

Interim report January-September 2020

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

Third quarter 2020

- Net sales amounted to SEK 174.6 million (136.5), up 27.8 percent.
- Operating profit totaled SEK 82.2 million (55.2), corresponding to an operating margin of 47.1 percent (40.4).
- Profit after tax was SEK 63.8 million (43.1).
- Earnings per share after dilution amounted to SEK 1.05 (0.71).


January-September 2020

- Net sales amounted to SEK 505.3 million (378.8), up 33.4 percent.
- Operating profit totaled SEK 197.8 million (127.5), corresponding to an operating margin of 39.2 percent (33.6).
- Profit after tax was SEK 153.0 million (99.2).
- Earnings per share after dilution amounted to SEK 2.53 (1.64).

Significant events in the third quarter

- Like the preceding quarters, the third quarter was marked by the ongoing coronavirus pandemic. Fortnox took timely measures to help slow the spread of the virus and enable business continuity to the greatest extent possible. Our measures have proved successful and the company has maintained business as usual throughout the entire period. The pandemic has not had any major impact on the company's financial position to date, but the weaker trend for transaction-based services continued during the quarter. However, an upward trend was also noted for these at the end of the period. Management is continuously assessing the potential impact of the coronavirus pandemic on Fortnox's results and financial position.
- During the quarter, a pilot AI-powered solution for recording bank transactions was launched across a broad front and evaluated. It completes the chain with the AI-powered interpretation and recording of accounts receivable that was launched by the company last spring.

Financial information (Group)	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019	Jan-Dec 2018
Net sales (SEK million)	174.6	136.5	505.3	378.8	532.1	374.4
EBIT (SEK million)	82.2	55.2	197.8	127.5	172.8	102.7
EBIT margin	47.1%	40.4%	39.2%	33.6%	32.5%	27.4%
Earnings per share, after dilution (SEK)	1.05	0.71	2.53	1.64	2.22	1.30
Cash flow from operating activities (SEK million)	49.6	20.0	180.6	118.4	195.8	115.2
Working capital at the end of the period (SEK million)	254.9	136.9	254.9	136.9	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.

Net sales and results in the second quarter

Net sales amounted to SEK 174.6 million (136.5), up 27.8 percent.

Operating expenses amounted to SEK 96.4 million (85.5).

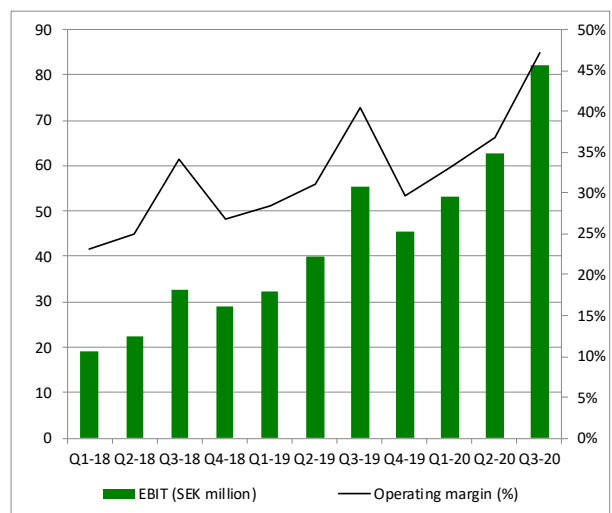
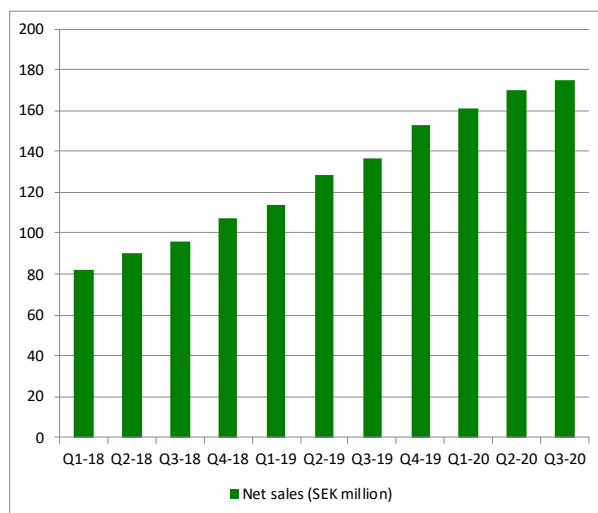
Operating profit totaled SEK 82.2 million (55.2), corresponding to an operating margin of 47.1 percent (40.4).

At the end of the period, the number of customers was 351,000 (297,000), up 18 percent (22).

Annual Recurring Revenue (ARR¹) amounted to SEK 533 million (412).

Average Revenue Per Customer (ARPC²) amounted to SEK 167 (148).

Net sales and result	Fortnox AB	Fortnox Finans AB	Fortnox Försäkring AB	Group
Net sales (SEK million)	153.8 (118.9)	24.9 (19.8)	0.3 (0.1)	174.6 (136.5)
EBIT (SEK million)	74.1 (48.5)	8.8 (8.1)	-1.2 (-1.5)	82.2 (55.2)



Investments in the third quarter

The Group's investments in tangible and intangible assets amounted to SEK 31.9 million (9.5).

Capitalized development costs accounted for SEK 14.0 million (9.4). Capitalized development costs included internally generated development costs of SEK 6.9 million (5.4).

Depreciation and amortization of tangible and intangible assets amounted to SEK 16.2 million (10.6).

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.

Cash flow and financial position in the third quarter

The Group's cash flow from operating activities was SEK 49.6 million (20.0).

At the end of the period, the Group's cash and cash equivalents amounted to SEK 347.9 million (209.5).

During the quarter, receivables pertaining to factoring and invoice financing increased SEK 25.1 million and amounted to SEK 108.5 million (83.6) at the end of the period. Current receivables totaled SEK 189.7 million (148.9) at the end of the period.

Current liabilities amounted to SEK 282.7 million (221.6).

The Group's working capital amounted to SEK 254.9 million (136.9).

Non-current liabilities consisted solely of lease liability³⁾ and amounted to SEK 149.0 million (47.9).

The equity/assets ratio was 49.1 percent (47.6).

Summary of January-September 2020

Net sales amounted to SEK 505.3 million (378.8), up 33.4 percent. Operating expenses amounted to SEK 318.1 million (260.4). Operating profit totaled SEK 197.8 million (127.5), corresponding to an operating margin of 39.2 percent (33.6).

The Group's investments in tangible and intangible assets amounted to SEK 72.2 million (29.8). Capitalized development costs accounted for SEK 45.0 million (29.6). Capitalized development costs included internally generated development costs of SEK 22.0 million (16.6).

Depreciation and amortization of tangible and intangible assets amounted to SEK 45.6 million (31.8).

The Group's cash flow from operating activities was SEK 180.6 million (118.4).

Employees

At the end of the period, the number of employees was 396 (318). The company also engages external consultants for specific projects.

No. of employees at the end of the period	Fortnox AB	Fortnox Finans AB	Fortnox Försäkring AB	Group
No. of employees	336 (266)	53 (45)	7 (7)	396 (318)

Parent Company January-September 2020

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

Net sales amounted to SEK 444.1 million (330.9), up 34.2 percent.

Operating profit totaled SEK 179.2 million (118.5). The operating margin was 40.4 percent (35.8) for the period.

Profit after tax was SEK 137.3 million (88.7) and earnings per share after dilution were SEK 2.27 (1.47).

Investments in tangible assets amounted to SEK 27.2 million (0.2) and investments in intangible assets amounted to SEK 35.2 million (26.3).

At the end of the period, working capital amounted to SEK 220.0 million (113.5).

3) The lease liability pertains primarily to leases of office properties, refer to Note 4, Recognition of leases on page 25.

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 and social impact created by the coronavirus pandemic should be added to that scenario. As described in 'Significant events in the third quarter' on page 1, the company has not noted any major effects on its financial performance at present. Since the company's revenue is largely subscription-based, it is relatively stable. While the weaker growth in transaction-based services continued into the third quarter, an upward trend for these was also noted toward the end of the period. The company's management is continuously monitoring and assessing the situation.

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 4.5 million (2.6) during the second quarter and SEK 13.0 million (7.6) during the period January-September 2020. From January 1, Fortnox is leasing an additional office block in Växjö from ArtOn24 AB.

Board member Olof Hallrup controls ArtOn 24 AB, 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

In October, Fortnox entered into a new agreement with its partner Trygg-Hansa. The agreement includes business insurance, motor insurance and health insurance, and means that Trygg-Hansa will assume more responsibility for sales of the solutions, while Fortnox provides the platform for offering and activating the solutions.

Shares and share capital

At the end of the period, consolidated equity amounted to SEK 416.8 million (244.4).

The share capital amounted to SEK 1.2 million (1.2), distributed between 60,135,293 shares (59,785,293) (quota value SEK 0.02).

	Sep 30 2020	Sep 30 2019	Dec 31 2019	Dec 31 2018
No. of shares outstanding at the end of the period	60,135,293	59,785,293	59,785,293	59,715,293
Share price at the end of the period (SEK)	270.0	165.2	168.0	66.8

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

The ten largest shareholders at September 30, 2020 are shown in the table below:

Shareholder	No. of shares	Share
FIRST KRAFT AB	12,578,071	20.92%
STATE STREET BANK AND TRUST CO. W9	8,088,196	13.45%
SWEDBANK ROBUR NY TEKNIK BTI	3,510,000	5.84%
MORGAN STANLEY & CO INTL PLC. W8IMY	2,666,469	4.43%
BNY MELLON SA/NV (FORMER BNY). W8IMY	2,086,785	3.47%
SPILTAN TOTAL	1,326,306	2.21%
BENGTSSON. PEDER KLAS-ÅKE	1,296,900	2.16%
FÖRSÄKRINGSAKTIEBOLAGET. AVANZA PENSION	1,264,554	2.10%
BNY MELLON NA (FORMER MELLON). W9	1,257,651	2.09%
CBNY-NORGES BANK	921,458	1.53%
Others	25,138,903	41.80%
Total	60,135,293	100.00%

Financial calendar

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|--|-------------------|
| ▪ Year-end report, January-December 2020 | February 16, 2021 |
| ▪ Annual General Meeting 2021 | March 25, 2021 |
| ▪ Interim report January-March 2021 | April 28, 2021 |
| ▪ Interim report, January-June 2021 | August 19, 2021 |
| ▪ Interim report January-September 2021 | October 26, 2021 |

Financial reports, press releases and other information have been published on Fortnox's website www.fortnox.se

Publication

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 October 22, 2020 at 8:30 a.m. CEST.

This interim report has not been audited.

Växjö, October 22, 2020

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

SEK 000s	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales	174,562	136,544	95,655	505,346	378,798	267,218	532,084	374,379
Other operating income	4,008	4,216	2,095	10,611	9,032	5,389	13,201	8,309
Total operating income	178,570	140,760	97,750	515,957	387,829	272,607	545,285	382,689
Own work capitalized	6,854	5,360	3,807	21,990	16,628	13,703	23,574	18,872
Services purchased	-20,345	-18,597	-15,395	-70,497	-59,043	-44,337	-81,570	-62,296
Other external costs	-17,540	-18,158	-10,500	-53,468	-49,316	-32,112	-76,286	-51,225
Employee benefit expenses	-49,156	-43,552	-32,230	-170,514	-136,797	-109,738	-194,783	-150,473
Depreciation, amortization and impairment of tangible and intangible assets	-16,231	-10,589	-10,864	-45,621	-31,842	-26,240	-43,400	-34,867
Total operating expenses	-96,417	-85,535	-65,181	-318,109	-260,370	-198,723	-372,465	-279,989
Operating profit	82,153	55,225	32,570	197,848	127,459	73,884	172,820	102,700
Financial items	-844	-245	-286	-2,665	-865	-957	-1,099	-1,222
Profit before tax	81,309	54,980	32,284	195,184	126,594	72,927	171,721	101,477
Tax	-17,532	-11,864	-7,409	-42,215	-27,347	-17,161	-37,073	-22,990
Profit for the period	63,777	43,116	24,875	152,969	99,247	55,767	134,648	78,488
Other comprehensive income								
Other comprehensive income	0	0	0	0	0	0	0	0
Comprehensive income for the period	63,777	43,116	24,875	152,969	99,247	55,767	134,648	78,488
Earnings per share								
– before dilution, SEK	1.06	0.72	0.42	2.55	1.66	0.93	2.25	1.32
– after dilution, SEK	1.05	0.71	0.41	2.53	1.64	0.92	2.22	1.30
Average no. of shares outstanding								
– before dilution, 000s	60,135	59,785	59,676	59,994	59,749	59,658	59,758	59,673
– after dilution, 000s	60,542	60,542	60,535	60,542	60,540	60,405	60,540	60,437

Condensed consolidated statement of financial position

SEK 000s	Sep 30 2020	Sep 30 2019	Sep 30 2018	Dec 31 2019	Dec 31 2018	Jan 1 2018
Assets						
Intangible assets	114,528	91,451	81,152	96,658	84,270	74,169
Tangible assets	31,045	4,491	5,609	6,988	5,649	6,670
Right-of-use assets	164,513	59,300	67,106	56,611	64,716	69,409
Deferred tax assets	883	170	85	555	110	224
Total non-current assets	310,969	155,412	153,953	160,812	154,746	150,473
Accounts receivable	63,826	55,829	39,491	36,958	38,508	27,893
Accounts receivable, factoring	50,763	64,761	49,160	78,926	47,951	23,208
Prepaid expenses and accrued income	16,115	8,884	3,387	10,507	5,858	1,050
Other receivables	58,958	19,427	193	20,627	222	6,853
Cash and cash equivalents	347,945	209,511	163,079	267,067	197,516	114,437
Total current assets	537,606	358,412	255,310	414,086	290,055	173,441
Total assets	848,575	513,824	409,263	574,898	444,801	323,914
Equity						
Share capital	1,203	1,196	1,194	1,196	1,194	1,192
Other contributed capital	102,632	88,639	87,286	88,639	87,567	85,267
Retained earnings incl. profit for the period	313,007	154,530	53,469	189,931	76,191	12,619
Total shareholders' equity attributable to Parent Company shareholders	416,842	244,365	141,950	279,766	164,952	99,079
Liabilities						
Lease liability	149,016	47,898	55,988	45,545	53,781	59,318
Total non-current liabilities	149,016	47,898	55,988	45,545	53,781	59,318
Interest-bearing current liabilities	0	0	44,000	0	49,064	24,894
Lease liability	18,518	11,206	10,575	10,958	10,422	9,309
Accounts payable	13,466	13,644	12,687	19,381	14,154	13,767
Tax liabilities	48,815	32,635	21,269	37,752	24,661	20,459
Other liabilities	22,288	15,986	11,264	15,499	12,783	7,725
Accrued expenses and deferred income	179,629	148,090	111,529	165,997	114,984	89,363
Total current liabilities	282,717	221,561	211,324	249,587	226,069	165,517
Total liabilities	431,733	269,459	267,313	295,132	279,849	224,835
Total equity and liabilities	848,575	513,824	409,263	574,898	444,801	323,914

Condensed consolidated statement of changes in equity

SEK 000s	Share capital	Other contributed capital	Retained earnings incl. profit for the period	Total equity
Opening equity, January 1, 2018	1,192	85,267	12,619	99,079
Comprehensive income for the period			55,767	55,767
<i>Transactions with the Group's owners</i>				
Dividends paid			-14,916	-14,916
New share issue	2	1,731		1,733
Warrants		288		288
Total transactions with the Group's owners	2	2,019	-14,916	-12,896
Closing equity, September 30, 2018	1,194	87,286	53,469	141,950
Opening equity, October 1, 2018	1,194	87,286	53,469	141,950
Comprehensive income for the period			22,721	22,721
<i>Transactions with the Group's owners</i>				
Warrants		281		281
Total transactions with the Group's owners	0	281	0	281
Closing equity, December 31, 2018	1,194	87,567	76,191	164,952
Opening equity, January 1, 2019	1,194	87,567	76,191	164,952
Comprehensive income for the period			99,247	99,247
<i>Transactions with the Group's owners</i>				
Dividends paid			-20,907	-20,907
New share issue	1	1,072		1,074
Total transactions with the Group's owners	1	1,072	-20,907	-19,834
Closing equity, September 30, 2019	1,196	88,639	154,530	244,365
Opening equity, October 1, 2019	1,196	88,639	154,530	244,365
Comprehensive income for the period			35,401	35,401
Closing equity, December 31, 2019	1,196	88,639	189,931	279,766
Opening equity, January 1, 2020	1,196	88,639	189,931	279,766
Comprehensive income for the period			152,969	152,969
<i>Transactions with the Group's owners</i>				
Dividends paid			-29,893	-29,893
New share issue	7	13,993		14,000
Total transactions with the Group's owners	7	13,993	-29,893	-15,893
Closing equity, September 30, 2020	1,203	102,632	313,007	416,842

Condensed consolidated statement of cash flows

SEK 000s	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2019	Jan-Dec 2018
Operating activities								
Profit before tax	81,309	54,980	32,284	195,184	126,594	72,927	171,721	101,477
Non-cash adjustments	16,231	10,589	10,864	45,621	31,842	26,240	43,400	34,867
Income tax paid	-6,831	-3,939	-2,959	-31,380	-19,857	-16,651	-25,688	-19,609
	90,709	61,630	40,189	209,424	138,579	82,516	189,433	116,735
Increase (-)/decrease (+) in operating receivables	-31,562	-36,430	-15,193	-52,597	-54,851	-33,227	-54,716	-33,517
Increase (+)/decrease (-) in operating liabilities	-9,507	-5,158	640	23,738	34,695	25,063	61,062	32,001
Cash flow from operating activities	49,639	20,042	25,636	180,566	118,423	74,352	195,779	115,219
Investing activities								
Acquisitions of tangible assets	-17,895	-102	-169	-27,225	-202	-246	-3,210	-730
Acquisitions of intangible assets	-14,022	-9,424	-6,427	-44,976	-29,559	-24,428	-43,125	-33,078
Cash flow from investing activities	-31,917	-9,526	-6,596	-72,201	-29,761	-24,674	-46,335	-33,809
Financing activities								
Overdraft facilities	0	-45,628	4,934	0	-49,064	19,106	-49,064	24,170
New share issue	0	0	767	14,000	1,074	1,457	1,074	1,457
Warrants	0	0	0	0	0	564	0	844
Repayment of lease liability	-3,893	-2,590	-2,516	-11,595	-7,769	-7,247	-10,996	-9,887
Dividends paid to Parent Company owners	0	0	0	-29,893	-20,907	-14,916	-20,907	-14,916
Cash flow from financing activities	-3,893	-48,217	3,185	-27,488	-76,667	-1,037	-79,893	1,668
Cash flow for the period	13,829	-37,701	22,225	80,877	11,995	48,642	69,551	83,079
Cash and cash equivalents at the beginning of the period	334,116	247,213	140,854	267,067	197,516	114,437	197,516	114,437
Cash and cash equivalents at the end of the period	347,945	209,511	163,079	347,945	209,511	163,079	267,067	197,516

Condensed Parent Company income statement

SEK 000s	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales	153,795	118,883	82,350	444,134	330,864	229,358	464,187	322,405
Own work capitalized	6,054	4,879	3,547	19,413	14,672	13,147	21,067	17,821
Other operating income	783	749	447	1,682	1,980	1,067	2,534	1,969
Total operating income	160,632	124,511	86,343	465,228	347,516	243,571	487,788	342,195
Services purchased	-13,662	-13,034	-9,911	-48,864	-41,071	-27,673	-56,804	-40,999
Other external costs	-21,435	-20,170	-12,937	-65,558	-53,891	-38,116	-81,489	-56,577
Employee benefit expenses	-42,071	-35,906	-26,524	-146,282	-113,220	-90,948	-163,198	-125,067
Depreciation, amortization and impairment of tangible and intangible assets	-9,412	-6,893	-7,448	-25,312	-20,876	-16,578	-28,496	-21,718
Total operating expenses	-86,580	-76,002	-56,820	-286,016	-229,058	-173,315	-329,989	-244,360
Operating profit	74,052	48,509	29,523	179,212	118,458	70,256	157,799	97,834
Financial items	414	83	-3	1,043	-21	-107	264	-104
Profit after financial items	74,466	48,592	29,520	180,256	118,437	70,148	158,063	97,731
Appropriations	-1,186	-1,544	0	-5,088	-5,183	0	-7,270	-6,433
Profit before tax	73,280	47,047	29,520	175,167	113,253	70,148	150,793	91,298
Tax	-15,812	-10,171	-6,506	-37,909	-24,544	-15,521	-32,848	-20,469
Profit for the period	57,468	36,876	23,013	137,258	88,709	54,627	117,946	70,829

Condensed Parent Company balance sheet

SEK 000s	Sep 30 2020	Sep 30 2019	Sep 30 2018	Dec 31 2019	Dec 31 2018	Jan 1 2018
Assets						
Intangible assets	98,737	81,160	71,618	85,675	74,356	65,372
Tangible assets	30,955	4,363	5,480	6,871	5,528	6,540
Financial assets	63,445	63,445	63,460	63,532	63,445	58,275
Total non-current assets	193,138	148,968	140,557	156,078	143,330	130,186
Accounts receivable	62,346	54,849	34,747	36,059	37,956	27,332
Interest-bearing receivables from Group companies	100,000	60,000	0	70,000	0	0
Other receivables from Group companies	1,973	1,032	871	2,194	1,796	884
Other receivables	748	337	177	337	208	6,837
Prepaid expenses and accrued income	15,636	9,260	3,822	10,886	6,301	1,456
Cash and bank balances	288,460	181,959	138,798	235,566	165,085	94,328
Total current assets	469,163	307,436	178,414	355,042	211,346	130,836
Total assets	662,300	456,404	318,971	511,120	354,676	261,023
Equity						
<i>Restricted equity</i>						
Share capital	1,203	1,196	1,194	1,196	1,194	1,192
Development fund	96,386	73,711	55,984	79,766	60,522	44,130
<i>Unrestricted equity</i>						
Share premium reserve	102,632	88,639	87,286	88,639	87,567	85,267
Retained earnings	75,616	10,238	-21,957	4,183	-26,495	-39,077
Profit for the period	137,258	88,709	54,627	117,946	70,829	43,891
Total equity	413,095	262,493	177,135	291,730	193,618	135,403
Current liabilities						
Accounts payable	10,856	11,560	9,521	16,276	11,761	11,268
Liabilities to Group companies	4,943	5,168	971	5,079	5,885	0
Current tax liabilities	43,296	26,529	19,174	31,778	21,582	20,091
Other liabilities	18,936	13,582	9,745	13,185	11,383	10,399
Accrued expenses and deferred income	171,174	137,072	102,426	153,072	110,447	83,862
Total current liabilities	249,205	193,911	141,837	219,390	161,058	125,619
Total equity and liabilities	662,300	456,404	318,971	511,120	354,676	261,023

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.

	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2019	Jan-Dec 2018
<u>IFRS financial measures</u>								
Net sales	174.6	136.5	95.7	505.3	378.8	267.2	532.1	374.4
Profit for the period (SEK million)	63.8	43.1	24.9	153.0	99.2	55.8	134.6	78.5
Earnings per share before dilution (SEK)	1.06	0.72	0.42	2.55	1.66	0.93	2.25	1.32
Earnings per share after dilution (SEK)	1.05	0.71	0.41	2.53	1.64	0.92	2.22	1.30
<u>Alternative performance measures</u>								
ARR (SEK million)	532.7	411.6	264.0	532.7	411.6	264.0	444.7	309.4
ARPC (SEK)	167	148	130	167	148	130	154	133
EBIT (SEK million)	82.2	55.2	32.6	197.8	127.5	73.9	172.8	102.7
EBIT margin	47.1%	40.4%	34.0%	39.2%	33.6%	27.6%	32.5%	27.4%
Profit margin	36.5%	31.6%	26.0%	30.3%	26.2%	20.9%	25.3%	21.0%
Equity per share after dilution (SEK)	6.89	4.04	2.35	6.89	4.04	2.35	4.62	2.72
Equity at the end of the period (SEK million)	416.8	244.4	141.9	416.8	244.4	141.9	279.8	165.0
Total assets at the end of the period (SEK million)	848.6	513.8	409.3	848.6	513.8	409.3	574.9	444.8
Working capital at the end of the period (SEK million)	254.9	136.9	44.0	254.9	136.9	44.0	164.5	64.0
Cash flow from operating activities (SEK million)	49.6	20.0	25.6	180.6	118.4	74.4	195.8	115.2
Equity/assets ratio	49.1%	47.6%	34.7%	49.1%	47.6%	34.7%	48.7%	37.1%
<u>Non-financial measures</u>								
No. of customers at the end of the period	351,000	297,000	244,000	351,000	297,000	244,000	313,000	257,000
No. of employees at the end of the period	396	318	242	396	318	242	329	261
Average no. of shares outstanding before dilution (000s)	60,135	59,785	59,676	59,994	59,749	59,658	59,758	59,673
Average no. of shares outstanding after dilution (000s)	60,542	60,542	60,535	60,542	60,540	60,405	60,540	60,437
No. of shares outstanding at the end of the period before dilution (000s)	60,135	59,785	59,715	60,135	59,785	59,715	59,785	59,715
No. of shares outstanding at the end of the period after dilution (000s)	60,542	60,542	60,535	60,542	60,542	60,535	60,542	60,535

Performance measures for the Group per quarter

	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3
<u>IFRS financial measures</u>									
Net sales (SEK million)	174.6	170.1	160.7	153.3	136.5	128.8	113.5	107.2	95.7
Profit for the period (SEK million)	63.8	48.2	41.0	35.4	43.1	31.1	25.0	22.7	24.9
Earnings per share after dilution (SEK)	1.05	0.80	0.68	0.58	0.71	0.51	0.41	0.38	0.41
<u>Alternative performance measures</u>									
Growth compared with prev. quarter	2.6%	5.8%	4.9%	12.3%	6.0%	13.5%	5.9%	12.0%	6.5%
ARR (SEK million)	532.7	504.3	478.6	444.7	411.6	386.4	367.3	309.4	264.0
ARPC (SEK)	167	164	160	154	148	142	137	133	130
EBIT (SEK million)	82.2	62.5	53.2	45.4	55.2	40.1	32.2	28.8	32.6
EBIT margin	47.1%	36.8%	33.1%	29.6%	40.4%	31.1%	28.4%	26.9%	34.0%
Profit margin	36.5%	28.4%	25.5%	23.1%	31.6%	24.1%	22.1%	21.2%	26.0%
Equity per share after dilution (SEK)	6.89	5.83	4.80	4.62	4.04	3.32	2.80	2.72	2.34
Equity at the end of the period (SEK million)	416.8	353.1	290.8	279.8	244.4	201.2	169.4	165.0	141.9
Total assets at the end of the period (SEK million)	848.6	788.1	739.4	574.9	513.8	515.3	485.8	444.8	409.3
Working capital at the end of the period (SEK million)	254.9	210.8	162.3	164.5	136.9	95.3	66.8	64.0	44.0
Cash flow from operating activities (SEK million)	49.6	113.0	17.9	77.4	20.0	57.9	40.5	40.9	25.6
Equity/assets ratio	49.1%	44.8%	39.3%	48.7%	47.6%	39.1%	34.9%	37.1%	34.7%
<u>Non-financial measures</u>									
No. of customers at the end of the period (000s)	351	341	328	313	297	286	273	257	244
No. of employees at the end of the period	396	357	352	329	318	294	274	261	242

Definitions and disclosures

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. 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.

NOTES

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.

The same accounting policies and calculation basis as in the last annual report have not been applied for the Group and the Parent Company, since the Board has decided to voluntarily adopt International Financial Reporting Standards (IFRS), as adopted by the EU, for the Group's financial statements as of January 1, 2020. The most significant accounting policies for the preparation of this report are summarized below. Refer to Note 4 for an explanation of the transition to the new standards.

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.

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.

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.

l) 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.

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		
	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018	Sep-Jul 2020	Jul-Sep 2019	Jul-Sep 2018
SEK 000s									
Net sales (from external customers)	150,948	117,391	80,955	23,354	19,094	14,701	260	60	0
Net sales (from other segments)	2,847	1,492	1,395	1,572	742	876			
Operating profit	74,052	48,509	29,523	8,775	8,105	4,222	-1,186	-1,544	-1,327
Financial items	414	83	-3	-415	-83	-1	0	0	-6
Profit before tax	73,280	47,047	29,520	8,360	8,022	4,220	0	0	-1,333

The Group's operating segments	Intra-Group and eliminations			Group		
	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018
SEK 000s						
Net sales (from external customers)				174,562	136,544	95,655
Net sales (from other segments)	-4,419	-2,235	-2,271			
Operating profit	512	155	152	82,153	55,225	32,570
Financial items	-842	-245	-276	-844	-245	-286
Profit before tax	-331	-89	-124	81,309	54,980	32,284

The Group's operating segments	Services for financial administration			Payment and financial services			Insurance services		
	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018
SEK 000s									
Net sales (from external customers)	434,982	326,232	225,270	69,724	52,443	41,948	640	122	0
Net sales (from other segments)	9,151	4,632	4,088	4,240	2,461	2,541			
Operating profit	179,212	118,458	70,256	22,180	13,719	7,820	-5,078	-5,183	-4,636
Financial items	1,043	-21	-107	-1,125	-85	-2	-1	0	-15
Profit before tax	175,167	113,253	70,148	21,055	13,634	7,818	9	0	-4,651

The Group's operating segments	Intra-Group and eliminations			Group		
	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018
SEK 000s						
Net sales (from external customers)				505,346	378,798	267,218
Net sales (from other segments)	-13,391	-7,093	-6,629			
Operating profit	1,534	466	444	197,848	127,459	73,884
Financial items	-2,582	-759	-832	-2,665	-865	-957
Profit before tax	-1,048	-293	-388	195,184	126,594	72,927

The Group's operating segments	Services for financial administration			Payment and financial services			Insurance services		
	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018
SEK 000s									
Type of service									
Subscription-based	128,583	100,199	68,770						
Transaction-based	22,235	16,789	11,905	17,177	19,836	15,577	260	60	0
Lending-based*				7,659					
Others	2,977	1,895	1,674	90					
Net sales	153,795	118,883	82,350	24,926	19,836	15,577	260	60	0

The Group's operating segments	Intra-Group and eliminations			Group		
	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2020	Jul-Sep 2019	Jul-Sep 2018
SEK 000s						
Type of service						
Subscription-based				128,583	100,199	68,770
Transaction-based	-1,482	-742	-876	38,190	35,943	26,606
Lending-based				7,659		
Others	-2,937	-1,492	-1,395	130	403	279
Net sales	-4,419	-2,235	-2,271	174,562	136,544	95,655

The Group's operating segments	Services for financial administration			Payment and financial services			Insurance services		
	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018
SEK 000s									
Type of service									
Subscription-based	368,972	276,286	192,583						
Transaction-based	65,216	48,289	31,254	53,164	54,904	44,489	640	122	0
Lending-based*				20,602					
Others	9,945	6,289	5,521	198					
Net sales	444,134	330,864	229,358	73,964	54,904	44,489	640	122	0

The Group's operating segments	Intra-Group and eliminations			Group		
	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2018
SEK 000s						
Type of service						
Subscription-based				368,972	276,286	192,583
Transaction-based	-4,042	-2,461	-2,541	114,978	100,855	73,202
Lending-based				20,602		
Others	-9,350	-4,632	-4,088	794	1,657	1,433
Net sales	-13,391	-7,093	-6,629	505,346	378,798	267,218

* 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 expenses were recognized over the lease term 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
Total right-of-use assets	68,627

JANUARY 1 – SEPTEMBER 30, 2018
RESTATED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

SEK 000s	K3 Jan-Sep 2018*	Effects of IFRS	IFRS Jan-Sep 2018
Net sales	267,218		267,218
Other operating income	5,389		5,389
Total operating income	272,607		272,607
Own work capitalized	13,703		13,703
Services purchased	-44,337		-44,337
Other external costs	-40,043	7,931	-32,112
Employee benefit expenses	-109,738		-109,738
Depreciation, amortization and impairment of tangible and intangible assets	-18,752	-7,487	-26,240
Total operating expenses	-199,167	444	-198,723
Operating profit	73,440	444	73,884
Financial items	-125	-832	-957
Profit before tax	73,316	-388	72,927
Tax	-17,246	85	-17,161
Profit for the period	56,070	-303	55,767
Other comprehensive income			
Other comprehensive income	0		0
Comprehensive income for the period	56,070	-303	55,767

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

JULY 1 – SEPTEMBER 30, 2018
RESTATED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

SEK 000s	K3 Jul-Sep 2018*	Effects of IFRS	IFRS Jul-Sep 2018
Net sales	95,655		95,655
Other operating income	2,095		2,095
Total operating income	97,750		97,750
Own work capitalized	3,807		3,807
Services purchased	-15,395		-15,395
Other external costs	-13,291	2,792	-10,500
Employee benefit expenses	-32,230		-32,230
Depreciation, amortization and impairment of tangible and intangible assets	-8,224	-2,640	-10,864
Total operating expenses	-65,333	152	-65,181
Operating profit	32,417	152	32,570
Financial items	-10	-276	-286
Profit before tax	32,407	-124	32,284
Tax	-7,436	27	-7,409
Profit for the period	24,971	-96	24,875
Other comprehensive income			
Other comprehensive income for the period	0		0
Comprehensive income for the period	24,971	-96	24,875

* 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
Total operating income	382,689		382,689
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
Total operating expenses	-280,585	596	-279,989
Operating profit	102,104	596	102,700
Financial items	-125	-1,098	-1,222
Profit before tax	101,979	-502	101,477
Tax	-23,100	110	-22,990
Profit for the year	78,879	-391	78,488
Other comprehensive income			
Other comprehensive income for the year	0		0
Comprehensive income for the year	78,879	-391	78,488

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

JANUARY 1 – SEPTEMBER 30, 2019
RESTATED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

SEK 000s	K3 Jan-Sep 2019*	Effects of IFRS	IFRS Jan-Sep 2019
Net sales	378,798		378,798
Other operating income	9,032		9,032
Total operating income	387,829		387,829
Own work capitalized	16,628		16,628
Services purchased	-59,043		-59,043
Other external costs	-57,886	8,570	-49,316
Employee benefit expenses	-136,797		-136,797
Depreciation, amortization and impairment of tangible and intangible assets	-23,738	-8,104	-31,842
Total operating expenses	-260,836	466	-260,370
Operating profit	126,994	466	127,459
Financial items	-106	-759	-865
Profit before tax	126,888	-293	126,594
Tax	-27,407	60	-27,347
Profit for the period	99,481	-234	99,247
Other comprehensive income			
Other comprehensive income for the period	0		0
Comprehensive income for the period	99,481	-234	99,247

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

JULY 1 – SEPTEMBER 30, 2019
RESTATED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

SEK 000s	K3 Jul-Sep 2019*	Effects of IFRS	IFRS Jul-Sep 2019
Net sales	136,544		136,544
Other operating income	4,216		4,216
Total operating income	140,760		140,760
Own work capitalized	5,360		5,360
Services purchased	-18,597		-18,597
Other external costs	-21,003	2,844	-18,158
Employee benefit expenses	-43,552		-43,552
Depreciation, amortization and impairment of tangible and intangible assets	-7,900	-2,689	-10,589
Total operating expenses	-85,691	155	-85,535
Operating profit	55,070	155	55,225
Financial items	0	-245	-245
Profit before tax	55,070	-89	54,980
Tax	-11,883	19	-11,864
Profit for the period	43,186	-70	43,116
Other comprehensive income			
Other comprehensive income for the period	0		0
Comprehensive income for the period	43,186	-70	43,116

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

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

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
Total operating income	545,285		545,285
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
Total operating expenses	-373,086	621	-372,465
Operating profit	172,199	621	172,820
Financial items	-106	-993	-1,099
Profit before tax	172,093	-372	171,721
Tax	-37,150	77	-37,073
Profit for the year	134,943	-295	134,648
Other comprehensive income			
Other comprehensive income for the year	0		0
Comprehensive income for the year	134,943	-295	134,648

* 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
Assets			
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
Total non-current assets	81,063	69,409	150,473
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
Total current assets	266,968	-93,527	173,441
Total assets	348,032	-24,118	323,914
Equity			
Share capital	1,192		1,192
Other contributed capital	85,267		85,267
Retained earnings incl. profit for the year	12,619		12,619
Total shareholders' equity attributable to Parent Company shareholders	99,079		99,079
Liabilities			
Lease liability	0	59,318	59,318
Total non-current liabilities	0	59,318	59,318
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
Other liabilities	7,725		7,725
Accrued expenses and deferred income	89,363		89,363
Total current liabilities	248,953	-83,436	165,517
Total liabilities	248,953	-24,118	224,835
Total equity and liabilities	348,032	-24,118	323,914

SEPTEMBER 30, 2018
RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK 000s	K3 Sep 30, 2018	Effects of IFRS	IFRS Sep 30, 2018
Assets			
Intangible assets	81,152		81,152
Tangible assets	5,609		5,609
Right-of-use assets	0	67,106	67,106
Deferred tax assets	0	85	85
Total non-current assets	86,761	67,191	153,953
Accounts receivable	39,491		39,491
Accounts receivable, factoring	49,160		49,160
Prepaid expenses and accrued income	4,317	-931	3,387
Other receivables	193		193
Cash and cash equivalents	163,079		163,079
Fund accounting	21,478	-21,478	0
Total current assets	277,718	-22,408	255,310
Total assets	364,479	44,783	409,263
Equity			
Share capital	1,194		1,194
Other contributed capital	87,286		87,286
Retained earnings incl. profit for the period	53,772	-303	53,469
Total shareholders' equity attributable to Parent Company shareholders	142,253	-303	141,950
Liabilities			
Lease liability	0	55,988	55,988
Total non-current liabilities	0	55,988	55,988
Interest-bearing current liabilities	44,000		44,000
Lease liability	0	10,575	10,575
Accounts payable	12,687		12,687
Tax liabilities	21,269		21,269
Fund accounting	21,478	-21,478	0
Other liabilities	11,264		11,264
Accrued expenses and deferred income	111,529		111,529
Total current liabilities	222,227	-10,902	211,324
Total liabilities	222,227	45,086	267,313
Total equity and liabilities	364,479	44,783	409,263

DECEMBER 31, 2018
RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK 000s	K3 Dec 31, 2018	Effects of IFRS	IFRS Dec 31, 2018
Assets			
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
Total non-current assets	89,919	64,827	154,746
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
Total current assets	311,959	-21,904	290,055
Total assets	401,878	42,923	444,801
Equity			
Share capital	1,194		1,194
Other contributed capital	87,567		87,567
Retained earnings incl. profit for the year	76,582	-391	76,191
Total shareholders' equity attributable to Parent Company shareholders	165,343	-391	164,952
Liabilities			
Lease liability	0	53,781	53,781
Total non-current liabilities	0	53,781	53,781
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
Other liabilities	12,783		12,783
Accrued expenses and deferred income	114,984		114,985
Total current liabilities	236,535	-10,466	226,069
Total liabilities	236,535	43,314	279,849
Total equity and liabilities	401,878	42,923	444,801

SEPTEMBER 30, 2019
RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK 000s	K3 Sep 30, 2019	Effects of IFRS	IFRS Sep 30, 2019
Assets			
Intangible assets	91,451		91,451
Tangible assets	4,491		4,491
Right-of-use assets	0	59,300	59,300
Deferred tax assets	0	170	170
Total non-current assets	95,942	59,470	155,412
Accounts receivable	55,829		55,829
Accounts receivable, factoring	64,761		64,761
Prepaid expenses and accrued income	9,875	-991	8,884
Other receivables	19,427		19,427
Cash and cash equivalents	209,511		209,511
Fund accounting	31,727	-31,727	0
Total current assets	391,130	-32,719	358,412
Total assets	487,073	26,751	513,824
Equity			
Share capital	1,196		1,196
Other contributed capital	88,639		88,639
Retained earnings incl. profit for the period	155,155	-625	154,530
Total shareholders' equity attributable to Parent Company shareholders	244,990	-625	244,365
Liabilities			
Lease liability	0	47,898	47,898
Total non-current liabilities	0	47,898	47,898
Interest-bearing current liabilities	0		0
Lease liability	0	11,206	11,206
Accounts payable	13,644		13,644
Tax liabilities	32,635		32,635
Fund accounting	31,727	-31,727	0
Other liabilities	15,986		15,986
Accrued expenses and deferred income	148,090		148,090
Total current liabilities	242,083	-20,522	221,561
Total liabilities	242,083	27,376	269,459
Total equity and liabilities	487,073	26,751	513,824

DECEMBER 31, 2019
RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK 000s	K3 Dec 31, 2019	Effects of IFRS	IFRS Dec 31, 2019
Assets			
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
Total non-current assets	104,014	56,798	160,812
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
Total current assets	448,387	-34,301	414,086
Total assets	552,401	22,497	574,898
Equity			
Share capital	1,196		1,196
Other contributed capital	88,639		88,639
Retained earnings incl. profit for the year	190,618	-687	189,931
Total shareholders' equity attributable to Parent Company shareholders	280,452	-687	279,766
Liabilities			
Lease liability	0	45,545	45,545
Total non-current liabilities	0	45,545	45,545
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
Other liabilities	15,499		15,499
Accrued expenses and deferred income	165,997		165,997
Total current liabilities	271,949	-22,362	249,587
Total liabilities	271,949	23,183	295,132
Total equity and liabilities	552,401	22,497	574,898

JANUARY 1 – SEPTEMBER 30, 2018
RESTATED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK 000s	K3 Jan-Sep 2018	Effects of IFRS	IFRS Jan-Sep 2018
Operating activities			
Profit before tax	73,316	-388	72,927
Adjustments for non-cash items	18,752	7,487	26,240
Income tax paid	-16,651		-16,651
	75,417	7,099	82,516
Increase (-)/decrease (+) in operating receivables	-33,375	148	-33,227
Increase (+)/decrease (-) in operating liabilities	25,063		25,063
Cash flow from operating activities	67,105	7,247	74,352
Investing activities			
Acquisitions of tangible assets	-246		-246
Acquisitions of intangible assets	-24,428		-24,428
Cash flow from investing activities	-24,674		-24,674
Financing activities			
Overdraft facilities	19,106		19,106
New share issue	1,457		1,457
Warrants	564		564
Repayment of lease liability	0	-7,247	-7,247
Dividends paid to Parent Company owners	-14,916		-14,916
Cash flow from financing activities	6,210	-7,247	-1,037
Cash flow for the period	48,642		48,642
Cash and cash equivalents at the beginning of the period	114,437		114,437
Cash and cash equivalents at the end of the period	163,079		163,079

JULY 1 – SEPTEMBER 30, 2018
RESTATED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK 000s	K3 Jul-Sep 2018	Effects of IFRS	IFRS Jul-Sep 2018
Operating activities			
Profit before tax	32,407	-124	32,284
Adjustments for non-cash items	8,224	2,640	10,864
Income tax paid	-2,959		-2,959
	37,673	2,516	40,189
Increase (-)/decrease (+) in operating receivables	-15,193		-15,193
Increase (+)/decrease (-) in operating liabilities	640		640
Cash flow from operating activities	23,120	2,516	25,636
Investing activities			
Acquisitions of tangible assets	-169		-169
Acquisitions of intangible assets	-6,427		-6,427
Cash flow from investing activities	-6,596		-6,596
Financing activities			
Overdraft facilities	4,934		4,934
Warrants	767		767
Repayment of lease liability	0	-2,516	-2,516
Cash flow from financing activities	5,701	-2,516	3,185
Cash flow for the period	22,225		22,225
Cash and cash equivalents at the beginning of the period	140,854		140,854
Cash and cash equivalents at the end of the period	163,079		163,079

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

SEK 000s	K3 Jan-Dec 2018	Effects of IFRS	IFRS Jan-Dec 2018
Operating activities			
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
	107,099	9,636	116,735
Increase (-)/decrease (+) in operating receivables	-33,767	250	-33,517
Increase (+)/decrease (-) in operating liabilities	32,001		32,001
Cash flow from operating activities	105,333	9,887	115,219
Investing activities			
Acquisitions of tangible assets	-730		-730
Acquisitions of intangible assets	-33,078		-33,078
Cash flow from investing activities	-33,809		-33,809
Financing activities			
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
Cash flow from financing activities	11,555	-9,887	1,668
Cash flow for the year	83,079		83,079
Cash and cash equivalents at the beginning of the year	114,437		114,437
Cash and cash equivalents at the end of the year	197,516		197,516

JANUARY 1 – SEPTEMBER 30, 2019
RESTATED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK 000s	K3 Jan-Sep 2019	Effects of IFRS	IFRS Jan-Sep 2019
Operating activities			
Profit before tax	126,888	-293	126,594
Adjustments for non-cash items	23,738	8,104	31,842
Income tax paid	-19,857		-19,857
	130,768	7,811	138,579
Increase (-)/decrease (+) in operating receivables	-54,810	-41	-54,851
Increase (+)/decrease (-) in operating liabilities	34,695		34,695
Cash flow from operating activities	110,654	7,769	118,423
Investing activities			
Acquisitions of tangible assets	-202		-202
Acquisitions of intangible assets	-29,559		-29,559
Cash flow from investing activities	-29,761		-29,761
Financing activities			
Overdraft facilities	-49,064		-49,064
New share issue	1,074		1,074
Repayment of lease liability	0	-7,769	-7,769
Dividends paid to Parent Company owners	-20,907		-20,907
Cash flow from financing activities	-68,897	-7,769	-76,667
Cash flow for the period	11,995		11,995
Cash and cash equivalents at the beginning of the period	197,516		197,516
Cash and cash equivalents at the end of the period	209,511		209,511

JULY 1 – SEPTEMBER 30, 2019
RESTATED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK 000s	K3 Jul-Sep 2019	Effects of IFRS	IFRS Jul-Sep 2019
Operating activities			
Profit before tax	55,070	-89	54,980
Adjustments for non-cash items	7,900	2,689	10,589
Income tax paid	-3,939		-3,939
	59,030	2,600	61,630
Increase (-)/decrease (+) in operating receivables	-36,420	-10	-36,430
Increase (+)/decrease (-) in operating liabilities	-5,158		-5,158
Cash flow from operating activities	17,452	2,590	20,042
Investing activities			
Acquisitions of tangible assets	-102		-102
Acquisitions of intangible assets	-9,424		-9,424
Cash flow from investing activities	-9,526		-9,526
Financing activities			
Overdraft facilities	-45,628		-45,628
Dividends paid to Parent Company owners	0	-2,590	-2,590
Cash flow from financing activities	-45,628	-2,590	-48,217
Cash flow for the period	-37,701		-37,701
Cash and cash equivalents at the beginning of the period	247,213		247,213
Cash and cash equivalents at the end of the period	209,511		209,511

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

SEK 000s	K3 Jan-Dec 2019	Effects of IFRS	IFRS Jan-Dec 2019
Operating activities			
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
	179,012	10,421	189,433
Increase (-)/decrease (+) in operating receivables	-55,291	575	-54,716
Increase (+)/decrease (-) in operating liabilities	61,062		61,062
Cash flow from operating activities	184,783	10,996	195,779
Investing activities			
Acquisitions of tangible assets	-3,210		-3,210
Acquisitions of intangible assets	-43,125		-43,125
Cash flow from investing activities	-46,335		-46,335
Financing activities			
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
Cash flow from financing activities	-68,897	-10,996	-79,893
Cash flow for the year	69,551		69,551
Cash and cash equivalents at the beginning of the year	197,516		197,516
Cash and cash equivalents at the end of the year	267,067		267,067