guidelines mean that senior executives can be offered competitive overall compensation. For more information about the Company's growth strategy, please refer to the Company's website.

The remuneration is based on the individual's commitment and performance in relation to targets

defined in advance, both individual targets and shared targets for the Company as a whole. There is continuous evaluation of individual performance. The basic salary is usually reviewed once a year and must take into account the quality of the individual's performance.

Remuneration to senior executives shall consist of basic salary, variable remuneration, a long-term incentive programme, pensions, severance terms and other customary benefits. The guidelines are found on pages 80 and 119–122 in the Annual Report for 2020. In 2020, the Company complied with the applicable remuneration guidelines adopted by the General Meeting. No deviations from the guidelines were made and no deviations have been made from the decision-making process, which according to the guidelines shall be applied to determining the remuneration.

Chief Executive Officer	Year	Fixed salary		Variable remuneration			Extraordinary items	Pension expense ³⁾	Total remuneration (KSEK)	Proportion of fixed and variable remuneration
		Basic salary	Other benefits ¹⁾	One-year ²⁾	Multi-year					
Christian Sundin	2020	2,169	74	382	-	-	513	3,138	Fixed: 88% Variable: 12%	
Christian Sundin	2019	2,016	161	331	-	-	500	3,098	Fixed: 89% Variable: 11%	

¹⁾ Includes holiday supplement, company car and other benefits

²⁾ Variable remuneration paid out during the year after the earning year

³⁾ Defined-contribution pension

Application of performance criteria

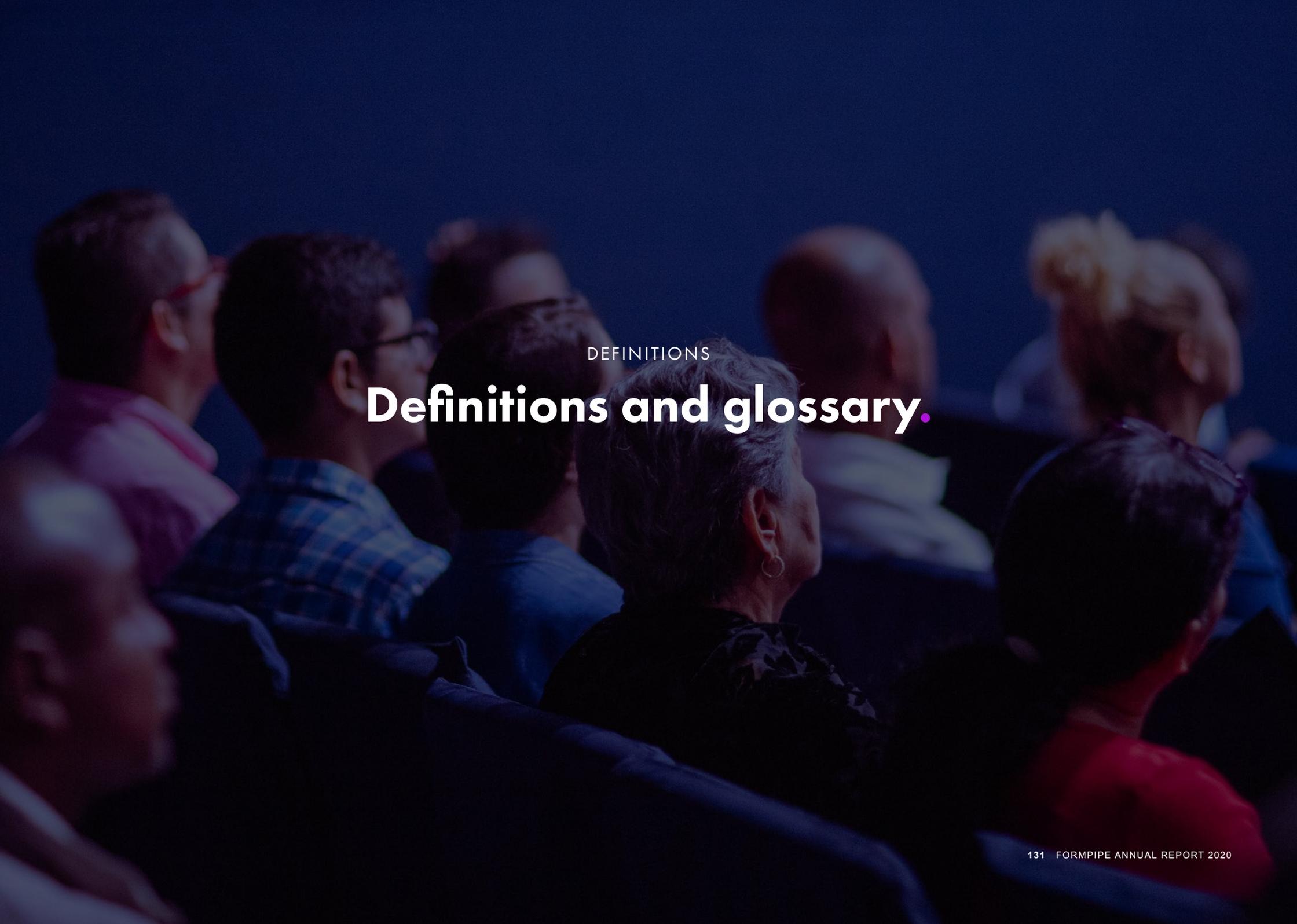
The performance criteria for the CEO's variable remuneration have been chosen to realise the Company's strategy and to encourage actions in the long-term interest of the Company. In the selection of the performance criteria, the strategic goals and short- and long-term business priorities for 2020 were taken into account.

Chief Executive Officer	Description of criteria attributable to the remuneration component	Relative weighting of performance criteria	a) Measured performance and b) actual award/remuneration outcome (KSEK)
Christian Sundin	The Group's annual growth of recurring income in excess of 7 per cent with a ceiling of 13 per cent	50%	a) 65% b) 281
Christian Sundin	The Group's annual growth of operating profit before depreciation	50%	a) 23% ¹⁾ b) 100

¹⁾ Adjusted for changed conditions and targets due to COVID-19

Comparative information for changes in remuneration and the Company's results

Remuneration and the Company's results	2020	Change from 2019
Chief Executive Officer		
Christian Sundin	KSEK 3,138	KSEK +40 (1.3%)
Company's results		
Group operating margin	13.2%	+1.1 percentage points
Average remuneration based on number of full-time equivalents employed in Formpipe		
Average remuneration excluding senior executives	KSEK 791	KSEK +1 (0.1%)



DEFINITIONS

Definitions and glossary.

Definitions

Formpipe uses alternative performance measures (APM). Formpipe's APMs are calculated on the financial statements prepared in accordance with the applicable rules for financial reporting, and then adjusted by amounts being added to or deducted from the figures presented in the financial statements. Formpipe's APMs are presented below that are not explained in direct connection with their use.

Sales

Recurring revenues

Revenues that are highly likely to continue in future, such as support and maintenance revenues, administration agreements, and revenues from licence leasing agreements.

Software revenue

Total of all licence revenues, revenues from SaaS and revenues from support and maintenance.

Annual Recurring Revenue (ARR)

The annualised value of the contracted recurring revenue.

Annual Contract Value (ACV)

Annually recurring revenues from contracts won and lost during the period (net).

Expenses

Fixed operating expenses

Other expenses and staff expenses

Operating expenses

Selling costs, other expenses, staff expenses, capitalised work for own account and depreciation/amortisation.

Growth

Sales growth

Net sales growth as a percentage from the preceding year.

Growth in system revenues

System revenue growth as a percentage from the preceding year.

Profit

Items affecting comparability

Relate to items that are of a material nature and reported separately when they are considered to be different from the ordinary core business, and impede comparability with earlier periods. For example, acquisition-related items, restructuring-related items or impairments.

EBITDA

Earnings before interest, taxes, depreciation and amortisation, acquisition related expenses, and other items affecting comparability.

EBITDA adjusted

EBITDA excluding capitalised work for own account.

EBIT

Operating profit/loss.

Margins

Operating margin before depreciation and items affecting comparability (EBITDA)

Operating profit/loss before depreciation and items affecting comparability as a percentage of sales.

Operating margin before capitalisation and depreciation (EBITDA adj. margin)

Operating profit before capitalisation, depreciation and amortisation, acquisition related expenses and other items affecting comparability as a percentage of net sales.

Operating margin (EBIT)

Operating profit as a percentage of sales.

Profit margin

Profit for the year as a percentage of sales.

Return on capital

Return on operating capital employed

Operating income as a percentage of average working capital.

Return on capital employed

Net operating profit plus revenues from financial activities as a percentage of average working capital.

Return on equity

Profit for the year as a percentage of average equity.

Return on total capital

Net operating profit plus revenues from financial activities as a percentage of average total capital.

Capital structure

Operating capital

Total assets less non-interest bearing liabilities including deferred tax, cash and cash equivalents, short-term investments and other interest-bearing receivables.

Capital employed

Total capital less non-interest bearing liabilities including deferred tax.

Interest-bearing net debt

Interest-bearing liabilities less cash and cash equivalents.

Debt/equity ratio

Equity as a percentage of total assets.

Cash flow and liquidity

Free cash flow

Cash flow from ongoing operations less cash flow from investment activities excluding business acquisitions.

Cash and cash equivalents

Cash and bank balances and short-term investments.

Net debt/net cash

Interest-bearing liabilities less cash and cash equivalents.

Share data

Earnings per share outstanding

Profit for the year divided by the total number of outstanding shares at year-end.

Earnings per average total shares before dilution

Profit for the year divided by the average number of outstanding shares at year-end.

Earnings per average total shares after dilution

Profit for the year divided by the average number of outstanding shares after dilution effects during the year.

Equity per share

Equity at year-end divided by average number of outstanding shares for the year.

Glossary

API (Application Programming Interface)

An API is a tool that makes it possible to use functions in other programs and synchronise data between programs.

CCM

With CCM products, content is produced, individualised, 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.

CRM

Customer Relationship Management. Controlling, organising and administering customers and customer relations in a business.

ERP

Enterprise Resource Planning – enterprise-wide business information processing system.

FPIP

The stock short name for Formpipe listed shares.

GDPR

General Data Protection Regulation, is a European regulation with the aim of strengthening and harmonising the protection of living, natural persons within the European Union in the processing of personal data.

Software as a service (SaaS)

Software as a Service or SaaS is a way to deliver applications to users over the Internet, where the customer pays a periodic fee that covers the licence right and the maintenance agreement.

... However, we also know that Formpipe is not for everyone.

Working at Formpipe is something special, some might even say it's unique. We attract the best people, who are professional, who take ownership and go all-in. Every time. Every day. As a company we support each other, we are respectful and we have fun. Always as a team. Always as one.

We are purple. We are Formpipe.

The annual report was produced by Formpipe in collaboration with Hurra! (www.hurra.se).

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