Annual Report 2021.

Formpipe.

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 are published on www.formpipe.com
Information may also be ordered from:
Formpipe, Box 23131, 104 35 Stockholm and on info.se@formpipe.com

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DISTRIBUTION POLICY

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

FINANCIAL CALENDAR

Year-end Report	16 February 2022
Interim report January–March	27 April 2022
Annual General Meeting 2022	27 April 2022
Interim report January–June	15 July 2022
Interim report January–September	27 October 2022

Contents

A digital transformation focused on 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 274 employees and sales of MSEK 473. The Formpipe share is listed on the NASDAQ Stockholm exchange.

With a value-driven corporate culture, Formpipe is involved in developing an inclusive and sustainable society to rely on.

Formpipe's business stands on two legs, one for the private sector and one for the public sector.

Private Sector

In the private sector, Formpipe has several thousand customers in more than 60 countries. Their software solutions complement ERP and banking systems from both Microsoft and Temenos. Lasernet is the market leader in its segment in generating business documents from Microsoft Dynamics 365 and Temenos Transact and Infinity. The product's competitiveness lies in its user-friendliness and ability to scale. Sales and delivery take place through a certified global partner network that is actively being developed to expand its reach in the market.

The acquisition of EFS Technology in 2020 was an accelerator in Formpipe's growth initiative in banking and finance, something that has borne fruit in 2021. Formpipe was rewarded with the Solution Provider of the Year 2021 by Temenos, a prize that distinguishes the partners that had the greatest impact on Temenos' customer base. Formpipe is highly praised thanks to its seamless integration into Temenos' banking system and the harmony between the companies' cloud-first strategies.

Public Sector

In the public sector, business is being driven towards the long-term goal of becoming the preferred comprehensive supplier of digital administration in the EU.

Based on Formpipe's document and case management platforms, the Company is seeking an extended commitment among existing customers with applications and services. In customer projects, many add-ons to the platforms are co-created. Something that then creates benefit for the Company's other customers in the public sector through supplemental sales.

The focus for these add-ons is on business processes linked to record keeping, such as archive-resistant and secure digital signatures or cooperation on meeting documents for municipal politicians.

Future

Formpipe has a unique position in the market with a stable and profitable foundation and a high percentage of recurring revenues. This provides good conditions for growth by investing in new markets and developing new offerings.

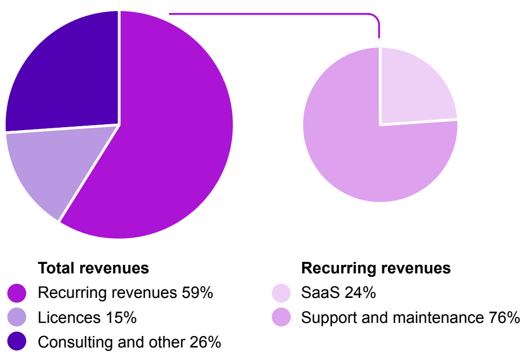
The transition to Software as a Service (SaaS) is proceeding successfully and the market for Content Services (formerly Enterprise Content Management, ECM) is continuing to grow. The future looks bright for the Company's competitive information services.

The year in brief

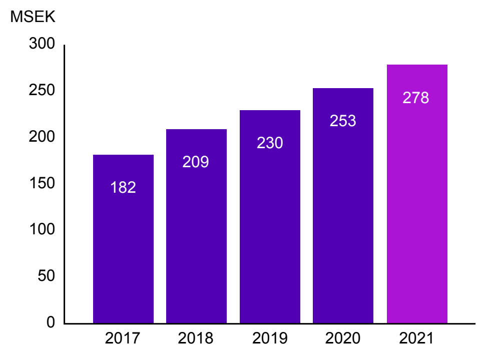
Key ratios 2021

	2021	2020
Net sales, MSEK	473.2	403.1
Software revenue, MSEK	347.7	286.1
Recurring revenues, MSEK	278.4	253.5
EBITDA, MSEK	135.1	104.3
Operating profit (EBIT), MSEK	68.5	53.3
Profit/loss for the year, MSEK	50.4	41.4
Earnings per share, SEK	0.95	0.78
Dividend per share, SEK	0.70	0.66
ARR	304	267
ACV	37	22

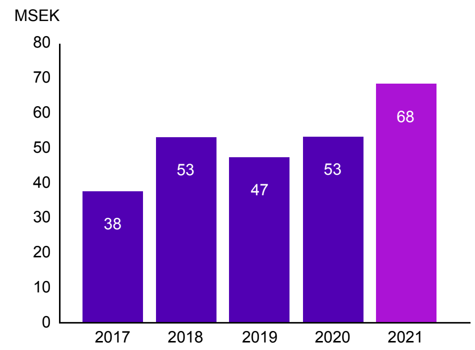
Distribution of revenue types



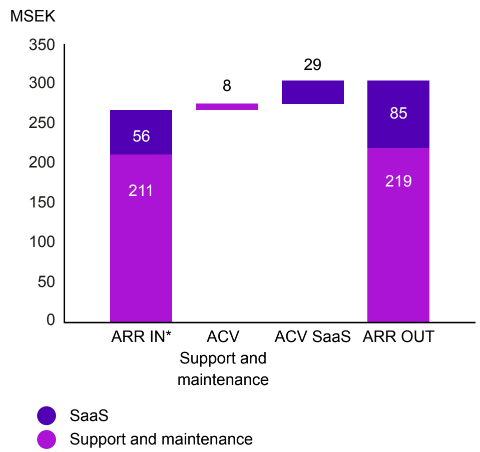
Recurring revenues



EBIT

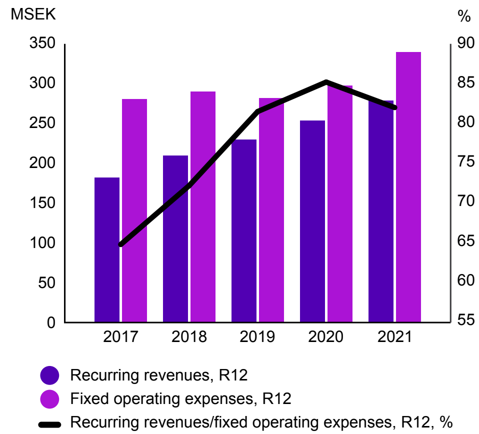


ARR and ACV 2021



* ARR IN is translated at the closing day rate for the period in question.

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



COMMENTS FROM THE CEO

A paradigm shift towards new heights.

A paradigm shift to new heights

2021 was an exceptional year in many ways. At the beginning of the year, we launched a transformative strategy and mapped out the way to grow the Company with our sights set on new financial targets described on page 11.

If we rewind the tape, for several years we successfully executed a strategy focused on margin improvement and growing our recurring revenues. In 2019 and 2020, we gradually began to streamline the operations and saw a natural evolution into two main businesses – one for the private sector and one for the public sector. Through the acquisition of EFS Technology in 2020, we created the conditions for the next step and we entered 2021 with wind in our sails.

I would like to begin with a humble thanks to our customers who give us their trust, from Danish municipalities and Swedish authorities to American banks. I would also like to thank all the employees who have made this transition together, our owners for the trust they have given us and our partners around the world for our invaluable relationships.

Accelerated growth in the private sector

In the private sector, we added resources to address the demand for Lasernet sold in connection with the implementation of Microsoft's ERP system, Dynamics 365, and Temenos' banking systems.

The growth strategy is distinct: We want to be included in more and more of Microsoft's and Temenos' business and offer Lasernet as SaaS.

To illustrate the potential of our offering, the cloud-based ERP system, Microsoft Dynamics 365, grew by 45 per cent in the second quarter of Microsoft's 2022 financial year. Temenos in turn grew its SaaS business by 30 per cent in the third quarter of 2021, with the largest ACV contribution coming from Europe and the U.S.

The relationships with Microsoft and Temenos are important for our success. We continue to strengthen our position in Microsoft Dynamics 365 and during the year began the publication of Lasernet for Business Central on AppSource.

In 2021, we received the Solution Provider of the Year award by Temenos, which provides a clear proof of our ability to execute the strategy. Our focus for the future is to continue to scale our resources, to grow, and to support our global partner network.

Comprehensive supplier of digital administration to the public sector

In the public sector, we shifted during 2021 from being a product supplier to becoming a comprehensive supplier, something we already are in Denmark and now intend to become in Sweden as well. We see that more service deliveries and greater cooperation with our customers leads to greater innovative capacity for add-ons to our main platforms. Through co-creation, we achieve a shorter time to market for new offerings for the entire customer base in the public sector. An example of how well this strategy works is our Signing Portal product – a result of a cooperation with Örebro Municipality, where the customer had a challenge that we determined many other customers were also facing. Instead of a solution unique to that customer, we chose to build a product that we now market as an add-on for our entire customer base in both Sweden and Denmark.

> **"The growth strategy is distinct: We want to be included in more and more of Microsoft's and Temenos' business and offer Lasernet as SaaS."**
>
> **— Christian Sundin, CEO Formpipe**

“The growing proportion of recurring revenues combined with good margins is particularly pleasing. We welcome the fact that the customers are again seeking their way out in procurement where we are well positioned to strengthen our market share.”

— Christian Sundin, CEO Formpipe

The rate of digitalisation and investment will continue to be strong in the public sector where digital services enable more efficient, more innovative and transparent administration. We see our role as being closely linked to record keeping, which in many respects is the backbone of our customers’ operations.

Denmark

In Denmark, we noted increased activity in the market in 2021. More procurements have been announced and we have won several new customers in both document and case management, as well as grant management. The largest deal of the year was with our customer the Danish Agricultural Agency where we created a reliable revenue stream for the foreseeable future through the deal, with good conditions to continue offering our services.

The growing proportion of recurring revenues combined with good margins is particularly pleasing. We welcome the fact that the customers are again announcing procurements where we are well positioned to strengthen our market share.

Sweden

We see an opportunity to increase the benefit we can provide to our customers by expanding our service commitment. However, making this transition was more challenging than we anticipated. To address this potential, we announced that we had acquired the former service partner Alkemit AB at the beginning of 2022. Through integration of Alkemit, we are obtaining structural capital, established processes and, above all, 19 new skilled employees with experience in deliveries of our products.

Our position in the market remains stable with a high percentage of recurring revenues linked to long-term agreements. In 2022, we will increase service deliveries and further free up the potential that comes with becoming a comprehensive supplier.

Acquisitions

During the year, we also revitalised our acquisition agenda. With the streamlining of the business, we have two main tracks we are pursuing. In the private sector, we are looking for companies with SaaS offerings within the same industries as Lasernet. The software should preferably be sold and delivered through a global partner network.

In the public sector, we are searching across Europe for companies with platforms corresponding to those we are currently offering in Sweden and Denmark. There, we see conditions to cross-sell add-on applications to a broader customer base.

Resources and expertise

Since the outbreak of the pandemic, we have noted greater mobility and greater competition for expertise in our industry, which has made it challenging to grow at the pace we want to. We are therefore increasing our focus on activities to maintain our attractiveness and strengthen our competitiveness.

Ukraine

The war that Russia is waging in Ukraine is incredibly tragic. As this report is being written, the situation is still uncertain and we are monitoring developments daily. Formpipe contracts Sigma Software Ukraina, a product development company whose employees are affected by the situation that escalated on 24 February 2022.

We are assisting with targeted efforts to help our team in Ukraine and our affected colleagues. Given forecasts of a development that leads to resource shortages at Sigma Software or that Ukraine falls under the Russian regime, we will take measures that ensure continuity in our product development. We have full control of our source code and documentation and can geographically relocate our product development if necessary.

Towards new heights

I am humble and proud of our results and look forward to continuing this development in 2022.

Christian Sundin President and CEO

“I am humble and proud of our results and look forward to continuing this development in 2022.”

— Christian Sundin, CEO Formpipe

BUSINESS CONCEPT, STRATEGIES AND OPERATIONS

We build valuable relationships between people and data.

We build valuable relationships between people and data

Formpipe Group

Formpipe's operations are based on strong offerings to entities in the private and public sectors, both characterised by the Company's mission to build valuable relationships between people and data. Formpipe develops software in the market for digital information services, classified as Content Services by the analyst firm Gartner. The business model is based on increasing the recurring revenues by selling products as Software as a Service (SaaS) to the furthest possible extent. The Company prioritises organic growth supplemented with strategic acquisitions.

A growing market with a focus on recurring revenues

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 provides its products as 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 focused 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 2021, around 60 per cent of Formpipe's total sales are recurring revenues and cover more than 80 per cent of our fixed operating expenses.

Demand for SaaS offerings is steadily growing in the Content Services market 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 48 per cent.

Business targets

Operating targets

- A Customer Net Promoter Score, cNPS, higher than comparable companies
- An Employee Net Promoter Score, eNPS, higher than comparable companies

Financial targets

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

- The average growth rate shall be 10 per cent in the period 2021–2025
- The operating margin shall be gradually strengthened and exceed 20 per cent in 2025
- 70 per cent of total revenues shall be comprised of recurring revenues in 2025
- Over time, at least 50 per cent of the profit for the year shall be paid to shareholders as dividends

Growth strategy 2021–2025

- Focusing on accelerated growth in the U.S. and Europe through investments in sales and technology to support partners and meet demand for the product Lasernet.
- Seeking an extended service commitment in the public sector and co-creating more add-ons in customer projects that then create more benefit for the company's other customers in the segment through supplemental sales.
- Strategic acquisitions that complement the organic growth.
- Increasing recurring revenues by selling products as cloud services (SaaS) to the furthest possible extent.

Private Sector

In the private sector, the business revolves around the Lasernet product. Through a certified partner network, Formpipe addresses the global market for ERP and banking systems. Lasernet is primarily sold when implementing, or upgrading to, Microsoft Dynamics 365 in industries such as manufacturing or retail. In the banking and finance sectors, the same is true for customers adopting, or upgrading to, Temenos Transact and Infinity. The partner network primarily consists of implementation partners of these systems and forms a sales and delivery channel for Formpipe's offering.

Brief information about Lasernet

Lasernet makes it possible for operations to easily automate the generation of business documents, such as invoices, account statements, reports and barcodes. The product's competitiveness is in its user-friendliness and capacity to scale, which has contributed to Lasernet's total revenues having grown 96 per cent since 2016, with an annual growth of 14 per cent. SaaS has grown from zero to MSEK 39.4.

Business potential

The cloud-based ERP system, Microsoft Dynamics 365, grew by 45 per cent in the second quarter of Microsoft's 2022 financial year.[1)] Temenos grew its SaaS business by 30 per cent in the third quarter of 2021 with the largest ACV contribution coming from Europe and the U.S.[2)]

[1)] https://www.microsoft.com/en-us/investor/earnings/fy-2022-q2/press-release-webcast
[2)] https://www.temenos.com/wp-content/uploads/2021/10/Temenos-Q3-2021-Results-Presentation-xk7mx4cmr.pdf

The growth of Formpipe's business in the private sector is based on being included in more and more of Microsoft's and Temenos' business and offering Lasernet as SaaS. In the Dynamics market, this is done through a globally certified partner network and with Temenos, through a strengthened partner relationship.

"Formpipe's flexibility and agile response to the constantly evolving banking landscape has not only enabled them to keep pace with the rapidly developing fintech ecosystem, but thrive alongside Temenos within it."

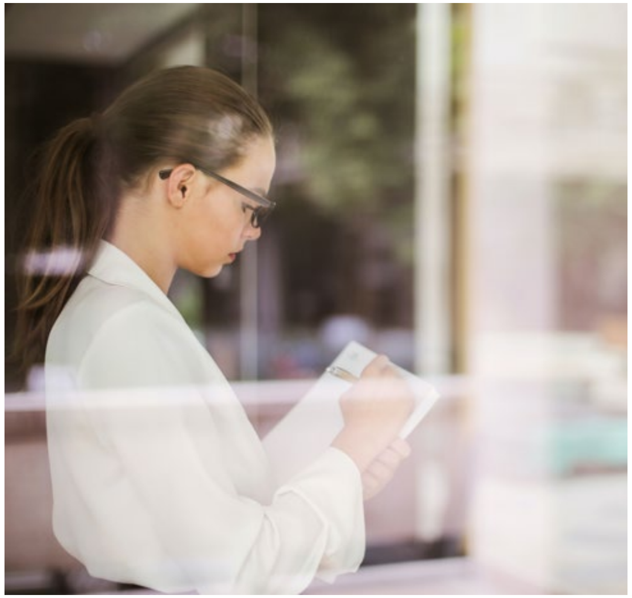
– Martin Bailey, Product Director Innovation & Ecosystem Temenos, 2021

Acquisition strategy

The acquisition strategy in the private sector is based on identifying and acquiring business applications that have a high degree of synergy with the user requirements that Lasernet covers for customers of Microsoft Dynamics 365 and Temenos Transact and Infinity. Acquisition objects that are the most appealing have a complementary partner network that further strengthens the reach of Formpipe's products.

Partners

Formpipe's business model for the private sector is based on a network of certified partners providing implementation and support of the company's products.



Knowledge about Formpipe's products combined with understanding of the customers' business makes our partners central to the work of helping our customers realise the potential of our offerings.

In the ERP market, the focus is on Dynamics partners that account for the entire value chain from sales and implementation to support, with Formpipe providing help and guidance at every stage.

In banking and finance, the cooperation is based on the partner relationship with Temenos. Formpipe is itself responsible for service deliveries and actively cooperates with system integrator (SI) partners in the Temenos ecosystem.

Formpipe actively works to evaluate and develop the partner network to increase its reach in the market.

Public Sector

Formpipe's strategy in the public sector is based on the long-term goal of becoming the preferred comprehensive supplier of digital administration solutions in the EU. Hundreds of authorities, municipalities, universities and state- and municipally owned companies are currently building their public administration around Formpipe's products.

Some examples of customers are the Danish Prosecution Authority, the Danish Agricultural Agency and the Danish Municipality of Silkeborg, as well as the Swedish Tax Agency, the Swedish Transport Administration and Linköping Municipality in Sweden.

Starting from Formpipe's market share for its platforms in Denmark and Sweden, the business is mainly growing through supplemental sales of add-ons to these platforms, which are primarily co-created in customer projects. The customers' needs revolve around the requirements for a more efficient, innovative and data-driven business.

The focus for these add-ons is on business processes linked to record keeping, such as archive-resistant and secure digital signatures or cooperation on meeting documents for municipal politicians.

Acquisition strategy

The acquisition strategy in the public sector is to establish a local presence in more and more countries across Europe, where customer contracts for a Content Services Platform are the starting point for business growth. Formpipe is growing through supplemental sales of subscription-based add-ons, therefore being able to offer them to a broader customer base will increase the potential for every deal.

Partners

In the public sector, Formpipe's partner network complements the Company's own delivery capacity.

Organisation and expertise

Formpipe is a value-driven company. This means that the values form the basis of the corporate culture as well as its daily priorities. Formpipe's goal is for all employees to promote long-term customer relationships by always living according to our values.

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

The organisation is decentralised and puts people first. 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 strong dedication. Priorities are set so that employees develop and the Company attracts new talent. The foundation for this is to build an open and stimulating corporate culture.

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

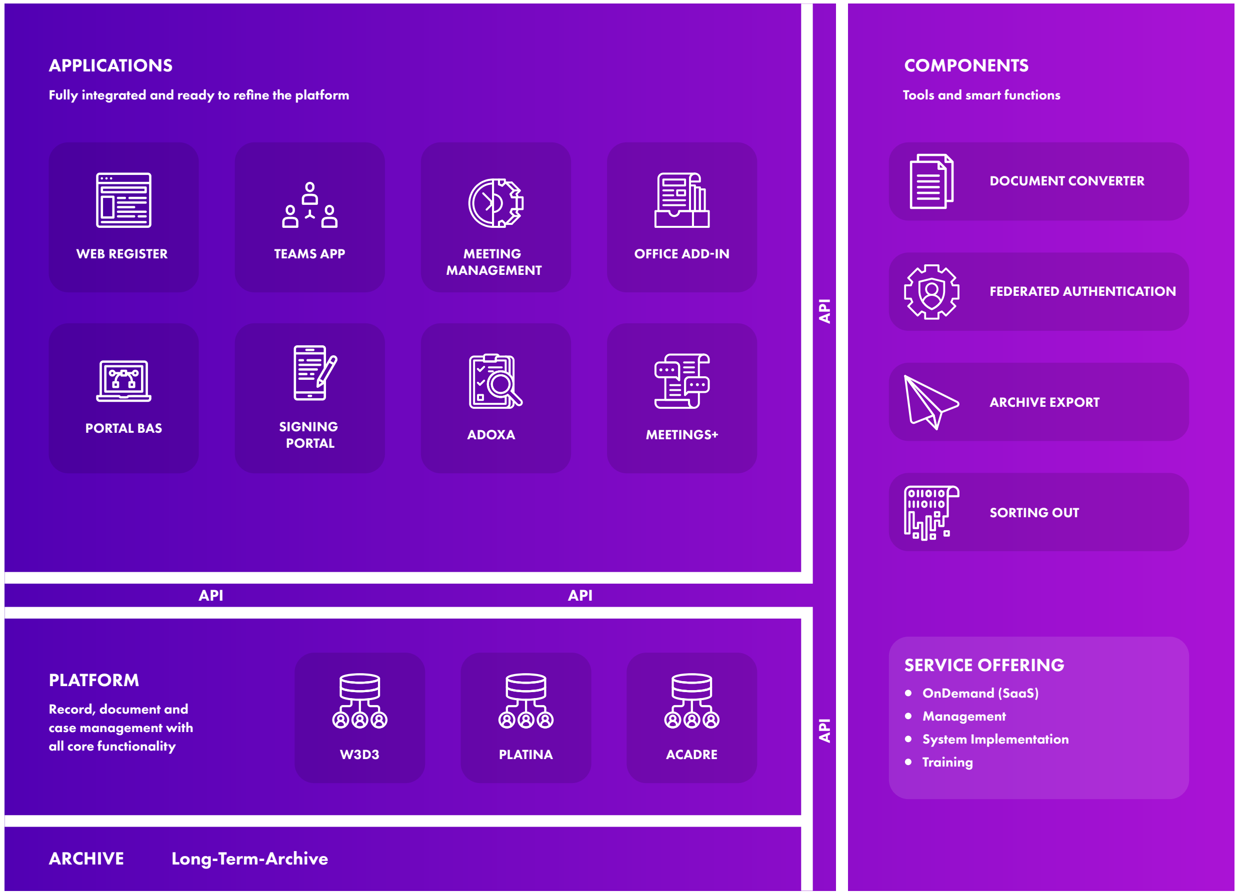
The organisation is divided into three business areas: the private sector, the public sector in Denmark and the public sector in Sweden.

More than 100 employees work in the private sector. The majority of these are based in the UK while there is a growing number of colleagues in the U.S.

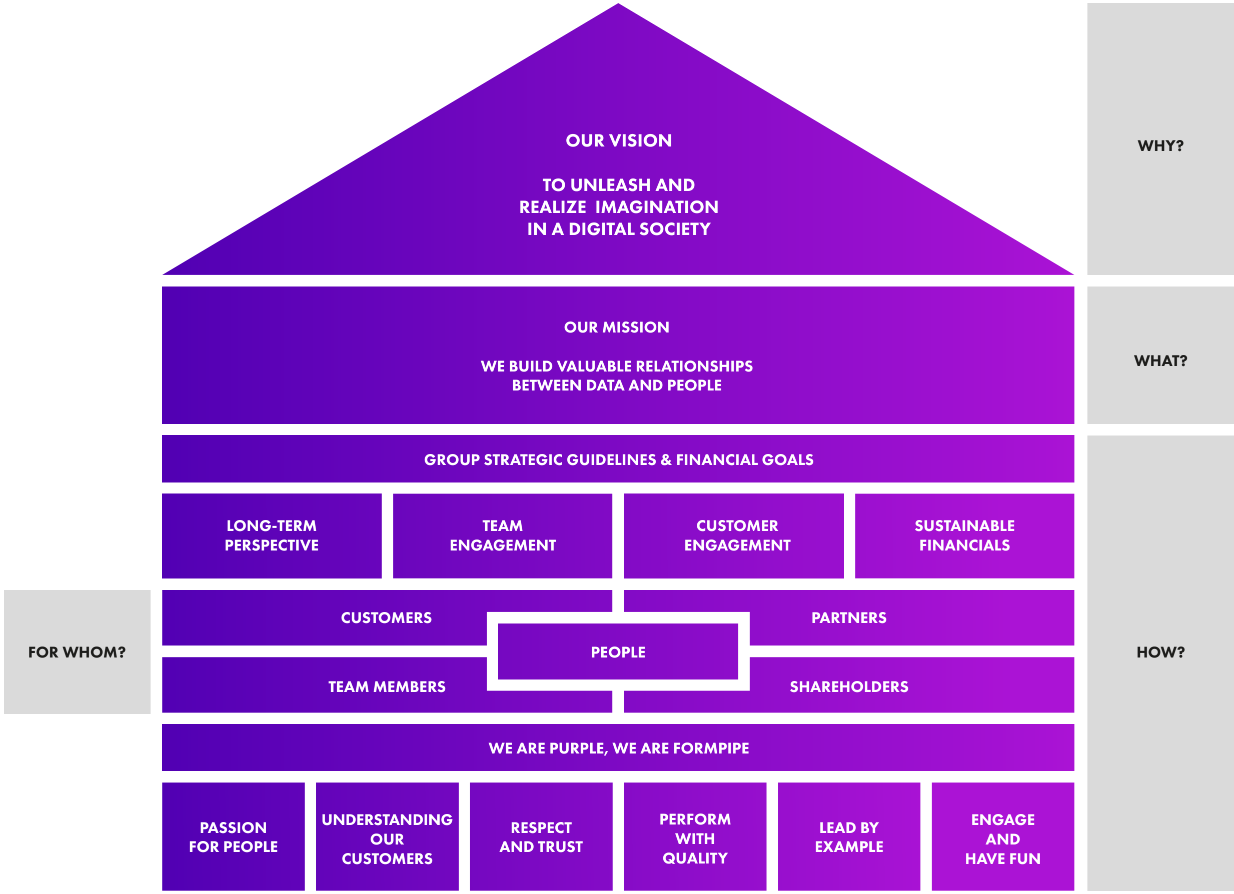
In the public sector, Formpipe is organised in one business area per country with associated Group functions to support the work and reap operational synergies. The Danish and Swedish business areas currently comprise around 100 employees each and work nationally to develop existing and newly acquired customer contracts.

Product management is a function in the different business areas where product development is outsourced to Sigma Software in Ukraine where Formpipe currently contracts around 100 developers.

A selection from Formpipe's product portfolio for the public sector



Formpipe's brand platform



Financial targets

Given the growth opportunities management have 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 focusing on buying information services with subscription fees, as SaaS, and for more specific business processes. The purchasing decisions also increasingly made in the operations rather than the IT department.

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 value from the collective amount of information held by most companies and organisations, applications and services are needed – in order to securely – collaborate, search, analyse, process and distribute this data and content.

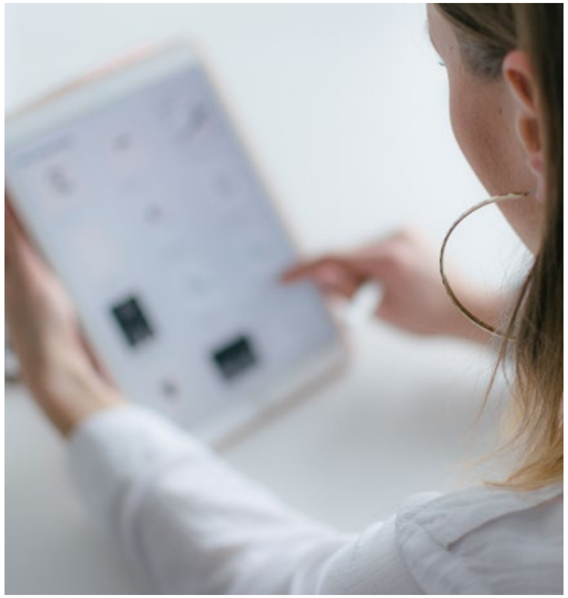
Growth drivers tend to gain strength as the amount of data and information increases. The volume of data produced in the world is growing quickly, from 33 Zettabytes (ZB) in 2018 to an expected 175 ZB by 2025.[3)]

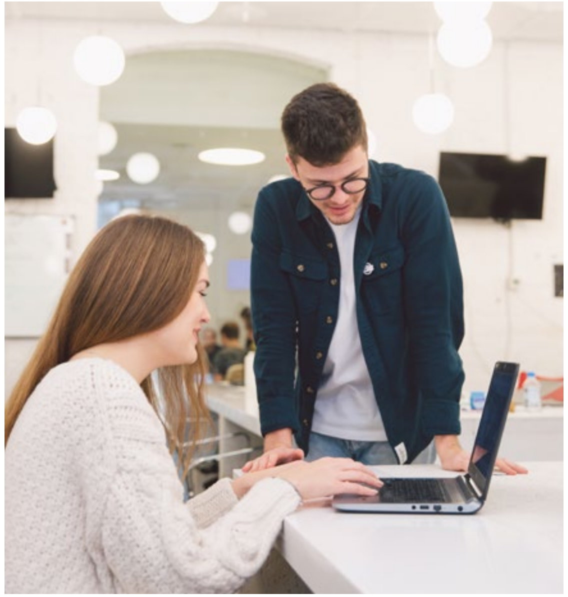
While the core systems' development is largely driven by the need for order and information security, the operations' demand for usability and automation of business processes is growing.

Services that address specific processes

The digital transformation entails a major impact on the tools that employees 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

[3)] Shaping Europe's digital future, European Commission Feb 2020





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.[4)]

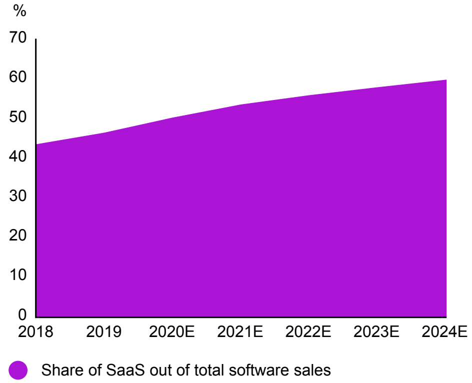
Today, people are becoming accustomed to getting quick access to new services and products.
As buyers, we increasingly want to order a service that performs a specific process, without actually caring very much about the technology behind it. Increasing numbers of deals are thereby made directly from the business, as a cloud service (SaaS), without going through a complex and time-consuming purchasing process. Central aspects of these services are often their integration into the organisation's core systems and their ability to operate seamlessly with customers' ERP systems, banking platforms and case management systems as examples.

Cloud services are growing rapidly

In a cloud service, the customers pay for what is actually used and where costs for development, operation, maintenance, upgrade and support are included in the current 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.

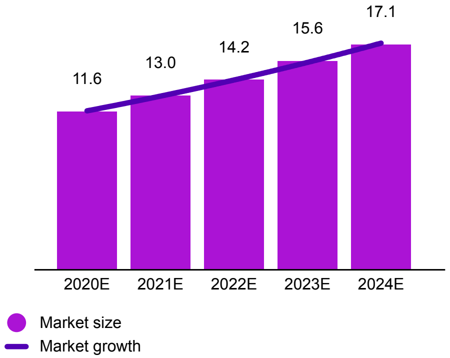
[4)] 'Create a Culture of Digital Dexterity With the 'New Work Nucleus' Gartner, 2019, https://www.gartner.com/document/3913794

Enterprise Application Software



Source: Gartner, November 2020

Content Services, total market (billion USD)



Source: Gartner, December 2020

PRIVATE SECTOR

We supply leading products and specialised services around the world.

Private sector

Formpipe has expertise in the private sector that spans several industries. The Company's products digitize and streamline sectors such as retail, manufacturing, banking and finance, life sciences, energy, water and legal services and institutions. Formpipe ensures that local requirements are met – both commercial and technical – in a global market, through its partners and its own presence. Formpipe has offices in Sweden, Denmark, the UK, the U.S. and Germany.

As a complement to ERP systems and banking *platforms – more specifically Microsoft Dynamics 365 and Temenos Transact and Infinity – Lasernet has grown to become Formpipe's most popular product with more than 2,000 customers in more than 60 countries worldwide.

Customer Communication Management, CCM

Gartner classifies Lasernet as a part of the global Customer Communications Management (CCM) market segment and was mentioned in 2021 in the analyst firm's market guide.[5] CCM is driven by a greater need for automation of customer communication in various channels. The CCM market is a market segment within 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.

A complement to ERP systems

The global ERP software market is estimated to reach more than USD 50 billion by 2024.[6] Since cloud solutions, such as Microsoft Dynamics 365, 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 Lasernet is introduced in connection with a change or upgrade of an operation's ERP system.

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. Lasernet supplements ERP systems and makes it possible for business documents to be delivered in exactly the format and the layout wanted. By offering the flexibility that customers want, Lasernet shortens the time on implementation projects and gives them the tools to further develop their operations with. It is not uncommon that Lasernet is initially used for a limited number of use cases, but over time is applied to more and more processes as organization's become more adept with their ERP systems.

Fruitful collaboration with Microsoft

The strong global demand for Lasernet is driven not least by the success of Microsoft Dynamics.
In a close partnership, Formpipe collaborates with Microsoft in business development through an established partner programme. Available on AppSource, Lasernet[7] can be test run and collaboration is conducted in the pipeline to maximise the benefit of the shared business. Lasernet's integration with Microsoft Dynamics is market leading and the ability to meet the customers' needs is much appreciated. The cloud-based ERP system Microsoft Dynamics 365 grew by 45 per cent in the second quarter of Microsoft's 2022 financial year.[8]

[5] https://www.formpipe.com/en/about-us/media/news--blogs/2021/lasernet-recognised-by-gartner/
[6] Enterprise Application Software Forecast Q420, Gartner, Inc. 2020
[7] https://appsource.microsoft.com/en-cy/product/dynamics-365-for-finance-and-operations/formpipe.lasernet?tab=overview
[8] https://www.microsoft.com/en-us/investor/earnings/fy-2022-q2/press-release-webcast

"For more than 15 years, Temenos and Formpipe have innovated through teamwork and trust. This synergy enables us to push forward together with a harmonious vision of continuous improvement that guarantees success for both organisations."

– Martin Bailey, Product Director Innovation & Ecosystem Temenos

Temenos – Banking and finance

Through the acquisition of EFS Technology in 2020, Formpipe strengthened its partnership with Temenos and thereby its position in the financial sector. Nearly 100 financial institutions are currently using Formpipe's fully integrated solutions, Lasernet and Autoform DM, both of which are available on the Temenos Exchange [9] (Temenos' marketplace for partner solutions). Formpipe's solutions provide banks with enriched and on-brand customer communication and archiving in all channels in the Temenos ecosystem.

Temenos recently rewarded Formpipe as the Solution Provider of the Year 2021 (read more on page 26: Partner case - Solution Provider of the Year 2021).

Formpipe is proud to be one of Temenos' most revenue-driving partners in the Solution Provider category and looks forward to continued success together in the future.

The U.S.

Formpipe's position in the U.S. is growing stronger and with the technical advantage over its competitors, Lasernet is supplementing an increasing number of Dynamics 365 and Temenos deals. With a local Formpipe team on site, the business is ready to further strengthen capacity to address the momentum in the market over the next few years.

The North American market is one of Temenos' primary strategic initiatives for growth [10] and in the third quarter of 2021, the U.S. was the strongest contributing geographic market for Temenos' total new sales.[11]

Future

Formpipe sees a significant expansion potential for the sale of Lasernet, driven by the successful cooperation with Microsoft and Temenos. Investments in growth will mainly take place through an aggressive build-up of capacity with a focus on the U.S. and Europe.

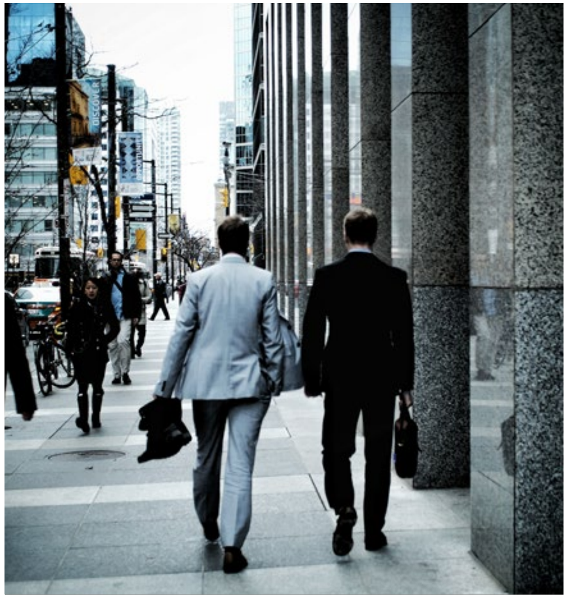
Our partner channel is one of the main factors for Formpipe's continued success in the private sector. A harmony between Temenos, Microsoft and Formpipe's strategies for the transition to cloud services provides good conditions to further accelerate the SaaS offering.

[9] https://www.temenos.com/community/marketplace/providers/formpipe/
[10] https://www.temenos.com/wp-content/uploads/2020/09/2020-interim-report.pdf
[11] https://www.temenos.com/news/2021/10/14/temenos-announces-continued-strong-q3-21-momentum-xk7mx4cmr/

TEMENOS

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 more than 3,000 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.

For more information visit www.temenos.com



Our offering to the private sector

Examples of products used by Formpipe's customers in the private sector:

Lasernet
by Formpipe.

Used today by more than 2,000 companies worldwide, Lasernet generates, personalizes, formats and distributes content from different systems and data sources to ensure that businesses, customers and partners get the information they want, in whatever format suits them best.

Autoform DM
by Formpipe.

A flexible and powerful digital archive which provides customers with versatile storage and retrieval capabilities, ideally suited for advanced applications, where speed, scalability, security and performance are required. A standard connection to Lasernet allows the products to be packaged as a single solution to customers, especially in banking and finance, where the generation and then archiving of invoices is a common area of use.

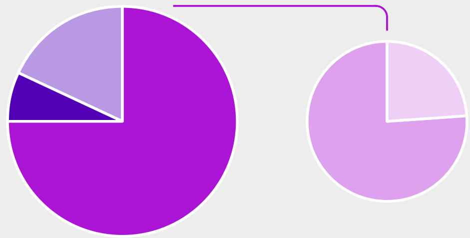
Key ratios

Share of net revenue

33%

- Private sector 33%
- Other 67%

Distribution of revenue types, Private sector



Total revenues
- Recurring revenues 75%
- Licences 7%
- Consulting and other 18%

Recurring revenues
- SaaS 24%
- Support and maintenance 76%

CUSTOMER CASE – M1 FINANCE

M1 Finance chooses Lasernet as part of the launch in Temenos Banking Cloud

M1 Finance, The Finance Super AppTM, helps people manage and make their money grow with control and automation – free of charge. With more than USD 5 billion in assets under management, M1 Finance provides hundreds of thousands of investors the opportunity to open accounts and improve their financial well-being through investments, digital control and portfolio credits. M1 Finance received the international "Best for Low Costs" and "Best for Sophisticated Investors" awards from Investopedia in 2021.

M1 Finance has chosen Formpipe's industry-leading product Lasernet to support its output and document management requirements in connection with the launch of its Invest, Borrow and Spend products, for hundreds of thousands of customers in the Temenos Banking Cloud.

"Innovative technology like Lasernet will help us speed up progress towards our mission."

— Brian Barnes, founder and CEO of M1 Finance.

M1 Finance concludes partnership agreement with Temenos

Brian Barnes, founder and CEO of M1 Finance, recently announced a purchase agreement with The First National Bank of Buhl, a national bank, and a new partnership agreement with Temenos. Both agreements are part of a strategic growth and product diversification plan that adds retail banking to M1 Finance's brokerage platform. As part of the decision to choose Temenos Banking Cloud as its technology base, M1 Finance chose Lasernet by Formpipe, thanks to the solution's deep integrations with Temenos. Formpipe's partnership with Temenos extends over 15 years, with Lasernet as the industry-leading solution for the production and management of documents for Temenos customers.

Brian Barnes explains why Lasernet is the perfect choice for M1 Finance.

"Using Formpipe's Lasernet solution, we can give our customers an even better banking experience. Better banking is a central focus for us when we work to help people improve their financial well-being. Innovative technologies like Lasernet will help us speed up progress towards our mission.

Lasernet helps to adapt the investment experience

Lasernet will create and manage all of M1's introduction documents, welcome letters and payment advice for newly developed deposit, loan and payment account services. The CEO of Formpipe, Christian Sundin, is gratified with the cooperation.

"It is with great pleasure that we are now developing the cooperation with Temenos by helping M1 Finance. Thanks to Lasernet, M1 Finance will excel further in its mission to give investors the opportunity to take control. We are pleased to contribute to adapting the investment experience by making it possible for M1 Finance to provide exceptional customer communication."

Renewed teamwork and outstanding customer experiences

Martin Bailey, Product Manager Innovation & Ecosystem at Temenos, confirms that the long-standing cooperation between Formpipe and Temenos continues to deliver.

"For more than 15 years, Temenos and Formpipe have renewed themselves through teamwork and trust. We are pleased that M1 Finance will now use the openness of our banking platform to create a connected ecosystem, and incorporate Formpipe's Lasernet solution to deliver an outstanding customer experience."

M1 Finance

Customer: M1 Finance

Operations: Financial Services

Head office: Chicago, Illinois, United States

Facts: M1 Finance is an American financial services company founded in 2015. The company offers a robo-advising investment platform with broker accounts, digital checking accounts and credit lines. M1 Finance provides the user the possibility to invest, borrow and spend on an intuitive platform without commissions, where the customer adapts their strategies in an automated whole.

"We are pleased that M1 Finance will now use the openness of our banking platform to create a connected ecosystem, and incorporate Formpipe's Lasernet solution to deliver an outstanding customer experience."

— Martin Bailey, Product Manager, Innovation & Ecosystem, Temenos.

PARTNER CASE – SOLUTION PROVIDER OF THE YEAR

Formpipe named Solution Provider of the Year 2021 by Temenos

Temenos is the world leader in banking software with more than 3,000 banks worldwide as customers, including 41 out of the 50 highest ranked banks. Temenos processes daily transactions and customer interactions for more than 1.2 billion banking customers. Temenos named Formpipe the Solution Provider of the Year in 2021.

15 years of successful partnership

Formpipe has supplied industry-leading solutions for the generation and management of business-critical documents for Temenos customers since 2006. Over the past 15 years, Formpipe has successfully developed its partnership with Temenos, Formpipe's products are some of the first partner developed solutions made available on Temenos' cloud banking platform. With Temenos naming Formpipe as the Provider of the Year, it further confirms the mutual benefit and success of the partnership.

Mike Rogers, Commercial Director at Formpipe, comments on winning the prestigious award.

"It was a great honour for us at Formpipe to receive this award. We have worked with Temenos for more than 15 years and developed and integrated more closely with their world-leading banking system. This award highlights Temenos' dedication to its partner model where Formpipe is evaluating more relationship-enhancing initiatives in 2022.

Efficient generation of business documents in Temenos' ecosystem

Temenos' software enables the top performing customers to achieve cost-income ratios of 26.8 per cent, half of the industry average and a return on equity of 29 per cent, which is three times the industry average. These customers also invest 51 per cent of their IT budget in growth and innovation versus maintenance, which is twice the industry average.

This proves that the banks' IT investments add tangible value to their operations. Nearly 100 financial institutions are currently using Formpipe's fully integrated solutions Lasernet and Autoform DM, both of which are available on Temenos Exchange, Temenos' marketplace for partner solutions. Formpipe's unique solutions provide banks efficient generation and distribution of business-critical documents in the Temenos ecosystem, whilst providing rapid storage and retrieval of these documents via Autoform DM.

"It was a great honour for us at Formpipe to receive this award."

– Mike Rogers, Commercial Director, Formpipe.

Formpipe's cloud-first strategy harmonises with Temenos' own

Today, Formpipe is one of Temenos' most revenue-driving partners in the Solution Provider category. Formpipe's CEO, Christian Sundin, looks forward to continued joint success and explains what the cooperation with Temenos means to Formpipe's growth potential.

"The partnership with Temenos is instrumental to our journey of growth and I am grateful for the recognition we received. In the past 18 months, we have changed our operations in banking and finance to being cloud-first, something that we see harmonises well with Temenos' strategy. I am proud of all our employees who have made this possible."

"The partnership with Temenos is instrumental to our journey of growth. I am proud of all our employees who have made this possible."

– Christian Sundin, CEO, Formpipe.

From left: Max Chuard, CEO of Temenos, Mike Rogers, Commercial Director of Formpipe and Paul Carr, Head of Global Strategic Technology Alliances at Temenos.

EMPLOYEE CASE – STAFFAN HUGEMARK

Global growth through strong teams

Formpipe's global operations are growing at breakneck speed, especially digitally. This is largely due to deliberate strategies, but it also a positive effect of the pandemic.

"We have made daily digital meetings systematic. This has strengthened our teams worldwide in a fantastic way," says Staffan Hugemark, Business Area Manager, Private Sector.

Staffan Hugemark has worked at Formpipe since the early 1990s, from the beginning as a recruited entrepreneur, then eventually as the head of the Legal business and as a visionary force in the management team since 2014. In 2019, Staffan Hugemark became the Business Area Manager for the newly formed Private Sector business area with a focus on growing the business around Formpipe's product, Lasernet. The healthy financial situation in the company made it possible to quickly grow the private sector globally.

"The fact that the Private Sector became its own business area with an ambitious growth plan was a major and important change of shape for Formpipe. Our output management product Lasernet is the best in the world. It's very fun to be a part of an established player with enthusiastic customers."

"Our output management product Lasernet is the best in the world. It's very fun to be a part of an established player with enthusiastic customers."

– Staffan Hugemark, Business Area Manager Private Sector

New approaches led to strong ties

When the coronavirus pandemic struck in 2020, the need for a new digital structure became clear. Meeting daily became key and has today evolved into a structured working method in the various teams which have members across the world. According to Staffan Hugemark, it is due to the pandemic that the team's digital routines have evolved and become a recipe for success.

"The big 'aha!' experience was that everyone became more equal, thanks to us all sitting at home. We took advantage of the situation and ensured that everyone was included, around the world. This has made it easier to reorganise and it has become completely natural to team people together from different countries; everyone is involved today."

In the first weeks of the pandemic, a digital social activity was started, named SDAW – Social Distance After Work – which is still held every Friday with all of the team's employees worldwide. A lot of effort was also put into developing a structured, digital onboarding process, which became more tailored and personalized to the individual and their circumstances.

"The digital onboarding process has made it easier for new employees to quickly get into the corporate culture and become part of the community."

A strong culture in a global business

Staffan Hugemark believes that daily contact creates commitment and a pulse in the business, and gives birth to a common desire not to get caught up in problems.

"We solve our challenges together by meeting digitally and talking with each other. We have simply ensured that we keep the culture we had before the pandemic and made it digital."

Staffan Hugemark points out that Formpipe will not go back to how it worked before. Instead, Formpipe has adopted a hybrid operation.

One to one meetings are still extremely valuable. We have colleagues who work from the office a few days a week and others who work entirely remotely. We nonetheless prioritise gathering everyone together and getting to know each other better in order to further strengthen the sense of community.

"We are taking this insight with us into the next phase. Our global business is growing thanks to our finding efficient ways of working, socialising and onboarding new employees. This creates motivated and strong teams around the world that all work towards the same goal. Personally, I am triggered by seeing the growth myself. The opportunity to participate in this development is hugely inspiring."

Staffan Hugemark

Age: 54

Title: Business Area Manager, Private Sector

Education: Engineering physics at KTH.
"But I started companies in parallel that took off, so I quit after six months."

Lives in: Svinninge, Österåker.

Working on: The Stockholm office, from home and at Formpipe's offices around the world.

Family: Partner and two children, ages 19 and 21.

Leisure time interests: Sailing and skiing.

Favourite music: Sometimes classic rock, sometimes 80s-synth.

Favourite food: Everything that's good.

Life motto: You only die once; you live every day!

"Our global business is growing thanks to our finding efficient ways of working, socialising and onboarding new employees."

— Staffan Hugemark, Business Area Manager Private Sector

CUSTOMER CASE – COPPERSTATE & LASERNET DISTRIBUTION

Copper State Bolt & Nut Company automates its processes with Lasernet

Copper State Bolt & Nut Company is an American distributor of industrial and construction products. The company was founded in 1972 and aims to be the best manufacturer and distributor of fasteners and related products for companies and professional craftsmen in North America. Commitment, quality and customer service are the cornerstones of the company's operations, where the focus is on continuous improvement and efficiency enhancement, as well as long-term relationships with customers and suppliers.

As the company has grown, Copper State has had several challenges. The business requires large amounts of labels that must be able to be printed from many different mobile devices with unique specifications per user. The company's extensive e-commerce has also required continuous and automatic updating of all website data.

Formpipe was able to offer and implement Lasernet to quickly address their specific needs, which meant that all of the company's processes are automated today.

"Lasernet's solution has slimmed the Copper State's processes and created significant efficiency, reduced manual work and greatly reduced the risk of error."

The right label to the right printer

Lasernet is used for routing so that the right label is sent to the right printer, based on what the user printed through their mobile device. Since Lasernet is so well integrated with Microsoft Dynamics 365, it provides the possibility to create triggers for labels and print buttons directly in Copper States ERP. Here, custom labels can also be created by Lasernet picking up a predetermined design, based on data that comes from Dynamics 365. For example, if customer buys a box of bolts, a label with customer-specific information can be used. By using Lasernet's solution for document routing, pre-defined printouts can also be set up for different inventory picking processes that effectively utilise Lasernet's functionality.

Automated processes become cost-effective and customer friendly

The processes created with the help of Lasernet run in the background of Copper State's operations and today the company can quickly and efficiently print thousands of labels per day. In addition, the challenges with Copper State's e-commerce have been solved by Lasernet generating and publishing information for the website. The customers' objects are updated with the right information from the underlying Dynamics 365 environment at the same time that the picking process is simplified for Copper State.

Lasernet's solution has slimmed the Copper State's processes and created significant efficiency, reduced manual work and greatly reduced the risk of error. All in all, this provides a cost-effective and functional solution that both facilitates daily work and generates customer communication and user-friendliness in desirable formats and with brand-adapted layouts.

Copper State Bolt & Nut Co.

Copper State

Customer: Copper State Bolt & Nut Company

Operations: Manufacturing industry, Building materials and Wholesale

Head office: Phoenix, Arizona, USA

Facts: Copper State is a second-generation women-owned family business, founded in 1972. Copper State started with six employees in a 6,000-square-meter warehouse. Today, there are nearly 500 employees and more than 30 corporate facilities throughout North America where more than 20,000 companies are served, from the smallest to the largest customers.

PUBLIC SECTOR

A digital society to rely on.

Public sector

Formpipe is passionate that the digitalisation of the public sector will create value for society and its citizens. By putting people at the heart of the innovation process, the Company is involved in developing a sustainable and inclusive digital society to rely on.

External factors that affect public operations change quickly. The operations must be able to adjust faster to be able to deliver according to expectations. Something particularly highlighted by the coronavirus pandemic. 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. Over many years in a market-leading position, the Company has delivered systems for document and case management and automated processes.

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.

Some examples of customers are the Danish Prosecution Authority, the Danish Agricultural Agency and the Danish Municipality of Silkeborg, as well as the Swedish Tax Agency, the Swedish Transport Administration and Linköping Municipality in Sweden.

Market driving forces

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 the service from 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 internet, we also want to be able to easily ask questions, submit an application and file a report with public agencies too. We expect quicker replies and automated decisions – as well as 24/7 availability. Public sector employees also expect it to be easy to get a hold of the information they need.

Demand for greater efficiency

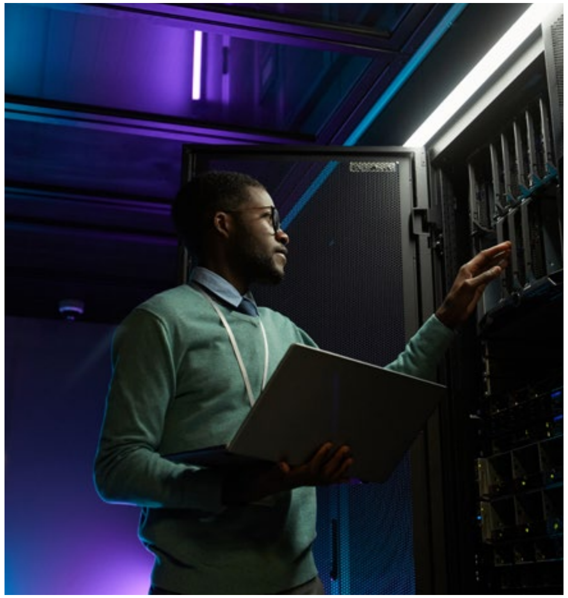
Managing cases is a comprehensive administrative task for authorities, municipalities and regional healthcare providers. Over time, this management has become increasingly automated, but the potential for efficiency enhancements is still very extensive. Automation and self-service reduce the administrative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

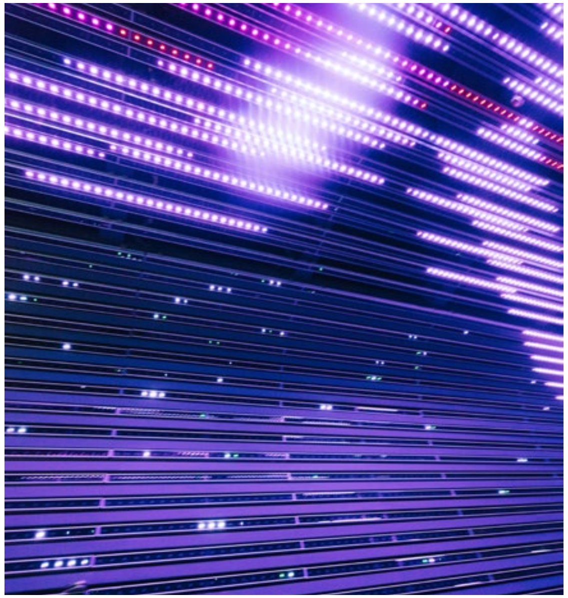
Compliance with laws and requirements

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. It is simply a prerequisite to be able to make the right decisions and to create efficiency and readily available services. At the same time, data volumes and the complexity of data are increasing at a rapid pace, 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 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 Reports[12)], many organisations in Swedish public administration see possibilities in being able to outsource IT operations and instead use cloud services. However, to a large extent they would like clarifications regarding the legal circumstances. The Swedish Agency for Digital Government (DIGG) concludes that the Swedish public sector is in need of advice and clarifications regarding the type of cloud services that may be procured with regard to the integrity of the information and its transfer to third countries.[13)] Judgments such as Schrems II have meant that many public organisations in the EU are reluctant to procure solutions that are provided for in the public cloud.[14)]

Developed with existing platform

Formpipe sees clear examples that customers are happy to stay with existing platform providers for document and case management and develop their operations together with them. Gartner recommends customers with Content Services Platforms, which Formpipe provides, to carefully evaluate the gains of replacing them. Often, these platforms are closely integrated with other systems and many operating processes, which can entail a significantly higher cost than upgrading the existing platform.[15)]

European opportunities

Today, digital information is highlighted as a key factor in the EU, not least as an enabler of 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. 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

In the public sector, Formpipe's business is being driven towards the long-term goal of becoming the preferred comprehensive supplier of digital administration in the EU.

Based on Formpipe's document, record and case management platforms, the Company is seeking an extended commitment among existing customers with products and services. In customer projects, many add-ons to the platforms are co-created. Something that then creates benefit for the Company's other customers in the public sector through supplemental sales.

The focus for these add-ons is on business processes linked to record keeping, such as archive-resistant and secure digital signatures or cooperation on meeting documents for municipal politicians.

Formpipe is growing organically in the public sector by becoming a comprehensive supplier of digital administration in the current Danish and Swedish markets. This is complemented by an active acquisition agenda that aims on entering new countries.

[12] https://www.regeringen.se/48efac/contentassets/10a3aff9f8b847b48b35036d0907439e/saker-och-kostnadseffektiv-it-drift--rattsliga-forutsattningar-for-utkontraktering-sou_2021_1
[13] https://www.digg.se/49b87a/globalassets/dokument/publicerat/publikationer/delrapport---rattsligt-stod-till-offentlig-forvaltning-avseende-digitalisering.pdf
[14] https://www.nyteknik.se/premium/svenska-myndigheter-ratar-microsofts-moln-bygger-eget-7028064
[15] https://www.gartner.com/document/4007000

Denmark

Many EU countries express a desire to build a digital infrastructure on a par with the Danish one. In the UN E-Government Survey 2020, Denmark was in first place for the second consecutive time. Denmark is highlighted for its 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).

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.

Formpipe has contributed products and services to the public sector in Denmark for more than two decades and several of the Company's customers and employees have been involved since then. This extensive experience of digitalisation of business processes makes Formpipe a competent digitalisation partner. A dedicated team based in Copenhagen offers customers service in the entire value chain.

Formpipe has a leading position in the market with around 40 per cent of the municipalities as customers in document and case management. The Danish analysts Devoteam ranks the Danish Content Services market, known there as ESDH (ECM), every year. In 2020, as in previous years, Formpipe's platform Acadre was among the highest ranked systems in the market.[16)] The company also has a leading position in grants management in several government agencies.

Examples of Formpipe's customers

The Danish Business Authority, Syddjur Municipality, the Region of Southern Denmark, Nordea Foundation, the Danish Prosecution Authority and the Danish Agricultural Agency are examples of customers in the Danish public sector.

"We have had a successful 2021 with fantastic efforts from our employees. We see greater mobility in the market and have positioned ourselves well to acquire new customers and grow our service commitment in 2022."

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

16) Source Devoteam, 2020

Our offering to the Danish public sector

Examples of products Formpipe's customers use in the Danish public sector:

Acadre
by Formpipe.

A document and case management platform, which provides accurate record keeping and control over the organisation's data. The product has more than 70,000 users.

Adoxa
by Formpipe.

An application that provides customers automated regulatory compliance. The product continuously conducts searches of the operations' systems and combines this with a smart regulatory framework that helps correct deficient data quality and meet GDPR requirements. Adoxa is mentioned as the only product from Europe in Gartner's report "Market Guide for File Analysis Software." [17)] More than 50 organisations use the product.

Long-Term Archive
by Formpipe.

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

Signeringsportalen
by Formpipe.

Digital handling of signatures adapted to the strict requirements of the public sector. Eliminates an otherwise time-consuming analogue process.

TAS
by Formpipe.

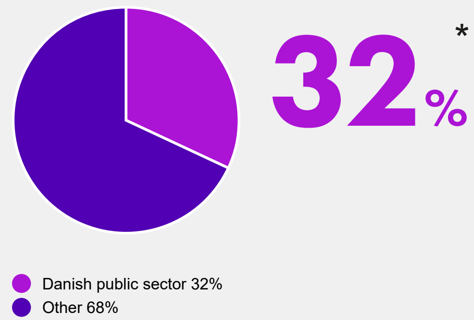
A secure and smooth grants management platform for public organisations. More than DKK 20 billion is paid out with the help of TAS every year, with the fastest speed and the largest amount of automated digital processes in the whole of Europe.

TAP
by Formpipe.

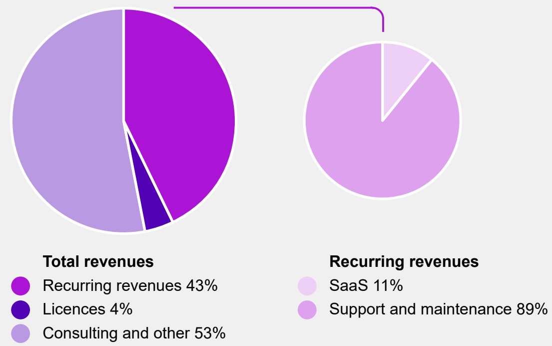
A configurable standard platform for application and grant management. Used by the Danish Agricultural Agency to distribute EU grants to Danish farmers every year.

Key ratios

Share of net revenue



Distribution of revenue types, Denmark



* The major deal with the Danish Agricultural Agency has been determined to be an item affecting comparability and has therefore been reported under Other instead of Denmark. If it had been included instead, Denmark would have had 40 per cent of net sales. Excluding the LBSTdeal, the three business areas have the following shares of net sales: Private 36 per cent, PUB-SE 28 per cent and PUB-DK 35 per cent (Other 1 per cent).

[17)] https://www.formpipe.com/en/about-us/media/news--blogs/2020/formpipe-recognized-in-gartners-market-report/

CUSTOMER CASE – MIDDELFART MUNICIPALITY

Middelfart Municipality chose Adoxa for automated GDPR compliance

Middelfart Municipality on Fyn in the Region of Southern Denmark encountered a major challenge in connection with GDPR in ensuring that personal data was processed correctly and legally within the organisation. The municipality quickly realised that they needed a reliable and efficient IT system that both automated GDPR compliance and cleaned up all the data. Middelfart Municipality chose Adoxa by Formpipe, a solution that means that the municipality's data policy can be continuously complied with through efficient automation of all the GDPR work.

Overview and insights

In addition to automated regulatory compliance, Adoxa also offers valuable overviews and important insights into the municipal organisation's entire information base, regardless of storage sites. This enables better decision-making input for the operations and a unique opportunity to free up the full potential of the data flows.

Adoxa ensures high data quality and security

Adoxa seamlessly and automatically shares relevant information with internal as well as external parties, while ensuring regulatory compliance and quality. Anders Juel Sørensen, Data Protection Officer (DPO) and Digitalisation Consultant at Middelfart Municipality explains why Adoxa was a safe and obvious solution to the municipality's challenges regarding data security.

"We chose Adoxa partly because the solution is successfully used in many other municipalities, partly because it is important for us to have a data quality solution that can both support the workflows in our ESDH system (document and case management system) and at the same time clean up and ensure GDPR compliance in file storage areas, Office 365 and other general systems. With Adoxa, we get a solution that keeps an eye on data across different systems and data types. Adoxa gives us the necessary boost in our GDPR and data quality work."

Adoxa became the perfect solution

Before choosing Adoxa, Middelfart Municipality had already been on the forefront with many good strategic initiatives to improve the data quality in the organisation. However, as the processes progressed, it quickly became clear that a powerful IT system was needed that could help the municipality with the challenge of cleaning among all of the data. An important requirement was that the solution would support several different sources.

For Middelfart Municipality, a locally installed solution was best suited to the organisation's overall strategy, and Adoxa became the perfect solution.

Adoxa works efficiently and holistically

A municipality's residents and users perform many different tasks and as such there is huge amounts of data to keep track of. When Middelfart Municipality wanted to improve its data quality and GDPR compliance, it was therefore important that the IT system could help holistically. Adoxa monitors all the different systems and immediately alerts if the user has been given incorrect access rights to a case or if a case is already registered.

Adoxa focuses on localising the storage sites where there are problems, but also ensures that the customer can continuously monitor the development. Data sources are scanned and organised in the database, data is analysed in the system's rule engine, and notifications are issued through 'observations', which gives the customer a clear overview. Adoxa has both built-in management reporting and more detailed statistics, where a manager or data controller can continuously follow its progress and see where there may be a need for extra focus.

With the help of Adoxa's automated scanning and cleaning of personal data, automatic GDPR compliance is ensured, which leads to large savings and more streamlined processes.

Middelfart
KOMMUNE

Middelfart Municipality

Customer: Middelfart Municipality

Operations: Municipal

Head office: Middelfart, Denmark

Facts: Middelfart Municipality is a municipality in the Region of Southern Denmark, on the western part of the island Fyn. It covers 299.93 km² and has a population of 36,771. The central town is the town of Middelfart. The population is expected to increase to 42,277 by 2033. This is an increase of 8.1 per cent, an average of 263 people per year.

"Adoxa gives us the necessary boost to achieve our GDPR and data quality work."

— Anders Juel Sørensen, DPO, Middelfart Municipality

EMPLOYEE CASE – SILJE BERG

The Signing Portal will digitalise Danish municipalities and authorities

Silje Berg is the sales manager in the Danish Public Sector business area and is responsible for the launch of the Signing Portal in Denmark, The product makes it possible for politicians and officials to securely and easily sign documents so that they end up in the right place in the right case management system. The Signing Portal is also well established in the Swedish public sector where it has achieved major success.

Denmark is a leader in digital administration and there is extensive potential in the field of digital signatures. However, communication with the residents is strictly regulated, which creates challenges in entering the market for the Danish public sector.

“There are many systems out there, but very few that integrate with the public administration’s case management system and the stringent requirements that come with it. With the Signing Portal, Formpipe can contribute to digitalising Danish authorities,” says Silje Berg.

Silje sees extensive possibilities with Formpipe’s offering. Danish municipalities and authorities can benefit from the tool as it helps them sign documents in a more precise, efficient and secure manner. Three things that are highly valued by the Danish authorities as they handle sensitive data and documents.

“The need for the Signing Portal is a bit of a given. Customers often agree without objection that it would be value-creating to replace analogue signatures with a digital tool. But the challenge we encounter is a lack of knowledge about what volume of signatures the organisation actually has. This sometimes creates difficulties in offering a clear business case to the customer’s sponsors.”

Individual freedom and modern leadership

When Silje Berg began as a Sales Manager at Formpipe in 2021, the learning curve was steep.

“My responsibility and my impact on the business were shaped from my first day on the job and I immediately gained a great deal of confidence.”

She thinks that the onboarding process was well-organised and appreciates that her colleagues have been supportive and helpful.

“The welcome has been warm and friendly. I have been met by open minds for my personality. I can offer suggestions that are received constructively and it is truly a pleasure to be at a company where suggestions for improvement are quickly converted to real change. There has been room for me to find my place and it has been easy to embrace both the culture and values.”

“I can offer suggestions that are received constructively and it is truly a pleasure to be at a company where suggestions for improvement are quickly converted to real change.”

– Silje Berg, Sales Manager

Silje appreciates the freedom to create one’s own identity, to pursue one’s way of working and to set goals.

“When I came to Formpipe, I gained a completely new view of leadership. It’s stimulating to be trusted to achieve the goals in the way you think is the best. I feel that my boss wants me to succeed.”

Silje Berg believes that the broad perspective is important to succeed in sales and marketing. Gathering strengths, being structured and having plans, but also putting the whole puzzle together, which also changes along the way.

“I provide my marketing perspective internally and at the same time convey the customer’s perspective. A modern leader must be able to communicate between colleagues, customers, teams and geographic boundaries.”

Now Silje Berg is looking forward to the development in 2022, the journey with the Signing Portal has just begun and she is inspired by the challenge.

“The interaction between Formpipe’s employees is what drives both me and the business. This power combined with the product’s potential will lead to success.”

Silje Berg

Age: 33

Title: Sales Manager

Education: Bachelor’s degree in international sales and marketing

Lives in: Ballerup, Copenhagen

Family: Husband and daughter

Recreation: Friends, family and travel

Favourite music: Everything from the 1990s

Favourite food: Sushi and Italian

Role models: Marcus Aurelius

Life motto: The quality of your mind is the quality of your life

“The interaction between Formpipe’s employees is what drives both me and the business. This power combined with the product’s potential will lead to success.”

— Silje Berg, Sales Manager

Sweden

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

Formpipe inspires and supports municipalities, regions and authorities in the Swedish public sector on their digital journey. The company's core system in the market has been developed for the Swedish public sector from the beginning and is being further developed in close cooperation with the customers, where add-ons and solutions are adapted to meet local requirements. One example of this is that Formpipe's cloud services for document and case management, as well as e-archives store all data in Sweden. Information security is a central part of the daily work and Formpipe is certified according to ISO 27001 standards.

Formpipe has helped several hundred Swedish authorities digitalise their operations to meet the high standards of accessibility and transparency required by these institutions. More than 80 municipalities use Formpipe's products that are based on the unique requirements that exist in municipal operations. Formpipe's complete solutions for document and case 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 the customers.

In total, this makes Formpipe a market leader in the Swedish public sector. This is something noted with pride and it gives the Company the possibility to continue to expand the undertaking with existing customers and through co-creation to introduce more offerings to the market.

Examples of customers

The county administrative boards, the City of Malmö, the Swedish Tax Agency, Örebro Municipality, Uppsala University, Vinnova, the Public Art Agency and the Swedish Agency for Accessible Media are examples of customers in the Swedish public sector.

"We have set out to become a comprehensive supplier in Sweden and it is with great enthusiasm that we are beginning to work even closer with our customers. Together with them, we create more trust and transparency in our society and I look forward to continuing that journey in 2022."

— Mats Kaludjercic Bergman,
Business Area Manager Public Sector Sweden

Our offering to the Swedish public sector

Examples of products Formpipe's customers use in the Swedish public sector:

Platina
by Formpipe.

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

W3D3
by Formpipe.

A platform 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 accurate information and fulfils all laws and requirements that exist in the area of e-archiving.

Adoxa
by Formpipe.

An application that provides customers automated regulatory compliance.

Signeringsportalen
by Formpipe.

Digital handling of signatures adapted to the strict requirements of the public sector. Eliminates 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 quality-assured record keeping of finished documents with selected metadata that is transferred to the source system.

Meetings Plus
by Formpipe.

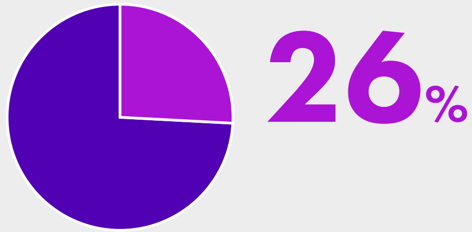
The product minimises the handling of meeting invitations, documentation and recorded minutes. Time savings for the committee secretary, easy for the politician and accessible to the citizen. The eliminated paper handling means large savings.

Portal Bas
by Formpipe.

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

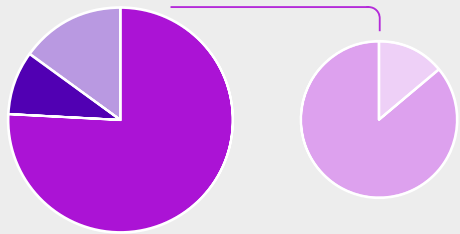
Key ratios

Share of net revenue



- Swedish public sector 26%
- Other 74%

Distribution of revenue types, Sweden



Total revenues
- Recurring revenues 76%
- Licences 9%
- Consulting and other 15%

Recurring revenues
- SaaS 14%
- Support and maintenance 86%

CUSTOMER CASE – UPPSALA UNIVERSITY

Simplified and adapted case process for Uppsala University

The public sector has long been facing a growing need for digitalisation, a need that has accelerated even more during the coronavirus pandemic, which has caused the demand for digitalisation to skyrocket. For Uppsala University, this has involved a transition where a large part of the distribution, registration and administrative processes surrounding case management have shifted to digital. This has been done with the help of Portal Bas and the case management system W3D3, where Portal Bas can be used in several different applications thanks to its simple and adaptable interface.

Increased capacity and quality

The Portal Bas web publishing tool allows users to easily design electronic forms that are linked to a case management system. Shortly after the launch of Portal Bas by Uppsala University, digital solutions were quickly developed for both students and staff. The result was shorter lead times and that several manual tasks were able to be replaced and carried out automatically.

“There are two main categories of forms, one for study administration, one for staff matters. We are also constantly discovering new applications for the various forms,” says Måns Bergkvist, Document Administrator at Uppsala University.

Pandemic-adapted form solutions

Few have experimented with and worked as much in Portal Bas as Uppsala University since the product was launched. When the pandemic broke out, with a little extra creativity, they were able to develop pandemic-adapted solutions very quickly.

“A pandemic-specific example of a solution we have developed is our forms for reporting suspicions of cheating in examinations. During the pandemic, there was a sudden and marked increase in such notifications at Uppsala University. With the help of Portal Bas, we were able to produce adapted forms at short notice that supported the organisation. The forms directly collected all the information necessary for the handling process, and the information was automatically registered in the system in an easily viewable manner," says Erik Lambe, Document Administrator at Uppsala University.

"If you can change your mindset you can achieve so much more by using this tool."

– Måns Bergkvist, Document Administrator at Uppsala University.

However, Uppsala University emphasizes that the possibilities in Portal Bas are not only in the tool itself, but also in the added value that Portal Bas entails. In many cases, instead of just copying from paper to data, the possibility of reviewing the entire work routine reveals itself.

"When departments at the university contact us because they want to have a form they have on paper translated into an electronic version, it's often a good time to review the entire routine. Then it might not only be an efficiency improvement of going from paper to digital handling, but also major routine changes. If you can change your mindset you can achieve so much more by using this tool." says Måns Bergkvist.

In the future, Uppsala University also sees opportunities to simplify and streamline the case management process at the university using Portal Bas.

"Today, we are working to see how Formpipe's products can be used to create digital solutions that make it possible for doctoral students to manage their individual study plans through Portal Bas. This would save a lot of time for both doctoral students and supervisors," says Måns Bergkvist.

Strong relationships between the customer and supplier benefit development

The foundation for Portal Bass has been in Formpipe's ambition to develop a solution that helps reduce the bottlenecks that can arise in analogue case management in the public sector. Automation replaces several manual steps in the case process by creating smooth flows using electronic processing of forms.

Uppsala University has long been an institution that has held the conductor's baton and, together with Formpipe, developed several digital solutions in Portal Bas. This cooperation is entirely in line with Formpipe's beliefs that strong relationships between the customer and supplier also form the basis for strong relationships between people and data.


Måns Bergkvist


Erik Lambe

Uppsala University

Customer: Uppsala University

Operations: Authority

Head office: Uppsala, Sweden

Facts: Uppsala University is the oldest university in the Nordic region and has been active since 1477. The university, which is largely in different parts of Uppsala, but also has operations on Gotland, has more than 40,000 students every academic year and more than 8,000 employees in the authority.

EMPLOYEE CASE – PHILIP EKSTRÖMER

Innovative problem solving close to the customer

Since 2021, Philip Ekströmer has worked as a consultant at Formpipe, a position that he sums up with the term 'problem solving'. He sees it as his most important task to create value for the customers, not just by solving problems, but by solving the right problems. He does this thanks to dialogue and active listening.

This approach means that the practical work is preceded by a great deal of constructive questioning. He works constantly to include his customers in the process, which creates an ongoing dialogue. Something that creates good conditions for long-term relationships.

"When you work with Formpipe, you get a personal service. In longer or more complex projects, a deeper dialogue is needed. I take the time to listen and ask questions to really understand the customer's problems. As a consultant, I have to familiarise myself with their daily lives; only then can I offer the right solution.

The consulting work can be about adapting or fine-tuning existing products, but sometimes completely new solutions are also needed.

"If there is no match, we often develop one that can become an add-on for other customers as well. It becomes a kind of co-design process that I find very exciting. The customer is an expert in its processes while we are experts in our systems, and how they can best be used and adapted."

"We come up with things when we approach the challenges from different directions. Working close to the customers and really listening makes us proactive, and this is the key to success. The solution is interesting, but I think that the actual discovery phase is the most exciting."

– Philip Ekströmer, Consultant

Close cooperation with the customers

As a trained engineer, Philip is driven by the possibility of developing something new together with the customer. The most stimulating thing he thinks is when he gets to go through the entire design process, from idea generation to execution and delivery, and along the way create new functions based on how the customer's needs have grown and the relationship deepened.

"It's extra exciting when it becomes something that we can see that more people would benefit from. Especially when we can build something larger based on an adaptation for a specific customer."

He points out that the active listening provides insights that can lead to our own product development.

"We are happy to develop innovative solutions in close cooperation, as often as we can, with our customers, which at a later stage can become completely new Formpipe products."

Proactivity the key to success

As of year-end, Formpipe's strategic priority in the Swedish public sector is to grow the number of customers with active services in projects or administration. The fact that the working relationship with the customers is so tight provides very good opportunities for more sales.

"Since we work so close with our customers, we can both discover needs that are not met yet, and come up with completely new solutions based on the customer's description of what would make life easier for them. We know how they work and we know the technology, so we can help them discover and correct gaps in the flows."

It excites Philip to constantly learn new things about the needs of different operations and figure out how Formpipe can meet them with its products or adaptations.

"I believe in more innovative thinking, being proactive instead of reactive. Discovering needs and seeing problem areas that the customer cannot come up with on their own, and offering solutions."

The ideas come in the meeting with the customers.

"We come up with things when we approach the challenges from different directions. Working close to the customers and really listening makes us proactive, and this is the key to success. The solution is interesting, but I think that the actual discovery phase is the most exciting."

Philip Ekströmer

Age: 30

Title: Consultant

Education: MSc in Design and Product Development. Licentiate (2.5 years of doctoral studies) in Design.

Lives in: Rimforsa, 30 km south of Linköping.

Family: Partner Emelie, dog Nike and cat Minerva.

Leisure time interests: Singing in the men's choir Linköping's Student Singers, working with graphic design, sometimes podcasts. Very involved with the Marvel Cinematic Universe.

Favourite music: When I work, I like to listen to Power Metal. Otherwise, I like most things.

Favourite food: Hash and sausage stroganoff.

Role model: Adam Savage. Always wanted to be a cool 'maker'.

"We are happy to develop innovative solutions, as often as we can, in close cooperation with our customers, which at a later stage can become completely new Formpipe products."

— Philip Ekströmer, Consultant

OUR SHARE

Formpipe's share 2021.

Our share

The Formpipe share is listed on the Nasdaq Stockholm exchange, with the short name FPIP. Market value at year-end was MSEK 2,418.

Equity totals SEK 5,372,605.70 for 53,726,057 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 2021

In 2021, the Formpipe share price rose from SEK 25.90 to the closing price of SEK 45.00 on 30 December. The highest price paid for the year was SEK 45.15 on 30 December. The lowest price paid was SEK 26.50 on 30 June. A total of 12 million shares were traded in 2021 at a value of MSEK 382.

Appropriation of profits

The Board of Directors proposes that the Annual General Meeting on 27 April 2022 resolve to approve a dividend of SEK 0.70 (0.66) per share, which entails a total dividend of MSEK 37.6 (35.3). 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 28 April 2021 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 2021. The twenty largest shareholders represent 78.4 (74.1) per cent of the equity. In all, Formpipe had approximately 3,700 shareholders as of the date above.

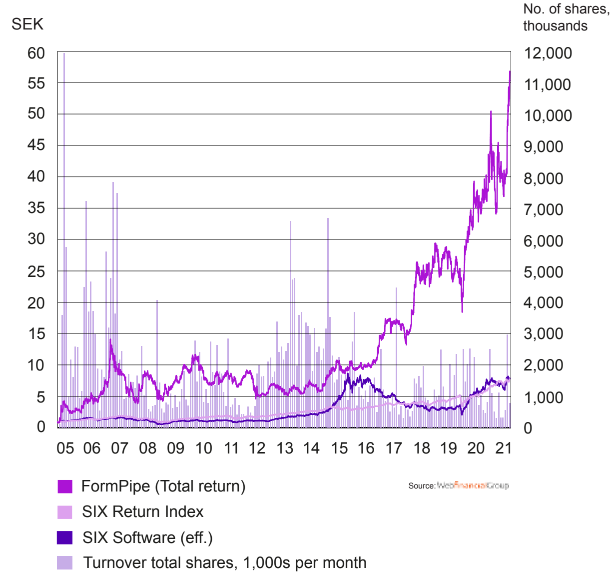
Ownership structure total shares 31/12/2021

Shareholders	Holdings, no.	Holdings, %
Aktiebolaget Grenspecialisten	5,564,128	10.36%
Bjäringer, Martin	4,500,000	8.38%
Alcur Select	4,235,737	7.88%
Swedbank Robur Microcap	4,100,000	7.63%
SEB Sv Småbol Chans/Risk	3,519,322	6.55%
Tin Ny Teknik	3,196,465	5.95%
Wernhoff, Thomas	2,875,000	5.35%
Nordea Småbolagsfond Sverige	2,453,491	4.57%
Försäkringsaktiebolaget Avanza Pension	1,633,991	3.04%
Andra AP-Fonden	1,511,230	2.81%
Carnegie Micro Cap	1,158,671	2.16%
Sundin, Carl Christian Quintus	1,077,190	2.00%
Per Josefsson Invest AB	1,000,000	1.86%
JCE Asset Management AB	992,000	1.85%
Nordea Institutionella Smabolagsfon	954,669	1.78%
SEB Life International	931,442	1.73%
Alfredson, Joakim	787,000	1.46%
Andersson, Willmar	631,286	1.18%
Blomdahl, Håkan	500,000	0.93%
EFG Bank / Geneva, W8imy	500,000	0.93%
Euroclear Bank S.A/N.V, W8-Imy	474,983	0.88%
Jonsson, Christer	408,260	0.76%
AB Wallinder & Co.	376,632	0.70%
SHB AB – Luxembourg Branch	359,620	0.67%
Nordlander, Bo	328,159	0.61%
Syrén, Erik	309,816	0.58%
Gilstring, Kåre	300,000	0.56%
Karlsson, Carl Mårten	292,582	0.54%
Kalmar County	265,125	0.49%
Nordnet Pensionsförsäkring AB	233,363	0.43%
Other	8,255,895	15.37%
Total	**53,726,057**	**100.00%**

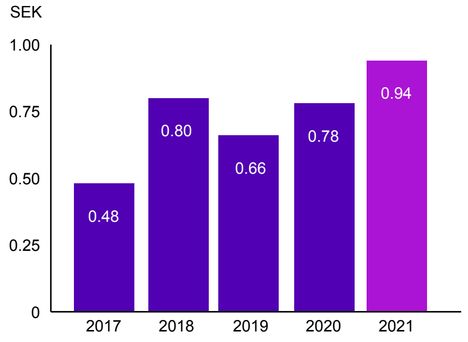
Development of share capital

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
2021	Jun	New share issue share option redemption	262,000	26,200.00	53,726,057	0.1
		Equity, 31 December 2021	**53,726,057**	**5,372,605.70**	**53,726,057**	**0.1**

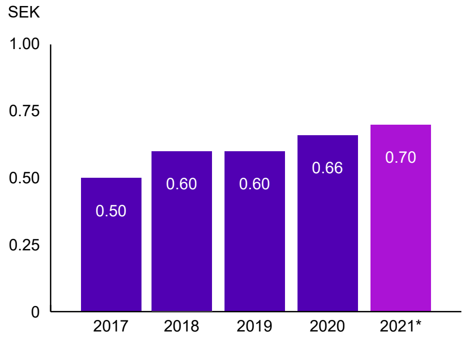
The Formpipe share – total return



Earnings per share

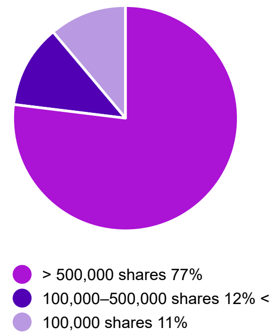


Dividend per share



* Proposed dividend

Distribution of shareholdings



BOARD OF DIRECTORS AND GROUP MANAGEMENT

Formpipe Software 2021.

Board of Directors

Bo Nordlander
Chairman of the Board

Elected: 2009
Date of birth: 1956
Shareholding: 328,159

Martin Bjäringer
Board member

Elected: 2020
Date of birth: 1959
Shareholding: 4,500,000

Åsa Landén Ericsson
Board member

Elected: 2017
Date of birth: 1965
Shareholding: 10,000

Peter Lindström
Board member

Elected: 2016
Date of birth: 1970
Shareholding: 45,000

Annikki Schaeferdiek
Board member

Elected: 2017
Date of birth: 1969
Shareholding: 16,000

Erik Syrén
Board member

Elected: 2019
Date of birth: 1978
Shareholding: 309,816

* For a complete presentation of the Board of Directors, see the Corporate Governance Report, page 104.

Group Management

Christian Sundin
CEO

Shareholding: 1,077,190
Share options: 784,300

Staffan Hugemark
VP Business Area, Private Sector

Shareholding: 220,530
Warrants: -

Thomas à Porta
VP Business Area, Public Sector Denmark

Shareholding: 71,000
Warrants: -

Mats Persson
VP Business Area, Public Sector Sweden

Shareholding: 9,500
Share options: 13,000

Joakim Alfredson
CFO

Shareholding: 787,000
Warrants: -

Lina Elo
Director of HR

Shareholding: 1,000
Share options: 2,000

Erik Lindeberg
Director of Business Development

Shareholding: 50,364
Share options: 20,000

KEY RATIOS

Formpipe Software 2021.

Key ratios

MSEK	2021	2020	2019	2018	2017
Sales*					
Net sales	473.2	403.1	393.8	406.4	390.2
Software revenue	347.7	286.1	261.1	253.9	234.8
Recurring revenues	278.4	253.5	229.7	209.3	181.8
Licensing	69.3	32.5	31.4	44.6	53.1
SaaS	66.1	54.6	45.1	30.8	18.8
Maintenance and Support	212.3	198.9	184.7	178.5	162.9
Consulting and other	125.5	117.1	132.6	152.5	155.4
Growth and distribution					
Sales growth, %	17.4%	2.4%	-3.1%	4.1%	3.0%
Growth in software revenues, %	21.5%	9.5%	2.8%	8.1%	0.4%
Growth in recurring revenues, %	9.8%	10.4%	9.7%	15.1%	10.7%
Share of net sales, software revenue, %	73.5%	71.0%	66.3%	62.5%	60.2%
Share of net sales, recurring revenues, %	58.8%	62.9%	58.3%	51.5%	46.6%
Margins					
Operating margin before depreciation and items affecting comparability (EBITDA), %	28.6%	25.9%	25.6%	24.5%	22.0%
Operating margin (EBIT), %	14.5%	13.2%	12.1%	13.1%	9.7%
Profit margin, %	10.7%	10.3%	8.9%	9.8%	6.4%
Return on capital					
Return on operating capital employed, %	17.2%	14.1%	13.3%	14.8%	9.8%
Return on capital employed, %	15.7%	12.6%	10.9%	11.5%	8.9%
Return on equity, %	12.2%	10.4%	8.9%	10.6%	7.0%
Return on total capital, %	19.5%	14.8%	14.1%	7.7%	5.7%

* 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	2021	2020	2019	2018	2017
Capital structure					
Operating capital	411.6	384.0	372.4	344.1	373.9
Capital employed	429.6	442.6	406.1	467.9	456.6
Equity	429.6	398.9	400.1	391.0	363.1
Interest bearing net debt (+)/cash (-)	-4.7	5.5	-0.7	-46.7	9.4
Debt/equity ratio, %	61.0%	55.4%	59.3%	55.7%	53.7%
Cash flow and liquidity					
Cash flow from operating activities	99.0	115.0	63.7	121.4	95.1
Cash flow from investing activities	-58.7	-92.0	-42.2	-40.6	-41.3
Cash flow from financing activities	-84.6	3.1	-112.5	-40.1	-32.3
Cash flow for the year	-44.3	26.0	-91.1	40.6	21.5
Free cash flow	40.3	23.0	21.5	80.8	53.9
Cash and cash equivalents	18.1	58.6	33.7	123.8	82.7
Personnel					
Total staff, annual average, count	260	233	222	227	231
Total staff at year-end, count	274	245	221	222	231
Share data					
Total shares at year-end, thousands	53,726	53,464	53,174	52,887	51,873
Average total shares before dilution, thousands	53,617	53,343	53,015	52,523	51,623
Average total shares after dilution, thousands	53,875	53,549	53,343	52,881	52,128
Earnings per share before dilution, SEK	0.94	0.78	0.66	0.76	0.48
Earnings per share after dilution, SEK	0.94	0.77	0.66	0.75	0.48
Dividend per share	0.70	0.66	0.60	0.60	0.50
Equity per average total shares	8.01	7.48	7.55	7.44	7.03

MANAGEMENT REPORT

Financial year 2021.

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 2021.

Group structure

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

During the year, the companies Formpipe Lasernet Ltd. and Formpipe Life Science Ltd. were merged into Formpipe Software Ltd.

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

About Formpipe

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 274 employees and sales of MSEK 473. The Formpipe share is listed on the NASDAQ Stockholm exchange.

With a value-driven corporate culture, Formpipe is involved in developing an inclusive and sustainable society to rely on.

Formpipe's business stands on two legs, one for the private sector and one for the public sector.

Growth strategy 2021–2025

- Focusing on accelerated growth in the U.S. and Europe through investments in sales and technology to support partners and meet demand for the product Lasernet.
- Seeking an extended service commitment in the public sector and co-creating more add-ons in customer projects that then create more benefit for the company's other customers in the segment through supplemental sales.
- Strategic acquisitions that complement the organic growth.
- Increasing the recurring revenues by selling products as cloud services (SaaS) to the furthest possible extent.

Private sector

In the private sector, Formpipe has several thousand customers in more than 60 countries. Here, the product Lasernet complements ERP and banking systems from the suppliers Microsoft and Temenos. Lasernet is the market leader in its segment in generating business documents from Microsoft Dynamics 365 and Temenos Transact and Infinity. The product's competitiveness lies in its user-friendliness and ability to scale. Sales and delivery take place globally through a certified partner network that is actively being developed to expand its reach in the market.

The acquisition of EFS Technology in 2020 was an accelerator in Formpipe's growth initiative in banking and finance, something that has borne fruit in 2021. Formpipe was rewarded with the Solution Provider of the Year 2021 by Temenos, a prize that distinguishes the partners that had the greatest impact on Temenos' customer base. Formpipe is highly praised thanks to seamless integration to Temenos' banking system and harmony in both of the companies' cloud-first strategies.

Business model

The growth of Formpipe's business in the private sector is based on being included in more and more of Microsoft's and Temenos' business and offering Lasernet as SaaS. In the Dynamics market, this is done through a globally certified partner network and with Temenos through a strengthened partner relationship.

The cloud-based ERP system Microsoft Dynamics 365 grew by 45 per cent in the second quarter of Microsoft's 2022 financial year.[18] Temenos grew its SaaS business by 30 per cent in the third quarter of 2021 with the largest ACV contribution coming from Europe and the U.S.[19]

Partners

Formpipe's business model for the private sector is based on a network of certified partners providing implementation and support of the company's products. Knowledge about Formpipe's products com-

[18] https://www.microsoft.com/en-us/investor/earnings/fy-2022-q2/press-release-webcast
[19] https://www.temenos.com/wp-content/uploads/2021/10/Temenos-Q3-2021-Results-Presentation-xk7mx4cmr.pdf

bined with understanding of the customers' business makes our partners central to the work of helping our customers realise the potential of our offerings.

In the ERP market, the focus is on Dynamics partners that account for the entire value chain from sales and implementation to support, where Formpipe acts as support at every stage.

In banking and finance, the cooperation is based on the partner relationship with Temenos. Formpipe is itself responsible for service deliveries and actively cooperates with system integrator partners (SI partners) in the Temenos ecosystem.

Formpipe actively works to evaluate and develop the partner network to increase its reach in the market.

Public sector

In the public sector, business is being driven towards the long-term goal of becoming the preferred comprehensive supplier of digital administration in the EU. Based on Formpipe's document and case management platforms, the Company is seeking an extended commitment among existing customers with products and services.

In customer projects, many add-ons to the platforms are co-created. Something that then creates benefit for the Company's other customers in the public sector through supplemental sales.

The focus for these add-ons is on business processes linked to record keeping, such as archive-resistant and secure digital signatures or cooperation on meeting documents for municipal politicians.

Business model

Formpipe's strategy in the public sector is based on the long-term goal of becoming the preferred comprehensive supplier of digital administration in the EU. Hundreds of authorities, municipalities, universities and state- and municipally owned companies are currently building their public administration around Formpipe's products.

Starting from Formpipe's market share for its platforms in Denmark and Sweden, the business is mainly growing through supplemental sales of add-ons to these platforms, which are primarily co-created in customer projects. We see that more service deliveries and greater cooperation with our customers lead to greater innovative capacity.

The focus for these add-ons is on business processes linked to record keeping, such as archive-resistant and secure digital signatures or an application for cooperation on meeting documents for municipal politicians.

Partners

In the public sector, Formpipe's partner network forms a complement to the Company's own delivery capacity.

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.

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 right of use, operation, maintenance, upgrades and support are included in the current agreement. This provides the Company a stable, repetitive 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.

Organisation and expertise

Formpipe is a value-driven company. This means that the values form the basis of the corporate culture as well as daily priorities. Formpipe's goal is for all employees to promote long-term customer relationships by always living according to our values.

The organisation is decentralised and puts people first. 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 strong dedication. Priorities are set so that employees develop and the Company attracts new talent. The foundation for this is to build an open and stimulating corporate culture.

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

The organisation is divided into three business areas: private sector, and public sector in Denmark and Sweden.

Financial year 2021

The pandemic continued to leave its mark on the 2021 financial year, with large parts of the company's employees and customers working from home. In spite of this, 2021 was a very eventful and successful year. The growth plan communicated at the beginning of the year was executed and at year-end the number of employees in the Group was 274, an increase of 12 per cent from the previous year. Increasing the Group's resources is crucial to succeeding with the financial targets communicated at the beginning of the year:

- 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

Sales for the year increased by 17 per cent to MSEK 473 (403) with an EBIT of MSEK 69 (53). The financial results were positively impacted by one single major deal with the Danish Agricultural Agency, which in June bought the licence rights to the system that Formpipe has developed over the years for their handling of EU grants. The deal entailed licence revenues of MSEK 41 and a profit contribution of MSEK 26.

The recurring revenues developed well and amounted to MSEK 278 (254), which represented 59 per cent (63) of the total revenues. What most clearly shows the Company's positive development is the measure Annual Contract Value (ACV), which for the year amounted to MSEK 37 (22), strongly driven by the international successes in the Private Sector business area.

Private sector

The product Lasernet further confirmed its potential during the year and extensive focus was placed on continuing to structure the business area to enable increased growth for Lasernet. Lasernet, which is a well-integrated add-on to the ERP and bank systems, is seen as a natural part of introduction projects and is much appreciated by both customers and 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. Through the acquisition of EFS Technology Ltd. in 2020, Formpipe established a closer relationship with the Temenos business system, which was a strong contributing factor to the strong sales during the year. After the end of the year, Formpipe was named Solution Provider of the Year 2021 by Temenos. 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.

Private Sector's ACV increased by 175 per cent from the previous year and amounted to MSEK 22 (8), of which SaaS accounted for MSEK 24 (11).

Both Microsoft and Temenos see strong growth in the U.S. market, which is the background to Formpipe having strengthened and continuing to strengthen its presence in the U.S., through increased capacity for local support to new and existing partners.

Public Sector Denmark

The Public Sector Denmark business area had a very strong year, with good demand in both the municipal market and in grants management.

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.

In June, the Danish Agricultural Agency acquired the licence right to the system that Formpipe developed to support their handling and disbursement of EU grants to agricultural operations. The licence was sold for MDKK 30. As this system is only used by the Danish Agricultural Agency, the asset was also written down in its entirety, corresponding to MDKK 10. The dialogue with the Danish Agricultural Agency has since improved considerably, which has also led to greater involvement with the customer during the second half of the year.

In Grants Management, the Company sees an increased interest from the market in streamlining and digitalising its management. The major central procurement in the area run by the Agency for Public Finance and Management has been discontinued, which means that the authorities themselves need to purchase this system support. Thanks to its many years of experience and well-established products, Formpipe has a head start over the competition in this area and views the growing activity in the market positively.

Public Sector Sweden

The Public Sector Sweden business area began the year weakly and experienced organisational challenges. The recruitment rate was high to strengthen the business area's delivery capacity based on the plan to grow consulting revenues. Challenges in taking in and training new employees under the prevailing conditions with remote work proved difficult and led to reduced efficiency in the organisation. After the summer, the situation improved and delivery revenues gradually increased in the second half of the year.

Financially, the year was a disappointment and the need for more thorough organisational changes became clearer. At the beginning of 2022, the consulting company Alkemit AB was acquired, which adds 19 consultants and gives the business area the opportunity to be organised based on clearer roles and thereby the possibility to better meet the customer's needs in different phases.

ARR and ACV

	2021				
(MSEK)	**SE Public**	**DK Public**	**Private**	**Other**	**Group**
ARR In - SaaS	13.3	5.9	35.4	-	54.7
ARR In - Support & Maint.	81.6	51.5	68.3	4.0	205.5
ARR In - FX	-	1.2	5.6	-	6.8
ARR In	**95.0**	**58.7**	**109.3**	**4.0**	**267.0**
ACV - SaaS	2.8	2.6	23.7	-	29.1
ACV - Support & Maintenance	2.6	7.5	-2.0	-0.4	7.8
ACV - Net	**5.4**	**10.1**	**21.8**	**-0.4**	**36.9**
ARR Out - SaaS	16.1	8.7	59.9	-	84.7
ARR Out - Support & Maint.	84.3	60.1	71.1	3.7	219.2
ARR Out	**100.4**	**68.8**	**131.0**	**3.7**	**303.9**

	2020				
(MSEK)	**SE Public**	**DK Public**	**Private**	**Other**	**Group**
ARR In - SaaS	12.7	6.2	26.1	-	45.0
ARR In - Support & Maint.	79.0	41.9	57.4	4.5	182.7
ARR In - FX	-	-1.6	-4.1	-	-5.8
ARR In - Acquired	-	-	16.0	-	16.0
ARR In	**91.6**	**46.5**	**95.3**	**4.5**	**237.9**
ACV - SaaS	0.7	-0.1	10.6	-	11.2
ACV - Support & Maintenance	2.7	11.1	-2.3	-0.4	11.1
ACV - Net	**3.3**	**11.0**	**8.3**	**-0.4**	**22.2**
ARR Out - SaaS	13.3	5.9	35.4	-	54.7
ARR Out - Support & Maint.	81.6	51.5	68.3	4.0	205.5
ARR Out	**95.0**	**57.5**	**103.7**	**4.0**	**260.1**

Outlook for 2022

Formpipe sees continued growth potential for Lasernet, which attracts ever larger and more internationally spread customers. Lasernet is a distinct growth area for the Company and in 2022 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 Lasernet and Formpipe. Lasernet, which was given the Solution Provider of the Year 2021 award by Temenos, is a much-appreciated third-party product for their system, but currently has a very low percentage of installations on the total customer base. In connection with Temenos now increasingly recommending SaaS, an opportunity is opening up for Lasernet 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. In Sweden, the acquisition of Alkemit AB at the beginning of 2022 has greatly increased Formpipe's capacity to support the customers in their development. Formpipe sees great potential in increased dialogue with the customers and thereby finding needs that can be solved with joint involvement.

The investment journey, which began in 2021, to increase the Company's resources with the aim of increasing the growth rate continues in 2022 and will thereby continue to burden the Company's earnings in the short term. The 2021 increase in the Annual Contract Value (ACV), which amounted to MSEK 37 compared with MSEK 22 in the previous year, clearly shows that these investments have yielded the desired result and for 2022 the goal is to continue the annual growth rate further.

Market

Data and information are more and more clearly the 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 (formerly Enterprise Content Management, ECM) 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 the generation of business documents 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 of 10 per cent in 2020–2024. The global market for Content Services amounts to more than USD 11 billion.[20)]

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.[21)]

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.

Business areas

Private sector

In the private sector, the business revolves around the product Lasernet. Through a certified partner network, Formpipe addresses the global market for ERP and banking systems. The most common time to purchase Lasernet and Formpipe's complementary offering Autoform DM takes place when implementing or upgrading to Microsoft Dynamics 365 in industries, such as manufacturing, retailing and utilities, as well as Temenos Transaction and Infinity in banking and finance. The partner network thereby primarily consists of implementation partners of these systems and constitutes a sales and delivery channel for Formpipe's offering.

The cloud-based ERP system Microsoft Dynamics 365 grew by 45 per cent in the second quarter of Microsoft's 2022 financial year.[22)] Temenos grew its SaaS business by 30 per cent in the third quarter of 2021 with the largest ACV contribution coming from Europe and the U.S.[23)]

The growth of Formpipe's business in the private sector is based on being included in more and more of Microsoft's and Temenos' business and

[20)] Enterprise Application Software Forecast Q420, Gartner, Inc. 2020
[21)] Market Trends: Cloud Shift — 2020 Through 2024, Gartner, Inc. 2020
[22)] https://www.microsoft.com/en-us/investor/earnings/fy-2022-q2/press-release-webcast
[23)] https://www.temenos.com/wp-content/uploads/2021/10/Temenos-Q3-2021-Results-Presentation-xk7mx4cmr.pdf

offering Lasernet and Autoform DM as SaaS. In the Dynamics market, this is done through a globally certified partner network and with Temenos through a strengthened partner relationship.

Public sector

Formpipe's strategy in the public sector is based on the long-term goal of becoming the preferred comprehensive supplier of digital administration in the EU. Hundreds of authorities, municipalities, universities and state- and municipally owned companies are currently building their public administration around Formpipe's products.

Starting from Formpipe's market share for its platforms in Denmark and Sweden, the business is mainly growing through supplemental sales of add-ons to these platforms, which are primarily co-created in customer projects. The customers' needs revolve around the requirements for a more efficient, innovative and data-driven business.

The focus for these add-ons is on business processes linked to record keeping, such as archive-resistant and secure digital signatures or an application for cooperation on meeting documents for municipal politicians.

In the Swedish public sector, Formpipe has a stable customer base among municipalities, regions and authorities. Up to SEK 45 billion is paid on IT in the Swedish public sector every year.[24] 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.[25] Money that can then be fed back to the public sector and contribute to increasing the level of service.

Significant events during the year

New growth strategy and financial targets

The Company's new strategy utilises opportunities to expand in several markets with the proprietary and successful product Lasernet. Investments in growth will mainly take place through an aggressive build-up of capacity with a focus on the U.S. and Europe. The build-up phase provides a significant short-term negative margin effect before the targets are achieved.

The Company's new financial targets:

- The annual average growth rate shall be 10 per cent in the period 2021–2025.
- 70 per cent of total revenues shall be comprised of recurring revenues in 2025.
- The operating margin shall be gradually strengthened and exceed 20 per cent in 2025.
- Over time, at least 50 per cent of the profit for the year shall be paid as dividends.

Formpipe and the Danish Agricultural Agency sign an agreement worth around MDKK 50

Formpipe and the Danish Agricultural Agency agreed to sign a contract for further development of the solution Formpipe developed for the Danish Agricultural Agency. The contract runs for two years and the value is estimated at approximately DKK 50 million. Within the framework of the agreement, the Danish Agricultural Agency acquires the right to procure continued operation and development of the system through third parties after June 2023.

Annual General Meeting 2021

The following resolutions were passed at the Annual General Meeting on 28 April 2021:

- The Annual General Meeting re-elected Board members Bo Nordlander (Chairman of the Board), Peter Lindström, Åsa Landén Ericsson, Annikki Schaeferdiek, Erik Syrén and Martin Bjäringer.
- The incentive programme that was offered to the employees after the Annual General Meeting was fully subscribed and 500,000 warrants were issued.
- SEK 0.66 per share (0.60) was distributed to shareholders, comprising a dividend totalling SEK 35,286,178.62 (32,078,344.20).

[24] Regeringen.se
[25] www.danskindustri.dk

Higher number of shares

By utilising warrants issued to the staff in the programme from 2017, a total of 262,150 new shares were issued.

After this increase, the number of shares and votes in the Company amounted to 53,726,057 and the Company's share capital was SEK 5,372,605.70.

Significant events after the end of the period

Acquisitions

On 14 January, Formpipe acquired 100 per cent of the shares in Alkemit AB. Alkemit is a successful partner for Formpipe's products in the Swedish public sector. With the deal, the Company's expertise and capacity is expanded to deepen cooperation with its customers – a step in the long-term strategy of becoming a comprehensive supplier of digital administration.

Formpipe named Solution Provider of the Year 2021 by Temenos

Formpipe was named the Solution Provider of the Year 2021 by Temenos, one of the world's leading suppliers of banking systems. In the past 15 years, Formpipe has developed its partnership with Temenos and is proud to note that Formpipe's products are some of the first partner solutions to be made available on Temenos' large cloud platform, Temenos Banking Cloud.

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. In 2021, the Company continued to be affected by the pandemic, but showed strong financial earnings. However, earnings were affected by an unusually large licence deal with the Danish Agricultural Agency.

Revenues

Net sales for the period totalled MSEK 473.2 (403.1), which is equivalent to a growth of 17 per cent. Software revenue increased by 22 per cent over the previous year, amounting to MSEK 347.7 (286.1). Sales of the licence right for the product TAP to the Danish Agricultural Agency amounted to MSEK 40.9, which was recognised as revenue in the second quarter.

Total recurring revenues for the period increased by 10 per cent from the previous year and amounted to MSEK 278.4 (253.5), corresponding to 59 (63) per cent of net sales.

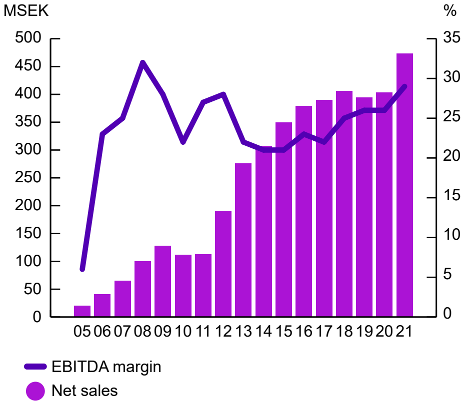
Currency exchange rate effects have had a negative effect of MSEK 8.9 on net sales compared with the previous year.

Expenses

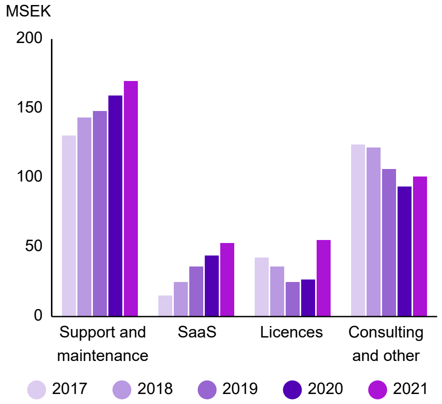
Operating expenses increased by 16 per cent over the previous year, amounting to MSEK 404.7 (349.9).

A large part of Formpipe's operating expenses are linked with staff, and staff expenses for the year totalled MSEK 248.2 (220.1), an increase of 13 per cent. The number of employees at year-end was 274 (245), and the average for the year was 260 (233). The distribution of personnel along with salaries and other remunerations appears in Note 8.

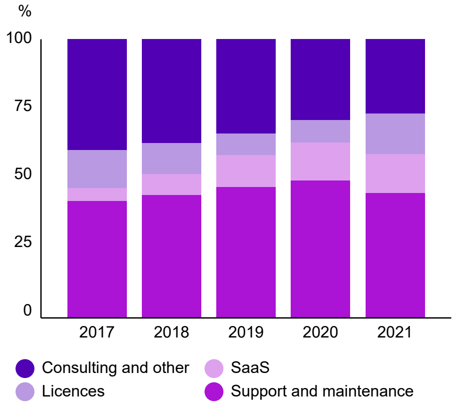
Net sales and profitability



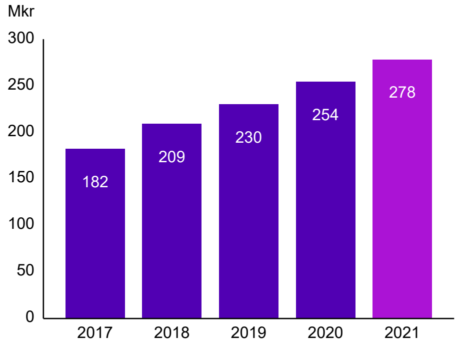
Sales growth by revenue type



Sales revenue distribution



Recurring revenues



Cost of sales totalled MSEK 50.9 (41.3) and consists primarily of third-party providers of consulting and products and sales commissions to partners.

Other expenses amounted to MSEK 91.4 (77.6), where the off-shore resources of product development accounted for MSEK 44.2 (35.9).

Capitalised development work at the Company's own expense during the year amounted to MSEK 52.5 (40.2).

Depreciation for the year amounted to MSEK 66.6 (51.1), of which the impairment of the capitalised development costs for the product TAP, which is used by the Danish Agricultural Agency, amounted to MSEK 14.4. The impairment was made in connection with the licence sale of the licence rights to the Danish Agricultural Agency in the second quarter.

Net financial items amounted to an expense of MSEK 2.1 (0.8) and consist of interest expenses of MSEK 1.4 (1.0) and exchange-rate differences as an expense of MSEK 0.1 (0.6).

Tax expense for the year amounted to MSEK 16.0 (11.1).

Profit

Operating profit before depreciation and items affecting comparability (EBITDA) for the year amounted to MSEK 135.1 (104.3), with an EBITDA margin of 28.6 (25.9) per cent. Currency exchange rate effects have had a negative effect of MSEK 6.0 on EBITDA compared with the previous year.

Operating profit for the year totalled MSEK 68.5 (53.3), which corresponds to a profit margin of 14.5 (13.2) per cent. The deal with the Danish Agricultural Agency had a positive effect on operating profit of MSEK 25.8.

Profit before tax was MSEK 66.5 (52.5), corresponding to a margin of 14.0 (13.0) per cent.

Profit for the year totalled MSEK 50.4 (41.4), which corresponds to a profit margin of 10.7 (10.3) per cent and is distributed per share according to the table below.

Earnings per share	2021	2020
Total outstanding shares at year-end	53,726,057	53,463,907
Average total shares before dilution	53,616,828	53,343,074
Average total shares after dilution	53,874,650	53,549,144
Profit or loss for the year attributable to Parent's shareholders, KSEK	50,435	41,388
Earnings per share attributable to shareholders of the Parent Company:		
- per number of shares outstanding, SEK	0.94	0.77
- per average total shares before dilution, SEK	0.94	0.78
- per average total shares after dilution, SEK	0.94	0.77

Parent Company

Net sales for the Parent Company totalled MSEK 148.0 (131.2), and profit for the year was MSEK 93.2 (4.4).

Comments on the statement of financial position

Investments and business combinations

Total investments during the year amounted to MSEK 59.7 (46.0), 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 57.2 (43.3) 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 2.5 (3.6) and mainly comprised computer and office equipment.

Financial position and liquidity

Cash and cash equivalents

Cash and cash equivalents amounted to MSEK 18.1 (58.6) at the end of the period. At year-end, Formpipe had interest-bearing liabilities of MSEK 13.7 (64.2), of which MSEK 13.7 (20.5) pertained to leasing liabilities according to IFRS 16. The Company has an overdraft facility totalling MSEK 50.0, which at the end of the year was unused (MSEK -). The Company's net cash at year-end accordingly amounted to MSEK 4.3 (-5.6), which corresponds to net cash of MSEK 18.1 (14.9) excluding IFRS 16-related liabilities.

The Company has a strong cash flow, and under the current circumstances sees no need for additional external financing, except for potential acquisitions. 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 4.2 (3.6) at the end of the period.

Equity

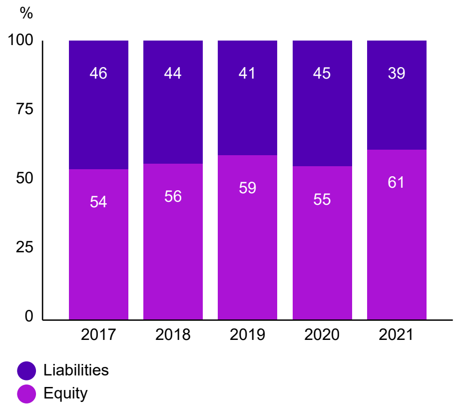
Equity at year-end was MSEK 429.6 (398.9), corresponding to SEK 8.01 (7.46) per outstanding share. Value changes in the Swedish krona have positively impacted the value of the Group's net assets in foreign currency by MSEK 13.7 from the previous year-end.

Interest-bearing liabilities

During the year, the acquisition loan, which was taken up in 2020, was repaid in full early. In total, the repayments for the year amounted to MSEK 48.7 (27.3), of which lease liabilities were MSEK 5.3 (8.3).

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

Debt/equity ratio



The Company's existing overdraft facility totalling MSEK 50.0 was unused at the end of the period (MSEK -). Leasing-related liabilities amounted to MSEK 13.7 (20.5) at the end of the period. The Company's total interest-bearing liability amounted to MSEK 13.7 (64.2) at the end of the period.

Debt/equity ratio

The Group's equity ratio was 61 (55) per cent at year-end.

Comments on the cash flow statement

Cash flow from operations amounted to SEK 99.0 (115.0) million.

Annual cash flow from investing activities amounted to MSEK -58.7 (92.0), investments in intangible assets amounted to MSEK 57.1 (43.3), investments in tangible and financial assets amounted to MSEK 1.7 (2.6) and no investments in acquisitions were made during the year (MSEK 46.1).

Cash flow for the year from financing activities amounted to MSEK -84.6 (3.1) and is comprised of the repayment of loans of MSEK 43.8 (-13.1), credit facility utilisation of MSEK - (-5.9), repayments of leasing-related liabilities of MSEK -7.4 (-8.3), paid-in proceeds for shares as a result of redemption of the personnel's warrant programme of MSEK 4.7 (4.6), paid proceeds for the buy-back of warrants of MSEK -4.1 (-1.3), paid-in premiums from a new warrant programme for the personnel of MSEK 1.3 (0.8) and paid dividends totalling MSEK -35.3 (-32.1).

The Group's total cash flow for the year amounted to MSEK -44.3 (26.0).

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 59 (63) per cent of Formpipe's net sales of MSEK 473.2 (403.1). 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 chose 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. In the Swedish business, a more extensive delivery capacity is being built up, which means an increased risk in the transition phase. In the longer term, these operations should also have relatively low risk as the planning possibilities for the resources should be good.

Formpipe's human resources are important, and the availability of skilled personnel is a critical success factor. The Company satisfies this by offering its staff 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 66.5 (53.3), with changes to several factors:

Sensitivity analysis	Change	Effect on pre-tax profit, MSEK
Demand for licences	+/- 5%	+/- 3.5
Demand for delivery	+/- 5%	+/- 6.3
Staff expenses	+/- 5%	-/+ 12.4
STIBOR/CIBOR*	+/- 100 bps	-/+ 0.5
DKK/SEK	+/- 5%	+/- 4.1
EUR/SEK	+/- 5%	+/- 0.1
GBP/SEK	+/- 5%	-/+ 0.5
USD/SEK	+/- 5%	+/- 0.2

* The change in the reference interest rate for the loan (STIBOR and CIBOR) is calculated as the full-year effect based on the average of opening and closing balances of interest-bearing liabilities.

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

Uncertainty 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 Company assesses the pandemic's impact on operations to have decreased significantly at the beginning of 2022 as society generally returned to normal. However, Formpipe is continuously monitoring the development and taking the necessary steps in case of any changes in the development of events.

Uncertainty attributable to the war in Ukraine

Formpipe contracts product development from Sigma Software Ukraine whose employees were affected by the war with Russia that escalated on 24 February 2022. In line with the Company's ISO-27001 certification, there are established procedures and processes to manage the impact on operations. Given forecasts of a development that leads to resource shortages at Sigma Software or that Ukraine falls under the Russian regime, Formpipe will take measures that ensure continuity in its product development where alternative ways have been investigated. This may entail higher costs in the short term.

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 2021 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 2022 Annual General Meeting are essentially unchanged, but are described in detail in accordance with the new guidelines applicable for 2022 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 2021, allocated to 53,463,907 shares.

As of 31 December 2021, 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 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. A new share issue in connection with the redemption of the 2021/2024 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 2021.

At the end of 2021, 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	133,968,770
Profit for the year	93,160,885
	227,129,655
The Board of Directors proposes:	
To pay a dividend of SEK 0.70 per share to shareholders, totalling	37,608,240
To be carried forward	189,521,415
	227,129,655

The Board of Directors proposes that the Annual General Meeting on 27 April 2022 resolve to approve a dividend of SEK 0.70 (0.66) per share, which entails a total dividend of SEK 37,608,239.90 (35,286,178.62).

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. 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 46 (44) per cent. Group equity was MSEK 429.6 (398.9) at the end of the period and net cash was MSEK 4.4 (-5.6).

Corporate governance report

The Formpipe Corporate Governance Report is on pages 101–109 of this Annual Report.

SUSTAINABILITY REPORT

Sustainability Report for 2021.

Sustainability Report

This is Formpipe's statutory sustainability report for the 2021 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 57 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, the Management Manual, 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 the Company's mission to build valuable relationships between people and data. Formpipe's values lay the foundation for the employees' 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

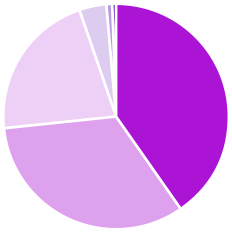
Lead by example

We are value driven and we support each other

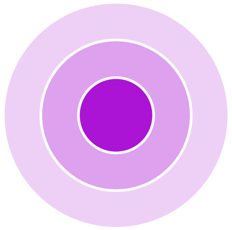
Engage and have fun

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. A customer engagement in the continuous maintenance and further development of the Company's products is one way to strengthen its relevance and for investments in new services to come to the maximum benefit of the customers.

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

Historically, the respective business area formulated and conducted an annual customer survey to strengthen the offering in the long term and meet the 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 continuously sends out surveys with the cNPS question: "how likely is it that you would recommend Formpipe to a friend or colleague?"

In these measurements, space is also 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.

Target: Measuring higher cNPS results than other comparable companies.

Results: The result will be followed up as data for comparable companies is made available, something that is currently missing. Until then, the results of all measurements are documented and saved.

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 the Company's most important assets. Formpipe is certified according to ISO 27001 – 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, employees safeguard each other and live according to the Company's 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 employees thriving and having fun together, Formpipe can supply good products and maintain a good relationship to its customers. This in turn leads to better financial results and Formpipe remaining in the market as a relevant employer and supplier.

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. Since 2020, the ever-popular measurement of Employee Net Promoter Score (eNPS) has been applied in these pulse measurements.

Formpipe's eNPS at the end of 2021 was: 1.

Target: Measuring a higher eNPS than other comparable companies.

Results: The result will be followed up as data for comparable companies is made available, something that is currently missing. Until then, the results of all measurements are documented and saved.

Gender distribution, diversity and non-discrimination

Formpipe's basic philosophy is to recruit qualified employees and promote equal rights and opportunities regardless of gender, cross-gender identity or expression, ethnic identity, religion or other beliefs, functional variation, sexual orientation or age. This approach permeates the entire company. Formpipe permits no form of discrimination, whether direct or indirect. The Company is convinced that a richer diversity leads to broader perspectives and by extension to a more sustainable and innovative corporate culture.

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. The company's Swedish part has 32 per cent women to compare with IT & Telecom companies' figures of around 28 per cent women as the industry average.

For Formpipe as a whole, the percentage of women is 26 per cent and there the comparison in the other countries was not possible.

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 was 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.

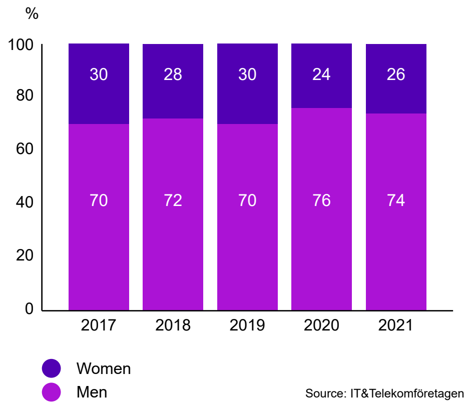
Results: The target was not achieved in 2022. The percentage of women on the Board was 33 per cent at year-end.

Community involvement

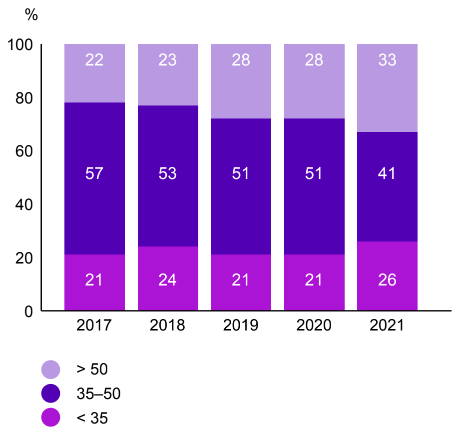
Every year, Formpipe allocates money for charity. This money is distributed during the year based on what is happening in the surrounding world and how well the initiatives harmonise with Formpipe's core values.

In connection with the escalating war in Ukraine in February 2022, Formpipe has made targeted contributions to support the company's contracted developers living in the country. More than SEK 300,000 has been given to secure continued income during this very trying time.

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, its lifespan is increased and the need to invest in new equipment is reduced. 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

Formpipe strives for employees to have to travel as little as possible and to use web meetings, webinars, etc. to the furthest extent possible. The Company mainly provides support remotely, which further reduces the need to travel and gives the customer faster and more efficient solutions. In the cases travel is needed, it shall take place in an environmentally friendly and cost-effective manner. In 2020 and 2021, travel was restricted almost entirely. Digital meetings have proved to be worthy replacements for many physical meetings.

Energy use

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

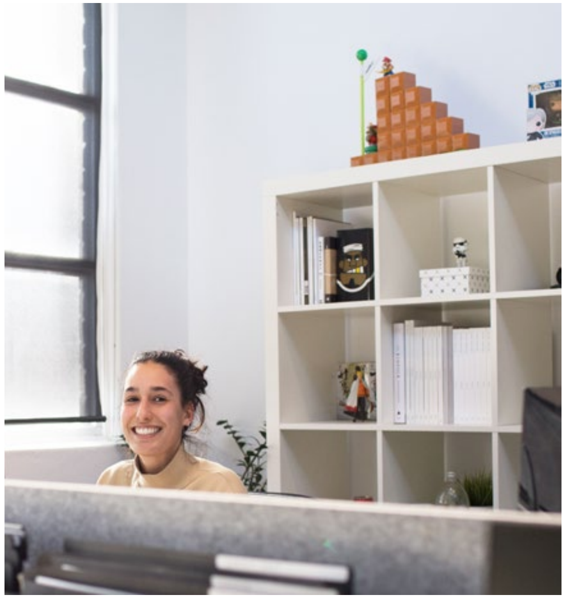
- using suppliers who offer green electricity
- turning off computers, screens and lighting when not used
- using premises of the right size

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 2022 the Company will continue to 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. The Company continuously monitors the development.

FINANCIAL STATEMENTS

Financial Statements for 2021.

Consolidated income statement

KSEK	Note	2021	2020
Net sales	**5, 6**	**473,204**	**403,126**
Operating expenses			
Cost of sales	5, 6	-50,916	-41,282
Other costs	5, 7	-91,414	-77,596
Staff expenses	5, 8	-248,232	-220,112
Own work capitalised		52,471	40,206
Operating profit before depreciation (EBITDA)		**135,113**	**104,342**
Depreciation	14, 15, 26	-66,596	-51,091
Operating profit (EBIT)		**68,517**	**53,251**
Income from financing activities	9, 11	2	607
Expenses from financing activities	9, 11, 26	-2,065	-1,403
Profit/loss after financial items		**66,453**	**52,455**
Tax on profit/loss for the year	10, 23	-16,017	-11,067
Profit/loss for the year		**50,435**	**41,388**
Of which attributable to:			
Shareholders of the Parent Company		50,435	41,388
Total		**50,435**	**41,388**
Other comprehensive income			
Items that may be reclassified to profit/loss			
Currency differences		13,741	-14,642
Other comprehensive income for the year, net after tax		13,741	-14,642
Total comprehensive income for the year		**64,176**	**26,746**
Of which attributable to:			
Shareholders of the Parent Company		64,176	26,746
Total		**64,176**	**26,746**

KSEK		2021	2020
Earnings per share, based on income attributable to shareholders of the Parent over the year (SEK per share)	12		
– before dilution		0.94	0.78
– after dilution		0.94	0.77
Average total shares before dilution, thousands		53,617	53,343
Average total shares after dilution, thousands		53,875	53,549

Consolidated statement of financial position

KSEK	Note	31/12/2021	31/12/2020
ASSETS			
Non-current assets			
Intangible assets	**14**		
Capitalised expenditure		134,681	130,643
Goodwill		390,647	380,218
Other intangible non-current assets		12,205	12,762
Total intangible non-current assets		**537,533**	**523,623**
Property, plant and equipment	**15**		
Other equipment		19,508	27,138
Total property, plant and equipment		**19,508**	**27,138**
Financial assets			
Other financial assets	16, 17	1,519	1,473
Other non-current receivables	6, 16, 17	3,495	1,811
Total non-current financial assets		**5,014**	**3,284**
Non-current receivables	**23**		
Deferred tax assets		4,182	3,645
Total non-current receivables		**4,182**	**3,645**
Total non-current assets		**566,237**	**557,689**
Current assets			
Current receivables			
Trade and other receivables	17, 18	75,411	61,474
Current tax assets		7,986	6,465
Other receivables	17	141	507
Accruals and prepaid income	6, 17, 19	36,409	35,790
Total current receivables		**119,947**	**104,235**
Cash and cash equivalents	17, 20	18,065	58,593
Total non-current assets		**138,012**	**162,828**
TOTAL ASSETS		**704,249**	**720,517**

KSEK	Note	31/12/2021	31/12/2020
EQUITY			
Share capital	21	5,373	5,346
Other paid-in capital		214,497	212,640
Revaluation reserves		22,812	9,071
Retained earnings including profit for the year		186,956	171,807
Total equity attributable to shareholders of the Parent		**429,638**	**398,865**
LIABILITIES			
Non-current liabilities			
Borrowing from credit institutions	17, 22	-	29,434
Deferred tax liabilities	23	31,424	28,434
Non-current lease liabilities	26	6,241	13,277
Total non-current liabilities		**37,665**	**71,145**
Current liabilities			
Borrowing from credit institutions	17, 22	-	14,258
Current lease liabilities	26	7,477	7,218
Trade and other payables	17	20,606	15,722
Current tax liabilities		1,968	1,665
Other liabilities	24	12,141	16,916
Accrued expenses and deferred income	6, 17, 25	194,755	194,728
Total current liabilities		**236,947**	**250,507**
Total liabilities		**274,612**	**321,653**
TOTAL EQUITY AND LIABILITIES		**704,249**	**720,517**

Consolidated statement of changes in equity

		Equity attributable to shareholders of the Parent				
KSEK	Note	Share capital	Other contributed capital	Translation reserve	Retained earnings including profit for the year	Total
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**
Equity on 1 January 2021		**5,346**	**212,640**	**9,071**	**171,807**	**398,865**
Comprehensive income						
Profit/loss for the year		-	-	-	50,435	50,435
Other comprehensive income		-	-	13,741	-	13,741
Total comprehensive income		**-**	**-**	**13,741**	**50,435**	**64,176**
Transactions with shareholders						
Dividends	12	-	-	-	-35,286	-35,286
New warrant issue	21	26	4,666	-	-	4,692
Warrant buy-back	21	-	-4,119	-	-	-4,119
Paid-in premiums for staff share option programme	21	-	1,310	-	-	1,310
Total transactions with shareholders		**26**	**1,857**	**-**	**-35,286**	**-33,403**
Equity on 31 December 2021		**5,373**	**214,497**	**22,812**	**186,956**	**429,638**

Income statement – Parent

KSEK	Note	2021	2020
Net sales	**27**	**147,956**	**131,160**
Operating expenses	**27**		
Cost of sales		-9,650	-8,782
Other costs	7	-63,782	-44,755
Staff expenses	8	-84,147	-71,951
Depreciation		-2,984	-6,270
Total operating expenses		**-160,562**	**-131,758**
Operating profit/loss		**-12,607**	**-598**
Income from financing activities	9, 11	106,220	2,669
Expenses from financing activities	9, 11	-6,020	-965
Profit/loss after financial items		**87,594**	**1,106**
Appropriations	27	3,319	4,491
Tax on profit/loss for the year	10, 23	2,249	-1,237
Profit/loss for the year		**93,161**	**4,360**

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

Statement of financial position – Parent

KSEK	Note	31/12/2021	31/12/2020
ASSETS			
Non-current assets			
Intangible assets	**14**		
Capitalised expenditure		9,301	6,851
Total intangible non-current assets		**9,301**	**6,851**
Property, plant and equipment	**15**		
Other equipment		1,174	981
Total property, plant and equipment		**1,174**	**981**
Financial assets			
Shares in subsidiaries	16	345,213	344,636
Other non-current receivables	6,16	3,495	1,811
Total non-current financial assets		**348,708**	**346,446**
Non-current receivables			
Deferred tax assets	23	2,249	-
Total non-current receivables		**2,249**	**-**
Total non-current assets		**361,431**	**354,278**
Current assets			
Current receivables			
Trade and other receivables	18	23,397	14,470
Current tax assets		6,785	5,542
Loans to group companies	27	124,098	15,740
Other receivables		109	105
Accruals and prepaid income	19	6,699	8,930
Total current receivables		**161,089**	**44,787**
Cash and cash equivalents	20	15,898	30,666
Total non-current assets		**176,987**	**75,454**
TOTAL ASSETS		**538,419**	**429,732**

KSEK	Note	31/12/2021	31/12/2020
EQUITY			
Restricted equity			
Share capital	21	5,373	5,346
Statutory reserve		17,691	17,691
		23,063	**23,037**
Non-restricted equity			
Share premium reserve		183,350	181,493
Retained earnings		-49,381	-18,454
Profit/loss for the year		93,161	4,360
		227,130	**167,398**
Total equity		**250,193**	**190,435**
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
Trade and other payables		10,162	9,590
Liabilities to group companies	27	191,893	98,751
Other liabilities	24	3,935	2,083
Accrued expenses and deferred income	25	82,236	85,180
Total current liabilities		**288,226**	**209,863**
Total liabilities		**288,226**	**239,297**
TOTAL EQUITY AND LIABILITIES		**538,419**	**429,732**

Statement of changes in equity – Parent

		Restricted equity		Non-restricted equity		
KSEK	**Note**	**Share capital**	**Statutory reserve**	**Share premium reserve**	**Retained earnings including profit for the year**	**Total equity**
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	-	-	-	-31,732	-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**
Equity on 1 January 2021		**5,346**	**17,691**	**181,493**	**-14,095**	**190,435**
Comprehensive income						
Profit/loss for the year		-	-	-	93,161	93,161
Total comprehensive income		**-**	**-**	**-**	**93,161**	**93,161**
Transactions with shareholders						
Dividends	12	-	-	-	-35,286	-35,286
New warrant issue	21	26	-	4,666	-	4,692
Warrant buy-back	21	-	-	-4,119	-	-4,119
Paid-in premiums for staff share option programme	21	-	-	1,310	-	1,310
Total transactions with shareholders		**26**	**-**	**1,857**	**-35,286**	**-33,403**
Equity on 31 December 2021		**5,373**	**17,691**	**183,350**	**43,780**	**250,193**

Cash flow statement

KSEK	Note	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Cash flow from operating activities					
Operating profit/loss		68,517	53,251	-12,607	-598
Items not affecting cash flows					
– Depreciation		65,787	51,490	2,984	6,270
– Other items		-8,112	-1,836	369	2,227
Other items affecting liquidity					
Interest revenue		1	2	486	442
Interest expense		-1,916	-1,403	-1,273	-965
Income tax paid		-7,682	-9,389	-1,239	-4,569
Cash flow from operating activities before changes in working capital		**116,595**	**92,115**	**-11,279**	**2,807**
Increase (-)/decrease (+) in work in progress		39	-	-	-
Increase (-) / decrease (+) trade receivables		-12,178	28,276	-8,906	31,844
Increase (-) / decrease (+) other current receivables		-1,351	333	-1,585	-2,000
Increase (+) / decrease (-) trade payables		4,624	-1,372	-4,604	7,100
Increase (+) / decrease (-) non-current liabilities		-8,702	-4,354	58,802	52,542
Cash flow from changes in working capital		**-17,568**	**22,884**	**43,708**	**89,486**
Cash flow from operating activities		**99,027**	**114,999**	**32,429**	**92,293**

KSEK	Note	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Cash flow from investing activities					
Investment in intangible non-current assets	14	-57,068	-43,348	-4,785	-2,341
Investment in property, plant, and equipment	15	-1,678	-2,631	-842	-621
Investment in financial assets	16	-	-	-1,684	-
Investments in subsidiaries		-	-46,067	-	-69,050
Cash flow from investing activities		**-58,746**	**-92,046**	**-7,311**	**-72,012**
Cash flow from financing activities					
New share issue	21	4,692	4,582	4,692	4,582
Issue of warrants	21	1,310	750	1,310	750
Warrant buy-back		-4,119	-1,264	-4,119	-1,264
Raising of loans	22	-	58,361	37,016	58,361
Repayment of loans	22	-43,803	-19,018	-43,499	-14,669
Repayment of lease liabilities	22, 26	-7,419	-8,274	-	-
Dividend paid	13	-35,286	-32,078	-35,286	-32,078
Cash flow from financing activities		**-84,625**	**3,060**	**-39,886**	**15,682**
Cash flow for the year		**-44,343**	**26,013**	**-14,768**	**35,963**
Currency translation differences for cash and cash equivalents		3,815	-1,103	-	-
Cash and cash equivalents at start of year		58,593	33,682	30,666	-5,296
Cash and cash equivalents at year-end	20	**18,065**	**58,593**	**15,898**	**30,666**

Notes

All amounts in these notes are stated in SEK thousands (KSEK) unless otherwise specified. The closing date is 31 December 2021.

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 Company is a limited liability company registered and domiciled in Sweden. The address of the head office is Formpipe Software AB (publ), Box 231 31, SE-104 35 Stockholm, Sweden. The visiting address is Sveavägen 168, Stockholm.

The Parent is listed on the Nasdaq Stockholm Stock Exchange.

On 5 April 2022, the Board of Directors approved the consolidated financial statements for publication on 6 April 2022.

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 IFRIC 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, amended and 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 2022 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 that 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 twelve 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 twelve 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 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 share-based compensation plans from time to time. 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 has 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), credit risk and liquidity 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 holds 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 Financial 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.

(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 2020 financial year or at the end of the 2021 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 2021 and 2020 would have been affected as per the table below.

		2021			2020	
		Profit/loss for the year	Equity		Profit/loss for the year	Equity
KSEK		**50,435**	**429,638**		**41,388**	**398,865**
Sensitivity analysis, currency risk						
DKK	+/- 10%	6,457	39,479	+/- 10%	2,809	30,886
EUR	+/- 10%	203	1,005	+/- 10%	230	784
GBP	+/- 10%	-774	7,200	+/- 10%	77	8,500
USD	+/- 10%	-159	-951	+/- 10%	0	-555
Total	**+/- 10%**	**5,727**	**46,733**	**+/- 10%**	**3,116**	**39,614**

(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.

(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) 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 41 (19).

(b) Credit risk

Credit risk is managed at Group level. Credit risk arises through cash and equivalents at banks and financial institutions and 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 2022.

The Company's net cash (interest-bearing liabilities less cash and cash equivalents) amounted to KSEK 4,347 (-5,594) at year-end.

KSEK	< 1 yr	1-2 yrs	2-5 years	> 5 years
2021				
Non-current lease liabilities recognised and valued as per IFRS 16		7,701	151	-
Current lease liabilities recognised and valued as per IFRS 16	7,277	-	-	-
Trade payables and other liabilities	34,715	-	-	-
Total	**49,992**	**7,701**	**151**	**-**
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**	**-**

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 shareholders, 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.

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 date (unobservable inputs).

At the end of 2021, 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 is 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.

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 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' in Note 2. The Group has made assessments based on the calculation of the value in use, which builds on future cash flow forecasts based on the business plan established by management. 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).
- 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 Company assesses the pandemic's impact on operations to have decreased significantly at the beginning of 2022 as society generally returned to normal. However, Formpipe is continuously monitoring the development and taking the necessary steps in case of any changes in the development of events.

Uncertainties attributable to Ukraine

Formpipe contracts product development from Sigma Software Ukraine whose employees were affected by the war with Russia that escalated on 24 February 2022. In line with the Company's ISO-27001 certification, there are established procedures and processes to manage the impact on operations. Given forecasts of a development that leads to resource shortages at Sigma Software or that Ukraine falls under the Russian regime, Formpipe will take measures that ensure continuity in its product development where alternative ways have been investigated.

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.

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.

The table below presents how the Group's legal entities care divided in the segment reporting

		2021				2020			
Company name	**Domicile**	**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 Inc.	U.S.			x				x	
Formpipe Software Ltd	UK			x				x	

Geographic distribution of external revenues

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

2021	SE Public	DK Public	Private	Other	Group
Nordic region	123,178	150,287	46,194	45,033	364,692
UK	-	-	29,219	18	29,237
Rest of Europe	-	119	42,790	18	42,927
North America	-	-	25,104	-	25,104
Rest of world	-	-	11,235	9	11,244
Total	**123,178**	**150,406**	**154,541**	**45,079**	**473,204**

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**

Income statement by segment

2021	SE Public	DK Public	Private	Other	Group
Licences	10,789	5,790	11,774	40,923	69,276
SaaS	13,149	6,920	46,025	0	66,094
Maintenance and Support	80,992	57,863	69,279	4,152	212,286
Delivery services	18,248	79,833	27,463	4	125,549
Total sales	**123,178**	**150,406**	**154,541**	**45,079**	**473,204**
Expenses, external	-80,078	-96,757	-140,944	-20,313	-338,091
Intra-Group net	372	-391	19	-	0
Total expenses	**-79,705**	**-97,148**	**-140,925**	**-20,313**	**-338,091**
EBITDA	**43,473**	**53,258**	**13,616**	**24,766**	**135,113**
Depreciation					-66,596
EBIT					**68,517**
Net financial items					-2,063
Tax					-16,017
Profit/loss for the year					**50,435**

2020	SE Public	DK Public	Private	Other	Group
Licences	5,077	8,101	19,352	0	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**

Information about customers

The Group is domiciled in Sweden. Revenues from external customers in the SE Public segment amount to KSEK 123,178 (119,437), total revenues from external customers in the DK Public segment amount to KSEK 150,406 (146,877) and total revenues from external customers in the Private segment amount to KSEK 154,541 (132,223) and total revenues from external customers in the Other segment amount to KSEK 45,079 (4,589).

Revenues of KSEK 70,029 (46,924) relate to one single external customer of which KSEK 30,106 (46,924) is attributable to the DK Public segment and KSEK 40,923 (-) is attributable to the Other 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.

2021	SE Public	DK Public	Private	Other	Group
Capitalised expenditure	62,432	30,977	34,981	6,291	134,681
Goodwill	59,880	176,032	154,735	-	390,647
Other intangible assets	1,918	203	10,084	-	12,205
Total	**124,230**	**207,212**	**199,800**	**6,291**	**537,533**

2020	SE Public	DK Public	Private	Other	Group
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**

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 83–87. The four different revenue types are presented below and the time at which revenue recognition occurs.

Licences	A point in time
Software as a service (SaaS)	Over time
Maintenance and Support	Over time
Consulting and other services	A point in 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 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	2021	2020
Contract assets long-term component	Other non-current receivables		3,495	1,811
Contract assets short-term component	Accruals and prepaid income	Note 19	1,868	1,449
			5,363	**3,259**

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 entirely 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	2021	2020
Contract liability, short-term component	Accrued expenses and deferred income	25	157,421	154,120
			157,421	**154,120**

The increase in the contract liabilities from 2020 to 2021 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 2021.

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 303,800 (259,900) 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	
	2021	**2020**	**2021**	**2020**
PricewaterhouseCoopers AB				
Audit assignment	1,429	1,179	474	486
Auditing services other than audit assignment	67	316	-	-
Tax consultancy	125	27	-	-
Other services	67	72	-	-
Total PricewaterhouseCoopers AB	**1,688**	**1,595**	**474**	**486**
Other auditors				
Audit assignment	443	310	-	-
Group total	**2,130**	**1,905**	**474**	**486**

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 1,871 (1,490), of which KSEK 474 (486) is for PwC Sweden. Audit activities in addition to the audit assignment amount to KSEK 67 (316), of which KSEK - (316) 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

	2021	**2020**
Parent Company		
Salaries and other benefits	52,161	44,702
Pension cost	6,279	5,546
Social security contributions	18,639	15,386
Subsidiaries		
Salaries and other benefits	151,187	135,422
Pension cost	8,693	8,144
Social security contributions	7,277	4,503
Group		
Salaries and other benefits	198,384	180,125
Pension cost	14,972	13,690
Social security contributions	26,234	19,889

	Group		Parent Company	
Number of employees at year-end	**2021**	**2020**	**2021**	**2020**
Formpipe Software AB, SE	95	76	95	76
Formpipe Intelligo AB, SE	6	10	-	-
Formpipe Software A/S, DK	83	85	-	-
Formpipe Lasernet A/S, DK	13	12	-	-
Formpipe Lasernet GmbH, DE	2	2	-	-
Formpipe Software Benelux BV, NL	-	-	-	-
Formpipe Lasernet Ltd, UK	-	-	-	-
Formpipe Life Science Ltd, UK	-	19	-	-
Formpipe Inc, USA	13	9	-	-
Formpipe Software Ltd.	62	32		
Total staff	**274**	**245**	**95**	**76**
Average staff	**260**	**233**	**86**	**76**

Salary and employee benefits – Board, senior executives 2021

		Basic salary/ Director's fee	Variable remunera- tion	Pension cost	Other remunera- tions	Total
Bo Nordlander (Chairman of the Board)	2021	380	-	-	-	380
Peter Lindström	2021	190	-	-	-	190
Annikki Schaeferdiek	2021	190	-	-	-	190
Åsa Landén Ericsson	2021	190	-	-	-	190
Martin Bjäringer	2021	190	-	-	-	190
Erik Syrén	2021	190	-	-	-	190
Christian Sundin (CEO)	2021	2,169	115	651	185	3,120
Other senior executives, 7 persons	2021	9,297	932	1,337	465	12,031
Total 2021		**12,796**	**1,048**	**1,988**	**650**	**16,481**

Salary and employee benefits – Board, senior executives 2020

		Basic salary/ Director's fee	Variable remunera- tion	Pension cost	Other remunera- tions	Total
Bo Nordlander (Chairman of the Board)	2020	380	-	-	-	380
Peter Lindström	2020	190	-	-	-	190
Martin Henricson	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**

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	
	2021	**2020**	**2021**	**2020**
Women	2	2	2	2
Men	4	4	4	4

Boards of Directors for subsidiaries

	Women 2021	Men 2021	Women 2020	Men 2020
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	-	1

The Board of Directors in subsidiaries received no remuneration for 2021.

There are no post-retirement obligations for Board members, nor do Board members receive remuneration on leaving their mandate.

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.

Senior Management, including CEO

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
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. 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	
	2021	**2020**	**2021**	**2020**
Income from financing activities				
Dividends received from subsidiaries	-	-	103,359	-
Interest income	1	3	486	442
Other financial income	1	-	-	-
Exchange rate differences	-	605	2,376	2,227
	2	**607**	**106,220**	**2,669**
Expenses from financing activities				
Interest expense bank borrowings	-992	-460	-873	-459
Interest expenses, lease liabilities	-386	-545	-	-
Other interest expenses	-7	-12	-56	-215
Exchange rate differences	-149	-	-4,747	-
Other financial expenses	-531	-388	-344	-292
	-2,065	**-1,403**	**-6,020**	**-965**

Note 10. Income tax

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Current tax	14,630	4,790	-	1,237
Deferred tax	1,387	6,277	-2,249	-
	16,017	**11,067**	**-2,249**	**1,237**

Deferred tax refers to capitalisation of tax loss carryforwards of KSEK -1,552 (-), utilisation of accumulated tax loss carryforwards from previous years totalling KSEK -507 (-3,899) and deferred tax expenses attributable to intangible assets of KSEK 664 (-2,618), revaluation effects of a changed tax rate of KSEK - (209) and deferred tax assets attributable to IFRS 16 Leases of KSEK 9 (31).

At the end of the period, the Group has accumulated losses of MSEK 3.5 (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	
	2021	**2020**	**2021**	**2020**
Profit/loss before tax	66,453	52,455	90,912	5,596
Anticipated tax rate according to the current Swedish tax rate of 20.6 (21.4) per cent	13,690	11,225	18,728	1,198
Effect of other tax rates for foreign subsidiaries	70	-1,367	-	-
Dividends from subsidiaries	-	-	-21,292	-
Non-deductible expenses	76	53	50	41
Difference between accounting and tax depreciation	539	1,334	-	-
Tax attributable to previous years	298	37	-	-2
Tax attributable to intangible assets	-	-	-	-
Effect of subsidiaries' tax rates	-	-208	-	-
Capitalised loss carryforwards	837	-	265	-
Utilisation of loss carryforwards	507	-8	-	
Deferred tax expense attributable to intangible assets	-	-		
Tax expense	**16,017**	**11,067**	**-2,249**	**1,237**

The weighted effective tax rate was 24.1 (21.1) per cent.

Note 11. Exchange-rate differences – net

Exchange rates (against SEK)

	Average price January–December		Closing day rate, 31 December	
	2021	**2020**	**2021**	**2020**
DKK	1.36	1.41	1.38	1.35
EUR	10.14	10.49	10.24	10.04
GBP	11.80	11.80	12.21	11.09
USD	8.58	9.20	9.04	8.19

Exchange rate differences were recognised in the income statement as follows:

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Other revenues and expenses – net	-1,772	515	-279	574
Financial items – net	-149	605	2,376	2,227

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.

	2021	**2020**
Profit or loss for the year attributable to shareholders of the Parent	50,435	41,388
Weighted average outstanding common shares (thousands)	53,617	53,343
Earnings per share before dilution (SEK per share)	**0.94**	**0.78**

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 share options, 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 share options. The total shares calculated as above is compared to the total shares that could have been issued (assuming all share options are exercised).

	2021	**2020**
Weighted average outstanding common shares (thousands)	53,015	53,343
Adjustments for:		
– share options 2017 to 2020 (thousands)	-	73
– share options 2018 to 2021 (thousands)	113	133
– share options 2019 to 2022 (thousands)	104	-
– share options 2020 to 2023 (thousands)	41	-
– share options 2021 to 2024 (thousands)	-	-
Weighted average total common shares used in calculating earnings per share after dilution (thousands)	58,875	53,549
Earnings per share after dilution (SEK per share)	**0.94**	**0.77**

Note 13. Dividend per share

The Board of Directors proposes that the Annual General Meeting on 27 April 2022 resolve to approve a dividend of SEK 0.70 (0.66) per share, which entails a total dividend of SEK 37,608,239.90 (35,286,178.62).

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 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
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**
Financial year 2021						
Opening carrying amount	380,218	130,643	7,142	3,546	2,073	523,623
Exchange rate differences	10,430	1,677	666	310	145	13,227
Purchases	-	55,210	-	99	1,759	57,068
Depreciation	-	-38,231	-1659	-857	-1,020	-41,766
Impairment losses	-	-14,618	-	-	-	-14,618
Closing carrying amount	**390,647**	**134,681**	**6,150**	**3,098**	**2,957**	**537,533**
As of 31 December 2021						
Cost	390,647	613,257	55,766	7,128	8,581	1,075,380
Accumulated amortisation	-	-463,959	-49,616	-4,030	-5,624	-523,229
Accumulated impairment	-	-14,618				-14,618
Carrying amount	**390,647**	**134,681**	**6,150**	**3,098**	**2,957**	**537,533**

Capitalised expenditures represent essentially only product development.

Parent Company

	Goodwill	Capitalised expenditure	Customer contracts	Total
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**
Financial year 2021				
Opening carrying amount	-	6,851	-	6,851
Purchases	-	4,785	-	4,785
Depreciation	-	-2,335	-	-2,335
Closing carrying amount	**-**	**9,301**	**-**	**9,301**
As of 31 December 2021				
Cost	60,785	45,519	22,019	128,323
Accumulated amortisation	-60,785	-36,218	-22,019	-119,022
Carrying amount	**-**	**9,301**	**-**	**9,301**

Impairment testing of goodwill in the Group

Group goodwill at year-end was KSEK 390,647 (380,218). 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 176,032 (172,338) for DK Public and KSEK 154,735 (148,001) for Private.

During the 2021 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 2020 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. Cash flow beyond the explicit forecast period has been set at an annual growth rate of 2 (2) per cent.

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, %	2021	2020
Segment:		
SE Public	8%	8%
DK Public	8%	8%
Private	11%	11%

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.

Note 15. Property, plant and equipment

	Group			Parent Company	
Group	**Other equipment**	**Lease assets IFRS 16**	**Total**	**Other equipment**	**Total**
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**
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**
Financial year 2021					
Opening carrying amount	5,404	21,734	27,138	981	981
Exchange rate differences	349	382	731	-	-
Purchases	2,450	561	3,012	842	842
Divestment and disposals	-3,633	-1,386	-5,019	-	-
Depreciation	-2,070	-7,482	-9,552	-649	-649
Reversed accumulated depreciation on disposals	2,049	1,150	3,199	-	-
Closing carrying amount	**4,550**	**14,959**	**19,508**	**1,174**	**1,174**

	Group			Parent Company	
Group	**Other equipment**	**Lease assets IFRS 16**	**Total**	**Other equipment**	**Total**
As of 31 December 2021					
Cost	28,819	34,688	63,506	11,728	11,728
Accumulated amortisation	-24,269	-19,729	-43,998	-10,554	-10,554
Carrying amount	**4,550**	**14,959**	**19,508**	**1,174**	**1,174**

Note 16. Financial assets

	Parent Company	
	2021	**2020**
Shares in subsidiaries		
Opening cost	344,636	275,586
Shareholder contribution	578	
Transaction-related changes	-	69,050
Closing accumulated cost	**345,213**	**344,636**

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Other non-current financial assets				
Other financial assets	1,519	1,473	-	-
Other non-current receivables	3,495	1,811	3,495	1,811
Closing value, financial assets	**5,014**	**3,284**	**348,708**	**346,446**

The Group had no issued securities or mortgages during the 2021 and 2020 financial years.

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
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 Lasernet GmbH	Germany	Software sales	Limited Liability Company	141866	100%	-
Formpipe Software Benelux BV	Netherlands	Software sales	Limited Liability Company	853770153	100%	-
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%	94,983

Note 17. Financial instruments by category

31 December 2021	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	1,519	-	1,519
Other non-current receivables	3,495	-	3,495
Trade and other receivables	75,552	-	75,552
Accrued income	13,123	-	13,123
Cash and cash equivalents	18,065	-	18,065
Total	**111,754**	**-**	**111,754**
Liabilities in the statement of financial position			
Borrowing from credit institutions	-	-	-
Trade and other payables	20,606	-	20,606
Accrued employee-related expenses	22,117	-	22,117
Total	**42,723**	**-**	**42,723**

31 December 2020	Measured at amortised cost	Measured at fair value through profit and loss	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**

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 in the previous year referred to the Group's bank loans.

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	
	2021	2020	2021	2020
Trade and other receivables	75,411	61,474	23,397	14,470
	75,411	**61,474**	**23,397**	**14,470**

The Group has no non-current trade receivables. Fair value regarding current trade receivables equals the carrying amount.

As at 31 December 2021, trade receivables were KSEK 75,411 (61,474). They were distributed as follows: KSEK 23,644 (18,125), KDKK 24,542 (19,511), KGBP 854 (855), KEUR 548 (439) and KUSD 210 (382). The consolidated trade receivables of 75,411 includes an impairment reserve of the consolidated trade receivables for anticipated credit losses of KSEK 308 (707). The age analysis of trade receivables is as follows:

	Group		Parent Company	
	2021	2020	2021	2020
Past due trade receivables on the statement of financial position date:				
Less than 3 months	16,315	21,527	4,045	2,128
More than 3 months	24	1,615	-221	-450
	16,339	**23,142**	**3,824**	**1,678**

As of 31 December 2021, the Group had written down the trade receivables by KSEK 308 (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	
	2021	**2020**	**2021**	**2020**
Prepaid expenses for goods sold	3,368	2,058	129	-
Pre-paid insurance	672	755	576	650
Prepaid IT expenses	2,205	1,488	708	560
Prepaid rent	869	51	1,018	964
Prepaid sales and marketing expenses	15,890	16,758	365	618
Accrued income	11,255	12,394	1,917	4,633
Accrued income (Contract asset)	1,868	1,449	1,868	1,449
Other	282	838	119	59
Total	**36,409**	**35,790**	**6,699**	**8,930**

Note 20. Cash and cash equivalents

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Cash and cash equivalents	18,065	58,593	15,898	30,666
	18,065	**58,593**	**15,898**	**30,666**

Approved overdraft facilities total KSEK 50,000 and at year-end, was unutilised (-).

Note 21. Share capital

	Total shares (thousands)
As of 31 December 2019	**53,174**
New share issue - share option redemption	290
As of 31 December 2020	**53,464**
New share issue - share option redemption	262
As of 31 December 2021	**53,726**

Total shares outstanding are 53,726,057 (53,463,907), par value SEK 0.1 (0.1) per share. All shares issued are fully paid up.

New share issue – share option redemption

On 30 June 2021, the Company issued 262,150 shares for redemption by the staff warrant programme 2018/2021.

Share-related compensation

On 4 May 2021, 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 for one new share in the Company during the period from 13 May 2024 to 24 May 2024 at a price of SEK 42.53 per new share. The paid-in option premiums totalling SEK 1,310,000 were recognised as an increase in Other paid-in capital.

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 for one new share in the Company during the period from 15 May 2023 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 for 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.

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 share options and the weighted average exercise price are as follows:

	2021		2020	
	Average exercise price, SEK per share	**Share options (total)**	**Average exercise price, SEK per share**	**Share options (total)**
At 1 January	**24.55**	**1,500,000**	**19.83**	**1,500,000**
+ Allocated	42.53	500,000	29.95	500,000
- Exercised	17.90	-262,150	15.80	-290,000
- Bought back	17.90	-234,850	15.80	-181,000
- Expired	17.90	-3,000	15.80	-29,000
As of 31 December	**32.76**	**1,500,000**	**24.55**	**1,500,000**

At the period end, the Company has three (three) outstanding warrant programmes with the following expiry date and exercise prices:

		Share options	
Maturity	**Exercise price**	**2021**	**2020**
21/05/2021	17.90	-	500,000
22/05/2022	25.79	500,000	500,000
26/05/2023	29.95	500,000	500,000
24/05/2024	42.53	500,000	
		1,500,000	**1,500,000**

The weighted average fair value of the options allocated during 2021, determined using the Black-Scholes Pricing Model, was SEK 2.62 (1.50) per option. Significant input data to the model included the weighted average share price of SEK 35.44 (24.96) as of the grant date, exercise of the exercise price of SEK 42.51 (29.95) per new share, volatility of 25 (25) per cent, estimated time to expiry of the warrants of 1,075 (1,029) 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

	2021	2020
Non-current		
Bank borrowings	-	29,434
Total non-current	**-**	**29,434**
Current		
Bank borrowings	-	14,258
Overdraft facilities	-	-
Total current	**-**	**14,258**
Total borrowings	**-**	**43,692**

The bank loans were repaid in full during the 2021 financial year. The bank loans were raised in the Parent Company in DKK and carried variable interest until 30 September 2021. The Group has had 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 fulfilled all loan terms during the financial year and the previous financial year. At year-end, the Group's borrowing amounted to KSEK - (43,692), of which KSEK - (-) 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 -). 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:

	2021	2020
DKK	-	43,692
SEK	-	-
Total	**-**	**43,692**

Between the Group and the bank, there were a number of agreed covenants that the Group had to fulfil. Continuous follow-up of these covenants took place with the bank and no covenants were broken during 2021 or 2020.

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 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**
Cash flow	-44,343	-43,803	-7,419	6,879
Exchange rate differences	3,815	110	81	3,624
Other non-cash items	-	-	562	-562
Net cash as of 31 December 2021	**18,065**	**0**	**13,718**	**4,347**

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.

	2021	2020
Deferred tax assets	4,182	3,645
Deferred tax liabilities	31,424	28,434

Gross changes to deferred tax assets are as follows:

	2021	2020
Opening balance	**3,645**	**7,664**
Unutilised loss carryforwards	-24	-3,898
Loss carried forward, not reported previously	516	31
Exchange rate differences	45	-152
Closing balance	**4,182**	**3,645**

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 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**
Unutilised loss carryforwards	-24	-	-24
Deferred tax asset attributable to leased assets	-	516	516
Exchange rate differences	45	-	45
As of 31 December 2021	**3,571**	**611**	**4,182**

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 4,731 (8,595) where a related tax loss carryforward is not capitalised in the Group. In 2021, KSEK 24 (3,898) of the tax loss carryforwards were utilised, and KSEK - (-) was capitalised.

Gross changes to deferred tax liabilities are as follows:

	2021	2020
Opening balance	**28,434**	**23,818**
Increase due to business combination	-	2,609
Recognised in income statement	2,768	2,618
Revaluation due to changed tax rates	-	-208
Exchange rate differences	222	-402
Closing balance	**31,424**	**28,434**

Of the deferred tax liabilities of KSEK 31,424, a total of KSEK 4,512 (4,260) is expected to be used in the next 12-month period. All tax liabilities 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 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**
Recognised in income statement	2,768	-	2,768
Exchange rate differences	222	-	222
As of 31 December 2021	**31,424**	**-**	**31,424**

Deferred taxes recognised as intangible assets refers to fair value adjustments for acquired assets, as well as capitalised development expenses.

Note 24. Other liabilities

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Current liabilities				
Value-added tax	7,636	6,152	2,639	740
Other current liabilities	4,505	10,764	1,296	1,344
Total other current liabilities	**12,141**	**16,916**	**3,935**	**2,083**

Note 25. Accrued expenses and deferred income

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Staff-related accrued expenses	22,117	29,887	11,282	10,063
Deferred income (contract liability)	157,421	154,120	64,625	68,700
Other accrued expenses	15,217	10,722	6,329	6,417
	194,755	**194,728**	**82,236**	**85,180**

Note 26. Commitments

Commitments regarding operational leasing where a 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:

	2021	2020
Within 1 year	8,075	6,622
Between 1 and 2 years	4,186	2,736
Between 2 and 5 years	923	1,007
More than 5 years	-	-
	13,184	**10,366**

Lease liabilities recognised as per 1 January 2020	**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**
Repayment of leasing liability in 2021	-7,698
Additional leasing in the form of new leases and indexation of current leases	543
Exchange rate differences	377
Lease liabilities recognised as at 31 December 2021	**13,717**

The following amounts related to leases are recognised in the balance sheet:

Lease liabilities	**31/12/2021**	**31/12/2020**
Non-current lease liabilities	6,241	13,277
Current lease liabilities	7,477	7,218
	13,717	**20,495**

Closing carrying amounts for ROU assets	31/12/2021	31/12/2020
Office premises	13,771	20,313
Vehicles	959	1,146
Equipment	183	274
	14,913	**21,734**

Additional ROUs during 2021 amounted to KSEK 561 (2,368), divestments amounted to KSEK -244 (-1,197) and exchange-rate differences amounted to KSEK 395 (-449).

The following amounts related to leases are recognised in the income statement:

Depreciation on ROUs	2021	2020
Office premises	-6,783	-6,889
Vehicles	-608	-457
Equipment	-91	-91
	-7,482	**-7,437**

Interest expenses, lease liabilities	2021	2020
Office premises	-359	-524
Vehicles	-23	-14
Equipment	-5	-6
	-386	**-545**

	2021	2020
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)	-72	-70
Expenses attributable to variable leasing payments that are not included in lease liabilities (included in other expenses)	-1	-1
	-73	**-71**

The total cash flow for leases in 2021 amounted to KSEK -7,419 (-8,274).

Note 27. Disclosures on related parties

Related parties refer 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	
Transactions with Group companies	**2021**	**2020**
Sales to Group companies	467	80
Purchases from Group companies	-4,242	-4,250
Interest income from Group companies	486	441
Interest expenses to Group companies	-53	-173
Dividends from Group companies	103,359	-
Group contributions from Group companies	3,319	4,491
Loans to group companies	20,739	15,740
Liabilities to group companies	191,893	98,751

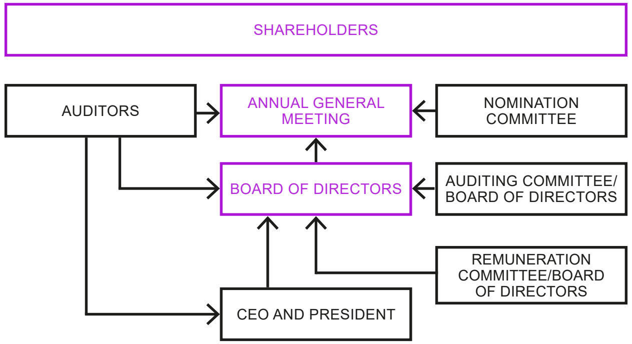
Corporate governance report

Introduction

Formpipe Software AB (publ) ("Formpipe") is a Swedish Public Limited company domiciled in Stockholm. In 2021, 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 2021 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 December 2021, Formpipe had approximately 3,700 shareholders owning a total of 53,726,057 shares. The largest single shareholder as of 31 December 2021 was Aktiebolaget Grenspecialisten, holding 10.4 per cent of voting rights and equity. The 20 largest shareholders owned a total of 78.4 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. 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 2021

The Formpipe Annual General Meeting was held on 28 April 2021 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 2020 financial year.
- The re-election of Board members Bo Nordlander, Peter Lindström, Åsa Landén Ericsson, Annikki Schaeferdiek, Erik Syrén and Martin Bjäringer.
- 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 2022

The Formpipe Annual General Meeting of Shareholders 2022 will take place on 27 April at the Company's premises in Stockholm. Information regarding shareholders providing notice of their intent to participate in the 2022 AGM will be available in advance at www.formpipe.se. 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 2021 AGM resolved that the Nomination Committee for the 2022 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 are published on 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 2022 AGM at www.formpipe.se.

The members of the Nomination Committee for the period prior to the 2022 AGM are:

Malin Ruijsenaars, representing AB Grenspecialisten	5,564,128 shares
Patrik Jönsson, representing SEB Investment Management	4,785,815 shares
Marika Svärdström, representing Martin Bjäringer	4,500,000 shares
Bo Nordlander, co-opted member, 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.se.

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 2021

At the Annual General Meeting on 28 April 2021, Board members Bo Nordlander (Chairman of the Board), Peter Lindström (Board member), Åsa Landén Ericsson (Board member), Annikki Schaeferdiek (Board member), Erik Syrén (Board member) and Martin Bjäringer (Board member) were re-elected. The Board has held ten 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 on the Board of Directors, but attends all Board meetings as a presenter 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	10/10	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	10/10	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 and a part of the management group at Axis Communications AB (publ). Peter has more than 25 years' extensive experience from senior roles in the IT industry, both at a regional and global level.
Annikki Schaeferdiek Board member since 2017 Year of birth: 1969 Shareholding: 16,000	10/10	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, Addtech AB and Chairman of the Board of Competella AB.
Åsa Landén Ericsson Board member since 2017 Year of birth: 1965 Shareholding: 10,000	10/10	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: 309,816	10/10	Yes	Yes	Yes	Erik attended the economics programme at Lund University. Erik is a partner at the investment firm Monterro, which focuses on SaaS companies. Previously, he was the CEO of the listed CRM company Lime Technologies AB (publ). Erik is a Board member in Lime Technologies, Wiraya, Maintmaster, NEXT, Syringa Capital and Syringa Consulting and the Chairman of Moment.
Martin Bjäringer Board member since 2020 Year of birth: 1959 Shareholding: 4,500,000	9/10	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 28 April 2021 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 28 April 2021. During 2021, 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
Shareholding: 1,077,190
Employed since: 2006
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 28 April 2021. 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 Erik Bergh from PricewaterhouseCoopers AB.

Internal control regarding financial reporting for the 2021 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 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).

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 the 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 2021

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 2021 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 2021, and this will be paid soon after the 2022 AGM.

The guidelines for the remuneration of senior executives proposed to the 2022 Annual General Meeting are essentially unchanged, but are described below in detail in accordance with the guidelines applicable for 2022.

Guidelines for remuneration of senior executives 2022

The guidelines for the remuneration of senior executives proposed to the 2022 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 2022 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 Enterprise Content Management/Content Services Platforms and Customer Communications Management.

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 2022 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 2021, and this will be paid soon after the 2022 AGM.

Remuneration

Remuneration to the Board

The 2021 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 2021 amounted to KSEK 2,169 and the variable remuneration amounted to KSEK 115 in accordance with set targets. In addition to this, pension in an amount of KSEK 651 and other remuneration amounting to KSEK 185 were expensed during the year (Note 8).

Remuneration to other senior executives

Basic salary for other senior executives for 2021 was KSEK 9,297. Variable remuneration for the same period totalled KSEK 932 and pension contributions were KSEK 1,337. Other remuneration totalled KSEK 465 (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 2,130 was paid in fees to the auditors and auditing company for 2021. 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, 5 April 2022

Bo Nordlander
Chairman of the Board

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 5 April 2022
PricewaterhouseCoopers AB

Erik Bergh
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 2021 except for the corporate governance report and sustainability report on pages 101–109 and 69–74, respectively. The Company's annual report and consolidated financial statements are included in this document on pages 56–110.

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 2021, 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 2021, 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 101–109 and 69–74, 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. 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 in Note 2 and risk management is described in the corporate governance report on pages 101–109. In Note 6, 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 ha 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 391 is recognised in the form of goodwill tied to corporate acquisitions. This amount corresponds to nearly 69 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.
- Assessed the reasonability of the assumptions regarding growth and cash flow by cash flow generating unit.
- Checked the reasonability of the applied discount interest rate.
- Implemented sensitivity analyses where the effects of changes in assumptions and assessments are analysed to identify especially sensitive such assumptions and assessments.

- Reviewed 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 1–55 and 117–124 and also contains the statutory sustainability report on pages 69–74. 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 (publ) for 2021 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 101–109 and that it has been prepared in accordance with the Annual Accounts Act.

Our review has been conducted in accordance with FAR's statement RevR 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 69–74 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 opinion.

A sustainability report has been prepared.

Auditor's review of the ESEF report

Opinions

In addition to our audit of the annual accounts and consolidated financial statements, we have also conducted a review that the Board of Directors and the Chief Executive Officer have prepared the annual accounts and consolidated financial statements in a format that enables uniform electronic reporting (the ESEF Report) in accordance with Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Formpipe Software AB (publ) for 2021.

Our review and our opinion relate only to the statutory requirement.

In our opinion, the ESEF report #(checksum) has been prepared in a format that essentially enables uniform electronic reporting.

Basis for the opinions

We have conducted the review in accordance with FAR's recommendation RevR 18 Auditor's review of the ESEF report. Our responsibility according to this recommendation is described in more detail in the section on Auditors' responsibility. We are independent in relation to Formpipe Software AB (publ) 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 evidence we have acquired is sufficient and appropriate as a basis for our opinion.

Responsibilities of the Board of Directors and the Chief Executive Officer

It is the Board of Directors and the Chief Executive Officer who are responsible for the ESEF report being prepared in accordance with Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for there being such internal control that the Board of Directors and the Chief Executive Officer deem necessary to prepare the ESEF report without material misstatements, whether due to impropriety or error.

Auditor's responsibility

Our task is to express our opinion with reasonable certainty as to whether the ESEF report is essentially prepared in a format that meets the requirements of Chapter 16, Section 4 a of the Securities Market Act (2007:528), based on our review.

RevR 18 requires us to plan and implement our review measures to achieve reasonable certainty that the ESEF report is prepared in a format that meets these requirements.

Reasonable certainty is a high degree of certainty, but is no guarantee that a review done according to RevR 18 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 ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements and thereby has a comprehensive system for quality control which includes documented guidelines and procedures regarding compliance with professional ethics requirements, standards for professional practice and applicable requirements in laws and other statutes.

The review includes obtaining evidence through various measures that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated financial statements. The auditor selects the procedures to perform, including assessing the risks of material misstatement in the reporting, regardless whether these are due to fraud or error. In making those risk assessments, the auditor considers the aspects of the internal controls relevant to how the Board of Directors and the CEO prepare the underlying documentation, in order to design appropriate audit procedures for the circumstances, though not for the purpose of expressing an opinion regarding the effectiveness of the internal control. The review also includes an evaluation of the suitability and reasonableness of the assumptions of the Board of Directors and the Chief Executive Officer.

The review measures mainly include a technical validation of the ESEF report, i.e., whether the file that contains the ESEF report meets the technical specification specified in the Commission Delegated Regulation (EU) 2019/815 and a reconciliation of the ESEF report with the audited annual accounts and consolidated financial statements.

In addition, the review also includes an assessment of whether the ESEF report has been marked with iXBRL that enables a fair and complete machine-readable version of the Group's income statement, balance sheet, equity statement and cash flow statement.

PricewaterhouseCoopers AB, SE-113 97 Stockholm, was elected Formpipe Software AB's auditor by the General Meeting on 28 April 2021 and has been the Company's auditor since the General Meeting in April 2004.

Stockholm, 5 April 2022

PricewaterhouseCoopers AB

Erik Bergh
Authorised Public Accountant

Remuneration report

Introduction

This report describes how the guidelines for remuneration for senior executives for Formpipe, adopted by the 2021 AGM, were applied in 2021. 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 91–92 in the Annual Report for 2021. Information on the Remuneration Committee's work in 2021 is in the corporate governance report on page 104 of the Annual Report for 2021. 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 2021.

Significant events 2021

The CEO summarises the Company's overall results in his account on pages 6–9 of the Annual Report 2021.

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 67 and 106–107 in the Annual Report for 2021. In 2021, 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.

		Fixed salary		Variable remuneration					
Chief Executive Officer	**Year**	**Basic salary**	**Other benefits [1]**	**One-year [2]**	**Multi-year**	**Extraordinary items**	**Pension expense [3]**	**Total remuneration (KSEK)**	**Proportion of fixed and variable remuneration**
Christian Sundin	2021	2,169	185	115	-	-	651	3,120	Fixed: 96% Variable: 4%
Christian Sundin	2020	2,169	74	382	-	-	513	3,138	Fixed: 88% Variable: 12%

[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

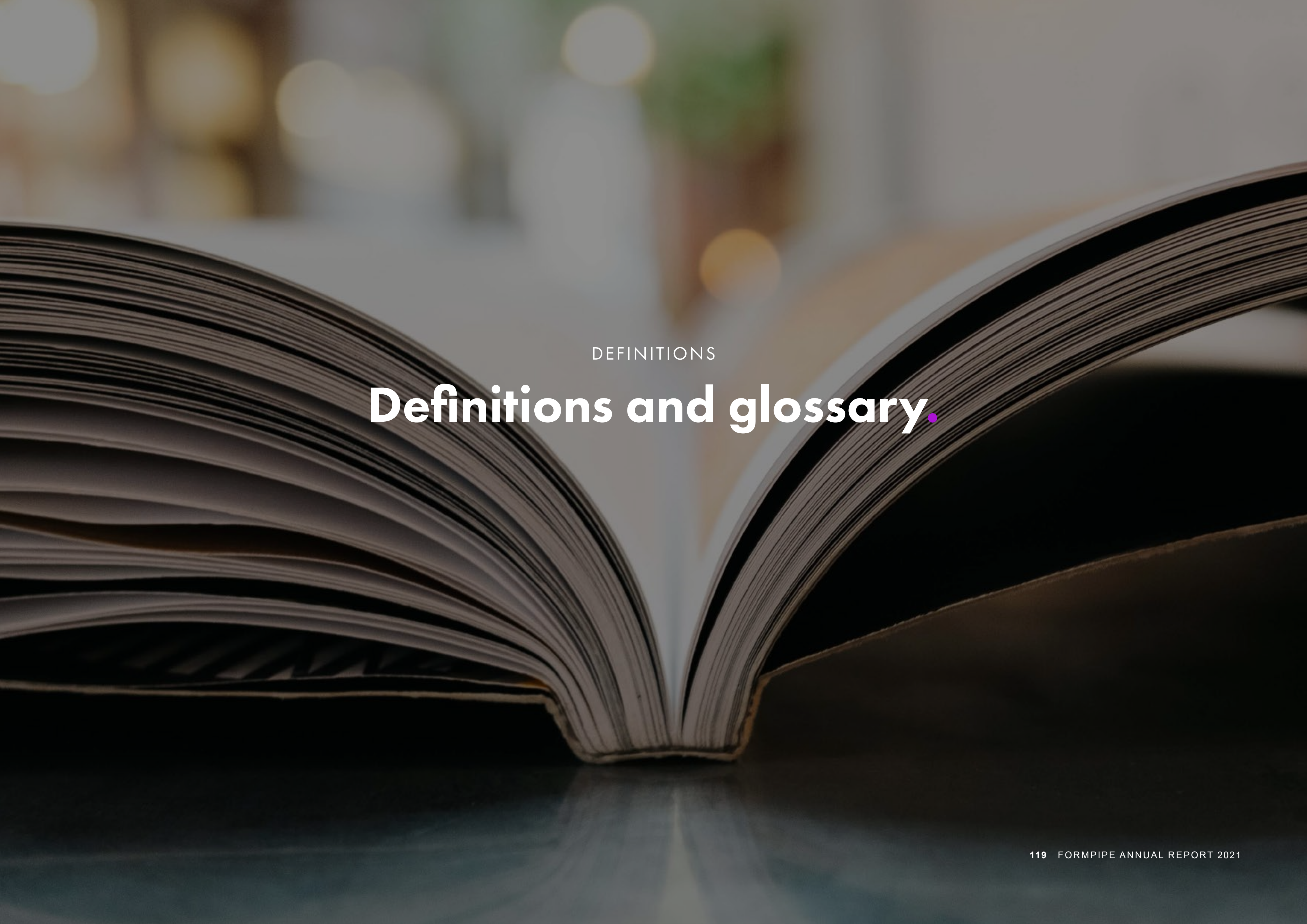
The performance criteria for the CEO's variable remuneration have been chosen to realise the Company's strategy and to encourage actions in the long-term interest of the Company. In the selection of the performance criteria, the strategic goals and short- and long-term business priorities for 2021 were 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 revenue in excess of 8 per cent with a cap of 17 per cent	33%	a) 0% b) -
	The Group's annual growth of recurring revenue in excess of 8 per cent with a cap of 16 per cent	33%	a) 30% [1)] b) 86
	The Group's annual growth in operating profit before depreciation (EBIT), exceeding -22% with a cap of 5%	34%	a) 10% [1)] b) 29

[1)] The licence deal with the Danish Agricultural Agency is not included in the calculation of the bonus outcome.

Comparative information for changes in remuneration and the Company's results

Remuneration and Company profit (KSEK unless otherwise specified)	2021	Change from previous year KSEK	%
Chief Executive Officer			
Christian Sundin	3,120	-18	-0.6%
Company's results			
Group operating margin (%)	14.5%		+1.3 percentage points
Average remuneration based on number of full-time equivalents employed in Formpipe			
Average remuneration excluding senior executives	787	-5	-0.6%



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 rate of recurring revenues (ARR)

Annual rate of recurring revenues for the Company's existing contracts not terminated.

ARR IN

Opening value of Annual rate of recurring revenues for the period. During the period acquired ARR is included in ARR IN.

ARR IN – FX

Remeasurement of ARR IN at the prevailing exchange rate at the end of period.

ARR OUT

Closing value of Annual rate of recurring revenues for the period.

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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Formpipe.