



Formpipe.

Interim report January – June 2019

PERIOD APRIL 1 – JUNE 30, 2019

- Net sales of SEK 101.5 m (SEK 100.0 m)
- Software revenues of SEK 71.6 m (SEK 66.1 m)
- Recurring revenues of SEK 60.0 m (SEK 54.7 m) which corresponds to 59 % (55 %) of net sales.
- EBITDA SEK 25.0 m; 24.6 % (SEK 21.5 m; 21.5 %)
- EBITDA-adj. SEK 15.9 m; 15.7 % (SEK 13.4 m; 13.4 %)
- EBIT SEK 11.5 m; 11.3 % (SEK 9.6 m; 9.6 %)
- Net profit SEK 8.4 m; 8.3 % (SEK 7.3 m; 7.3 %)
- EPS before dilution SEK 0.16 (SEK 0.14)
- Cash flow from operating activities SEK 6.7 m (SEK 20.9 m)

PERIOD JANUARY 1 – JUNE 30, 2019

- Net sales of SEK 198.3 m (SEK 201.2 m)
- Software revenues of SEK 136.6 m (SEK 132.3 m)
- Recurring revenues of SEK 120.0 m (SEK 106.9 m) which corresponds to 61 % (53 %) of net sales.
- EBITDA SEK 48.0 m; 24.2 % (SEK 46.8 m; 23.3 %)
- EBITDA-adj. SEK 30.0 m; 15.1 % (SEK 30.6 m; 15.2 %)
- EBIT SEK 21.0 m; 10.6 % (SEK 23.2 m; 11.5 %)
- Net profit SEK 14.7 m; 7.4 % (SEK 17.2 m; 8.6 %)
- EPS before dilution SEK 0.28 (SEK 0.33)
- Cash flow from operating activities SEK -5.8 m (SEK 40.9 m)

INCOME STATEMENT - SUMMARY

(SEK Million)	Apr-Jun		Jan-Jun		Rolling 12	Full year
	2019	2018	2019	2018	months	2018
Net sales	101,5	100,0	198,3	201,2	403,5	406,4
whereof recurring revenue	60,0	54,7	120,0	106,9	236,3	223,2
EBITDA	25,0	21,5	48,0	46,8	100,9	99,7
EBITDA-adj	15,9	13,4	30,0	30,6	64,8	65,4
EBIT	11,5	9,6	21,0	23,2	51,0	53,2

Comments from the Groups CEO

We are once again showing a good and stable quarter and continue to improve our margins. Our transition to a higher degree of recurring revenue makes our business increasingly predictable. The recurring revenues increase with 10 % compare to the same period previous year's second quarter and for rolling 12 months the increase amounts to 14 %. This quarter we also receive help from traditional license being high, which compensate for lower delivery revenues according to our strategy.

It is extra gratifying in this quarter that we have won a new contract within the bank and insurance industry regarding our Long-Term Archive and Lasernet products. This new contract is a proof of the potential we believe exists in sales of e-archive solutions to the private sector as well. Customer's need of long-term preservation is often based on the need to retire older systems and applications, without losing the information in them. Further examples of driving forces in place are the need for emptying out data from active systems and also in facilitating the transition to cloud solutions.

Our new organizational structure reinforces the possibility of utilizing the potential in the private sector by making it easier for existing partner networks to sell and deliver Long-Term Archive.

The week performance of the Swedish krona affects our revenues positively, but since we also have large portions of our cost base outside of Sweden the profit lines are affected to a much lesser extent.

The activity in the market for Swedish public sector has been low since the election in 2018, but is now showing evidence of picking up somewhat with an increasing number of tenders coming out. The market for the Danish public sector is considered to be neutral for the time being and the lower consultancy revenues we see in this quarter is in line with our strategy of focusing on software revenue. Within the Private sector we continue to see a strong market which is visible in the 18 % growth in recurring revenue presented by this segment.

Market

The digitalization of information creates new and growing flows of data from a number of different sources. Being able to handle these has become one of the most important challenges for companies and organizations.

Formpipe's products are used to create, store, distribute, automate, relocate, archive and manage information, data and metadata regarding e.g. scanned documents, e-mail, reports, records, business documents or information from other source systems.

The goal is to be able to refine and analyze 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 Enterprise Content Management (ECM) market that Formpipe has grown to become a market leader in the public sector and a strong challenger in the private sector both industry-independent and with extra knowledge of Life Science and Legal.

The growth in the market is fueled in large part by the organizational 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 organizations, applications and services are needed – in order to securely – collaborate, search, analyse, process and distribute data and content. Growth drivers tend to gain strength as the amount of data and information increases. Intelligent information management is a high priority area.

Gartner's forecast for the global market is an average annual growth of 8.6 per cent in 2017-2022. The Content Services market has a total addressable forecast market in 2019 with system revenues of USD 8.3 billion.

CLOUD-BASED SOLUTIONS

An important part of the change of the ECM market is also that the development is moving increasingly towards cloud-based solutions, where the customers pay for what is used and where costs for development, operations, maintenance, upgrade and support are included in the running agreement. The transition to SaaS is taking place very quickly now and Gartner estimates that the SaaS revenues will reach up to 40 per cent of the total sales of software in 2022.

Cloud Shift Proportion by Category

	2018	2019	2020	2021	2022
System infrastructure	11%	13%	16%	19%	22%
Infrastructure software	13%	15%	17%	18%	20%
Application Software	34%	35%	38%	39%	40%
Business process outsourcing	27%	28%	29%	29%	30%
Total	19%	21%	24%	26%	28%

Källa: Gartner (Aug 2018)

This development is well in line with Formpipe's 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

SWEDISH PUBLIC SECTOR

Around SEK 45 billion is invested in IT in the public sector every year. The Swedish Government's ambition is for government agencies, municipalities and county councils to be the best in the world at using the possibilities of digitalization to create an efficient public sector – a simpler daily life for private individuals and companies, more jobs and greater welfare. Digital solutions and automation create opportunities to meet the growing welfare needs and at the same time increase the service to the citizens. Formpipe has extensive knowledge of the opportunities and challenges that Sweden's municipalities, county councils and agencies will be facing in the future.

DANISH PUBLIC SECTOR

Denmark is high up in the European Commission's measurements of "Digital Service in the public sector". Statistics Denmark's survey strengthens this picture.

The Danish public sector invested DKK 14 billion in IT in 2017. The digitalization of the Danish public sector creates value, growth and efficiency and maintains the Danes' confidence in the digital society. With the common public digitalization strategy 2016-2020, the public sector sets ambitious goals for the development towards a more digital public sector in the next few years. Digital solutions and automation create opportunities to meet the growing welfare needs and at the same time increase the service to the citizens.

The employers' organization Dansk Industri believes that a modernization and digitalization 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 increasing the level of service. Formpipe has extensive knowledge of the opportunities and challenges that the Danish public sector will face in the future.

¹ Source: Gartner: Enterprise Application Software, Worldwide, 2016-2022, 4Q18 Update

PRIVATE SECTOR

In the Private Sector area, Formpipe has a stable foundation in the CCM product, Lasernet. The global Customer Communications Management (CCM) market is mainly driven by a greater need for automation of customer communication in various channels. The software revenues in the global market are expected to increase at an annual growth rate of 13.4% from 2017 to 2021. With CCM products, content is produced, individualized, formatted and distributed from different systems and data sources to the format that best suits the Company in its communication with customers or other business partners.

Through the successful cooperation with Microsoft, Formpipe has established Lasetnet as a cloud service through the global market places Microsoft Azure Marketplace and Microsoft AppSource. By expanding the cooperation to concern more products from Formpipe, the possibility is opened up for a significantly larger market. Conditions exist for example for Formpipe's products for digital long-term archiving and data quality.

Financial Information

REVENUE

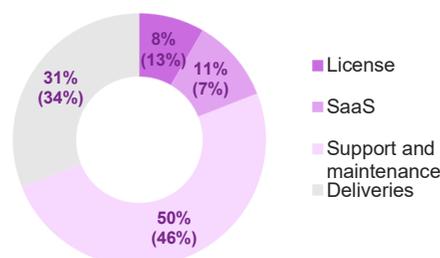
April-June 2019

Net sales for the period totalled to SEK 101.5 million (100.0 million), which corresponds to an increase of 1 %. Software revenue increased by 8 % from the previous year and totalled to SEK 71.6 million (66.1 million). Total recurring revenue for the period increased by 10 % from the previous year and totalled to SEK 60.0 million (54.7 million), which is equivalent to 59 % of net sales (55 %). Exchange rate effects have affected net sales positively by SEK 2.2 million in comparison with the previous year.

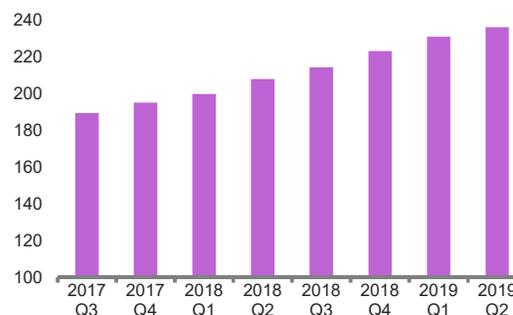
January – June 2019

Net sales for the period totalled to SEK 198.3 million (201.2 million), which corresponds to a decrease of 1 %. Software revenue increased by 3 % from the previous year and totalled to SEK 136.6 million (132.3 million). Total recurring revenue for the period increased by 12 % from the previous year and totalled to SEK 120.0 million (106.9 million), which is equivalent to 61 % of net sales (53 %). Exchange rate effects have affected net sales positively by SEK 4.2 million in comparison with the previous year.

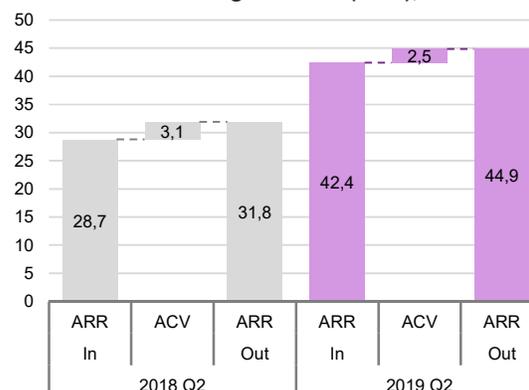
Breakdown of sales revenue, Jan–Jun 2019



Recurring revenue rolling 12 months, MSEK



SaaS Annual Recurring Revenue (ARR), MSEK



COSTS

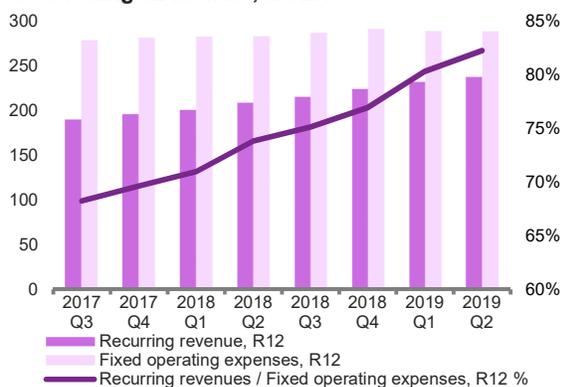
April-June 2019

The operating costs for the period was unchanged and totalled to SEK 90.0 million (90.4 million). Personnel costs was unchanged and totalled to SEK 53.9 million (54.2 million). Selling expenses totalled to SEK 12.8 million (13.6 million). Other costs totalled to SEK 18.8 million (18.9 million).

January – June 2019

The operating costs for the period stayed unchanged and totalled to SEK 177.3 million (178.0 million). Personnel costs stayed unchanged and totalled to SEK 108.0 million (108.5 million). Selling expenses totalled to SEK 24.7 million (24.2 million). Other costs totalled to SEK 35.6 million (37.9 million).

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



EARNINGS

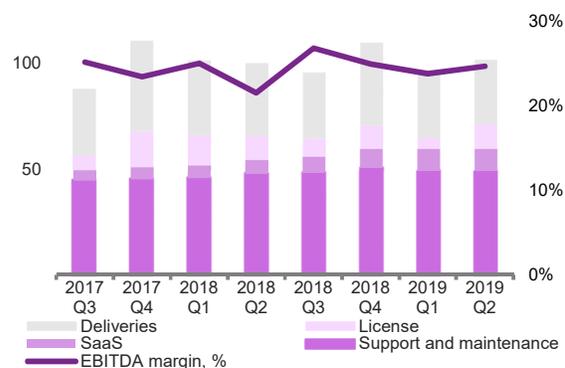
April-June 2019

Operating profit before depreciation and amortization and items affecting comparability (EBITDA) totalled to SEK 25.0 million (21.5 million) with an EBITDA margin of 24.6 % (21.5 %). Operating profit (EBIT) totalled to SEK 11.5 million (9.6 million) with an operating margin of 11.3 % (9.6 %). Net profit totalled to SEK 8.4 million (7.3 million). Exchange rate effects have affected EBITDA positively by SEK 0.4 million in comparison with the previous year.

January – June 2019

Operating profit before depreciation and amortization and items affecting comparability (EBITDA) totalled to SEK 48.0 million (SEK 46.8 million) with an EBITDA margin of 24.2 % (23.3 %). Operating profit (EBIT) totalled to SEK 21.0 million (23.2 million) with an operating margin of 10.6 % (11.5 %). Net profit totalled to SEK 14.7 million (17.2 million). Exchange rate effects have affected EBITDA positively by SEK 0.7 million in comparison with the previous year.

Sales and EBITDA margin, MSEK



FINANCIAL POSITION AND LIQUIDITY

Cash equivalents

Cash and cash equivalents at the end of the period amounted to SEK 16.8 million (73.7 million). The company had interest-bearing debt at the end of the period totalling to SEK 59.8 million (86.8 million), whereof 29.8 million (- million) refers to lease debts according to IFRS 16 and 30.0 million (-) refers to utilized bank overdraft. The company's total bank overdraft limit amounts to SEK 50.0 million.

The company's net interest-bearing debt thereby totalled to SEK 43.1 million (13.1 million), which corresponds to a net interest bearing debt of 13.3 million excluding any IFRS 16 effects.

Deferred tax asset

By the end of the period the company's deferred tax assets attributable to accumulated losses amounted to SEK 10.4 million (SEK 14.2 million).

Equity

Equity at the end of the period amounted to SEK 383.1 million (373.5 million), which was equivalent to SEK 7.21 (7.20) per outstanding share at the end of the period. Changes in the value of the Swedish krona compared to other currencies have changed the value of the group's net assets in foreign currencies by SEK 8.2 million (14.6 million) from the end of the year.

During the period the company has issued 286,501 shares due to the warrant program 2016/2019. After the issue of new shares the number of shares amounts to 53 173 907 and the share capital amounts to SEK 5,137,390.70.

Equity ratio

The equity ratio at the end of the period was 60 % (57 %).

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities for the period January - June totalled to SEK -5.8 million (40.9 million). The cash flow has been affected negatively by increased working capital tied up compared to previous periods.

Investments and acquisitions

Total investments for the period January - June amounted to SEK 20.0 million (18.7 million).

Investments in intangible assets totalled to SEK 19.0 million (17.8 million) and refer to capitalized product development costs.

Investments in tangible and financial assets totalled to SEK 0.4 million (0.3 million).

Financing

In April, the loan, which was raised in connection to the acquisition of Traen A/S in 2012, was repaid in full. During the period January - June the company thus amortized SEK 79.1 million (8.2 million).

At the end of the period, the company utilized SEK 30.0 million of the existing bank overdraft facility totalling to SEK 50.0 million. Leasing related liabilities amounted to SEK 29.8 million (-) at the end of the period. The company's interest bearing debt at the end of the period was thereby SEK 59.8 million (86.8 million).

As an outcome from the exercise of the personnel warrant program 2016/2019, 286,501 new shares was issued and payments amounting to SEK 2.9 million (3.0 million) has been added to the Company. At the same time the Company repurchased 211,499 warrants to a value of SEK 2.6 million (0.9 million).

During the period a new warrant program (2019/2022) has been issued to the company's personnel amounting to 500 000 warrants, which has provided the company with payments of SEK 0.6 million (0.4 million).

During the period dividends amounting to SEK 31.7 million (25.9 million) has been paid out to shareholders.

Significant events during the period January – June 2019

JANUARY-MARCH

No significant events have occurred during the period January-March.

APRIL-JUNE

Annual General Meeting

At the AGM on April 26 decisions were made regarding:

- Adoption of the income statement and balance sheet for the 2018 financial year.
- Adoption profit distribution
- The re-election of Annikki Schaeferdiek, Åsa Landén Ericsson, Martin Henricson, Peter Lindström and Bo Nordlander and the new election of Erik Syrén as board member. Bo Nordlander was re-elected as chairman of the board.
- The re-election of the auditing firm PricewaterhouseCoopers AB as the auditors of the Company with Aleksander Lyckow as the principal auditor.
- Principles for the Nomination Committee.
- The AGM approved the Board's proposal to authorise the Board to issue new shares or convertibles.
- The AGM approved for the Board to acquire and transfer the company's own shares.
- The AGM approved for the board to repurchase warrants from the personnel.
- The AGM approved the issue of share warrants to the personnel.
- The AGM approved for the proposal regarding guidelines for remuneration to senior executives.

Issue of warrant incentive program

It was decided at the AGM held on 26 April to issue 500,000 warrants offered to all employees within the Formpipe Software group, where one option gives the right to subscribe for one new share. The programme was fully subscribed.

Increased number of shares

During the period the personnel warrant program 2016/2019 was exercised. A total of 286 501 new shares were issued from this program. The number of shares and votes in the Company has therefore increased with 286 501 and the share capital has increased with SEK 28 650.01. After the issue of new shares, the total number of shares and votes in the Company amounts to 53,173,907 and the share capital to SEK 5,317,390.7.

Significant events after the periods end

No significant events have occurred after the periods end.

Other

EMPLOYEES

The number of employees at the end of the reporting period totalled to 224 persons (216 persons).

RISKS AND UNCERTAINTY FACTORS

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

TRANSACTIONS WITH RELATED PARTIES

No related party transactions have occurred during the period.

ACCOUNTING POLICIES

The group's financial reports are prepared in accordance with International Financial Reporting Standards (IFRS) in the way in which they have been adopted by the European Union, the Swedish Annual Accounts Act, RFR 1 Additional Accounting Regulations for Groups issued by the Swedish Financial Reporting Board and in accordance with the regulations that the Stockholm Stock Exchange stipulates for companies listed on Nasdaq Stockholm. Preparing financial reports in accordance with IFRS requires that the company management makes accounting evaluations and estimates and makes assumptions that affect the application of the accounting policies and the reported values of assets, liabilities, income and costs. The actual result can differ from these estimates and evaluations. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report covers pages 1-16 and the interim report on pages 1-7 is thus an integral part of this financial report. The most important accounting policies according to IFRS, which constitute the accounting standard for the preparation of this interim report, are stated in the company's most recently published annual report except for the changes in the principles of financial leasing applied by the Group from January 1, 2019 in accordance with IFRS 16. The Group's new accounting principles for leasing is described in the following section "New accounting principles applied from January 1, 2019".

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

New Accounting Standards Applicable from January 1, 2019

IFRS 16 LEASING

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

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

Formpipe has chosen to report the transition to the new standard with the simplified method. The relief rule not to recalculate the comparison year has been applied. The size of the right of use has been valued to correspond to the size of the leasing debt at the time of transition. A marginal loan rate has been set. The right of use has been determined retrospectively with knowledge of how the termination and extension clauses have been applied. Use rights agreements shorter than 12 months or which terminate within 12 months from the transition date are classified as short-term contracts and are therefore not included in the reported liabilities or rights of use. In addition, user rights agreements (with a new acquisition value of less than USD 5,000) have been classified as low value contracts and are not included in the reported liabilities or user rights.

Formpipe as a lessee evaluates all new agreements to see if they contain leasing components. The decisive factor in determining whether an agreement exists is the right to the main economic values when using the asset and the right to control the use of the asset and that the supplier does not have a substantial exchange right. Formpipe has decided to separate non-leasing components and leasing components into contracts related to buildings. Expenses attributable to non-leasing components shall be expensed and not included in the calculation basis for the right of use and the leasing debt. For other asset classes, non-leasing components shall be included in the calculation basis for rights of use and leasing debt. At the start of a new lease, it is assessed whether Formpipe as a lessee will choose to extend the agreement, purchase the underlying assets, or avail of early termination. In cases where the agreement is open, with no defined end date, local laws and regulations can provide ownership of the lessee. This means that Formpipe as the lessee itself has to determine which contract length is considered reasonable instead of taking into account the termination clause in the agreements. The lessee determines the contract period by assessing factors such as the property's importance for the business, its own planned or implemented investments in the leased property and the market situation for properties. When the leasing debt and the

use rights are calculated, the implicit interest in the agreement is primarily applied. In cases where it cannot be determined, the marginal loan rate is used instead, which corresponds to the interest the company would be offered if the acquisition was financed with loans from a financial institution. Formpipe begins to write off its rights of use from the start date of the contract and selects the depreciation period which is the shortest of the economic life or rental period

ABOUT FORMPIPE

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

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

CALENDAR FOR FINANCIAL INFORMATION

October 24, 2019	Interim report Jan-Sep
February 14, 2020	Interim report Jan-Dec

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

FINANCIAL INFORMATION

Can be ordered from the below contact details. All financial information is published on www.formpipe.com immediately after being made public.

CONTACT INFORMATION

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Stockholm July 12, 2019
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CONSOLIDATED INCOME STATEMENT SUMMARY

(SEK 000)	Apr-Jun		Jan-Jun	
	2019	2018	2019	2018
Net Sales	101 490	100 016	198 313	201 225
Sales expenses	-12 836	-13 553	-24 701	-24 198
Other costs	-18 806	-18 919	-35 600	-37 884
Personnel costs	-53 900	-54 163	-108 022	-108 521
Capitalized work for own account	9 065	8 143	18 020	16 198
Operating profit/loss before depreciation/amortization and non-comparative items (EBITDA)	25 012	21 524	48 010	46 820
Items affecting comparability	-	-	-	-
Depreciation/amortization	-13 528	-11 884	-27 030	-23 605
Operating profit/loss (EBIT)	11 484	9 641	20 980	23 215
Financial income and expenses	-491	-715	-1 273	-1 495
Exchange rate differences	-71	402	-571	264
Tax	-2 511	-2 031	-4 395	-4 739
Net profit for the period	8 411	7 297	14 742	17 246
<u>Of which the following relates to:</u>				
Parent company shareholders	8 411	7 297	14 742	17 246
<u>Other comprehensive income</u>				
Translation differences	3 191	2 931	8 248	14 614
Other comprehensive income for the period, net after tax	3 191	2 931	8 248	14 614
Total comprehensive income for the period	11 602	10 228	22 989	31 860
<u>Of which the following relates to:</u>				
Parent company shareholders	11 602	10 228	22 989	31 860
Shareholding with no controlling influence	-	-	-	-
<i>EBITDA margin, %</i>	<i>24,6%</i>	<i>21,5%</i>	<i>24,2%</i>	<i>23,3%</i>
<i>EBIT margin, %</i>	<i>11,3%</i>	<i>9,6%</i>	<i>10,6%</i>	<i>11,5%</i>
<i>Profit margin, %</i>	<i>8,3%</i>	<i>7,3%</i>	<i>7,4%</i>	<i>8,6%</i>
Earnings per share attributable to the parent company's shareholders during the period (SEK per share)				
- before dilution	0,16	0,14	0,28	0,33
- after dilution	0,16	0,14	0,28	0,33
Average no. of shares before dilution, in 000	52 983	52 678	52 935	52 625
Average no. of shares after dilution, in 000	53 334	53 082	53 356	52 951

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

CONSOLIDATED BALANCE SHEET SUMMARY

(SEK 000)	Jun 30		Dec 31
	2019	2018	2018
Intangible assets	475 527	477 768	469 942
Tangible assets	36 996	4 745	5 740
Financial assets	5 537	1 242	6 218
Deferred tax asset	10 377	14 228	9 373
Current assets (excl. cash equivalents)	92 136	79 332	86 860
Cash equivalents	16 754	73 699	123 782
TOTAL ASSETS	637 326	651 014	701 915
Equity	383 142	373 494	391 023
Shareholding with no controlling influence	-	-	-
Long-term liabilities	48 824	96 550	20 817
Current liabilities	205 361	180 971	290 075
TOTAL EQUITY AND LIABILITIES	637 326	651 015	701 915
Net interest-bearing debt (-) / cash (+)	-43 059	-13 107	46 719

CHANGES IN CONSOLIDATED EQUITY

(SEK 000)	Equity attributable to the parent company's shareholders					Shareholdings with no controlling influence	
	Share capital	Other contributed capital	Other reserves	Profit/loss brought forward	Total	influence	Total
Balance at January 1, 2018	5 187	194 729	17 892	145 243	363 051	2 079	365 130
Comprehensive income							
Net profit for the period	-	-	-	17 246	17 246	-	17 246
Other comprehensive income items	-	-	14 614	-	14 614	-	14 614
Total comprehensive income	-	-	14 614	17 246	31 860	-	31 860
Transaction with owners							
Acquisition of non-controlling interests	-	-	-8 621	-	-8 621	-2 079	-10 700
Dividend	-	-	-	-25 937	-25 937	-	-25 937
Issue for non-cash consideration	70	10 630	-	-	10 700	-	10 700
Share issue	31	2 970	-	-	3 001	-	3 001
Repurchase of warrants	-	-916	-	-	-916	-	-916
Employee warrant schemes	-	355	-	-	355	-	355
Total transaction with owners	101	13 038	-8 621	-25 937	-21 418	-2 079	-23 497
Balance at June 30, 2018	5 288	207 768	23 885	136 552	373 494	-	373 494
Balance at January 1, 2019	5 288	207 768	18 770	159 196	391 023	-	391 023
Comprehensive income							
Net profit for the period	-	-	-	14 742	14 742	-	14 742
Other comprehensive income items	-	-	8 248	-	8 248	-	8 248
Total comprehensive income	-	-	8 248	14 742	22 989	-	22 989
Transaction with owners							
Dividend	-	-	-	-31 732	-31 732	-	-31 732
Share issue	29	2 828	-	-	2 856	-	2 856
Repurchase of warrants	-	-2 610	-	-	-2 610	-	-2 610
Employee warrant schemes	-	615	-	-	615	-	615
Total transaction with owners	29	833	-	-31 732	-30 871	-	-30 871
Balance at June 30, 2019	5 317	208 600	27 017	142 206	383 142	-	383 142

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

CASH FLOW STATEMENT SUMMARY

(SEK 000)	Apr-Jun		Jan-Jun	
	2019	2018	2019	2018
Cash flow from operating activities before working capital changes	22 276	23 627	39 927	42 508
Cash flow from working capital changes	-15 607	-2 775	-45 750	-1 620
Cash flow from operating activities	6 669	20 852	-5 823	40 888
Cash flow from investing activities	-10 079	-9 826	-19 967	-18 651
Cash flow from financing activities	-75 941	-27 496	-82 802	-31 939
Cash flow for the period	-79 351	-16 470	-108 592	-9 702
Change in cash and cash equivalent				
Cash and cash equivalent at the beginning of the period	95 439	90 023	123 782	82 663
Translation differences	666	146	1 564	738
Cash flow for the period	-79 351	-16 470	-108 592	-9 702
Cash and cash equivalent at the end of the period	16 754	73 699	16 754	73 699

8 QUARTERS IN SUMMARY

(SEK 000)	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2
License	6 792	16 698	14 024	11 380	8 544	10 670	4 972	11 629
SaaS	5 341	6 147	6 535	7 110	8 125	9 031	10 475	10 728
Support and maintenance	44 536	45 130	45 678	47 610	48 147	50 947	49 554	49 253
Software revenues	56 670	67 975	66 237	66 101	64 815	70 647	65 001	71 610
<i>whereof recurring revenue</i>	<i>49 877</i>	<i>51 277</i>	<i>52 214</i>	<i>54 720</i>	<i>56 272</i>	<i>59 978</i>	<i>60 030</i>	<i>59 981</i>
Deliveries	31 332	42 482	34 972	33 916	30 822	38 903	31 822	29 879
Net sales	88 002	110 457	101 209	100 016	95 637	109 550	96 823	101 490
Sales expenses	-12 772	-19 532	-10 645	-13 553	-13 195	-13 549	-11 864	-12 836
Other costs	-15 530	-19 978	-18 965	-18 919	-17 171	-19 966	-16 794	-18 806
Personnel costs	-46 428	-53 580	-54 358	-54 163	-48 327	-58 156	-54 121	-53 900
Capitalized development costs	8 849	8 496	8 055	8 143	8 669	9 419	8 955	9 065
Total operating expenses	-65 881	-84 595	-75 913	-78 492	-70 024	-82 252	-73 825	-76 478
EBITDA	22 121	25 862	25 296	21 524	25 613	27 299	22 998	25 012
%	25,1%	23,4%	25,0%	21,5%	26,8%	24,9%	23,8%	24,6%
Items affecting comparability	-	-863	-	-	-	-	-	-
Depreciation/amortization	-10 976	-10 330	-11 721	-11 884	-11 754	-11 159	-13 502	-13 528
EBIT	11 145	14 669	13 575	9 640	13 859	16 140	9 496	11 484
%	12,7%	13,3%	13,4%	9,6%	14,5%	14,7%	9,8%	11,3%

* As of January 1, 2019, the Group applies IFRS 16 according to the modified retroactive transition method, which means that the comparative figures will not be recalculated. The effect of the application of IFRS 16 means that the operating leases previously expensed on a straight-line basis over the income statement under the item "Other expenses" from Q1 2019 are expensed under depreciation and financial items instead. On page 14 of this quarterly report, the Group has presented a pro forma income statement before IFRS 16 to illustrate a comparison.

SEGMENT SUMMARY - PROFORMA

From January 1, 2019, the Group's segments are divided according to which customer groups they target. The segments are divided into SE Public, DK Public, Private and Other and reflect the Group's internal reporting and follow-up of Group management.

The SE Public and DK Public segments find their customers in Sweden's and Denmark's public sectors. Segment Private collects the Group's offers that are aimed at customers outside the public sector and are not bound to any particular geographic market. Segment Other includes the Group's older products that are not included in any of the other segments and the Group's overhead costs.

(Tkr)	jan-jun 19						IFRS 16	Koncern
	SE Public	DK Public	Private	Other	Elim.			
License	5 091	2 304	9 206	-	-	-	16 601	
SaaS	8 195	3 219	9 785	5	-	-	21 204	
Support & Maintenance	39 341	28 443	28 377	2 646	-	-	98 807	
Delivery	9 539	40 181	11 981	-	-	-	61 701	
Sales, internal	153	40	1 525	-	-1 718	-	-	
Net sales	62 319	74 187	60 875	2 651	-1 718	-	198 313	
Costs, external	-37 575	-60 225	-47 250	-9 196	-	3 943	-150 303	
Costs, internal	-36	-156	-1 526	-	1 718	-	-	
EBITDA	24 708	13 806	12 099	-6 545	-	3 943	48 010	
%	39,6%	18,6%	19,9%	-246,9%			24,2%	

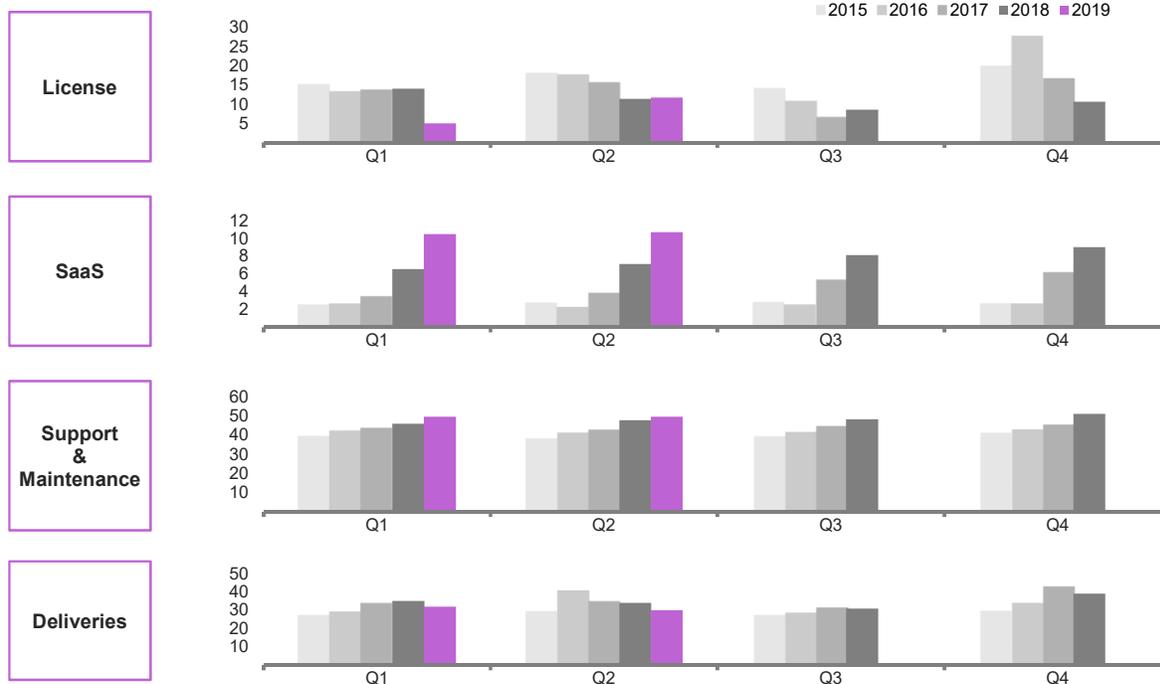
(Tkr)	jan-jun 18						IFRS 16	Koncern
	SE Public	DK Public	Private	Other	Elim.			
License	9 727	4 181	11 442	54	-	-	25 404	
SaaS	6 659	2 362	4 568	56	-	-	13 645	
Support & Maintenance	36 156	26 304	27 599	3 229	-	-	93 289	
Delivery	16 763	44 246	7 865	13	-	-	68 887	
Sales, internal	1 168	37	2 155	-	-3 360	-	-	
Net sales	70 474	77 130	53 629	3 352	-3 360	-	201 225	
Costs, external	-42 715	-58 160	-45 777	-7 753	-	-	-154 405	
Costs, internal	-35	-1 154	-2 172	-	3 360	-	-	
EBITDA	27 725	17 817	5 680	-4 401	-	-	46 820	
%	39,3%	23,1%	10,6%	-131,3%			23,3%	

NUMBER OF SHARES

	2015-01-01	2016-01-01	2017-01-01	2018-01-01	2019-01-01
	2015-12-31	2016-12-31	2017-12-31	2018-12-31	2019-06-30
Number of outstanding shares at the beginning of the period	50 143 402	50 143 402	51 273 608	51 873 025	52 887 406
Share issue from warrant programme	-	1 130 206	599 417	314 576	286 501
Non-cash issue	-	-	-	699 805	-
Number of outstanding shares at the end of the period	50 143 402	51 273 608	51 873 025	52 887 406	53 173 907

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SALES ANALYSIS BY QUARTER



KEY RATIOS FOR THE GROUP

	Jan-Jun	
	2019	2018
Net sales, SEK 000	198 313	201 225
EBITDA, SEK 000	48 010	46 820
EBITDA-adj., SEK 000	29 990	30 622
EBIT, SEK 000	20 980	23 215
Net profit for the period, SEK 000	14 742	17 246
EBITDA margin, %	24,2%	23,3%
EBITDA-adj. margin, %	15,1%	15,2%
EBIT margin, %	10,6%	11,5%
Profit margin, %	7,4%	8,6%
Return on equity, %*	9,7%	9,3%
Return on working capital, %*	13,2%	12,9%
Equity ratio, %	60%	57%
Equity per outstanding share at the end of the period, SEK	7,21	7,20
Earnings per share - before dilution, SEK	0,28	0,33
Earnings per share - after dilution, SEK	0,28	0,33
Share price at the end of the period, SEK	21,80	20,80

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

PARENT COMPANY INCOME STATEMENT SUMMARY*

(SEK 000)	Apr-Jun		Jan-Jun	
	2019	2018	2019	2018
Net sales	34 686	43 188	68 556	78 323
Operating expenses				
Sales expenses	-803	-5 213	-3 484	-6 589
Other costs	-12 435	-9 100	-21 258	-17 254
Personnel costs	-17 337	-17 039	-36 020	-34 129
Depreciation/amortization	-1 499	-1 544	-2 980	-3 065
Total operating expenses	-32 074	-32 896	-63 740	-61 037
Operating profit/loss	2 612	10 292	4 816	17 287
Result from participations in group companies	-	-	-	-
Other financial items	72	364	-1 339	-174
Tax	-	-	-	-
Net profit for the period	2 684	10 657	3 477	17 112

PARENT COMPANY BALANCE SHEET SUMMARY

(SEK 000)	Jun 30		Dec 31
	2019	2018	2018
Intangible assets	10 440	13 644	12 198
Tangible assets	1 115	847	1 185
Financial assets	279 570	338 205	280 294
Deferred tax asset	-	-	-
Current assets (excl. cash equivalents)	49 604	54 131	94 690
Cash and bank balances	5 774	41 839	64 116
TOTAL ASSETS	346 503	448 667	452 482
Restricted equity	23 008	22 979	22 979
Non-restricted equity	191 425	215 842	218 848
Total equity	214 433	238 821	241 827
Long-term liabilities	-	75 714	-
Current liabilities	132 070	134 132	210 655
TOTAL EQUITY AND LIABILITIES	346 503	448 667	452 482

PLEGDED ASSETS AND CONTINGENT LIABILITIES

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

(SEK 000)	Jun 30		Dec 31
	2019	2018	2018
Pledged assets	27 047	325 980	326 762
Contingent liabilities	-	-	-

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CONSOLIDATED INCOME STATEMENT PROFORMA SUMMARY

(SEK 000)	Apr-Jun		Jan-Jun	
	2019	2018	2019	2018
Net Sales	101 490	100 016	198 313	201 225
Sales expenses	-12 836	-13 553	-24 701	-24 198
Other costs	-20 785	-18 919	-39 543	-37 884
Personnel costs	-53 900	-54 163	-108 022	-108 521
Capitalized work for own account	9 065	8 143	18 020	16 198
Operating profit/loss before depreciation/amortization and non-comparative items (EBITDA)	23 033	21 524	44 068	46 820
Items affecting comparability	-	-	-	-
Depreciation/amortization	-11 644	-11 884	-23 277	-23 605
Operating profit/loss (EBIT)	11 389	9 641	20 791	23 215
Financial income and expenses	-315	-715	-915	-1 495
Exchange rate differences	-71	402	-571	264
Tax	-2 528	-2 031	-4 432	-4 739
Net profit for the period	8 474	7 297	14 873	17 246
<u>Of which the following relates to:</u>				
Parent company shareholders	8 474	7 297	14 873	17 246
Shareholding with no controlling influence	-	-	-	-
<u>Other comprehensive income</u>				
Translation differences	3 191	2 931	8 248	14 614
Other comprehensive income for the period, net after tax	3 191	2 931	8 248	14 614
Total comprehensive income for the period	11 666	10 228	23 121	31 860
<u>Of which the following relates to:</u>				
Parent company shareholders	11 666	10 228	23 121	31 860
Shareholding with no controlling influence	-	-	-	-
<i>EBITDA margin, %</i>	<i>22,7%</i>	<i>21,5%</i>	<i>22,2%</i>	<i>23,3%</i>
<i>EBIT margin, %</i>	<i>11,2%</i>	<i>9,6%</i>	<i>10,5%</i>	<i>11,5%</i>
<i>Profit margin, %</i>	<i>8,3%</i>	<i>7,3%</i>	<i>7,5%</i>	<i>8,6%</i>
Earnings per share attributable to the parent company's shareholders during the period (SEK per share)				
- before dilution	0,16	0,14	0,28	0,33
- after dilution	0,16	0,14	0,28	0,33
Average no. of shares before dilution, in 000	52 983	52 678	52 935	52 625
Average no. of shares after dilution, in 000	53 334	53 082	53 356	52 951

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CONSOLIDATED BALANCE SHEET SUMMARY

(SEK 000)	Jun 30		Dec 31
	2019	2018	2018
Intangible assets	475 527	477 768	469 942
Tangible assets	5 713	4 745	5 740
Financial assets	5 537	1 242	6 218
Deferred tax asset	10 340	14 228	9 373
Current assets (excl. cash equivalents)	93 815	79 332	86 860
Cash equivalents	16 754	73 699	123 782
TOTAL ASSETS	607 686	651 014	701 915
Equity	383 273	373 492	391 023
Shareholding with no controlling influence	-	-	-
Long-term liabilities	26 076	96 550	20 817
Current liabilities	198 337	180 971	290 075
TOTAL EQUITY AND LIABILITIES	607 686	651 014	701 915
Net interest-bearing debt (-) / cash (+)	-13 288	-13 107	46 719

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DEFINITIONS

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

Software revenue

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

Recurring revenue

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

Annual recurring revenue (ARR)

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

ARR IN

Initial value for the period's Annual recurring revenue.

ACV

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

ARR OUT

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

Fixed operating expenses

Other costs and personnel costs

Operating expenses

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

EBITDA

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

EBITDA-adj.

EBITDA exclusive capitalized work for own account

Items affecting comparability

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

EBIT

Operating profit/loss

Operating margin before depreciation and amortization (EBITDA margin)

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

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

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

Operating margin (EBIT margin)

Operating profit/loss as a percentage of net sales.

Profit margin

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

Earnings per share - before dilution

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

Earnings per share - after dilution

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

Equity per share

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

Return on equity

Profit/loss after tax as a percentage of average equity

Return on working capital

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

Free cash flow

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

Net interest-bearing debt

Interest bearing debts minus cash and cash equivalents

Equity ratio

Equity as a percentage of the balance sheet total.