

Interim report January-June 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.

Second quarter

- Net sales amounted to SEK 170.1 million (128.8), up 32.0 percent.
- Operating profit totaled SEK 62.5 million (40.1), corresponding to an operating margin of 36.8 percent (31.1).
- Profit after tax was SEK 48.2 million (31.1).
- Earnings per share after dilution amounted to SEK 0.80 (0.51).


January-June 2020

- Net sales amounted to SEK 330.8 million (242.3), up 36.5 percent.
- Operating profit totaled SEK 115.7 million (72.2), corresponding to an operating margin of 35.0 percent (29.8).
- Profit after tax was SEK 89.2 million (56.1).
- Earnings per share after dilution amounted to SEK 1.47 (0.93).

Significant events in the first quarter

- The ongoing coronavirus pandemic continued to mark the second quarter. 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. The 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 financial position. However, weaker growth for a minor share of the company's sales - transaction-based services - was noted in the quarter, in line with the overall societal trend. Management is continuously assessing the potential impact of Coronavirus pandemic on Fortnox's results and financial position.
- During the quarter, an automated real-time data capture of accounts payable was launched. The automated invoice data capture was launched as a feature in the Fortnox App and is included as optional add-on for customers who subscribe to Fortnox Accounting..

Financial information (Group)	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Jan-Dec 2018
Net sales (SEK million)	170.1	128.8	330.8	242.3	532.1	374.4
EBIT (SEK million)	62.5	40.1	115.7	72.2	172.8	102.7
EBIT margin	36.8%	31.1%	35.0%	29.8%	32.5%	27.4%
Earnings per share, after dilution (SEK)	0.8	0.51	1.47	0.93	2.22	1.30
Cash flow from operating activities (SEK million)	113.0	57.9	130.9	98.4	195.8	115.2
Working capital at the end of the period (SEK million)	210.8	95.3	210.8	95.3	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 170.1 million (128.8), up 32.0 percent (43.4).

Operating expenses amounted to SEK 111.0 million (91.1).

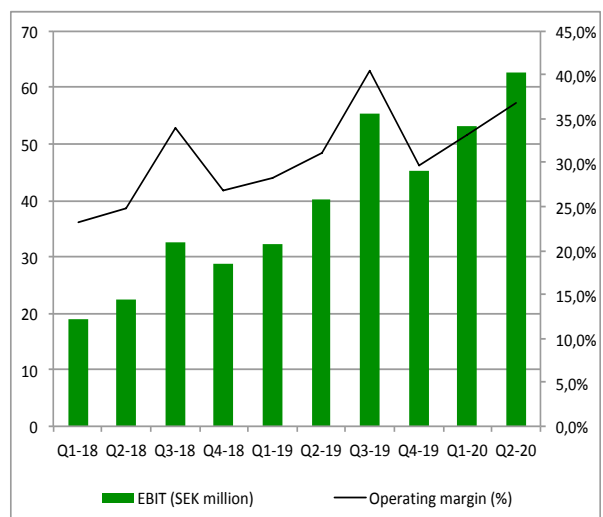
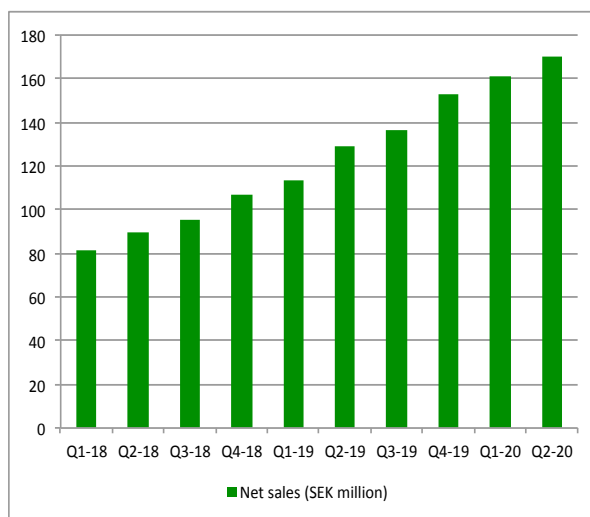
Operating profit totaled SEK 62.5 million (40.1), corresponding to an operating margin of 36.8 percent (31.1).

At the end of the period, the number of customers was 341,000 (286,000), up 19 percent (23).

Annual Recurring Revenue (ARR¹) amounted to SEK 504 million (386).

Average Revenue Per Customer (ARPC²) amounted to SEK 164 (142).

Net sales and result	Fortnox AB	Fortnox Finans AB	Fortnox Försäkring AB	Group
Net sales (SEK million)	148.7 (112.9)	25.9 (18.2)	0.1 (0.1)	170.1 (128.8)
EBIT (SEK million)	55.8 (39.4)	7.9 (2.4)	-1.7 (-1.9)	62.5 (40.1)



Investments in the second quarter

The Group's investments in tangible and intangible assets amounted to SEK 24.7 million (9.8).

Capitalized development costs accounted for SEK 15.5 million (9.7). Capitalized development costs included internally generated development costs of SEK 7.2 million (5.5).

Depreciation and amortization of tangible and intangible assets amounted to SEK 14.8 million (9.9).

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 second quarter

The Group's cash flow from operating activities was SEK 113.0 million (57.9).

At the end of the period, the Group's cash and cash equivalents amounted to SEK 334.1 million (247.2).

The utilized overdraft facility amounted to SEK 0 million (45.6) at the end of the period.

During the quarter, receivables pertaining to factoring and invoice financing declined SEK 27 million and amounted to SEK 83.4 million (58.5) at the end of the period. Current receivables totaled SEK 159.1 million (111.7) at the end of the period.

Current liabilities amounted to SEK 282.4 million (263.6).

The Group's working capital amounted to SEK 210.8 million (95.3).

Non-current liabilities consisted solely of lease liability³⁾ and amounted to SEK 152.6 million (50.5).

The equity/assets ratio was 44.8 percent (39.1).

Summary of January-June 2020

Net sales amounted to SEK 330.8 million (242.3), up 36.5 percent (41.2). Operating expenses amounted to SEK 221.7 million (174.8). Operating profit totaled SEK 115.7 million (72.2), corresponding to an operating margin of 35.0 percent (29.8).

The Group's investments in tangible and intangible assets amounted to SEK 40.3 million (20.2). Capitalized development costs accounted for SEK 31.0 million (20.1). Capitalized development costs included internally generated development costs of SEK 15.1 million (11.3). Depreciation and amortization of tangible and intangible assets amounted to SEK 29.4 million (21.3).

The Group's cash flow from operating activities was SEK 130.9 million (98.4).

Employees

At the end of the period, the number of employees was 357 (294). 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	298 (245)	52 (42)	7 (7)	357 (294)

Parent Company January-June 2020

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

Net sales amounted to SEK 290.3 million (212.0), up 37.0 percent (44.2).

Operating profit totaled SEK 105.2 million (69.9). The operating margin was 36.2 percent (33.0) for the period.

Profit after tax was SEK 79.8 million (51.8) and earnings per share after dilution were SEK 1.32 (0.86).

Investments in tangible assets amounted to SEK 9.3 million (0.1) and investments in intangible assets amounted to SEK 24.8 million (17.8).

At the end of the period, working capital amounted to SEK 181.3 million (78.4).

3) The lease liability pertains primarily to leases of office properties, refer to Recognition of leases, Note 4 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 arising from the coronavirus pandemic should now be added. No direct effects have been noted on the company's financial performance as yet (as described under *Significant events in the second quarter* on page 1).

The company's revenue is largely derived from subscriptions and is therefore relatively stable. However, weaker growth for transaction-based services, which account for a minor share of the company's total revenue, was noted in the second quarter. Management is continuously monitoring 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 4.3 million (2.4) during the second quarter and SEK 8.5 million (5.0) during the period January-June 2020.

Board member Olof Hallrup controls ArtOn 24, and via First Kraft AB, about 21 percent (21) of the votes in Fortnox AB. From January 1, Fortnox is leasing an additional office block in Växjö.

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 the second quarter, the company began work on a new business plan, including financial targets for the coming five-year period, which will be presented in autumn 2020. Alongside of this, an organizational change was implemented and took effect on July 1, 2020.

The same signals noted by the company during the second quarter in regard to the coronavirus pandemic continued after the end of the interim period.

Shares and share capital

At the end of the period, consolidated equity amounted to SEK 353.1 million (201.2).

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).

	Jun 30 2020	Jun 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)	255.0	140.0	168.0	66.8

Condensed consolidated statement of profit or loss and other comprehensive income

SEK 000s	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales	170,062	128,790	89,842	330,784	242,253	171,563	532,084	374,379
Other operating income	3,497	2,336	1,470	6,604	4,816	3,294	13,201	8,309
Total operating income	173,559	131,126	91,311	337,388	247,069	174,857	545,285	382,689
Own work capitalized	7,236	5,477	5,098	15,136	11,268	9,896	23,574	18,872
Services purchased	-26,265	-20,592	-15,052	-50,152	-40,447	-28,942	-81,570	-62,296
Other external costs	-17,690	-16,292	-10,923	-35,928	-31,158	-21,612	-76,286	-51,225
Employee benefit expenses	-59,482	-49,756	-39,959	-121,358	-93,245	-77,509	-194,783	-150,473
Depreciation, amortization and impairment of tangible and intangible assets	-14,843	9,905	-8,132	-29,390	-21,253	-15,376	-43,400	-34,867
Total operating expenses	-111,044	-91,068	-68,967	-221,692	-174,835	133,542	-372,465	-279,989
Operating profit	62,515	40,058	22,344	115,696	72,235	41,315	172,820	102,700
Financial items	-942	-360	-401	-1,821	-620	-671	-1,099	-1,222
Profit before tax	61,573	39,699	21,943	113,875	71,614	40,644	171,721	101,477
Tax	-13,335	-8,617	-5,342	-24,683	-15,483	-9,752	-37,073	-22,990
Profit for the period	48,238	31,082	16,601	89,192	56,131	30,892	134,648	78,488
Other comprehensive income								
Other comprehensive income	0	0	0	0	0	0	0	0
Comprehensive income for the period	48,238	31,082	16,601	89,192	56,131	30,892	134,648	78,488
Earnings per share								
– before dilution, SEK	0.80	0.52	0.28	1.49	0.94	0.52	2.25	1.32
– after dilution, SEK	0.80	0.51	0.27	1.47	0.93	0.51	2.22	1.30
Average no. of shares outstanding								
– before dilution, 000s	60,059	59,741	59,665	59,922	59,730	59,649	59,758	59,673
– after dilution, 000s	60,542	60,541	60,440	60,542	60,538	60,338	60,540	60,437

Condensed consolidated statement of financial position

SEK 000s	Jun 30 2020	Jun 30 2019	Jun 30 2018	Dec 31 2019	Dec 31 2018	Jan 1 2018
Assets						
Intangible assets	109,789	89,480	82,515	96,658	84,270	74,169
Tangible assets	14,977	4,836	5,874	6,988	5,649	6,670
Right-of-use assets	169,439	61,989	69,746	56,611	64,716	69,409
Deferred tax assets	703	151	58	555	110	224
Total non-current assets	294,908	156,456	158,193	160,812	154,746	150,473
Accounts receivable	61,034	44,710	34,933	36,958	38,508	27,893
Accounts receivable, factoring	50,730	58,527	39,290	78,926	47,951	23,208
Prepaid expenses and accrued income	13,576	7,912	2,676	10,507	5,858	1,050
Other receivables	33,780	516	139	20,627	222	6,853
Cash and cash equivalents	334,116	247,213	140,854	267,067	197,516	114,437
Total current assets	493,235	358,878	217,892	414,086	290,055	173,441
Total assets	788,143	515,334	376,085	574,898	444,801	323,914
Equity						
Share capital	1,203	1,196	1,193	1,196	1,194	1,192
Other contributed capital	102,632	88,639	86,520	88,639	87,567	85,267
Retained earnings incl. profit for the period	249,230	111,414	28,594	189,931	76,191	12,619
Total equity	353,065	201,249	116,308	279,766	164,952	99,079
Liabilities						
Lease liability	152,630	50,469	58,262	45,545	53,781	59,318
Total non-current liabilities	152,630	50,469	58,262	45,545	53,781	59,318
Interest-bearing current liabilities	0	45,628	39,066	0	49,064	24,894
Lease liability	18,600	11,224	10,818	10,958	10,422	9,309
Accounts payable	18,068	12,958	8,766	19,381	14,154	13,767
Tax liabilities	37,258	23,830	15,986	37,752	24,661	20,459
Accrued expenses and deferred income	191,802	154,773	115,510	165,997	114,984	89,363
Other liabilities	16,719	15,203	11,370	15,499	12,783	7,725
Total current liabilities	282,447	263,616	201,516	249,587	226,069	165,517
Total liabilities	435,078	314,085	259,777	295,132	279,849	224,835
Total equity and liabilities	788,143	515,334	376,085	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			30,892	30,892
Dividends paid			-14,916	-14,916
New share issue	1	820		821
Warrants		433		
Total contributions from and value transfers to owners	1	1,253	15,976	17,229
Closing equity, June 30, 2018	1,193	86,520	28,594	116,308
Opening equity, July 1, 2018	1,193	86,520	28,594	116,308
Comprehensive income for the period			47,596	47,596
Dividends paid			0	0
New share issue	1	911		912
Warrants		136		136
Total contributions from and value transfers to owners	1	1,047	47,596	48,644
Closing equity, 31 December 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			56,131	56,131
Dividends paid			-20,907	-20,907
New share issue	1	1,072		1,074
Warrants				
Total contributions from and value transfers to owners	1	1,072	35,224	36,298
Closing equity, June 30, 2019	1,196	88,639	111,414	201,249
Opening equity, July 1, 2019	1,196	88,639	111,414	201,249
Comprehensive income for the period			78,517	78,517
Dividends paid				
New share issue				
Warrants				
Total contributions from and value transfers to owners	0	0	78,517	78,517
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			89,192	89,192
Dividends paid			-29,893	-29,893
New share issue	7	13,993		14,000
Warrants				
Total contributions from and value transfers to owners	7	13,993	59,299	73,299
Closing equity, June 30, 2020	1,203	102,632	249,230	353,065

Condensed consolidated statement of cash flows

SEK 000s	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2019	Jan-Dec 2018
Operating activities								
Profit before tax	61,573	39,699	21,943	113,875	71,614	40,644	171,721	101,477
Non-cash adjustments	14,843	9,905	8,132	29,390	21,253	15,376	43,400	34,867
Income tax paid	-6,926	-3,939	-2,959	-24,549	-15,918	-13,692	-25,688	-19,609
	69,490	45,665	27,117	118,716	76,949	42,328	189,433	116,735
Increase (-)/decrease (+) in operating receivables	29,629	-2,619	-12,694	-21,034	-18,421	-18,034	-54,716	-33,517
Increase (+)/decrease (-) in operating liabilities	13,929	14,878	14,823	33,245	39,853	24,423	61,062	32,001
Cash flow from operating activities	113,048	57,924	29,246	130,926	98,381	48,716	195,779	115,219
Investing activities								
Acquisitions of tangible assets	-9,213	-87	-52	-9,329	100	-77	-3,210	-730
Acquisitions of intangible assets	-15,536	-9,706	-8,936	-30,954	-20,136	-18,000	-43,125	-33,078
Cash flow from investing activities	-24,749	9,793	8,988	-40,283	-20,235	-18,077	-46,335	-33,809
Financing activities								
Overdraft facilities	0	-419	6,608	0	-3,436	14,172	-49,064	24,170
New share issue	14,000	767	0	14,000	1,074	690	1,074	1,457
Warrants	0	0	564	0	0	564	0	844
Repayment of lease liability	-3,868	-2,581	-2,506	-7,702	-5,180	-4,731	-10,996	-9,887
Dividends paid to Parent Company owners	-29,893	-20,907	0	-29,893	-20,907	-14,916	-20,907	-14,916
Cash flow from financing activities	-19,761	-23,140	4,666	-23,594	-28,449	-4,222	-79,893	1,668
Cash flow for the period	68,537	24,991	24,924	67,049	49,696	26,417	69,551	83,079
Cash and cash equivalents at the beginning of the period	265,579	222,222	115,931	267,067	197,516	114,437	197,516	114,437
Cash and cash equivalents at the end of the period	334,116	247,213	140,854	334,116	247,213	140,854	267,067	197,516

Condensed Parent Company income statement

SEK 000s	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun- 2018	Jan-Dec 2019	Jan-Dec 2018
Net sales	148,754	112,865	77,084	290,338	211,981	147,008	464,187	322,405
Own work capitalized	6,353	4,810	4,802	13,359	9,793	9,600	21,067	17,821
Other operating income	608	709	390	899	1,230	620	2,534	1,969
	155,715	118,384	82,275	304,596	223,005	157,228	487,788	342,195
Services purchased	-18,148	-14,362	-9,530	-35,202	-28,037	-17,762	-56,804	-40,999
Other external costs	-21,971	-16,654	-12,881	-44,123	-33,722	-25,179	-81,489	-56,577
Employee benefit expenses	-51,682	-41,686	-32,956	-104,211	-77,314	-64,424	-163,198	-125,067
Depreciation, amortization and impairment of tangible and intangible assets	-8,128	-6,254	-4,765	-15,901	-13,983	-9,129	-28,496	-21,718
Total operating expenses	-99,929	-78,956	-60,131	-199,436	-153,056	-116,495	-329,989	-244,360
Operating profit	55,786	39,427	22,144	105,160	69,949	40,733	157,799	97,834
Financial items	343	-104	-104	630	-104	-104	264	-104
Profit after financial items	56,129	39,323	22,040	105,790	69,845	40,629	158,063	97,731
Appropriations	-1,651	-1,948	0	-3,902	-3,639	0	-7,270	-6,433
Profit before tax	54,477	37,375	22,040	101,887	66,206	40,629	150,793	91,298
Tax	-11,804	-8,138	-4,914	-22,097	-14,373	-9,015	-32,848	-20,469
Profit for the period	42,674	29,237	17,127	79,790	51,833	31,614	117,946	70,829

Condensed Parent Company balance sheet

SEK 000s	Jun 30 2020	Jun 30 2019	Jun 30 2018	Dec 31 2019	Dec 31 2018	Jan 1 2018
Assets						
Intangible assets	95,937	79,020	73,298	85,675	74,356	65,372
Tangible assets	14,879	4,732	5,736	6,871	5,528	6,540
Financial assets	63,445	63,445	62,122	63,532	63,445	58,275
Total non-current assets	174,261	147,197	141,156	156,078	143,330	130,186
Accounts receivable	59,618	44,067	30,519	36,059	37,956	27,332
Current receivables from Group companies	100,000	0	0	70,000	0	0
Receivables from other Group companies	1,763	1,435	1,144	2,194	1,796	884
Other receivables	621	337	131	337	208	6,837
Prepaid expenses and accrued income	12,839	8,183	3,010	10,886	6,301	1,456
Cash and bank balances	255,728	216,130	116,246	235,566	165,085	94,328
Total current assets	430,568	270,152	151,049	355,042	211,346	130,836
Total assets	604,829	417,349	292,204	511,120	354,676	261,023
Equity						
Restricted equity						
Share capital	1,203	1,196	1,193	1,196	1,194	1,192
Development fund	92,748	69,138	55,734	79,766	60,522	44,130
Unrestricted equity						
Share premium reserve	102,632	88,639	86,520	88,639	87,567	85,267
Retained earnings	79,254	14,811	-21,706	4,183	-26,495	-39,077
Profit for the period	79,790	51,833	31,614	117,946	70,829	43,891
Total equity	355,627	225,617	153,354	291,730	193,618	135,403
Current liabilities						
Accounts payable	15,091	9,672	6,594	16,276	11,761	11,268
Liabilities to Group companies	4,957	5,724	1,338	5,079	5,885	0
Current tax liabilities	32,970	19,586	14,957	31,778	21,582	20,091
Other liabilities	14,357	13,172	9,858	13,185	11,383	10,399
Accrued expenses and deferred income	181,828	143,579	106,104	153,072	110,447	83,862
Total current liabilities	249,202	191,733	138,850	219,390	161,058	125,619
Total equity and liabilities	604,829	417,349	292,204	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.

	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2019	Jan-Dec 2018
<u>IFRS financial measures</u>								
Net sales	170.1	128.8	89.8	330.8	242.3	17.6	532.1	374.4
Profit for the period (SEK million)	48.2	31.1	16.6	89.2	56.1	30.9	134.6	78.5
Earnings per share before dilution (SEK)	0.80	0.52	0.28	1.49	0.94	0.52	2.25	1.32
Earnings per share after dilution (SEK)	0.80	0.51	0.27	1.47	0.93	0.51	2.22	1.30
<u>Alternative performance measures</u>								
ARR (SEK million)	504.3	386.4	251.7	504.3	386.4	251.7	444.7	309.4
ARPC (SEK)	164	142	127	164	142	127	154	133
EBIT (SEK million)	62.5	40.1	22.3	115.7	72.2	41.3	172.8	102.7
EBIT margin	36.8%	31.1%	24.9%	35.0%	29.8%	24.1%	32.5%	27.4%
Profit margin	28.4%	24.1%	18.5%	27.0%	23.2%	18.0%	25.3%	21.0%
Equity per share after dilution (SEK)	5.83	3.32	1.93	5.83	3.32	1.93	4.62	2.72
Equity at the end of the period (SEK million)	353.1	201.2	116.3	353.1	201.2	116.3	279.8	165.0
Total assets at the end of the period (SEK million)	788.1	515.3	376.1	788.1	515.3	376.1	574.9	444.8
Working capital at the end of the period (SEK million)	210.8	95.3	16.4	210.8	95.3	16.4	164.5	64.0
Cash flow from operating activities (SEK million)	113.0	57.9	29.2	130.9	98.4	48.7	195.8	115.2
Equity/assets ratio	44.8%	39.1%	30.9%	44.8%	39.1%	30.9%	48.7%	37.1%
<u>Non-financial measures</u>								
No. of customers at the end of the period	341,000	286,000	233,000	341,000	286,000	233,000	313,000	257,000
No. of employees at the end of the period	357	294	235	357	294	235	329	261
Average no. of shares outstanding before dilution (000s)	60,059	59,741	59,665	59,922	59,730	59,649	59,758	59,673
Average no. of shares outstanding after dilution (000s)	60,542	60,541	60,440	60,542	60,538	60,338	60,540	60,437
No. of shares outstanding at the end of the period before dilution (000s)	60,135	59,785	59,665	60,135	59,785	59,665	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 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2
<u>IFRS financial measures</u>									
Net sales (SEK million)	170.1	160.7	153.3	136.5	128.8	113.5	107.2	95.7	89.8
Profit for the period (SEK million)	48.2	41.0	35.4	43.1	31.1	25.0	22.7	24.9	16.6
Earnings per share after dilution (SEK)	0.80	0.68	0.58	0.71	0.51	0.41	0.38	0.41	0.27
<u>Alternative performance measures</u>									
Growth compared with prev. quarter	5.8%	4.9%	12.3%	6.0%	13.5%	5.9%	12.0%	6.5%	9.9%
ARR (SEK million)	504.3	478.6	444.7	411.6	386.4	367.3	309.4	264.0	251.7
ARPC (SEK)	164	160	154	148	142	137	133	130	127
EBIT (SEK million)	62.5	53.2	45.4	55.2	40.1	32.2	28.8	32.6	22.3
EBIT margin	36.8%	33.1%	29.6%	40.4%	31.1%	28.4%	26.9%	34.0%	24.9%
Profit margin	28.4%	25.5%	23.1%	31.6%	24.1%	22.1%	21.2%	26.0%	18.5%
Equity per share after dilution (SEK)	5.83	4.80	4.62	4.04	3.32	2.80	2.72	2.34	1.92
Equity at the end of the period (SEK million)	353.1	290.8	279.8	244.4	201.2	169.4	165.0	141.9	116.3
Total assets at the end of the period (SEK million)	788.1	739.4	574.9	513.8	515.3	485.8	444.8	409.3	376.1
Working capital at the end of the period (SEK million)	210.8	162.3	164.5	136.9	95.3	66.8	64.0	44.0	16.4
Cash flow from operating activities (SEK million)	113.0	17.9	77.4	20.0	57.9	40.5	40.9	25.6	29.2
Equity/assets ratio	44.8%	39.3%	48.7%	47.6%	39.1%	34.9%	37.1%	34.7%	30.9%
<u>Non-financial measures</u>									
No. of customers at the end of the period (000s)	341	328	313	297	286	273	257	244	233
No. of employees at the end of the period	357	352	329	318	294	274	261	242	235

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		
	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018
SEK 000s									
Net sales (from external customers)	145,449	111,275	75,769	24,398	17,463	14,073	214	52	0
Net sales (from other segments)	3,305	1,590	1,315	1,528	750	847			
Operating profit	55,786	39,427	22,144	7,868	2,423	2,075	-1,650	-1,948	-2,027
Financial items	343	-104	-104	-423	-2	-1	-1	0	-9
Profit before tax	54,477	37,375	22,040	7,444	2,422	2,074	1	0	-2,036

The Group's operating segments	Intra-Group and eliminations			Group		
	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018
SEK 000s						
Net sales (from external customers)				170,062	128,790	89,842
Net sales (from other segments)	-4,833	-2,340	-2,162			
Operating profit	512	156	152	62,515	40,058	22,344
Financial items	-861	-254	-286	-942	-360	-401
Profit before tax	-349	-98	-134	61,573	39,699	21,943

The Group's operating segments	Services for financial administration			Payment and financial services			Insurance services		
	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018
SEK 000s									
Net sales (from external customers)	284,034	208,842	144,315	46,370	33,349	27,248	380	63	0
Net sales (from other segments)	6,305	3,139	2,693	2,668	1,719	1,665			
Operating profit	105,160	69,949	40,733	13,406	5,614	3,599	-3,892	-3,639	-3,308
Financial items	630	-104	-104	-711	-2	-1	-1	0	-9
Profit before tax	101,887	66,206	40,629	12,695	5,612	3,598	9	0	-3,318

The Group's operating segments	Intra-Group and eliminations			Group		
	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018
SEK 000s						
Net sales (from external customers)				330,784	242,253	171,563
Net sales (from other segments)	-8,973	-4,859	-4,358			
Operating profit	1,023	311	292	115,696	72,235	41,315
Financial items	-1,739	-515	-556	-1,821	-620	-671
Profit before tax	-717	-204	-265	113,875	71,614	40,644

The Group's operating segments	Services for financial administration			Payment and financial services			Insurance services		
	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018
SEK 000s									
Type of service									
Subscription-based	123,632	93,981	64,851						
Transaction-based	21,625	16,700	10,280	18,448	18,213	14,920	214	52	0
Lending-based*				7,370					
Others	3,497	2,185	1,953	108					
Net sales	148,754	112,865	77,084	25,927	18,213	14,920	214	52	0

The Group's operating segments	Intra-Group and eliminations			Group		
	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018	Apr-Jun 2020	Apr-Jun 2019	Apr-Jun 2018
SEK 000s						
Type of service						
Subscription-based				123,632	93,981	64,851
Transaction-based	-1,420	-750	-847	38,867	34,215	24,353
Lending-based				7,370		
Others	-3,413	-1,590	-1,315	193	595	638
Net sales	-4,833	-2,340	-2,162	170,062	128,790	89,842

The Group's operating segments	Services for financial administration			Payment and financial services			Insurance services		
	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018
SEK 000s									
Type of service									
Subscription-based	240,389	176,087	123,813						
Transaction-based	42,981	31,501	19,349	35,987	35,068	28,913	380	63	0
Lending-based*				12,943					
Others	6,968	4,394	3,846	108					
Net sales	290,338	211,981	147,008	49,038	35,068	28,913	380	63	0

The Group's operating segments	Intra-Group and eliminations			Group		
	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2020	Jan-Jun 2019	Jan-Jun 2018
SEK 000s						
Type of service						
Subscription-based				240,389	176,087	123,813
Transaction-based	-2,560	-1,719	-1,665	76,788	64,912	46,596
Lending-based				12,943		
Others	-6,413	-3,139	-2,693	663	1,255	1,123
Net sales	-8,973	-4,859	-4,358	330,784	242,253	171,563

* 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 – JUNE 30, 2018
RESTATED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SEK 000s	K3 Jan-Jun 2018*	Effects of IFRS	IFRS Jan-Jun 2018
Net sales	171,563		171,563
Other operating income	3,294		3,294
Total operating income	174,857		174,857
Own work capitalized	9,896		9,896
Services purchased	-28,942		-28,942
Other external costs	-26,751	5,139	-21,612
Employee benefit expenses	-77,509		-77,509
Depreciation, amortization and impairment of tangible and intangible assets	-10,528	-4,848	-15,376
Total operating expenses	-133,834	292	-133,542
Operating profit	41,023	292	41,315
Financial items	-114	-556	-671
Profit before tax	40,908	-265	40,644
Tax	-9,810	58	-9,752
Profit for the period	31,098	-207	30,892
Other comprehensive income			
Other comprehensive income	0		0
Comprehensive income for the period	31,098	-207	30,892

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

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

SEK 000s	K3 Apr-Jun 2018*	Effects of IFRS	IFRS Apr-Jun 2018
Net sales	89,842		89,842
Other operating income	1,470		1,470
Total operating income	91,311		91,311
Own work capitalized	5,098		5,098
Services purchased	-15,052		-15,052
Other external costs	-13,715	2,792	-10,923
Employee benefit expenses	-39,959		-39,959
Depreciation, amortization and impairment of tangible and intangible assets	-5,493	-2,640	-8,132
Total operating expenses	-69,120	152	-68,967
Operating profit	22,192	152	22,344
Financial items	-114	-286	-401
Profit before tax	22,077	-134	21,943
Tax	-5,372	29	-5,342
Profit for the period	16,706	-105	16,601
Other comprehensive income			
Other comprehensive income	0		0
Comprehensive income for the period	16,706	-105	16,601

* 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 period	78,879	-391	78,488
Other comprehensive income			
Other comprehensive income	0		0
Comprehensive income for the period	78,879	-391	78,488

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

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

SEK 000s	K3 Jan-Jun 2019*	Effects of IFRS	IFRS Jan-Jun 2019
Net sales	242,253		242,253
Other operating income	4,816		4,816
Total operating income	247,069		247,069
Own work capitalized	11,268		11,268
Services purchased	-40,447		-40,447
Other external costs	-36,883	5,725	-31,158
Employee benefit expenses	-93,245		-93,245
Depreciation, amortization and impairment of tangible and intangible assets	-15,838	-5,415	-21,253
Total operating expenses	-175,145	311	-174,835
Operating profit	71,924	311	72,235
Financial items	-106	-515	-620
Profit before tax	71,818	-204	71,614
Tax	-15,524	41	-15,483
Profit for the period	56,294	-163	56,131
Other comprehensive income			
Other comprehensive income	0		0
Comprehensive income for the period	56,294	-163	56,131

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

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

SEK 000s	K3 Apr-Jun 2019*	Effects of IFRS	IFRS Apr-Jun 2019
Net sales	128,790		128,790
Other operating income	2,336		2,336
Total operating income	131,126		131,126
Own work capitalized	5,477		5,477
Services purchased	-20,592		-20,592
Other external costs	-19,139	2,848	-16,292
Employee benefit expenses	-49,756		-49,756
Depreciation, amortization and impairment of tangible and intangible assets	-7,213	-2,692	-9,905
Total operating expenses	-91,223	155	-91,068
Operating profit	39,903	155	40,058
Financial items	-106	-254	-360
Profit before tax	39,797	-98	39,699
Tax	-8,638	21	-8,617
Profit for the period	31,159	-77	31,082
Other comprehensive income			
Other comprehensive income	0		0
Comprehensive income for the period	31,159	-77	31,082

* 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 period	134,943	-295	134,648
Other comprehensive income			
Other comprehensive income	0		0
Comprehensive income for the period	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 period	12,619		12,619
Total equity	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
Accrued expenses and deferred income	89,363		89,363
Other liabilities	7,725		7,725
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

JUNE 30, 2018
RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK 000s	K3 Jun 30, 2018	Effects of IFRS	IFRS Jun 30, 2018
Assets			
Intangible assets	82,515		82,515
Tangible assets	5,874		5,874
Right-of-use assets	0	69,746	69,746
Deferred tax assets	0	58	58
Total non-current assets	88,389	69,804	158,193
Accounts receivable	34,933		34,933
Accounts receivable, factoring	39,290		39,290
Prepaid expenses and accrued income	3,607	-931	2,676
Other receivables	139		139
Cash and cash equivalents	140,854		140,854
Fund accounting	36,359	-36,359	0
Total current assets	255,183	-37,290	217,892
Total assets	343,571	32,514	376,085
Equity			
Share capital	1,193		1,193
Other contributed capital	86,520		86,520
Retained earnings incl. profit for the period	28,801	-207	28,594
Total equity	116,514	-207	116,308
Liabilities			
Lease liability	0	58,262	58,262
Total non-current liabilities	0	58,262	58,262
Interest-bearing current liabilities	39,066		39,066
Lease liability	0	10,818	10,818
Accounts payable	8,766		8,766
Tax liabilities	15,986		15,986
Fund accounting	36,359	-36,359	0
Accrued expenses and deferred income	115,510		115,510
Other liabilities	11,370		11,370
Total current liabilities	227,057	-25,541	201,516
Total liabilities	227,057	32,720	259,777
Total equity and liabilities	343,571	32,514	376,085

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 period	76,582	-391	76,191
Total equity	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
Accrued expenses and deferred income	114,984		114,984
Other liabilities	12,783		12,783
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

JUNE 30, 2019
RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK 000s	K3 Jun 30, 2019	Effects of IFRS	IFRS Jun 30, 2019
Assets			
Intangible assets	89,480		89,480
Tangible assets	4,836		4,836
Right-of-use assets	0	61,989	61,989
Deferred tax assets	0	151	151
Total non-current assets	94,316	62,140	156,456
Accounts receivable	44,710		44,710
Accounts receivable, factoring	58,527		58,527
Prepaid expenses and accrued income	8,914	-1,001	7,912
Other receivables	516		516
Cash and cash equivalents	247,213		247,213
Fund accounting	28,566	-28,566	0
Total current assets	388,446	-29,568	358,878
Total assets	482,762	32,572	515,334
Equity			
Share capital	1,196		1,196
Other contributed capital	88,639		88,639
Retained earnings incl. profit for the period	111,969	-555	111,414
Total equity	201,804	-555	201,249
Liabilities			
Lease liability	0	50,469	50,469
Total non-current liabilities	0	50,469	50,469
Interest-bearing current liabilities	45,628		45,628
Lease liability	0	11,224	11,224
Accounts payable	12,958		12,958
Tax liabilities	23,830		23,830
Fund accounting	28,566	-28,566	0
Accrued expenses and deferred income	154,773		154,773
Other liabilities	15,203		15,203
Total current liabilities	280,958	-17,342	263,616
Total liabilities	280,958	33,127	314,085
Total equity and liabilities	482,762	32,572	515,334

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 period	190,618	-687	189,931
Total equity	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
Accrued expenses and deferred income	165,997		165,997
Other liabilities	15,499		15,499
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 – JUNE 30, 2018
RESTATED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK 000s	K3 Jan-Jun 2018	Effects of IFRS	IFRS Jan-Jun 2018
Operating activities			
Profit before tax	40,908	-265	40,644
Adjustments for non-cash items	10,528	4 848	15,376
Income tax paid	-13,692		-13,692
	37,745	4 583	42,328
Increase (-)/decrease (+) in operating receivables	-18,183	148	-18,034
Increase (+)/decrease (-) in operating liabilities	24,423		24,423
Cash flow from operating activities	43,985	4 731	48,716
Investing activities			
Acquisitions of tangible assets	-77		-77
Acquisitions of intangible assets	-18,000		-18,000
Cash flow from investing activities	-18,077		-18,077
Financing activities			
Overdraft facilities	14,172		14,172
New share issue	690		690
Warrants	564		564
Repayment of lease liability	0	-4 731	-4,731
Dividends paid to Parent Company owners	-14,916		-14,916
Cash flow from financing activities	509	-4 731	-4,222
Cash flow for the period	26,417		26,417
Cash and cash equivalents at the beginning of the period	114,437		114,437
Cash and cash equivalents at the end of the period	140,854		140,854

APRIL 1 – JUNE 30, 2018
RESTATED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK 000s	K3 Apr-Jun 2018	Effects of IFRS	IFRS Apr-Jun 2018
Operating activities			
Profit before tax	22,077	-134	21,943
Adjustments for non-cash items	5,493	2,640	8,132
Income tax paid	-2,959		-2,959
	24,611	2,506	27,117
Increase (-)/decrease (+) in operating receivables	-12,694		-12,694
Increase (+)/decrease (-) in operating liabilities	14,823		14,823
Cash flow from operating activities	26,740	2,506	29,246
Investing activities			
Acquisitions of tangible assets	-52		-52
Acquisitions of intangible assets	-8,936		-8,936
Cash flow from investing activities	-8,988		-8,988
Financing activities			
Overdraft facilities	6,608		6,608
Warrants	564		564
Repayment of lease liability	0	-2,506	-2,506
Cash flow from financing activities	7,172	-2,506	4,666
Cash flow for the period	24,924		24,924
Cash and cash equivalents at the beginning of the period	115,931		115,931
Cash and cash equivalents at the end of the period	140,854		140,854

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		
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 period	83,079		83,079
Cash and cash equivalents at the beginning of the period	114,437		114,437
Cash and cash equivalents at the end of the period	197,516		197,516

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

SEK 000s	K3 Jan-Jun 2019	Effects of IFRS	IFRS Jan-Jun 2019
Operating activities			
Profit before tax	71,818	-204	71,614
Adjustments for non-cash items	15,838	5,415	21,253
Income tax paid	-15,918		-15,918
	71,739	5,211	76,949
Increase (-)/decrease (+) in operating receivables	-18,390	-31	-18,421
Increase (+)/decrease (-) in operating liabilities	39,853		39,853
Cash flow from operating activities	93,201	5,180	98,381
Investing activities			
Acquisitions of tangible assets	-100		-100
Acquisitions of intangible assets	-20,136		-20,136
Cash flow from investing activities	-20,235		-20 235
Financing activities			
Overdraft facilities	-3,436		-3,436
New share issue	1,074		1,074
Repayment of lease liability	0	-5,180	-5,180
Dividends paid to Parent Company owners	-20,907		-20,907
Cash flow from financing activities	-23,270	-5,180	-28,449
Cash flow for the period	49,696		49,696
Cash and cash equivalents at the beginning of the period	197,516		197,516
Cash and cash equivalents at the end of the period	247,213		247,213

APRIL 1 – JUNE 30, 2019
RESTATED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK 000s	K3 Apr-Jun 2019	Effects of IFRS	IFRS Apr-Jun 2019
Operating activities			
Profit before tax	39,797	-98	39,699
Adjustments for non-cash items	7,213	2,692	9,905
Income tax paid	-3,939		-3,939
	43,071	2,594	45,665
Increase (-)/decrease (+) in operating receivables	-2,606	-13	-2,619
Increase (+)/decrease (-) in operating liabilities	14,878		14,878
Cash flow from operating activities	55,343	2,581	57,924
Investing activities			
Acquisitions of tangible assets	-87		-87
Acquisitions of intangible assets	-9,706		-9,706
Cash flow from investing activities	-9,793		-9,793
Financing activities			
Overdraft facilities	-419		-419
New share issue	767		767
Repayment of lease liability	0	-2,581	-2,581
Dividends paid to Parent Company owners	-20,907		-20,907
Cash flow from financing activities	-20,559	-2,581	-23,140
Cash flow for the period	24,991		24,991
Cash and cash equivalents at the beginning of the period	222,222		222,222
Cash and cash equivalents at the end of the period	247,213		247,213

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 period	69,551		69,551
Cash and cash equivalents at the beginning of the period	197,516		197,516
Cash and cash equivalents at the end of the period	267,067		267,067