

## Interim report January-March 2020

(Figures in parentheses refer to outcomes in the year-earlier period.)

### First quarter of 2020

- Net sales amounted to SEK 160.7 million (113.5), up 41.7 percent.
- Operating profit totaled SEK 53.2 million (32.2), corresponding to an operating margin of 33.1 percent (28.4).
- Profit after tax was SEK 41.0 million (25.0).
- Earnings per share after dilution amounted to SEK 0.68 (0.41).

### Significant events in the first quarter

- Fortnox AB's Board decided to voluntarily implement International Financial Reporting Standards (IFRSs), as adopted by the EU, for the Group's financial reporting as of January 1, 2020. All comparative amounts in this interim report have been restated to IFRS unless otherwise stated. A description of the transition to IFRS and the subsequent effects on the Group's results and financial position are presented in Note 4.
- The first quarter was impacted by the Coronavirus pandemic. This extraordinary situation has obviously affected everybody, both customers, partners and employees, albeit in different ways. Fortnox took timely measures to slow the spread of the virus, while continuing to operate as usual wherever possible. Our initiatives have proved successful, and the company has maintained a high level of activity throughout the entire period. No direct effects have been noted on the company's results or financial position. However, optional services showed some signs of slightly weaker growth at the end of the quarter. Management is continuously assessing the potential impact of Coronavirus pandemic on Fortnox's results and financial position.

Financial information (Group)	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019	Jan-Dec 2018
Net sales (SEK million)	160.7	113.5	532.1	374.4
EBIT (SEK million)	53.2	32.2	172.8	102.7
EBIT margin	33.1%	28.4%	32.5%	27.4%
Earnings per share, after dilution (SEK)	0.68	0.41	2.22	1.30
Cash flow from operating activities (SEK million)	17.9	40.5	195.8	115.2
Working capital at the end of the period (SEK million)	162.3	66.8	164.5	64.0

 Fortnox offers a cloud-based platform to help small businesses and accounting firms manage their financial administration efficiently. The platform is market-leading in Sweden. It also gives customers access to various financial services and business insurance. Fortnox was founded in 2001 and is based in Växjö, Sweden. The share is traded on NGM Nordic SME. For more information, visit [www.fortnox.se](http://www.fortnox.se)

## Net sales and results in the first quarter

Net sales amounted to SEK 160.7 million (113.5), up 41.7 percent (38.8).

Operating expenses amounted to SEK 110.6 million (83.8).

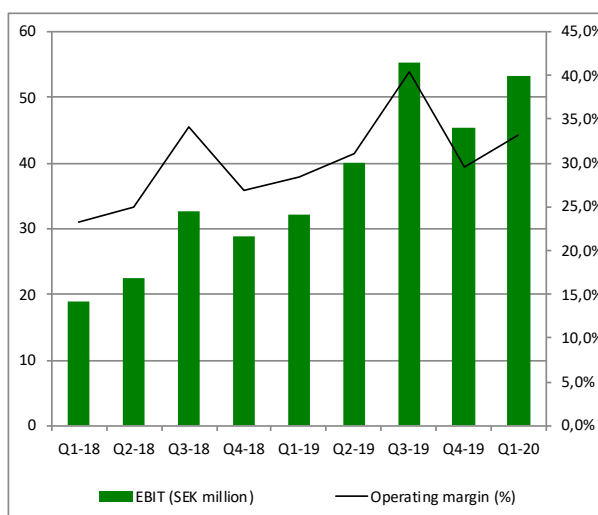
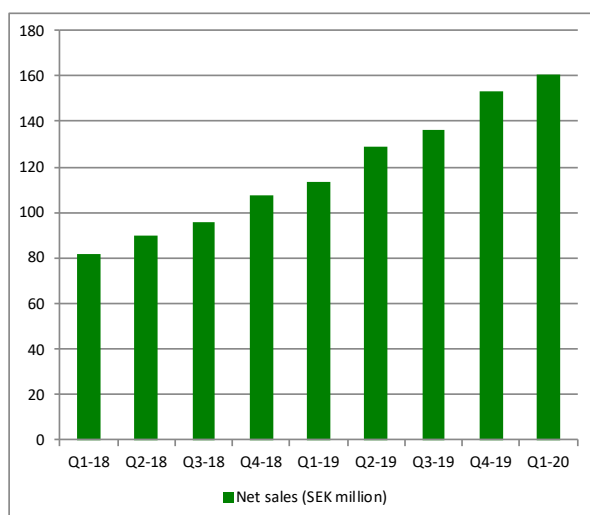
Operating profit totaled SEK 53.2 million (32.2), corresponding to an operating margin of 33.1 percent (28.4).

At the end of the period, the number of customers was 328,000 (273,000), up 20 percent (24).

Annual Recurring Revenue (ARR<sup>1</sup>) amounted to SEK 479 million (367).

Average Revenue Per Customer (ARPC<sup>2</sup>) amounted to SEK 160 (137).

Net sales and results	Fortnox AB	Fortnox Finans AB	Fortnox Försäkringar AB	Group
Net sales (SEK million)	141.6 (99.1)	23.1 (16.9)	0.2 (0.0)	<b>160.7 (113.5)</b>
EBIT (SEK million)	49.4 (30.5)	5.5 (3.2)	-2.2 (-1.7)	<b>53.2 (32.2)</b>



1) Annual Recurring Revenue (ARR) is calculated by multiplying MRR by 12. Monthly Recurring Revenue (MRR) is defined as the opening value of the next month's revenue from subscription services.

2) Average Revenue Per Customer (ARPC) and month is calculated by dividing net sales (excluding non-recurring revenue) by the number of customers at the end of the month. To avoid seasonal variations, Fortnox has elected to report ARPC over a rolling 12-month period.

## Investments in the first quarter

The Group's investments in tangible and intangible assets amounted to SEK 15.5 million (10.4).

Capitalized development costs accounted for SEK 15.4 million (10.4). Capitalized development costs included internally generated development costs of SEK 7.9 million (5.8).

Depreciation and amortization of tangible and intangible assets amounted to SEK 14.5 million (11.3).

## Cash flow and financial position in the first quarter

The Group's cash flow from operating activities was SEK 17.9 million (40.5). The increase in current receivables during the period has reduced cash flow by SEK 50.7 million (15.8).

At the end of the period, the Group's cash and cash equivalents amounted to SEK 265.6 million (222.2).

The utilized overdraft facility amounted to SEK 0 million (46.0) at the end of the period.

Current receivables amounted to SEK 189.1 million (108.3) at the end of the period. Current liabilities amounted to SEK 292.4 million (263.8).

The Group's working capital amounted to SEK 162.3 million (66.8).

Non-current liabilities consisted solely of lease liability and amounted to SEK 156.2 million (52.6).

The equity/assets ratio was 39.3 percent (34.9).

## Employees

At the end of the period, the number of employees was 352 (274). The company also engages external consultants for specific projects.

No. of employees at the end of the period	Fortnox AB	Fortnox Finans AB	Fortnox Försäkringar AB	Group
No. of employees	294 (228)	50 (40)	8 (6)	352 (274)

## Parent Company in the first quarter

Parent Company revenue is mainly derived from subscription services for financial administration.

In the quarter, net sales for the Parent Company amounted to SEK 141.6 million (99.1), up 42.8 percent (41.7).

Operating profit totaled SEK 49.4 million (30.5). The operating margin was 34.9 percent (30.8) for the period.

Profit after tax was SEK 37.1 million (22.6) and earnings per share after dilution were SEK 0.61 (0.37).

The Parent Company's investments in tangible assets amounted to SEK 0.1 million (0.0) and investments in intangible assets amounted to SEK 12.8 million (9.1).

At the end of the period, working capital amounted to SEK 137.7 million (50.9).

## Significant risks and uncertainties

The company's business operations are exposed to certain types of risk that could affect its results or financial position to a greater or lesser extent. These can be divided into industry and business-specific risks and financial risks. Management's overall view of the risks that could affect the business operations are described in the most recently published Annual Report. A more detailed description of the risk scenario for the Group and the Parent Company can be found on page 52 of Fortnox's 2019 Annual Report.

The situation arising from the coronavirus pandemic should now be added. Although no direct effects have been noted on the company's results as yet (as described under *Significant events in the first quarter* on page 1), management is continuously monitoring the situation.

The company's revenue is largely derived from subscriptions and is therefore relatively stable. One risk of a more general and long-term nature that could affect the company is the development of the economic situation for companies in Sweden, and whether it will continue to deteriorate over an even longer period.

## Related-party transactions

During the period, the Group had transactions with ArtOn24 AB regarding rent, which amounted to SEK 4.3 million (2.7). Board member Olof Hallrup controls ArtOn 24, and via First Kraft AB, about 21 percent (21) of the votes in Fortnox AB.

Otherwise, there were no transactions between the Group or the Parent Company and a related party with any significant effect on the financial position or results of the Group or the Parent Company.

Related-party transactions are undertaken at market prices.

## Significant events after the end of the interim period

No significant events were reported after the end of the period.

The same signals noted by the company at the end of the quarter in regard to the coronavirus pandemic continued after the end of the quarter.

## Shares and share capital

At the end of the period, consolidated equity amounted to SEK 290.8 million (169.4).

The share capital amounted to SEK 1.2 million (1.2), distributed between 59,785,293 shares (59,735,293) (quota value SEK 0.02).

	Mar 31 2020	Mar 31 2019	Dec 31 2019	Dec 31 2018
No. of shares outstanding at the end of the period	59,785,293	59,735,293	59,785,293	59,715,293
Share price at the end of the period (SEK)	164.0	94.0	168.0	66.8

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Fortnox AB has been listed on NGM Nordic SME since May 14, 2007.

The ten largest shareholders at March 31, 2020 are shown in the table below:

Shareholder	No. of shares	%
FIRST KRAFT AB	12,578,071	21.04
STATE STREET BANK AND TRUST CO, W9	6,950,880	11.63
SWEDBANK ROBUR NY TEKNIK BTI	3,239,267	5.42
BNY MELLON SA/NV (FORMERLY BNY), W8IMY	2,472,047	4.13
MORGAN STANLEY & CO INTL PLC, W8IMY	2,276,021	3.81
BNY MELLON NA (FORMERLY MELLON), W9	1,514,128	2.53
BENGTSSON, PEDER KLAS-ÅKE	1,440,500	2.41
SPILTAN AKTIEFOND TOTAL	1,428,515	2.39
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	1,213,178	2.03
CBNY-NORGES BANK	967,800	1.62
Others	25,704,886	42.99
<b>Total</b>	<b>59,785,293</b>	<b>100.0</b>

## Financial calendar

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- Interim report, January-June 2020 August 20, 2020
- Interim report, January-September 2020 October 22, 2020

Financial reports, press releases and other information have been published on Fortnox's website [www.fortnox.se](http://www.fortnox.se)

## Publication

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This information is such that Fortnox AB (publ) is required to publish under the EU Market Abuse Regulation (MAR). The information was submitted for publication, through the agency of the contact person below, on April 28, 2020 at 8:30 a.m. CEST.

This interim report has not been audited.

Växjö, April 28, 2020

Fortnox AB (publ)  
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**Condensed consolidated statement of profit or loss and other comprehensive income**

SEK 000s	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales	160,722	113,464	81,721	532,084	374,379
Other operating income	3,106	2,479	1,824	13,201	8,309
<b>Total operating income</b>	<b>163,828</b>	<b>115,943</b>	<b>83,546</b>	<b>545,285</b>	<b>382,689</b>
Own work capitalized	7,900	5,791	4,798	23,574	18,872
Services purchased	-23,887	-19,855	-13,890	-81,570	-62,296
Other external costs	-18,238	-14,866	-10,689	-76,286	-51,225
Employee benefit expenses	-61,876	-43,489	-37,550	-194,783	-150,473
Depreciation, amortization and impairment of tangible and intangible assets	-14,547	-11,348	-7,243	-43,400	-34,867
<b>Total operating expenses</b>	<b>-110,648</b>	<b>-83,766</b>	<b>-64,575</b>	<b>-372,465</b>	<b>-279,989</b>
<b>Operating profit</b>	<b>53,181</b>	<b>32,177</b>	<b>18,971</b>	<b>172,820</b>	<b>102,700</b>
Financial items	-879	-261	-270	-1,099	-1,222
<b>Profit before tax</b>	<b>52,302</b>	<b>31,916</b>	<b>18,700</b>	<b>171,721</b>	<b>101,477</b>
Tax	-11,348	-6,866	-4,410	-37,073	-22,990
<b>Profit for the period</b>	<b>40,954</b>	<b>25,049</b>	<b>14,291</b>	<b>134,648</b>	<b>78,488</b>
<b>Other comprehensive income</b>					
Other comprehensive income	0	0	0	0	0
<b>Comprehensive income for the period</b>	<b>40,954</b>	<b>25,049</b>	<b>14,291</b>	<b>134,648</b>	<b>78,488</b>
<b>Earnings per share</b>					
– before dilution, SEK	0.69	0.42	0.24	2.25	1.32
– after dilution, SEK	0.68	0.41	0.24	2.22	1.30
<b>Average no. of shares outstanding</b>					
– before dilution, 000s	59,785	59,720	59,633	59,758	59,673
– after dilution, 000s	60,542	60,535	60,235	60,540	60,437

**Condensed consolidated statement of financial position**

SEK 000s	Mar 31 2020	Mar 31 2019	Mar 31 2018	Dec 31 2019	Dec 31 2018	Jan 1 2018
<b>Assets</b>						
Intangible assets	103,203	86,531	78,641	96,658	84,270	74,169
Tangible assets	6,535	5,205	6,253	6,988	5,649	6,670
Right-of-use assets	174,298	63,391	67,202	56,611	64,716	69,409
Deferred tax assets	699	130	29	555	110	224
<b>Total non-current assets</b>	<b>284,735</b>	<b>155,257</b>	<b>152,124</b>	<b>160,812</b>	<b>154,746</b>	<b>150,473</b>
Accounts receivable	65,720	44,872	32,687	36,958	38,508	27,893
Accounts receivable, factoring	74,550	55,062	30,124	78,926	47,951	23,208
Prepaid expenses and accrued income	12,035	7,880	1,451	10,507	5,858	1,050
Other receivables	36,773	510	230	20,627	222	6,853
Cash and cash equivalents	265,579	222,222	115,931	267,067	197,516	114,437
<b>Total current assets</b>	<b>454,657</b>	<b>330,545</b>	<b>180,423</b>	<b>414,086</b>	<b>290,055</b>	<b>173,441</b>
<b>Total assets</b>	<b>739,392</b>	<b>485,802</b>	<b>332,547</b>	<b>574,898</b>	<b>444,801</b>	<b>323,914</b>
<b>Equity</b>						
Share capital	1,196	1,195	1,193	1,196	1,194	1,192
Other contributed capital	88,639	87,873	85,957	88,639	87,567	85,267
Retained earnings incl. profit for the period	200,992	80,333	11,993	189,931	76,191	12,619
<b>Total equity</b>	<b>290,827</b>	<b>169,401</b>	<b>99,143</b>	<b>279,766</b>	<b>164,952</b>	<b>99,079</b>
<b>Liabilities</b>						
Lease liability	156,170	52,610	57,249	45,545	53,781	59,318
<b>Total non-current liabilities</b>	<b>156,170</b>	<b>52,610</b>	<b>57,249</b>	<b>45,545</b>	<b>53,781</b>	<b>59,318</b>
Interest-bearing current liabilities	0	46,047	32,458	0	49,064	24,894
Lease liability	18,666	10,374	9,301	10,958	10,422	9,309
Accounts payable	14,824	10,990	11,492	19,381	14,154	13,767
Tax liabilities	29,924	18,435	12,933	37,752	24,661	20,459
Accrued expenses and deferred income	179,940	142,079	107,640	165,997	114,984	89,363
Other liabilities	49,041	35,868	2,331	15,499	12,783	7,725
<b>Total current liabilities</b>	<b>292,394</b>	<b>263,792</b>	<b>176,155</b>	<b>249,587</b>	<b>226,069</b>	<b>165,517</b>
<b>Total liabilities</b>	<b>448,565</b>	<b>316,401</b>	<b>233,403</b>	<b>295,132</b>	<b>279,849</b>	<b>224,835</b>
<b>Total equity and liabilities</b>	<b>739,392</b>	<b>485,802</b>	<b>332,547</b>	<b>574,898</b>	<b>444,801</b>	<b>323,914</b>

**Condensed consolidated statement of changes in equity**

SEK 000s	Share capital	Other contributed capital	Retained earnings incl. profit for the period	Total equity
<b>Opening equity, Jan 1, 2018</b>	<b>1,192</b>	<b>85,267</b>	<b>12,619</b>	<b>99,079</b>
Comprehensive income for the period			14,291	14,291
Dividends paid			-14,916	-14,916
New share issue	1	689		690
Warrants				
<b>Total contributions from and value transfers to owners</b>	<b>1</b>	<b>689</b>	<b>-626</b>	<b>65</b>
<b>Closing equity, Mar 31, 2018</b>	<b>1,193</b>	<b>85,957</b>	<b>11,993</b>	<b>99,143</b>
<b>Opening equity, Apr 1, 2018</b>	<b>1,193</b>	<b>85,957</b>	<b>11,993</b>	<b>99,143</b>
Comprehensive income for the period			64,197	64,197
Dividends paid				
New share issue	1	766		767
Warrants		844		844
<b>Total contributions from and value transfers to owners</b>	<b>1</b>	<b>1,610</b>	<b>64,197</b>	<b>65,808</b>
<b>Closing equity, 31 Dec 2018</b>	<b>1,194</b>	<b>87,567</b>	<b>76,191</b>	<b>164,952</b>
<b>Opening equity, Jan 1, 2019</b>	<b>1,194</b>	<b>87,567</b>	<b>76,191</b>	<b>164,952</b>
Comprehensive income for the period			25,049	25,049
Dividends paid			-20,907	-20,907
New share issue		307		307
Warrants				
<b>Total contributions from and value transfers to owners</b>	<b>0</b>	<b>307</b>	<b>4,142</b>	<b>4,449</b>
<b>Closing equity, Mar 31, 2019</b>	<b>1,195</b>	<b>87,873</b>	<b>80,333</b>	<b>169,401</b>
<b>Opening equity, Apr 1, 2019</b>	<b>1,195</b>	<b>87,873</b>	<b>80,333</b>	<b>169,401</b>
Comprehensive income for the period			109,598	109,598
Dividends paid				
New share issue	1	766		767
Warrants				
<b>Total contributions from and value transfers to owners</b>	<b>1</b>	<b>766</b>	<b>109,598</b>	<b>110,365</b>
<b>Closing equity, Dec 31, 2019</b>	<b>1,196</b>	<b>88,639</b>	<b>189,931</b>	<b>279,766</b>
<b>Opening equity, Jan 1, 2020</b>	<b>1,196</b>	<b>88,639</b>	<b>189,931</b>	<b>279,766</b>
Comprehensive income for the period			40,954	40,954
Dividends paid			-29,893	-29,893
New share issue				
Warrants				
<b>Total contributions from and value transfers to owners</b>	<b>0</b>	<b>0</b>	<b>11,061</b>	<b>11,061</b>
<b>Closing equity, Mar 31, 2020</b>	<b>1,196</b>	<b>88,639</b>	<b>200,992</b>	<b>290,827</b>



**Condensed consolidated statement of cash flows**

SEK 000s	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2019	Jan-Dec 2018
<b>Operating activities</b>					
Profit before tax	52,302	31,916	18,700	171,721	101,477
Non-cash adjustments	14,547	11,348	7,243	43,400	34,867
Income tax paid	-17,623	-11,979	-10,733	-25,688	-19,609
	<b>49,226</b>	<b>31,284</b>	<b>15,211</b>	<b>189,433</b>	<b>116,735</b>
Increase (-)/decrease (+) in operating receivables	-50,663	-15,802	-5,340	-54,716	-33,517
Increase (+)/decrease (-) in operating liabilities	19,316	24,975	9,600	61,062	32,001
<b>Cash flow from operating activities</b>	<b>17,879</b>	<b>40,457</b>	<b>19,470</b>	<b>195,779</b>	<b>115,219</b>
<b>Investing activities</b>					
Acquisitions of tangible assets	-116	-13	-25	-3,210	-730
Acquisitions of intangible assets	-15,418	-10,430	-9,064	-43,125	-33,078
<b>Cash flow from investing activities</b>	<b>-15,534</b>	<b>-10,442</b>	<b>-9,090</b>	<b>-46,335</b>	<b>-33,809</b>
<b>Financing activities</b>					
Overdraft facilities	0	-3,017	7,564	-49,064	24,170
New share issue	0	307	690	1,074	1,457
Warrants	0	0	0	0	844
Repayment of lease liability	-3,833	-2,599	-2,225	-10,996	-9,887
Dividends paid to Parent Company owners	0	0	-14,916	-20,907	-14,916
<b>Cash flow from financing activities</b>	<b>-3,833</b>	<b>-5,309</b>	<b>-8,888</b>	<b>-79,893</b>	<b>1,668</b>
Cash flow for the period	-1,489	24,705	1,494	69,551	83,079
Cash and cash equivalents at the beginning of the period	267,067	197,516	114,437	197,516	114,437
<b>Cash and cash equivalents at the end of the period</b>	<b>265,579</b>	<b>222,222</b>	<b>115,931</b>	<b>267,067</b>	<b>197,516</b>

## Condensed Parent Company income statement

SEK 000s	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales	141,585	99,117	69,924	464,187	322,405
Own work capitalized	7,006	4,983	4,798	21,067	17,821
Other operating income	290	522	230	2,534	1,969
	<b>148,881</b>	<b>104,621</b>	<b>74,952</b>	<b>487,788</b>	<b>342,195</b>
Services purchased	-17,054	-13,674	-8,232	-56,804	-40,999
Other external costs	-22,152	-17,067	-12,298	-81,489	-56,577
Employee benefit expenses	-52,529	-35,628	-31,469	-163,198	-125,067
Depreciation, amortization and impairment of tangible and intangible assets	-7,772	-7,729	-4,364	-28,496	-21,718
<b>Total operating expenses</b>	<b>-99,507</b>	<b>-74,100</b>	<b>-56,364</b>	<b>-329,989</b>	<b>-244,360</b>
<b>Operating profit</b>	<b>49,374</b>	<b>30,522</b>	<b>18,588</b>	<b>157,799</b>	<b>97,834</b>
Financial items	287	0	0	264	-104
<b>Profit after financial items</b>	<b>49,661</b>	<b>30,522</b>	<b>18,588</b>	<b>158,063</b>	<b>97,731</b>
Appropriations	-2,251	-1,691	0	-7,270	-6,433
<b>Profit before tax</b>	<b>47,410</b>	<b>28,830</b>	<b>18,588</b>	<b>150,793</b>	<b>91,298</b>
Tax	-10,294	-6,235	-4,101	-32,848	-20,469
<b>Profit for the period</b>	<b>37,117</b>	<b>22,596</b>	<b>14,487</b>	<b>117,946</b>	<b>70,829</b>

**Condensed Parent Company balance sheet**

SEK 000s	Mar 31, 2020	Mar 31 2019	Mar 31 2018	Dec 31 2019	Dec 31 2018	Jan 1 2018
<b>Assets</b>						
Intangible assets	91,289	76,221	69,720	85,675	74,356	65,372
Tangible assets	6,428	5,093	6,122	6,871	5,528	6,540
Financial assets	63,532	63,445	60,076	63,532	63,445	58,275
<b>Total non-current assets</b>	<b>161,249</b>	<b>144,759</b>	<b>135,918</b>	<b>156,078</b>	<b>143,330</b>	<b>130,186</b>
Accounts receivable	64,982	44,236	28,983	36,059	37,956	27,332
Current receivables from Group companies	70,000	0	0	70,000	0	0
Receivables from other Group companies	1,823	1,306	466	2,194	1,796	884
Other receivables	428	363	224	337	208	6,837
Prepaid expenses and accrued income	11,814	8,273	1,726	10,886	6,301	1,456
Cash and bank balances	249,571	191,294	97,361	235,566	165,085	94,328
<b>Total current assets</b>	<b>398,618</b>	<b>245,472</b>	<b>128,760</b>	<b>355,042</b>	<b>211,346</b>	<b>130,836</b>
<b>Total assets</b>	<b>559,868</b>	<b>390,231</b>	<b>264,679</b>	<b>511,120</b>	<b>354,676</b>	<b>261,023</b>
<b>Equity</b>						
<b>Restricted equity</b>						
Share capital	1,196	1,195	1,193	1,196	1,194	1,192
Development fund	92,347	64,596	44,130	79,766	60,522	44,130
<b>Unrestricted equity</b>						
Share premium reserve	88,639	87,873	85,957	88,639	87,567	85,267
Retained earnings	79,655	19,353	-10,103	4,183	-26,495	-39,077
Profit for the period	37,117	22,596	14,487	117,946	70,829	43,891
<b>Total equity</b>	<b>298,954</b>	<b>195,613</b>	<b>135,664</b>	<b>291,730</b>	<b>193,618</b>	<b>135,403</b>
<b>Current liabilities</b>						
Accounts payable	11,988	8,569	8,510	16,276	11,761	11,268
Liabilities to Group companies	5,206	5,476	802	5,079	5,885	0
Current tax liabilities	26,660	14,753	12,518	31,778	21,582	20,091
Other liabilities	46,171	33,952	8,963	13,185	11,383	10,399
Accrued expenses and deferred income	170,890	131,869	98,221	153,072	110,447	83,862
<b>Total current liabilities</b>	<b>260,914</b>	<b>194,618</b>	<b>129,014</b>	<b>219,390</b>	<b>161,058</b>	<b>125,619</b>
<b>Total equity and liabilities</b>	<b>559,868</b>	<b>390,231</b>	<b>264,679</b>	<b>511,120</b>	<b>354,676</b>	<b>261,023</b>

## Performance measures for the Group

The company presents some financial measures in the interim report that are not prescribed by IFRS. The company believes that these non-IFRS measures provide valuable supplementary information for investors and the company's management, as they enable an assessment of the company's financial performance and financial position. Since financial measures are calculated differently by different companies, they are not always comparable with the measures used by other companies. These financial measures should not, therefore, be considered a substitute for IFRS measures. Some non-IFRS measures are presented in the following table.

	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2019	Jan-Dec 2018
<b>IFRS financial measures</b>					
Net sales	160.7	113.5	81.7	532.1	374.4
Profit for the period (SEK million)	41.0	25.0	14.3	134.6	78.5
Earnings per share before dilution (SEK)	0.69	0.42	0.24	2.25	1.32
Earnings per share after dilution (SEK)	0.68	0.41	0.24	2.22	1.30
<b>Alternative performance measures</b>					
ARR (SEK million)	478.6	367.3	232.8	444.7	309.4
ARPC (SEK)	160	137	125	154	133
EBIT (SEK million)	53.2	32.2	19.0	172.8	102.7
EBIT margin	33.1%	28.4%	23.2%	32.5%	27.4%
Profit margin	25.5%	22.1%	17.5%	25.3%	21.0%
Equity per share after dilution (SEK)	4.80	2.80	1.65	4.62	2.72
Equity at the end of the period (SEK million)	290.8	169.4	99.1	279.8	165.0
Total assets at the end of the period (SEK million)	739.4	485.8	332.5	574.9	444.8
Working capital at the end of the period (SEK million)	162.3	66.8	4.3	164.5	64.0
Cash flow from operating activities (SEK million)	17.9	40.5	19.5	195.8	115.2
Equity/assets ratio	39.3%	34.9%	29.8%	48.7%	37.1%
<b>Non-financial measures</b>					
No. of customers at the end of the period	328,000	273,000	220,000	313,000	257,000
No. of employees at the end of the period	352	274	232	329	261
Average no. of shares outstanding before dilution	59,785	59,720	59,633	59,758	59,673
Average no. of shares outstanding after dilution	60,542	60,535	60,235	60,540	60,437
No. of shares outstanding at the end of the period before dilution	59,785	59,735	59,665	59,785	59,715
No. of shares outstanding at the end of the period after dilution	60,542	60,535	60,235	60,542	60,535

**Performance measures for the Group per quarter**

	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1
<b><u>IFRS financial measures</u></b>									
Net sales (SEK million)	160.7	153.3	136.5	128.8	113.5	107.2	95.7	89.8	81.7
Profit for the period (SEK million)	41.0	35.4	43.1	31.1	25.0	22.7	24.9	16.6	14.3
Earnings per share after dilution (SEK)	0.68	0.58	0.71	0.51	0.41	0.38	0.41	0.27	0.24
<b><u>Alternative performance measures</u></b>									
Growth compared with prev. quarter	4.9%	12.3%	6.0%	13.5%	5.9%	12.0%	6.5%	9.9%	5.5%
ARR (SEK million)	478.6	444.7	411.6	386.4	367.3	309.4	264.0	251.7	232.8
ARPC (SEK)	160	154	148	142	137	133	130	127	125
EBIT (SEK million)	53.2	45.4	55.2	40.1	32.2	28.8	32.6	22.3	19.0
EBIT margin	33.1%	29.6%	40.4%	31.1%	28.4%	26.9%	34.0%	24.9%	23.2%
Profit margin	25.5%	23.1%	31.6%	24.1%	22.1%	21.2%	26.0%	18.5%	17.5%
Equity per share after dilution (SEK)	4.80	4.62	4.04	3.32	2.80	2.72	2.34	1.92	1.65
Equity at the end of the period (SEK million)	290.8	279.8	244.4	201.2	169.4	165.0	141.9	116.3	99.1
Total assets at the end of the period (SEK million)	739.4	574.9	513.8	515.3	485.8	444.8	409.3	376.1	332.5
Working capital at the end of the period (SEK million)	162.3	164.5	136.9	95.3	66.8	64.0	44.0	16.4	4.3
Cash flow from operating activities (SEK million)	17.9	77.4	20.0	57.9	40.5	40.9	25.6	29.2	19.5
Equity/assets ratio	39.3%	48.7%	47.6%	39.1%	34.9%	37.1%	34.7%	30.9%	29.8%
<b><u>Non-financial measures</u></b>									
No. of customers at the end of the period (000s)	328	313	297	286	273	257	244	233	220
No. of employees at the end of the period	352	329	318	294	274	261	242	235	232

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## Definitions and disclosures

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**Earnings per share before dilution**

Profit for the period after tax attributable to Parent Company shareholders divided by the weighted average number of ordinary shares outstanding during the period.

**Earnings per share after dilution**

Profit for the period after tax attributable to Parent Company shareholders divided by the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares during the period.

**Operating profit (EBIT)**

Operating income less operating expenses. A measure of profitability used by investors to assess the company's profitability.

**EBIT/Operating margin**

Operating profit expressed as a percentage of net sales. A measure of profitability used by investors to assess the company's profitability.

**Profit margin**

Profit for the period expressed as a percentage of net sales. A measure of profitability used by investors to assess the company's profitability.

**Equity per share after dilution**

Equity divided by the number of shares outstanding at the end of the period after dilution. A measure used to assess the company's financial position.

**Total assets**

The total amount of assets owned by a company, or total liabilities and equity. A measure used to assess the capital structure of the company.

**Working capital**

Current assets less current liabilities (excluding fund accounting). A measure used to assess the capital tied-up in the company.

**Equity/assets ratio**

Equity expressed as a percentage of total assets. A measure used to assess the company's long and short-term solvency and capital structure.

**Growth compared with the preceding quarter**

Percentage increase in net sales compared with the preceding quarter. A measure used to assess the company's growth.

**No. of customers at the end of the period**

The number of companies, sole traders or other legal entities that, directly or through an accounting firm, subscribe to one or more of Fortnox's products/services at the end of the period.

**ARR**

Annual Recurring Revenue. MRR multiplied by 12. Monthly Recurring Revenue (MRR) is defined as the opening value of the next month's revenue from subscription services. ARR is a measure used to assess the company's recurring revenue.

**ARPC**

Average Revenue Per Customer and month. Net sales (excluding non-recurring revenue) divided by the number of customers at the end of the month. To avoid seasonal variations, Fortnox has elected to report ARPC over a rolling 12-month period. The value of ARPC on a 12-month rolling basis is calculated using the average ARPC over the past 12 months. ARPC is a measure used to assess the trend for customer purchases of additional services.

**Number of employees at the end of the period**

The number of people employed at the end of the period.

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## NOTES

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### Note 1 Significant accounting policies

The interim report has been prepared in accordance with the EU-adopted IFRS standards issued by the International Accounting Standards Board (IASB) and the EU-adopted IFRIC interpretations. In addition, the Swedish Financial Reporting Board's recommendation, RFR 1 Supplementary Accounting Rules for Groups, has been applied. This report for the Group was prepared in accordance with IAS 34 Interim Reporting and the applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act, Chapter 9 Interim Reports, and RFR 2, Accounting for Legal Entities.

This interim report is the Group's first-time adoption of IFRS and RFR 1, and the Parent Company's first-time adoption of RFR 2. Refer to Note 4 for an explanation of the transition to the new policies.

Other disclosures in accordance with IAS 34.16A are included in the financial statements and their related notes, as well as other parts of the interim report.

The most significant accounting policies for the preparation of this report are summarized below.

#### a) New and revised IFRSs not yet applied

IFRS 17 Insurance Contracts, not yet adopted by the EU, is not expected to have any effect since the insurance-related activities carried out solely comprise the mediation of insurance contracts, whereby the Group does not conclude any insurance contracts and is not therefore exposed to any insurance risk.

The IASB's amendments to IAS 1 will be applied from January 1, 2022 with earlier adoption permitted. The amendments include guidance on how to determine whether a liability should be classified as current or non-current. The Group does not expect this amendment to have any significant effect on the amounts recognized in its financial statements.

#### b) Measurement bases applied in the preparation of the financial statements

Assets and liabilities are measured at historical cost. The carrying amount of financial assets and liabilities is considered a reasonable approximation of fair value.

#### c) Functional currency and presentation currency

The Parent Company's functional currency is the Swedish krona (SEK), which is also the presentation currency for the Parent Company and the Group. This means that the financial statements are presented in SEK. Unless otherwise stated, all amounts are rounded to the nearest thousand.

#### d) Classification and so forth

Non-current assets and non-current liabilities in the Parent Company and the Group comprise in all material respects only the amounts that are expected to be recovered or settled after more than 12 months from the balance-sheet date. If a non-current liability is expected to be settled within the normal business cycle, the liability amount is recognized as a current liability instead. Current assets and current liabilities in the Parent Company and the Group in all material respects comprise the amounts that are expected to be recovered or paid within twelve months of the balance-sheet date.

#### e) Operating segment reporting

The Group applies segment reporting that is consistent with the internal reporting submitted to the chief operating decision-maker. In the Group, the chief operating decision-maker is the Executive Management Team. The main basis of separation is the companies' various types of revenue.

An operating segment is a part of the Group that engages in business activities from which it may earn revenues and incur expenses. See Note 3 for a further description of the separation and presentation of operating segments.

#### f) Consolidation principles and business combinations

##### *i) Subsidiaries*

Subsidiaries are companies over which Fortnox AB has a controlling influence. A controlling influence exists if Fortnox AB controls the investee, is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. Potential voting rights and whether de facto control exists are taken into consideration when assessing whether a controlling influence exists.

Subsidiaries are recognized using the acquisition method. This method means that the acquisition of a subsidiary is viewed as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities.

The acquisition analysis establishes the fair value of the identifiable assets acquired and liabilities assumed, as well as any non-controlling interest, at the date of acquisition. Transaction expenses, except those attributable to the issue of equity or debt instruments, are recognized immediately in profit and loss.

In business combinations where the consideration transferred exceeds the fair value of acquired assets and assumed liabilities that are recognized separately, the difference is recognized as goodwill. A negative difference, known as a bargain purchase, is recognized immediately in profit and loss.

Consideration transferred on acquisition does not include payments pertaining to the settlement of earlier business relationships. These types of settlement are usually recognized in profit or loss.

*(ii) Transactions eliminated on consolidation*

Intra-Group receivables and liabilities, revenue and expenses and unrealized gains or losses arising from intra-Group transactions between Group companies are eliminated in their entirety when preparing the consolidated financial statements.

## **g) Revenue**

*(i) Performance obligations and revenue recognition*

Revenue is measured using the consideration specified in the customer contract. The Group recognizes the revenue when control of a product or service is transferred to the customer.

Information about the nature and timing for satisfaction of the performance obligation in a customer contract, including the payment terms of the arrangement, and related revenue recognition principles are summarized below.

- **Subscription services for financial administration** – Refers to cloud-based solutions, mainly in accounting, invoicing, sales support, time reporting and payroll administration. The customer acquires continuous access to the services during the subscription period. Invoices are prepared when the customer places an order, normally with 20-day payment terms. Revenues are allocated over the subscription period.
- **Transaction-based services in financial administration** – Mainly refers to transaction-based services linked to the above subscription services, such as e-invoices, credit reports, invoice data capture, salary specifications, and so forth. The customer acquires control of the services as they are used. Invoices are prepared in arrears on the basis of use, and normally with 20-day payment terms. Revenue is recognized as the services are used.
- **Payment and finance-related services** – Mainly refers to invoice processing, invoice financing and factoring. Invoices are normally prepared when the customer has prepared the customer invoice in Fortnox's system, ordered the respective service and then sent the customer invoice via Fortnox's system. Revenue is mainly recognized over a period of time as the services are performed and transferred to the customer. Revenue attributable to payment and finance-related services is recognized as part of the Group's net sales.
- **Insurance services** – Refers to insurance mediation to Fortnox AB's existing customers. Revenue is recognized as the services are performed.

## **h) Leases**

When a contract is concluded, the Group determines whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability on the commencement date of the lease. The right-of-use asset is initially measured at cost, which is the original amount of the lease liability plus any lease payments made at or before the commencement date and any initial direct costs. The right-of-use asset is subsequently depreciated on a straight line basis from the commencement date until the shorter of the useful life of the asset and the lease term, which for the Group is normally the end of the lease term.

In rare cases where the cost of the right-of-use asset reflects the Group's intention to exercise an option to purchase the underlying asset, the asset is depreciated over its useful life.



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The lease liability, which is split between its current and non-current components, is initially measured at the present value of the remaining lease payments during the expected lease term. The lease term is the non-cancellable period of a lease plus periods covered by options to extend if it is reasonably certain on the commencement date that such options will be exercised.

The lease payments are normally discounted using the Group's incremental borrowing rate which, in addition to the Group's/company's credit risk, reflects each contract's lease term and currency, and the quality of the underlying asset as security. However, the implicit interest rate of the lease is used if it is easy to determine, which is the case for some of the Group's vehicles.

The lease liability comprises the present value of the expected payments not yet paid at that date:

- fixed payments (including in-substance fixed payments),
- variable lease payments that depend on an index (usually CPI) or rate (usually STIBOR), initially measured using the index or rate that applied at the commencement date,
- amounts expected to be payable under residual value guarantees,
- the exercise price of a purchase option that the Group is reasonably certain to exercise; and
- payments for terminating the lease unless it is reasonably certain that early termination will not occur.

The amount of the liability is increased by the interest expense for each period and reduced by the lease payments. The interest expense is calculated by multiplying the liability by the discount rate.

The lease liability for the Group's premises with index-linked rent is calculated as the rent payable at the end of each reporting period. At this date, the liability is adjusted with a corresponding adjustment to the carrying amount of the right-of-use asset. Similarly, the amounts of the liability and the asset are adjusted to reflect any reassessment of the lease term. This takes place in connection with the expiry of the final termination date within the previously determined lease term for a rental contract, or upon the occurrence of either a significant event or a significant change in circumstances that are within the control of the Group and affect the current determination of the lease term.

The Group discloses right-of-use assets and lease liabilities separately in the statement of financial position.

No right-of-use asset or lease liability is recognized for leases with a term of 12 months or less, or an underlying asset of low value (less than SEK 50,000). Lease payments for these leases are recognized as an expense over the lease term on a straight-line basis.

#### **i) Financial income and expenses**

The Group's financial income and expenses mainly include interest revenue, interest expense, dividends and any gains or losses on financial assets and lease liabilities.

Interest revenue or interest expense is recognized using the effective interest method. Dividends are recognized in profit or loss on the date the Group's right to payment is determined.

The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument at:

- the gross carrying amount (amortized cost before adjusting for any loss allowance) of the financial asset, or
- the amortized cost of the financial liability.

#### **j) Tax**

Income tax comprises current tax and deferred tax. Income tax is recognized in profit and loss except when the underlying transaction is recognized in other comprehensive income or in equity, whereby the associated tax effect is recognized in other comprehensive income or equity.

Current tax is tax that is payable or received for the current year, with application of the tax rates enacted or substantively enacted at the balance-sheet date. Prior year current tax adjustments are also recognized here.

Deferred tax is calculated using the balance sheet method, based on temporary differences between the carrying amount and tax base of assets and liabilities. The measurement of deferred tax is based on how the underlying assets or liabilities are expected to be settled or recovered. Deferred tax is determined using tax rates and laws enacted or substantively enacted at the balance-sheet date.

Deferred tax assets for deductible temporary differences and loss carryforwards are only recognized to the extent it is probable they will be utilized. The value of deferred tax assets is reduced when it is no longer considered likely they will be utilized.

Any additional income tax arising from dividends is recognized at the same time as when the dividend is recognized as a liability.

#### **k) Financial instruments**

Financial assets recognized in the statement of financial position include cash and cash equivalents and accounts receivable. Financial liabilities include accounts payable, lease liabilities and other interest-bearing liabilities.

##### *(i) Initial measurement*

Accounts receivable are recognized when they are issued. Other financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (except for accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs directly attributable to the acquisition or the share issue. An account receivable that does not contain a significant financing component is measured at the transaction price determined in accordance with IFRS 15.

##### *(ii) Classification and measurement subsequent to initial recognition*

###### *Financial assets*

At initial measurement, a financial asset is classified and measured at: amortized cost, fair value through other comprehensive income – investments in debt instruments; fair value through other comprehensive income – investments in equity instruments; or fair value through profit or loss.

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets must be reclassified on the first day of the first reporting period following the change in business model.

The Group measures all of its financial assets at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest revenue and impairment losses are recognized in profit or loss. Any impairment gains or losses arising from derecognition are recognized in profit or loss.

A financial asset is measured at amortized cost if it meets both of the following criteria, unless it is designated at fair value through profit or loss:

- it is held within a business model whose objective is to hold financial assets to collect their contractual cash flows, and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### *Financial liabilities*

Financial liabilities are classified and measured at amortized cost or fair value through profit or loss. A financial liability is measured at fair value through profit or loss if it is held for trading or, as a derivative, has been designated as such on initial recognition.

The Group measures all of its financial liabilities at amortized cost using the effective interest method. Application of the effective interest method means that liabilities are measured on the basis of estimated future cash flows, discounted at the effective interest rate. The effective interest rate is the rate that exactly discounts the estimated future payments on the liability through the expected life of the liability's amortized cost. Interest expense is recognized in profit and loss. Gains or losses arising from derecognition are also recognized in profit or loss.

##### *(iii) Derecognition (removal from the statement of financial position)*

###### *Financial assets*

The Group removes a financial asset from the statement of financial position when the contractual rights to receive the cash flows from the financial asset cease, or if it transfers the right to receive the contractual cash flows through a transaction in which substantially all of the risks and rewards of ownership have been transferred, or in which the Group does not transfer or retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

###### *Financial liabilities*

The Group removes a financial liability from the statement of financial position when the performance obligations in the contract are satisfied, canceled or expire. The Group also derecognizes a financial liability when the contractual conditions are modified and the cash flows from the modified liability are substantially different. In this event, a new financial liability is measured at fair value based on the modified conditions.

*(iv) Offsetting*

Financial assets and financial liabilities are offset and the net amount is only recognized in the statement of financial position when the Group has a legally enforceable right to set off the amounts, and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**I) Tangible assets***(i) Internally generated assets*

The Group measures tangible assets at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The basics of impairment accounting are presented below.

A tangible asset is derecognized whenever it is disposed of or sold, or is not expected to provide any future benefits from either its use or disposal. Gains or losses arising on the sale or disposal of an asset consist of the difference between the net selling price and the carrying amount of the asset less any direct selling costs. Gains and losses are recognized as other operating income/expenses.

*(ii) Subsequent costs*

Subsequent costs are only added to the carrying amount if it is probable that the future economic benefits associated with the asset will flow to the company and the cost can be measured reliably. All other subsequent costs are recognized as an expense in the period they are incurred.

*(iii) Depreciation principles*

Assets are depreciated over their estimated useful lives on a straight-line basis. Leased assets are depreciated over the shorter of their estimated useful life or expected lease term.

Estimated useful lives:

- Equipment, tools, fixtures and fittings – 5 years.
- Right-of-use assets – 3-10 years

**m) Intangible assets***(i) Research and development*

Costs for development, which is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or processes, are recognized as an asset in the statement of financial position if the company can demonstrate the technical feasibility of completing the product or the process so that it will be available for use or sale, if the company has adequate technical, financial and other resources to complete the development and intends to use or sell the intangible asset. The carrying amount includes all directly attributable costs, such as materials and services, employee benefits, registration of a legal right, amortization of patents and licenses and borrowing costs in accordance with IAS 23. Other development costs are recognized as an expense in profit and loss as incurred. In the statement of financial position, development costs are carried at cost less accumulated amortization and impairment losses.

*(ii) Other intangible assets*

Other intangible assets acquired by the Group are measured at cost less accumulated amortization and impairment losses (see below).

*(iii) Subsequent costs*

Subsequent costs for capitalized intangible assets are only recognized as an asset in the statement of financial position when they increase the future economic benefits of the specific asset to which they are attributable. All other costs are expensed as incurred.

*(iv) Amortization*

Amortization is recognized in profit and loss on a straight-line basis over the estimated useful life of the intangible asset. The useful life of an asset is reviewed at least annually. Intangible assets with a determinable useful life are amortized from the date they become available for use.

Estimated useful lives:

- Capitalized development costs – 5 years

## **n) Impairment**

The Group's recognized assets are tested for impairment at each balance-sheet date. IAS 36 is applied for the impairment of assets that are not financial assets.

### *Impairment of tangible and intangible assets*

If there is an indication that an asset may be impaired, the recoverable amount of the asset is determined (see below). An impairment loss is recognized when the carrying amount of an asset or cash-generating unit (group of units) exceeds the recoverable amount. An impairment is recognized as an expense in profit and loss. The recoverable amount is the higher of fair value less costs to sell and value in use.

When determining the value in use, future cash flows are discounted with a discount factor that accounts for risk-free interest and the risk associated with the specific asset.

### *Reversal of impairment losses*

Under IAS 36, an impairment loss on assets may be reversed when there are indicators that an impairment loss no longer exists and if there has been a change in the estimates used to determine the asset's recoverable amount.

### *Impairment of financial assets*

An allowance for expected credit losses is estimated and recognized for the financial assets that are measured at amortized cost. At initial recognition, a loss allowance equal to 12-month expected credit losses is recognized. If credit risk has increased significantly since initial recognition, a lifetime expected credit loss is estimated and recognized.

For accounts receivable without a significant financing component, the simplified approach of always measuring the loss allowance at lifetime expected credit losses is used, regardless of whether credit risk has increased significantly or not. Estimates of expected credit losses are mainly based on historical loss information for similar receivables and counterparties. The historical information is continuously evaluated and adjusted based on the current status and the Group's forecasts of future conditions.

### *Expected credit loss measurement*

Expected credit loss is the probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the company's contractual cash flows and the present value of the Group's expected cash flows).

Expected credit losses are discounted at the effective interest rate of the financial asset.

### *Credit-impaired financial assets*

At every balance-sheet date, the Group determines whether financial assets held at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

### *Presentation of allowances for expected credit losses in the statement of financial position*

Loss allowances for financial assets measured at amortized cost have been deducted from gross assets.

### *Derecognition*

The gross carrying amount of a financial asset is derecognized when the Group has no reasonable expectations of recovering either the entirety or a portion of the asset's contractual cash flows.

For business customers, the Group makes case-by-case assessments of the point in time and amount for derecognition, based on whether reasonable expectations of recovery exist. The Group has no expectations of significant recovery of the derecognized amounts. However, financial assets that are derecognized may still be subject to enforcement activity to comply with the Group's procedures for recovering overdue amounts.

## **o) Payouts to shareholders**

### *(i) Dividends*

Dividends are recognized as a liability following the AGM's approval of the dividend.

## **p) Earnings per share**

The calculation of earnings per share before dilution is based on consolidated profit and loss attributable to Parent Company owners and on the weighted average number of shares outstanding during the year. When calculating diluted earnings per share, the results and average number of shares are adjusted to account for the effects of potential dilutive ordinary shares, which in the reported periods are derived from warrants issued to employees.

Potential ordinary shares are only considered dilutive in periods when this would result in lower earnings or higher loss per share.

#### **q) Employee benefits**

##### *(i) Short-term benefits*

Short-term employee benefits are calculated without discounting and recognized as an expense when the related services are provided.

A provision is recognized for the anticipated cost of profit-sharing and bonus payments when the Group has a current legal or constructive obligation to make such payments as a result of the services provided by employees and the obligation can be estimated reliably.

##### *(ii) Defined-contribution pension plans*

Defined-contribution plans are plans in which the company's obligation is limited to the contributions the company has undertaken to pay. In such cases, the size of the employee's pension depends on the contributions the company pays into the plan or to an insurance company, and the investment earnings on the contributions. Consequently, it is the employee who bears the actuarial risk (that benefits will be lower than expected) and investment risk (that the invested assets will be insufficient to provide the expected benefits). The company's obligations for contributions to defined-contribution plans are recognized as an expense in profit and loss as they are earned by the employees' services to the company during a period.

##### *(iii) Termination benefits*

A termination benefit liability is recognized at the earlier of when the company can no longer withdraw the offer of those benefits, or when the company recognizes costs for a restructuring. The benefits expected to be settled after 12 months are measured at their present value. Benefits not expected to be settled within 12 months are recognized as long-term benefits.

#### **r) Contingent liabilities**

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group, when there is an obligation that has not been recognized as a liability or provision since it is not probable that an outflow of resources will be required to settle the obligation, or when the amount of the obligation cannot be measured with sufficient reliability.

### **The Parent Company's accounting policies**

The Parent Company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation, RFR 2 Accounting for Legal Entities. Statements issued by the Swedish Financial Reporting Board for listed companies have also been applied. RFR 2 specifies that the Parent Company in the annual report for the legal entity is to apply all IFRSs and statements adopted by the EU to the extent possible within the framework of the Swedish Annual Accounts Act and Pension Obligations Vesting Act, and with regard to the relationship between accounting and taxation. The recommendation specifies the exceptions and additions to be made to IFRSs.

The differences between the accounting policies applied by the Group and the Parent Company are presented below. The accounting policies for the Parent Company stated below have been applied consistently to all periods presented in the Parent Company's financial statements.

#### *Classification and formats*

The Parent Company presents an income statement, and the Group presents a statement of profit or loss and other comprehensive income. The Parent Company also uses the terms 'balance sheet' and 'cash flow statement' for the reports known in the Group as the 'statement of financial position' and 'statement of cash flows.' The Parent Company's income statement and balance sheet are presented in accordance with the Swedish Annual Accounts Act, while the statement of changes in equity and cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The differences compared with the Group's financial statements are that the main elements of the Parent Company's income statement and balance sheet are financial expenses, non-current assets and equity.

#### *Subsidiaries, associates and joint ventures*

The Parent Company recognizes investments in subsidiaries using the cost method. This means that transaction costs are included in the carrying amounts of investments in subsidiaries. In the consolidated financial statements, transaction costs attributable to subsidiaries are recognized immediately in profit or loss as incurred.

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### *Financial instruments*

The Parent Company has elected not to apply IFRS 9 for financial instruments. However, some of the guidance in IFRS 9 is still applicable – such as impairment, recognition/derecognition, hedge accounting criteria, and the effective interest method for interest revenue and interest expense.

In the Parent Company, financial assets are measured at cost less impairment, and current assets according to the lowest value principle.

### *Segment reporting*

The Parent Company does not report segments based on the same distribution and scope as the Group, but discloses the distribution of net sales in the Parent Company's business segments.

### *Tangible assets*

Tangible assets in the Parent Company are measured at cost less accumulated depreciation and impairment losses in the same way as for the Group, but with the addition of any revaluation adjustments.

### *Leased assets*

The Parent Company does not apply IFRS 16, in accordance with the exemption in RFR 2. As a lessee, lease payments are recognized as an expense over the lease term on a straight-line basis, whereby a right-of-use asset and corresponding lease liability are not recognized on the balance sheet.

### *Group contributions*

Group contributions are recognized as appropriations.

## **Note 2 Key judgments and estimates**

Preparation of the interim report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual outcome may differ from these key judgments and estimates. The critical judgments and sources of estimation uncertainty have not changed when adopting the new accounting policies and are therefore the same as those in the most recent annual report.

## **Note 3 Operating segments and revenue streams**

The Group's operations are organized into operating segments based on those parts of the operations that the company's chief operating decision-maker follows up, known as the 'management approach.'

Each operating segment has a manager who is responsible for the day-to-day operations and regularly reports the outcome of the operating segment's performance to the Executive Management Team. The Group's internal reporting is organized so that the Executive Management Team can monitor revenue and results. The Group's segments have been identified on the basis of this internal reporting.

The division into operating segment is based on the types of services delivered. The following operating segments exist:

- **Services for financial administration** – The Parent Company (Fortnox AB) is a provider of cloud-based financial administration solutions for small businesses and accounting firms. The company mainly offers subscriptions in accounting, invoicing, sales support, time reporting and payroll administration.
- **Payment and financial services** – The subsidiary, Fortnox Finans AB, offers payment and financial services to Fortnox's customers. The main services offered are invoice processing, factoring and invoice financing.
- **Insurance services** – Fortnox offers insurance services via its subsidiary, Fortnox Försäkringar AB. The services are offered in partnership with insurers. Customers are able to take out insurance via Fortnox's platform.

The Group's operating segments	Services for financial administration			Payment and financial services			Insurance services		
	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018
SEK 000s									
Net sales (from external customers)	138,584	97,567	68,547	21,972	15,886	13,174	166	10	0
Net sales (from other segments)	3,000	1,550	1,378	1,140	969	818			
Operating profit	49,374	30,522	18,588	5,538	3,191	1,524	-2,242	-1,691	-1,281
Financial items									
Profit before tax									

The Group's operating segments	Intra-Group and eliminations			Group		
	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018
SEK 000s						
Net sales (from external customers)				160,722	113,464	81,721
Net sales (from other segments)	-4,140	-2,518	-2,195			
Operating profit	511	155	140	53,181	32,177	18,971
Financial items				-879	-261	-270
Profit before tax				52,302	31,916	18,700

The Group's operating segments	Services for financial administration			Payment and financial services			Insurance services		
	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018
SEK 000s									
<b>Type of service</b>									
Subscription-based	116,757	82,106	58,962						
Transaction-based	21,357	14,801	9,069	17,539	16,855	13,992	166	10	0
Lending-based*				5,573	0	0			
Others	3,471	2,209	1,893						
<b>Net sales</b>	<b>141,585</b>	<b>99,117</b>	<b>69,924</b>	<b>23,112</b>	<b>16,855</b>	<b>13,992</b>	<b>10</b>	<b>10</b>	<b>0</b>

The Group's operating segments	Intra-Group and eliminations			Group		
	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2018
SEK 000s						
<b>Type of service</b>						
Subscription-based				116,757	82,106	58,962
Transaction-based	-1,140	-969	-818	37,921	30,698	22,243
Lending-based				5,573	0	0
Others	-3,000	-1,550	-1,378	471	660	516
<b>Net sales</b>	<b>4,140</b>	<b>2,518</b>	<b>2,195</b>	<b>160,722</b>	<b>113,464</b>	<b>81,721</b>

\* Net sales related to lending-based services in comparative periods, which amounted to minor amounts, are not reported separately and are included in amounts for transaction-based services.

#### Note 4 Transition to IFRS financial reporting

Fortnox AB's Board decided to voluntarily implement International Financial Reporting Standards (IFRSs), as adopted by the EU, for the Group's financial statements as of January 1, 2020.

Prior to the transition, the company prepared its consolidated accounts in accordance with the provisions of the Swedish Annual Accounts Act, and the general guidelines issued by the Swedish Accounting Standards Board, BFNAR 2012:1 Annual Report and Consolidated Accounts (K3). IFRS standards were adopted on January 1, 2020. The transition to IFRS follows the procedures of IFRS 1 First-time Adoption of International Financial Reporting Standards. The date of transition to IFRS was determined as January 1, 2018 and the information for the comparative years of 2018 and 2019 has been restated in accordance with the new standards.

The preliminary effects of the transition to IFRS deemed significant by the company are presented and quantified in the tables below. The greatest effects on accounting relate to:

- Recognition of leases, see Note 4 a) below.

#### Note 4 a Recognition of leases

##### Effects of the transition to IFRS 16 – Leases in summary

###### Definition of a lease

Since 2020 is the first year that IFRS has been applied, the Group has elected to have two comparative years in this interim report. The Group has subsequently changed its accounting standard for leases from K3 to IFRS 16. IFRS 16 Leases has therefore been applied since January 1, 2018.

The Group previously classified leases as operating or finance leases, depending on whether substantially all the risks and rewards of ownership were transferred to the Group. Operating leases were not recognized as an asset and liability in the statement of financial position, and a lease expense was recognized over the lease term on a straight-line basis. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases, and depreciation and interest expenses are recognized in the statement of profit or loss and other comprehensive income. An exception has been made for the lease below with a remaining lease term of 12 months or less, and for leases with a low value (underlying asset <SEK 50,000).

Lease payments for leases that existed on the transition date of January 1, 2018 are discounted using the Group's incremental borrowing rate at that date. The right-of-use asset is measured solely at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has elected to apply the following transitional relief when transitioning to IFRS 16:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Did not recognize right-of-use assets and lease liabilities for leases for which the lease term ended within 12 months of the date of initial application (short-term lease).
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term when the contract contained options to extend or terminate the lease.

###### Effect on the financial statements

When measuring the lease liability, the Group discounted the lease payments using the incremental borrowing rate at January 1, 2018. The weighted average interest rate used is 1.6 percent for buildings and 2.0 percent for other assets. The recognized right-of-use assets are attributable to the following types of assets:

SEK 000s	IFRS OB Jan 1, 2018
Properties	68,129
Vehicles	498
<b>Total right-of-use assets</b>	<b>68,627</b>



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**JANUARY 1-MARCH 31, 2018**  
**RESTATED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**


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SEK 000s	K3 Jan-Mar 2018*	Effects of IFRS	IFRS Jan-Mar 2018
Net sales	81,721		81,721
Other operating income	1,824		1,824
<b>Total operating income</b>	<b>83,546</b>		<b>83,546</b>
Own work capitalized	4,798		4,798
Services purchased	-13,890		-13,890
Other external costs	-13,037	2,347	-10,689
Employee benefit expenses	-37,550		-37,550
Depreciation, amortization and impairment of tangible and intangible assets	-5,035	-2,208	-7,243
<b>Total operating expenses</b>	<b>-64,714</b>	<b>140</b>	<b>-64,575</b>
<b>Operating profit</b>	<b>18,831</b>	<b>140</b>	<b>18,971</b>
Financial items	0	-270	-270
<b>Profit before tax</b>	<b>18,831</b>	<b>-131</b>	<b>18,700</b>
Tax	-4,439	29	-4,410
<b>Profit for the period</b>	<b>14,393</b>	<b>-102</b>	<b>14,291</b>
<b>Other comprehensive income</b>			
Other comprehensive income	0		0
<b>Comprehensive income for the period</b>	<b>14,393</b>	<b>-102</b>	<b>14,291</b>

\* When the company applied K3, 'Own work capitalized' was recognized under operating income.

**JANUARY 1-DECEMBER 31, 2018**  
**RESTATED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**

SEK 000s	K3 Jan-Dec 2018*	Effects of IFRS	IFRS Jan-Dec 2018
Net sales	374,379		374,379
Other operating income	8,309		8,309
<b>Total operating income</b>	<b>382,689</b>		<b>382,689</b>
Own work capitalized	18,872		18,872
Services purchased	-62,296	10,734	-62,296
Other external costs	-61,959		-51,225
Employee benefit expenses	-150,473		-150,473
Depreciation, amortization and impairment of tangible and intangible assets	-24,729	-10,138	-34,867
<b>Total operating expenses</b>	<b>-280,585</b>	<b>596</b>	<b>-279,989</b>
<b>Operating profit</b>	<b>102,104</b>	<b>596</b>	<b>102,700</b>
Financial items	-125	-1,098	-1,222
<b>Profit before tax</b>	<b>101,979</b>	<b>-502</b>	<b>101,477</b>
Tax	-23,100	110	-22,990
<b>Profit for the period</b>	<b>78,879</b>	<b>-391</b>	<b>78,488</b>
<b>Other comprehensive income</b>			
Other comprehensive income	0		0
<b>Comprehensive income for the period</b>	<b>78,879</b>	<b>-391</b>	<b>78,488</b>

\* When the company applied K3, 'Own work capitalized' was recognized under operating income.

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**JANUARY 1-MARCH 31, 2019**  
**RESTATED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**


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SEK 000s	K3 Jan-Mar 2019*	Effects of IFRS	IFRS Jan-Mar 2019
Net sales	113,464		113,464
Other operating income	2,479		2,479
<b>Total operating income</b>	<b>115,943</b>		<b>115,943</b>
Own work capitalized	5,791		5,791
Services purchased	-19,855		-19,855
Other external costs	-17,744	2,878	-14,866
Employee benefit expenses	-43,489		-43,489
Depreciation, amortization and impairment of tangible and intangible assets	-8,625	-2,722	-11,348
<b>Total operating expenses</b>	<b>-83,922</b>	<b>155</b>	<b>-83,766</b>
<b>Operating profit</b>	<b>32,021</b>	<b>155</b>	<b>32,177</b>
Financial items	0	-261	-261
<b>Profit before tax</b>	<b>32,021</b>	<b>-106</b>	<b>31,916</b>
Tax	-6,886	20	-6,866
<b>Profit for the period</b>	<b>25,136</b>	<b>-86</b>	<b>25,049</b>
<b>Other comprehensive income</b>			
Other comprehensive income	0		0
<b>Comprehensive income for the period</b>	<b>25,136</b>	<b>-86</b>	<b>25,049</b>

\* When the company applied K3, 'Own work capitalized' was recognized under operating income.

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**JANUARY 1-DECEMBER 31, 2019**  
**RESTATED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**


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SEK 000s	K3 Jan-Dec 2019*	Effects of IFRS	IFRS Jan-Dec 2019
Net sales	532,084		532,084
Other operating income	13,201		13,201
<b>Total operating income</b>	<b>545,285</b>		<b>545,285</b>
Own work capitalized	23,574		23,574
Services purchased	-81,570		-81,570
Other external costs	-87,700	11,414	-76,286
Employee benefit expenses	-194,783		-194,783
Depreciation, amortization and impairment of tangible and intangible assets	-32,608	-10,793	-43,400
<b>Total operating expenses</b>	<b>-373,086</b>	<b>621</b>	<b>-372,465</b>
<b>Operating profit</b>	<b>172,199</b>	<b>621</b>	<b>172,820</b>
Financial items	-106	-993	-1,099
<b>Profit before tax</b>	<b>172,093</b>	<b>-372</b>	<b>171,721</b>
Tax	-37,150	77	-37,073
<b>Profit for the period</b>	<b>134,943</b>	<b>-295</b>	<b>134,648</b>
<b>Other comprehensive income</b>			
Other comprehensive income	0		0
<b>Comprehensive income for the period</b>	<b>134,943</b>	<b>-295</b>	<b>134,648</b>

\* When the company applied K3, 'Own work capitalized' was recognized under operating income.

**JANUARY 1, 2018**  
**RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

SEK 000s	K3 OB Jan 1, 2018	Effects of IFRS	IFRS OB Jan 1, 2018
<b>Assets</b>			
Intangible assets	74,169		74,169
Tangible assets	6,670		6,670
Right-of-use assets	0	69,409	69,409
Deferred tax assets	224		224
<b>Total non-current assets</b>	<b>81,063</b>	<b>69,409</b>	<b>150,473</b>
Accounts receivable	27,893		27,893
Accounts receivable, factoring	23,208		23,208
Prepaid expenses and accrued income	1,833	-782	1,050
Other receivables	6,853		6,853
Cash and cash equivalents	114,437		114,437
Fund accounting	92,745	-92,745	0
<b>Total current assets</b>	<b>266,968</b>	<b>-93,527</b>	<b>173,441</b>
<b>Total assets</b>	<b>348,032</b>	<b>-24,118</b>	<b>323,914</b>
<b>Equity</b>			
Share capital	1,192		1,192
Other contributed capital	85,267		85,267
Retained earnings incl. profit for the period	12,619		12,619
<b>Total equity</b>	<b>99,079</b>		<b>99,079</b>
<b>Liabilities</b>			
Lease liability	0	59,318	59,318
<b>Total non-current liabilities</b>	<b>0</b>	<b>59,318</b>	<b>59,318</b>
Interest-bearing current liabilities	24,894		24,894
Lease liability	0	9,309	9,309
Accounts payable	13,767		13,767
Tax liabilities	20,459		20,459
Fund accounting	92,745	-92,745	0
Accrued expenses and deferred income	89,363		89,363
Other liabilities	7,725		7,725
<b>Total current liabilities</b>	<b>248,953</b>	<b>-83,436</b>	<b>165,517</b>
<b>Total liabilities</b>	<b>248,953</b>	<b>-24,118</b>	<b>224,835</b>
<b>Total equity and liabilities</b>	<b>348,032</b>	<b>-24,118</b>	<b>323,914</b>

**MARCH 31, 2018**  
**RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

SEK 000s	K3 Mar 31, 2018	Effects of IFRS	IFRS Mar 31, 2018
<b>Assets</b>			
Intangible assets	78,641		78,641
Tangible assets	6,253		6,253
Right-of-use assets	0	67,202	67,202
Deferred tax assets	0	29	29
<b>Total non-current assets</b>	<b>84,894</b>	<b>67,230</b>	<b>152,124</b>
Accounts receivable	32,687		32,687
Accounts receivable, factoring	30,124		30,124
Prepaid expenses and accrued income	2,233	-782	1,451
Other receivables	230		230
Cash and cash equivalents	115,931		115,931
Fund accounting	31,264	-31,264	0
<b>Total current assets</b>	<b>212,469</b>	<b>-32,046</b>	<b>180,423</b>
<b>Total assets</b>	<b>297,363</b>	<b>35,184</b>	<b>332,547</b>
<b>Equity</b>			
Share capital	1,193		1,193
Other contributed capital	85,957		85,957
Retained earnings incl. profit for the period	12,095	-102	11,993
<b>Total equity</b>	<b>99,245</b>	<b>-102</b>	<b>99,143</b>
<b>Liabilities</b>			
Lease liability	0	57,249	57,249
<b>Total non-current liabilities</b>	<b>0</b>	<b>57,249</b>	<b>57,249</b>
Interest-bearing current liabilities	32,458		32,458
Lease liability	0	9,301	9,301
Accounts payable	11,492		11,492
Tax liabilities	12,933		12,933
Fund accounting	31,264	-31,264	0
Accrued expenses and deferred income	107,640		107,640
Other liabilities	2,331		2,331
<b>Total current liabilities</b>	<b>198,118</b>	<b>-21,963</b>	<b>176,155</b>
<b>Total liabilities</b>	<b>198,118</b>	<b>35,286</b>	<b>233,403</b>
<b>Total equity and liabilities</b>	<b>297,363</b>	<b>35,184</b>	<b>332,547</b>

**DECEMBER 31, 2018**  
**RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

SEK 000s	K3 Dec 31, 2018	Effects of IFRS	IFRS Dec 31, 2018
<b>Assets</b>			
Intangible assets	84,270		84,270
Tangible assets	5,649		5,649
Right-of-use assets	0	64,716	64,716
Deferred tax assets	0	110	110
<b>Total non-current assets</b>	<b>89,919</b>	<b>64,827</b>	<b>154,746</b>
Accounts receivable	38,508		38,508
Accounts receivable, factoring	47,951		47,951
Prepaid expenses and accrued income	6,873	-1,015	5,858
Other receivables	222		222
Cash and cash equivalents	197,516		197,516
Fund accounting	20,889	-20,889	0
<b>Total current assets</b>	<b>311,959</b>	<b>-21,904</b>	<b>290,055</b>
<b>Total assets</b>	<b>401,878</b>	<b>42,923</b>	<b>444,801</b>
<b>Equity</b>			
Share capital	1,194		1,194
Other contributed capital	87,567		87,567
Retained earnings incl. profit for the period	76,582	-391	76,191
<b>Total equity</b>	<b>165,343</b>	<b>-391</b>	<b>164,952</b>
<b>Liabilities</b>			
Lease liability	0	53,781	53,781
<b>Total non-current liabilities</b>	<b>0</b>	<b>53,781</b>	<b>53,781</b>
Interest-bearing current liabilities	49,064		49,064
Lease liability	0	10,422	10,422
Accounts payable	14,154		14,154
Tax liabilities	24,661		24,661
Fund accounting	20,889	-20,889	0
Accrued expenses and deferred income	114,984		114,984
Other liabilities	12,783		12,783
<b>Total current liabilities</b>	<b>236,535</b>	<b>-10,466</b>	<b>226,069</b>
<b>Total liabilities</b>	<b>236,535</b>	<b>43,314</b>	<b>279,849</b>
<b>Total equity and liabilities</b>	<b>401,878</b>	<b>42,923</b>	<b>444,801</b>

**MARCH 31, 2019**  
**RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

SEK 000s	K3 Mar 31, 2019	Effects of IFRS	IFRS Mar 31, 2019
<b>Assets</b>			
Intangible assets	86,531		86,531
Tangible assets	5,205		5,205
Right-of-use assets	0	63,391	63,391
Deferred tax assets	0	130	130
<b>Total non-current assets</b>	<b>91,736</b>	<b>63,521</b>	<b>155,257</b>
Accounts receivable	44,872		44,872
Accounts receivable, factoring	55,062		55,062
Prepaid expenses and accrued income	8,894	-1,015	7,880
Other receivables	510		510
Cash and cash equivalents	222,222		222,222
Fund accounting	22,246	-22,246	0
<b>Total current assets</b>	<b>353,806</b>	<b>-23,261</b>	<b>330,545</b>
<b>Total assets</b>	<b>445,542</b>	<b>40,260</b>	<b>485,802</b>
<b>Equity</b>			
Share capital	1,195		1,195
Other contributed capital	87,873		87,873
Retained earnings incl. profit for the period	80,810	-477	80,333
<b>Total equity</b>	<b>169,878</b>	<b>-477</b>	<b>169,401</b>
<b>Liabilities</b>			
Lease liability	0	52,610	52,610
<b>Total non-current liabilities</b>		<b>52,610</b>	<b>52,610</b>
Interest-bearing current liabilities	46,047		46,047
Lease liability	0	10,374	10,374
Accounts payable	10,990		10,990
Tax liabilities	18,435		18,435
Fund accounting	22,246	-22,246	0
Accrued expenses and deferred income	142,079		142,079
Other liabilities	35,868		35,868
<b>Total current liabilities</b>	<b>275,664</b>	<b>-11,872</b>	<b>263,792</b>
<b>Total liabilities</b>	<b>275,664</b>	<b>40,737</b>	<b>316,401</b>
<b>Total equity and liabilities</b>	<b>445,542</b>	<b>40,260</b>	<b>485,802</b>



**DECEMBER 31, 2019**  
**RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

SEK 000s	K3 Dec 31, 2019	Effects of IFRS	IFRS Dec 31, 2019
<b>Assets</b>			
Intangible assets	96,658		96,658
Tangible assets	6,988		6,988
Right-of-use assets	0	56,611	56,611
Deferred tax assets	368	187	555
<b>Total non-current assets</b>	<b>104,014</b>	<b>56,798</b>	<b>160,812</b>
Accounts receivable	36,958		36,958
Accounts receivable, factoring	78,926		78,926
Prepaid expenses and accrued income	11,489	-981	10,507
Other receivables	20,627		20,627
Cash and cash equivalents	267,067		267,067
Fund accounting	33,319	-33,319	0
<b>Total current assets</b>	<b>448,387</b>	<b>-34,301</b>	<b>414,086</b>
<b>Total assets</b>	<b>552,401</b>	<b>22,497</b>	<b>574,898</b>
<b>Equity</b>			
Share capital	1,196		1,196
Other contributed capital	88,639		88,639
Retained earnings incl. profit for the period	190,618	-687	189,931
<b>Total equity</b>	<b>280,452</b>	<b>-687</b>	<b>279,766</b>
<b>Liabilities</b>			
Lease liability	0	45,545	45,545
<b>Total non-current liabilities</b>	<b>0</b>	<b>45,545</b>	<b>45,545</b>
Interest-bearing current liabilities	0		0
Lease liability	0	10,958	10,958
Accounts payable	19,381		19,381
Tax liabilities	37,752		37,752
Fund accounting	33,319	-33,319	0
Accrued expenses and deferred income	165,997		165,997
Other liabilities	15,499		15,499
<b>Total current liabilities</b>	<b>271,949</b>	<b>-22,362</b>	<b>249,587</b>
<b>Total liabilities</b>	<b>271,949</b>	<b>23,183</b>	<b>295,132</b>
<b>Total equity and liabilities</b>	<b>552,401</b>	<b>22,497</b>	<b>574,898</b>

**JANUARY 1-MARCH 31, 2018**  
**RESTATED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

SEK 000s	K3 Jan-Mar 2018	Effects of IFRS	IFRS Jan-Mar 2018
<b>Operating activities</b>			
Profit before tax	18,831	-131	18,700
Adjustments for non-cash items	5,035	2,208	7,243
Income tax paid	-10,733		-10,733
	<b>13,133</b>	<b>2,077</b>	<b>15,211</b>
Increase (-)/decrease (+) in operating receivables	-5,488	148	-5,340
Increase (+)/decrease (-) in operating liabilities	9,600		9,600
<b>Cash flow from operating activities</b>	<b>17,245</b>	<b>2,225</b>	<b>19,470</b>
<b>Investing activities</b>			
Acquisitions of tangible assets	-25		-25
Acquisitions of intangible assets	-9,064		-9,064
<b>Cash flow from investing activities</b>	<b>-9,090</b>		<b>-9,090</b>
<b>Financing activities</b>			
Overdraft facilities	7,564		7,564
New share issue	690		690
Repayment of lease liability	0	-2,225	-2,225
Dividends paid to Parent Company owners	-14,916		-14,916
<b>Cash flow from financing activities</b>	<b>-6,662</b>	<b>-2,225</b>	<b>-8,888</b>
Cash flow for the period	1,493		1,493
Cash and cash equivalents at the beginning of the period	114,437		114,437
<b>Cash and cash equivalents at the end of the period</b>	<b>115,930</b>		<b>115,931</b>

**JANUARY 1-DECEMBER 31, 2018**  
**RESTATED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

SEK 000s	K3 Jan-Dec 2018	Effects of IFRS	IFRS Jan-Dec 2018
<b>Operating activities</b>			
Profit before tax	101,979	-502	101,477
Adjustments for non-cash items	24,729	10,138	34,867
Income tax paid	-19,609		-19,609
	<b>107,099</b>	<b>9,636</b>	<b>116,735</b>
Increase (-)/decrease (+) in operating receivables	-33,767	250	-33,517
Increase (+)/decrease (-) in operating liabilities	32,001		32,001
<b>Cash flow from operating activities</b>	<b>105,333</b>	<b>9,887</b>	<b>115,219</b>
<b>Investing activities</b>			
Acquisitions of tangible assets	-730		-730
Acquisitions of intangible assets	-33,078		-33,078
<b>Cash flow from investing activities</b>	<b>-33,809</b>		
<b>Financing activities</b>			
Overdraft facilities	24,170		24,170
New share issue	1,457		1,457
Warrants	844		844
Repayment of lease liability	0	-9,887	-9,887
Dividends paid to Parent Company owners	-14,916		-14,916
<b>Cash flow from financing activities</b>	<b>11,555</b>	<b>-9,887</b>	<b>1,668</b>
Cash flow for the period	83,079		83,079
Cash and cash equivalents at the beginning of the period	114,437		114,437
<b>Cash and cash equivalents at the end of the period</b>	<b>197,516</b>		<b>197,516</b>

**JANUARY 1-MARCH 31, 2019**  
**RESTATED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

SEK 000s	K3 Jan-Mar 2019	Effects of IFRS	IFRS Jan-Mar 2019
<b>Operating activities</b>			
Profit before tax	32,021	-106	31,916
Adjustments for non-cash items	8,625	2,722	11,348
Income tax paid	-11,979		-11,979
	<b>28,668</b>	<b>2,617</b>	<b>31,284</b>
Increase (-)/decrease (+) in operating receivables	-15,784	-18	-15,802
Increase (+)/decrease (-) in operating liabilities	24,975		24,975
<b>Cash flow from operating activities</b>	<b>37,858</b>	<b>2,599</b>	<b>40,457</b>
<b>Investing activities</b>			
Acquisitions of tangible assets	-13		-13
Acquisitions of intangible assets	-10,430		-10,430
<b>Cash flow from investing activities</b>	<b>-10,442</b>		<b>-10,442</b>
<b>Financing activities</b>			
Overdraft facilities	-3,017		-3,017
New share issue	307		307
Repayment of lease liability	0	-2,599	-2,599
Dividends paid to Parent Company owners	0		0
<b>Cash flow from financing activities</b>	<b>-2,710</b>	<b>-2,599</b>	<b>-5,309</b>
Cash flow for the period	24,705		24,705
Cash and cash equivalents at the beginning of the period	197,516		197,516
<b>Cash and cash equivalents at the end of the period</b>	<b>222,222</b>		<b>222,222</b>

**JANUARY 1-DECEMBER 31, 2019**  
**RESTATED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

SEK 000s	K3 Jan-Dec 2019	Effects of IFRS	IFRS Jan-Dec 2019
<b>Operating activities</b>			
Profit before tax	172,093	-372	171,721
Adjustments for non-cash items	32,608	10,793	43,400
Income tax paid	-25,688		-25,688
	<b>179,012</b>	<b>10,421</b>	<b>189,433</b>
Increase (-)/decrease (+) in operating receivables	-55,291	575	-54,716
Increase (+)/decrease (-) in operating liabilities	61,062		61,062
<b>Cash flow from operating activities</b>	<b>184,783</b>	<b>10,996</b>	<b>195,779</b>
<b>Investing activities</b>			
Acquisitions of tangible assets	-3,210		-3,210
Acquisitions of intangible assets	-43,125		-43,125
<b>Cash flow from investing activities</b>	<b>-46,335</b>		<b>-46,335</b>
<b>Financing activities</b>			
Overdraft facilities	-49,064		-49,064
New share issue	1,074		1,074
Repayment of lease liability	0	-10,996	-10,996
Dividends paid to Parent Company owners	-20,907		-20,907
<b>Cash flow from financing activities</b>	<b>-68,897</b>	<b>-10,996</b>	<b>-79,893</b>
Cash flow for the period	69,551		69,551
Cash and cash equivalents at the beginning of the period	197,516		197,516
<b>Cash and cash equivalents at the end of the period</b>	<b>267,067</b>		<b>267,067</b>