Year-end Report
January-December 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.

Fourth quarter 2020

- Net sales amounted to SEK 188.4 million (153.3), up 22.9 percent.
- Operating profit totaled SEK 67.6 million (45.4), corresponding to an operating margin of 35.9 percent (29.6).
- Profit after tax was SEK 52.4 million (35.4).
- Earnings per share after dilution amounted to SEK 0.87 (0.59).

Full-year 2020

- Net sales amounted to SEK 693.7 million (532.1), up 30.4 percent.
- Operating profit totaled SEK 265.4 million (172.8), corresponding to an operating margin of 38.3 percent (32.5).
- Profit after tax was SEK 205.4 million (134.6).
- Earnings per share after dilution amounted to SEK 3.41 (2.23).

Significant events in the fourth quarter

- Like the preceding quarters, the fourth 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, new services such as automated payroll management for sole traders and automated bookkeeping from bank statements with bookkeeping of bank transactions for customers were launched.

- In October, Fortnox concluded a new agreement with 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.

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.

Financial information (Group)	**Oct-Dec 2020**	**Oct-Dec 2019**	**Jan-Dec 2020**	**Jan-Dec 2019**	**Jan-Dec 2018**
Net sales (SEK million)	188.4	153.3	693.7	532.1	374.4
EBIT (SEK million)	67.4	45.4	265.4	172.8	102.7
EBIT margin	35.9%	29.6%	38.3%	32.5%	27.4%
Earnings per share, after dilution (SEK)	0.87	0.59	3.41	2.23	1.30
Cash flow from operating activities (SEK million)	93.0	77.4	273.5	195.8	115.2
Working capital at the end of the period (SEK million)	298.1	164.5	298.1	164.5	64.0

Net sales and results in the fourth quarter

Net sales amounted to SEK 188.4 million (153.3), up 22.9 percent.

Operating expenses amounted to SEK 124.8 million (112.1).

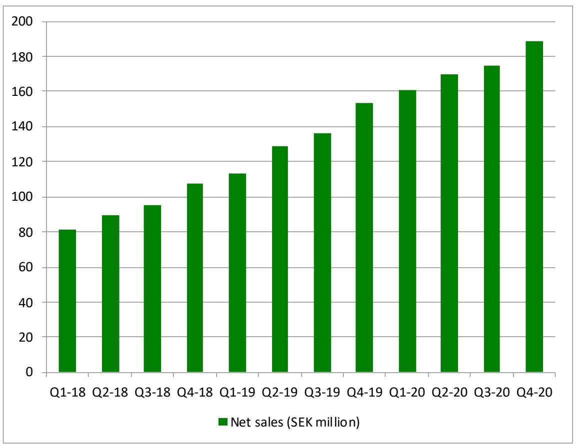
Operating profit totaled SEK 67.6 million (45.4), corresponding to an operating margin of 35.9 percent (29.6).

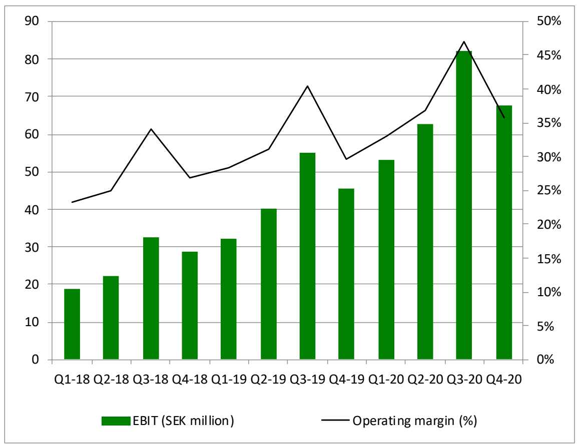
At the end of the period, the number of customers was 367,000 (313,000), up 17.3 percent (21.8).

Annual Recurring Revenue (ARR[1]) amounted to SEK 552.6 million (444.7).

Average Revenue Per Customer (ARPC[2]) amounted to SEK 169 (154).

Net sales and result	**Fortnox AB**	**Fortnox Finans AB**	**Fortnox Försäkring AB**	**Group**
Net sales (SEK million)	166.9 (113.3)	27.2 (23.6)	0.7 (0.1)	**188.4 (153.3)**
EBIT (SEK million)	57.6 (39.6)	12.4 (7.9)	-2.5 (-2.1)	**67.6 (45.4)**





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

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

Investments in the fourth quarter

The Group's investments in tangible and intangible assets amounted to SEK 23.5 million (16.6).

Capitalized development costs accounted for SEK 19.6 million (13.6). Capitalized development costs included internally generated development costs of SEK 9.1 million (6.9).

Depreciation and amortization of tangible and intangible assets amounted to SEK 21.0 million (11.6).

Cash flow and financial position in the fourth quarter

The Group's cash flow from operating activities was SEK 93.0 million (77.4).

At the end of the period, the Group's cash and cash equivalents amounted to SEK 412.6 million (267.1).

During the quarter, receivables pertaining to factoring and invoice financing increased SEK 18.2 million and amounted to SEK 126.7 million (98.8) at the end of the period. Current receivables totaled SEK 191.5 million (147.0) at the end of the period.

Current liabilities amounted to SEK 306.0 million (249.6).

The Group's working capital amounted to SEK 298.1 million (164.5).

Non-current liabilities consisted solely of lease liability[3)] and amounted to SEK 156.1 million (45.5). The increase is explained by the Group signing an additional lease agreement for additional office block as of January 1, 2020.

The equity/assets ratio was 50.4 percent (48.7).

Full-year summary 2020

Net sales amounted to SEK 693.7 million (532.1), up 30.4 percent. Operating expenses amounted to SEK 442.9 million (372.5). Operating profit totaled SEK 265.4 million (172.8), corresponding to an operating margin of 38.3 percent (32.5).

The Group's investments in tangible and intangible assets amounted to SEK 95.7 million (46.3). Capitalized development cots accounted for SEK 64.8 million (43.1). Capitalized development costs included internally generated development costs of SEK 31.1 million (23.6).

Depreciation and amortization of tangible and intangible assets amounted to SEK 66.6 million (43.4).

The Group's cash flow from operating activities was SEK 273.5 million (195.8).

Employees

At the end of the period, the number of employees was 401 (329). 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	340 (275)	54 (47)	7 (7)	401 (329)

3) The lease liability pertains primarily to leases of office properties, refer to Note 4, Recognition of leases on page 27.

Parent Company full-year 2020

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

Net sales amounted to SEK 611.0 million (464.2), up 31.6 percent.

Operating profit totaled SEK 236.8 million (157.8). The operating margin was 38.8 percent (34.0) for the period.

Profit after tax was SEK 180.7 million (117.9) and earnings per share after dilution were SEK 3.0 (1.96).

Investments in tangible assets amounted to SEK 29.3 million (3.2) and investments in intangible assets amounted to SEK 48.5 million (38.0).

At the end of the period, working capital amounted to SEK 261.0 million (135.7).

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 fourth 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 fourth 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 (3.0) during the fourth quarter and SEK 17.6 million (10.6) during the period January-December 2020. From January 1, 2020, 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

The Board of Fortnox decided on a new business plan and operational targets for the period up until 2025. The targets mean that the Group will achieve double the number of both customers and use, resulting in 700,000 customers and average monthly revenue per customer of more than SEK 300 by the end of 2025.

The Board has also decided that it intends to make a list change from NGM Nordic SME to Nasdaq Stockholm's Main Market.

Shares and share capital

At the end of the period, consolidated equity amounted to SEK 469.3 million (279.8).

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).

	Dec 31 2020	Dec 31 2019	Dec 31 2018
No. of shares outstanding at the end of the period	60,135,293	59,785,293	59,715,293
Share price at the end of the period (SEK)	462.5	168.0	66.8

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

The ten largest shareholders at December 31, 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	8,314,756	13.83%
SWEDBANK ROBUR NY TEKNIK BTI	3,555,000	5.91%
MORGAN STANLEY & CO INTL PLC, W8IMY	2,536,455	4.22%
THE NORTHERN TRUST COMPANY	1,868,316	3.11%
SPILTAN FONDER AB	1,366,787	2.27%
BENGTSSON, PEDER KLAS-ÅKE	1,295,700	2.15%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	1,225,484	2.04%
BNY MELLON NA (FORMER MELLON), W9	1,198,537	1.99%
JP MORGAN CHASE BANK N.A.	920,217	1.53%
Others	25,275.970	42.03%
Total	**60,135,293**	**100.00%**

Nomination committee

According to the nomination committee process adopted by the Annual General Meeting (AGM), the Nomination Committee is to consist of members appointed by each of the three largest registered shareholders in terms of votes, as well as the Chairman of the Board. Should any of these three shareholders abstain from appointing a member to the Nomination Committee, other shareholders shall be consulted in order of size until three members have been appointed. The member representing the largest shareholder in terms of votes shall be appointed to chair the Nomination Committee, unless the members agree otherwise.

Based on the ownership structure at August 31, 2020, the three largest registered shareholders of Fortnox in terms of votes were invited to participate in the Nomination Committee prior to 2021. Marianne Flink (Swedbank Robur), Mathias Svensson (First Kraft AB and Chairman of the Nomination Committee) and Pär Andersson (Spiltan Aktiefonder) were elected members of the Nomination Committee, together with Olof Hallrup (Chairman of the Board).

Annual General Meeting

The Annual General Meeting (AGM) of Fortnox AB (publ) will be held on March 25, 2021. Due to the ongoing coronavirus pandemic, the AGM will not take the form of a physical meeting and instead shareholders will be able to exercise their voting rights through advance voting by mail, e-mail or digital. Any shareholders wishing to participate in the AGM are required to register their votes to Euroclear Sweden AB no later than March 24. Information about the AGM and the Annual Report will be available from the company's offices and on the website www.fortnox.se from March 1, 2021.

Dividend proposal

For 2020, the Board will propose a dividend of SEK 0.75 (0.50) per share to the AGM, corresponding to a total dividend of SEK 45.1 million (29.9), based on the number of shares at year-end. The proposed record date for the right to receive a dividend is March 29. If the AGM approves the proposal, the expected payment date is April 1, 2021.

Financial calendar

▪ 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 February 16, 2021 at 8:30 a.m. CEST.

This interim report has not been audited.

Växjö, February 16, 2021

Fortnox AB (publ)
Tommy Eklund

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Condensed consolidated statement of profit or loss and other comprehensive income

SEK 000s	Oct-Dec 2020	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
Net sales	188,377	153,286	107,161	693,723	532,084	374,379
Other operating income	3,993	4,170	2,920	14,605	13,201	8,309
Total operating income	**192,370**	**157,456**	**110,081**	**708,327**	**545,285**	**382,689**
Own work capitalized	9,082	6,946	5,169	31,071	23,574	18,872
Services purchased	-25,825	-22,527	-17,959	-96,321	-81,570	-62,296
Other external costs	-21,306	-26,970	-19,113	-74,773	-76,286	-51,225
Employee benefit expenses	-65,761	-57,986	-40,735	-236,274	-194,783	-150,473
Depreciation, amortization and impairment of tangible and intangible assets	-20,994	-11,559	-8,628	-66,615	-43,400	-34,867
Total operating expenses	**-124,803**	**-112,095**	**-81,266**	**-442,912**	**-372,465**	**-279,989**
Operating profit	**67,567**	**45,361**	**28,816**	**265,416**	**172,820**	**102,700**
Financial items	-597	-234	-266	-3,262	-1,099	-1,222
Profit before tax	**66,970**	**45,127**	**28,550**	**262,154**	**171,721**	**101,477**
Tax	-14,555	-9,726	-5,829	-56,770	-37,073	-22,990
Profit for the period	**52,415**	**35,401**	**22,721**	**205,384**	**134,648**	**78,488**
Other comprehensive income						
Other comprehensive income	0	0	0	0	0	0
Comprehensive income for the period	**52,415**	**35,401**	**22,721**	**205,384**	**134,648**	**78,488**
Earnings per share						
– before dilution, SEK	0.87	0.59	0.38	3.42	2.25	1.32
– after dilution, SEK	0.87	0.59	0.38	3.41	2.23	1.30
Average no. of shares outstanding						
– before dilution, 000s	60,135	59,785	59,715	60,029	59,758	59,673
– after dilution, 000s	60,292	60,292	60,135	60,292	60,266	60,168

Condensed consolidated statement of financial position

SEK 000s	Dec 31 2020	Dec 31 2019	Dec 31 2018	Jan 1 2018
Assets				
Intangible assets	121,383	96,658	84,270	74,169
Tangible assets	32,799	6,988	5,649	6,670
Right-of-use assets	172,310	56,611	64,716	69,409
Deferred tax assets	773	555	110	224
Total non-current assets	**327,265**	**160,812**	**154,746**	**150,473**
Accounts receivable	43,473	36,958	38,508	27,893
Receivables factoring	20,564	78,926	47,951	23,208
Purchased receivables	106,160	19,841	0	0
Prepaid expenses and accrued income	19,687	10,507	5,858	1,050
Other receivables	1,660	786	222	6,853
Cash and cash equivalents	412,614	267,067	197,516	114,437
Total current assets	**604 158**	**414,086**	**290,055**	**173,441**
Total assets	**931,423**	**574,898**	**444,801**	**323,914**
Equity				
Share capital	1,203	1,196	1,194	1,192
Other contributed capital	102,632	88,639	87,567	85,267
Retained earnings incl. profit for the period	365,422	189,931	76,191	12,619
Total shareholders´equity attributable to Parent Company shareholders	**469,257**	**279,766**	**164,952**	**99,079**
Liabilities				
Lease liability	156,131	45,545	53,781	59,318
Total non-current liabilities	**156,131**	**45,545**	**53,781**	**59,318**
Interest-bearing current liabilities	0	0	49,064	24,894
Lease liability	20,529	10,958	10,422	9,309
Accounts payable	16,940	19,381	14,154	13,767
Tax liabilities	57,292	37,752	24,661	20,459
Other liabilities	21,307	15,499	12,783	7,725
Accrued expenses and deferred income	189,966	165,997	114,984	89,363
Total current liabilities	**306,035**	**249,587**	**226,069**	**165,517**
Total liabilities	**462,166**	**295,132**	**279,849**	**224,835**
Total equity and liabilities	**931,423**	**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			**78,488**	**78,488**
Transactions with the Group's owners				
Dividends paid			-14,916	-14,916
New share issue	2	1,731		1,733
Warrants		569		569
Total transactions with the Group's owners	**2**	**2,299**	**-14,916**	**-12,615**
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			**134,648**	**134,648**
Transactions with the Group's owners				
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, 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			**205,384**	205,384
Transactions with the Group's owners				
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, December 31, 2020	**1,203**	**102,632**	**365,670**	**469,257**

Condensed consolidated statement of cash flows

SEK 000s	Oct-Dec 2020	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
Operating activities						
Profit before tax	66,970	45,127	28,550	262,154	171,721	101,477
Non-cash adjustments	20,994	11,559	8,628	66,615	43,400	34,867
Income tax paid	-23,664	-5,831	-2,959	-55,044	-25,688	-19,609
	64,300	**50,854**	**34,219**	**273,724**	**189,433**	**116,735**
Increase (-)/decrease (+) in operating receivables	-794	135	-290	-53,390	-54,716	-33,517
Increase (+)/decrease (-) in operating liabilities	29,453	26,367	6,938	53,190	61,062	32,001
Cash flow from operating activities	**92,959**	**77,356**	**40,867**	**273,524**	**195,779**	**115,219**
Investing activities						
Acquisitions of tangible assets	-3,664	-3,008	-484	-30,888	-3,210	-730
Acquisitions of intangible assets	-19,871	-13,565	-8,651	-64,846	-43,125	-33,078
Cash flow from investing activities	**-23,534**	**-16,574**	**-9,135**	**-95,735**	**-46,335**	**-33,809**
Financing activities						
Overdraft facilities	0	0	5,064	0	-49,064	24,170
New share issue	0	0	0	14,000	1,074	1,457
Warrants	0	0	281	0	0	844
Repayment of lease liability	-4,755	-3,226	-2,639	-16,350	-10,996	-9,887
Dividends paid to Parent Company owners	0	0	0	-29,893	-20,907	-14,916
Cash flow from financing activities	**-4,755**	**-3,226**	**2,705**	**-32,243**	**-79,893**	**1,668**
Cash flow for the period	64,669	57,556	34,437	145,547	69,551	83,079
Cash and cash equivalents at the beginning of the period	347,945	209,511	163,079	267,067	197,516	114,437
Cash and cash equivalents at the end of the period	**412,614**	**267,067**	**197,516**	**412 614**	**267,067**	**197,516**

Condensed Parent Company income statement

SEK 000s	Oct-Dec 2020	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
Net sales	166,905	133,323	93,048	611,039	464,187	322,405
Own work capitalized	7,813	6,395	4,674	27,225	21,067	17,821
Other operating income	921	554	902	2,602	2,534	1,969
Total operating income	**175,639**	**140,272**	**98,624**	**640,867**	**487,788**	**342,195**
Services purchased	-19,125	-15,734	-13,326	-67,988	-56,804	-40,999
Other external costs	-29,037	-27,598	-18,460	-94,595	-81,489	-56,577
Employee benefit expenses	-56,808	-49,978	-34,119	-203,090	-163,198	-125,067
Depreciation, amortization and impairment of tangible and intangible assets	-13,051	-7,620	-5,140	-38,364	-28,496	-21,718
Total operating expenses	**-118,021**	**-100,931**	**-71,045**	**-404,037**	**-329,989**	**-244,360**
Operating profit	**57,617**	**39,341**	**27,579**	**236,829**	**157,799**	**97,834**
Financial items	415	285	4	1,458	264	-104
Profit after financial items	**58,032**	**39,626**	**27,583**	**238,288**	**158,063**	**97,731**
Appropriations	-2,548	-2,086	-6,433	-7,636	-7,270	-6,433
Profit before tax	**55,484**	**37,540**	**21,150**	**230,651**	**150,793**	**91,298**
Tax	-12,011	-8,304	-4,948	-49,920	-32,848	-20,469
Profit for the period	**43,473**	**29,237**	**16,202**	**180,732**	**117,946**	**70,829**

Condensed Parent Company balance sheet

SEK 000s	Dec 31 2020	Dec 31 2019	Dec 31 2018	Jan 1 2018
Assets				
Intangible assets	100,846	85,675	74,356	65,372
Tangible assets	31,174	6,871	5,528	6,540
Financial assets	63,507	63,532	63,445	58,275
Total non-current assets	**195,527**	**156,078**	**143,330**	**130,186**
Accounts receivable	42,973	36,059	37,956	27,332
Interest-bearing receivables from Group companies	100,000	70,000	0	0
Other receivables from Group companies	31,464	2,194	1,796	884
Other receivables	748	337	208	6,837
Prepaid expenses and accrued income	17,736	10,886	6,301	1,456
Cash and bank balances	339,685	235,566	165,085	94,328
Total current assets	**532,607**	**355,042**	**211,346**	**130,836**
Total assets	**728,134**	**511,120**	**354,676**	**261,023**
Equity				
Restricted equity				
Share capital	1,203	1,196	1,194	1,192
Development fund	99,182	79,766	60,522	44,130
Unrestricted equity				
Share premium reserve	102,632	88,639	87,567	85,267
Retained earnings	72,820	4,183	-26,495	-39,077
Profit for the period	180,732	117,946	70,829	43,891
Total equity	**456,569**	**291,730**	**193,618**	**135,403**
Current liabilities				
Accounts payable	14,596	16,276	11,761	11,268
Liabilities to Group companies	6,618	5,079	5,885	0
Current tax liabilities	50,055	31,778	21,582	20,091
Other liabilities	18,419	13,185	11,383	10,399
Accrued expenses and deferred income	181,877	153,072	110,447	83,862
Total current liabilities	**271,565**	**219,390**	**161,058**	**125,619**
Total equity and liabilities	**728,134**	**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.

	Oct-Dec 2020	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
IFRS financial measures						
Net sales	188.4	153.3	107.2	693.7	532.1	374.4
Profit for the period (SEK million)	52.4	35.4	22.7	205.7	134.6	78.5
Earnings per share before dilution (SEK)	0.87	0.59	0.38	3.42	2.25	1.32
Earnings per share after dilution (SEK)	0.87	0.59	0.38	3.41	2.23	1.30
Alternative performance measures						
ARR (SEK million)	552.6	444.7	309.4	552.6	444.7	309.4
ARPC (SEK)	169	154	133	169	154	133
EBIT (SEK million)	67.6	45.4	28.8	265.4	172.8	102.7
EBIT margin	35.9%	29.6%	26.9%	38.3%	32.5%	27.4%
Profit margin	27.8%	23.1%	21.2%	29.6%	25.3%	21.0%
Equity per share after dilution (SEK)	7.78	4.64	2.74	7.78	4.64	2,74
Equity at the end of the period (SEK million)	469.3	279.8	165.0	469.3	279.8	165.0
Total assets at the end of the period (SEK million)	931.4	574.9	444.8	931.4	574.9	444.8
Working capital at the end of the period (SEK million)	298.1	164.5	64.0	298.1	164.5	64.0
Cash flow from operating activities (SEK million)	93.0	77.4	40.9	273.5	195.8	115.2
Equity/assets ratio	50.4%	48.7%	37.1%	50.4%	48.7%	37.1%
Non-financial measures						
No. of customers at the end of the period	367,000	313,000	257,000	367 000	313,000	257,000
No. of employees at the end of the period	401	329	261	401	329	261
Average no. of shares outstanding before dilution (000s)	60,135	59,785	59,715	60,029	59,758	59,673
Average no. of shares outstanding after dilution (000s)	60,292	60,292	60,135	60,292	60,266	60,168
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
No. of shares outstanding at the end of the period after dilution (000s)	60,292	60,292	60,135	60,292	60,292	60,135

Performance measures for the Group per quarter

	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4
IFRS financial measures									
Net sales (SEK million)	188.4	174.6	170.1	160.7	153.3	136.5	128.8	113.5	107.2
Profit for the period (SEK million)	52.4	63.8	48.2	41.0	35.4	43.1	31.1	25.0	22.7
Earnings per share after dilution (SEK)	0.87	1.06	0.80	0.68	0.59	0.72	0.52	0.42	0.38
Alternative performance measures									
Growth compared with prev. quarter	7.9%	2.6%	5.8%	4.9%	12.3%	6.0%	13.5%	5.9%	12.0%
ARR (SEK million)	552.6	532.7	504.3	478.6	444.7	411.6	386.4	367.3	309.4
ARPC (SEK)	169	167	164	160	154	148	142	137	133
EBIT (SEK million)	67.6	82.2	62.5	53.2	45.4	55.2	40.1	32.2	28.8
EBIT margin	35.9%	47.1%	36.8%	33.1%	29.6%	40.4%	31.1%	28.4%	26.9%
Profit margin	27.8%	36.5%	28.4%	25.5%	23.1%	31.6%	24.1%	22.1%	21.2%
Equity per share after dilution (SEK)	7.78	6.91	5.86	4.82	4.64	4.05	3.34	2.81	2.74
Equity at the end of the period (SEK million)	469.3	416.8	353.1	290.8	279.8	244.4	201.2	169.4	165.0
Total assets at the end of the period (SEK million)	931.4	848.6	788.1	739.4	574.9	513.8	515.3	485.8	444.8
Working capital at the end of the period (SEK million)	298.1	254.9	210.8	162.3	164.5	136.9	95.3	66.8	64.0
Cash flow from operating activities (SEK million)	93.0	49.6	113.0	17.9	77.4	20.0	57.9	40.5	40.9
Equity/assets ratio	50.4%	49.1%	44.8%	39.3%	48.7%	47.6%	39.1%	34.9%	37.1%
Non-financial measures									
No. of customers at the end of the period (000s)	367	351	341	328	313	297	286	273	257
No. of employees at the end of the period	401	396	357	352	329	318	294	274	261

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. The transition to IFRS follows the procedures of IFRS 1 First-time Adoption of International Financial Reporting Standards and is described in Note 4 below.

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

New IFRS standards and amendments with future application are not expected to have any material effect on the Group's financial reporting.

The changes in Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 7, IFRS 9, IFRS 16 and IAS 39) issued by IASB have been applied as of January 1, 2021. The aim of the changes is to ensure that businesses continue to provide investors with useful information, due to the uncertainties arising from interest-rate benchmark reform, in this case inter-bank offered rates (IBOR).

Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements to IFRS Standards 2018-2020 issued by IASB will be adopted on January 1, 2022.

The effective date of the IASB's amendment to IAS 1 is January 1, 2023, with earlier application permitted. The amendment includes guidance on how to determine whether a liability should be classified as current or non-current.

IFRS 17 Insurance Contracts, not yet adopted by the EU and that will replace IFRS 4, 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.

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

An operating segment is a part of the Group that engages in business activities from which it may earn revenues and incur expenses. 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. 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. Revenue is allocated using the straight-line method, and customers can use the service at any time during 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. All revenue derived from payment and finance-related services, including interest income from lending, 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, accounts receivable, accoiunts receivable factoring, purchased receivables, prepaid expenses and accrued income and other receivables. Financial liabilities include accounts payable, lease liabilities, prepaid income and accrued expenses and other 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.

(iii) 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.

When determining whether a financial asset's credit risk has increased significantly since initial recognition and when calculating expected credit losses, the Group uses reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative data analysis, usually 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.

The Group assesses a significant increase in credit risk for a financial asset to be more than 30 days past due.

The Group's definition of a default event for a financial asset is as follows:

– the borrower is unlikely to pay their credit obligations in full to the Group without the Group having recourse, such as seizing collateral (if any such has been pledged); or
– the financial asset is more than 90 days past due.

12-month expected credit losses are the credit losses resulting from default events within 12 months of the reporting date (or a shorter period if the expected maturity of the instrument is less than 12 months).

Lifetime expected credit losses are the expected credit losses resulting from all possible default events during the expected maturity of a financial instrument.

Expected credit loss measurement

Expected credit loss is the probability-weighted estimate of credit losses.

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.

Evidence that a financial asset Is credit-impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer.
- a breach of contract, such as default or being more than 90 days past due.
- the probability that the borrower will enter bankruptcy or other financial reorganization.

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.

(iv) 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.

(v) 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 – 5-10 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
- Other contract/technology assets – 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 all assets other than financial assets which are tested in accordance with IFRS 9.

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.

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. This is the first year the company has applied RFR 2 Accounting for Legal Entities. The transition to RFR 2 has not had any effect on earnings or the balance sheet.

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

To prepare the interim report in accordance with IFRS 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 accounting estimates and assumptions are regularly reviewed. The effect of a change in an accounting estimate is recognized in the period of the change, if the change affects that period only, or the period of the change and future periods if the change affects both.

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		
SEK 000s	Oct-Dec 2020	Oct-Dec 2019	Oct-Dec 2018	Oct-Dec 2020	Oct-Dec 2019	Oct-Dec 2018	Oct-Dec 2020	Oct-Dec 2019	Oct-Dec 2018
Net sales (from external customers)	162,566	130,542	91,300	25,596	22,650	15,859	214	94	2
Net sales (from other segments)	4,340	2,781	1,748	1,636	901	936	475	22	4
Operating profit	57,617	39,341	27,579	12,384	7,948	2,863	-2,470	-2,084	-1,778
Financial items									
Profit before tax									

The Group's operating segments	Intra-Group and eliminations			Group		
SEK 000s	Oct-Dec 2020	Oct-Dec 2019	Oct-Dec 2018	Oct-Dec 2020	Oct-Dec 2019	Oct-Dec 2018
Nettoomsättning (från externa kunder)				188 377	153,286	107,161
Nettoomsättning (från andra segment)	-6 450	-3,704	-2,688			
Rörelseresultat	35	155	152	67 567	45,361	28,816
Finansiella poster, netto				-597	-234	-266
Resultat före skatt				66 970	45,127	28,550

The Group's operating segments	Services for financial administration			Payment and financial services			Insurance services		
SEK 000s	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
Net sales (from external customers)	597,548	456,774	316,570	95,320	75,093	57,808	854	217	2
Net sales (from other segments)	13,491	7,413	5,835	5,876	3,363	3,477	475	22	4
Operating profit	236,829	157,799	97,834	34,565	21,667	10,683	-7,548	-7,267	-6,414
Financial items									
Profit before tax									

The Group's operating segments	Intra-Group and eliminations			Group		
SEK 000s	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
Net sales (from external customers)				693,723	532,084	374,379
Net sales (from other segments)	-19,842	-10,798	-9,316			
Operating profit	1,569	621	596	265,416	172,820	102,700
Financial items				-3,262	-1,099	-1,222
Profit before tax				262,154	171,721	101,477

The Group's operating segments	**Services for financial administration**			**Payment and financial services**			**Insurance services**		
SEK 000s	**Oct-Dec 2020**	**Oct-Dec 2019**	**Oct-Dec 2018**	**Oct-Dec 2020**	**Oct-Dec 2019**	**Oct-Dec 2018**	**Oct-Dec 2020**	**Oct-Dec 2019**	**Oct-Dec 2018**
Type of service									
Subscription-based	135,955	109,030	75,297						
Transaction-based	31,855	20,689	15,041	18,375	23,552	16,795	690	94	6
Lending-based*				8,849					
Others	-905	3,603	2,709	8				22	0
Net,sales	**166,905**	**133,323**	**93,048**	**27,232**	**23,552**	**16,795**	**690**	**116**	**6**

The Group's operating segments	**Intra-Group and eliminations**			**Group**		
SEK 000s	**Okt-dec 2020**	**Okt-dec 2019**	**Okt-dec 2018**	**Okt-dec 2020**	**Okt-dec 2019**	**Okt-dec 2018**
Type of service						
Subscription-based				135,955	109,030	75,297
Transaction-based	-7,480	-901	-936	43,440	43,434	30,907
Lending-based				8,849		
Others	1,029	-2,803	-1,752	132	822	957
Net,sales	**-6,450**	**-3,704**	**-2,688**	**188,377**	**153,286**	**107,161**

The Group's operating segments	**Services for financial administration**			**Payment and financial services**			**Insurance services**		
SEK 000s	**Jan-Dec 2020**	**Jan-Dec 2019**	**Jan-Dec 2018**	**Jan-Dec 2020**	**Jan-Dec 2019**	**Jan-Dec 2018**	**Jan-Dec 2020**	**Jan-Dec 2019**	**Jan-Dec 2018**
Type of service									
Subscription-based	504,927	385,316	267,881						
Transaction-based	97,071	68,979	46,295	71,539	78,456	61,284	1,330	217	6
Lending-based*				29,451					
Others	9,040	9,892	8,230	207					
Net sales	**611,039**	**464,187**	**322,405**	**101,196**	**78,456**	**61,284**	**1,330**	**217**	**6**

The Group's operating segments	**Intra-Group and eliminations**			**Group**		
SEK 000s	**Jan-Dec 2020**	**Jan-Dec 2019**	**Jan-Dec 2018**	**Jan-Dec 2020**	**Jan-Dec 2019**	**Jan-Dec 2018**
Type of service						
Subscription-based				504,927	385,316	267,881
Transaction-based	-11,521	-3,363	-3,477	158,418	144,288	104,109
Lending-based				29,451		
Others	-8,320	-7,435	-5,840	926	2,479	2,390
Net sales	**-19,842**	**-10,798**	**-9,316**	**693,723**	**532,084**	**374,379**

** 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.

In the tables below, the effects of the transition from previous accounting policies to IFRS on the Group's financial position, financial performance and cash flows that are considered significant by the company are presented and quantified.

Accounting for leases and fund accounting have had the most significant effect and these are described below.

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**

Effects of the transition to IAS 32 – Financial instruments: Classification

Under previous accounting policies, fund accounting was recognized as a gross amount (financial asset and financial liability) in the consolidated statement of financial position. The transition to IFRS has meant that the fund accounting is now recognized net in the consolidated statement of financial position.

OCTOBER 1 – DECEMBER 31, 2018
RESTATED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SEK 000s	K3 Oct-Dec 2018*	Effects of IFRS	IFRS Oct-Dec 2018
Net sales	107,161		107,161
Other operating income	2,920		2,920
Total operating income	**110,081**		**110,081**
Own work capitalized	5,169		5,169
Services purchased	-17,959		-17,959
Other external costs	-21,916	2,803	-19,113
Employee benefit expenses	-40,735		-40,735
Depreciation, amortization and impairment of tangible and intangible assets	-5,977	-2,651	-8,628
Total operating expenses	**-81,418**	**152**	**-81,266**
Operating profit	**28,663**	**152**	**28,816**
Financial items	0	-266	-266
Profit before tax	**28,663**	**-113**	**28,550**
Tax	-5,854	25	-5,829
Profit for the period	**22,809**	**-88**	**22,721**
Other comprehensive income			
Other comprehensive income for the period	0		0
Comprehensive income for the period	**22,809**	**-88**	**22,721**

** 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.*

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

SEK 000s	K3 Oct-Dec 2019*	Effects of IFRS	IFRS Oct-Dec 2019
Net sales	153,286		153,286
Other operating income	4,170		4,170
Total operating income	**157,456**		**157,456**
Own work capitalized	6,946		6,946
Services purchased	-22,527		-22,527
Other external costs	-29,814	2,844	-26,970
Employee benefit expenses	-57,986		-57,986
Depreciation, amortization and impairment of tangible and intangible assets	-8,870	-2,689	-11,559
Total operating expenses	**-112,250**	**155**	**-112,095**
Operating profit	**45,206**	**155**	**45,361**
Financial items	0	-234	-234
Profit before tax	**45,205**	**-79**	**45,127**
Tax	-9,743	17	-9,726
Profit for the period	**35,462**	**-62**	**35,401**
Other comprehensive income			
Other comprehensive income for the period	0	0	0
Comprehensive income for the period	**35,462**	**-62**	**35,401**

** 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
Receivables 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**

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
Receivables 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**

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
Receivables 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**

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

SEK 000s	K3 Oct-Dec 2018	Effects of IFRS	IFRS Oct-Dec 2018
Operating activities			
Profit before tax	28,663	-113	28,550
Adjustments for non-cash items	5,977	2,651	8,628
Income tax paid	-2,959		-2,959
	31,682	**2,537**	**34,219**
Increase (-)/decrease (+) in operating receivables	-392	102	-290
Increase (+)/decrease (-) in operating liabilities	6,938		6,938
Cash flow from operating activities	**38,228**	**2,639**	**40,867**
Investing activities			
Acquisitions of tangible assets	-8,651		-8,651
Acquisitions of intangible assets	-484		-484
Cash flow from investing activities	**-9,135**		**-9,135**
Financing activities			
Overdraft facilities	5,064		5,064
Warrants	281		281
Repayment of lease liability	0	-2,639	-2,639
Cash flow from financing activities	**5,344**	**-2,639**	**2,705**
Cash flow for the period	34,437		34,437
Cash and cash equivalents at the beginning of the period	163,079		163,079
Cash and cash equivalents at the end of the period	**197,516**		**197,516**

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**

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

SEK 000s	K3 Oct-Dec 2019	Effects of IFRS	IFRS Oct-Dec 2019
Operating activities			
Profit before tax	45,205	-79	45,127
Adjustments for non-cash items	8,870	2,689	11,559
Income tax paid	-5,831		-5,831
	48,244	**2,611**	**50,854**
Increase (-)/decrease (+) in operating receivables	-481	616	135
Increase (+)/decrease (-) in operating liabilities	26,367		26,367
Cash flow from operating activities	**74,130**	**3,226**	**77,356**
Investing activities			
Acquisitions of tangible assets	-3,008		-3,008
Acquisitions of intangible assets	-13,565		-13,565
Cash flow from investing activities	**-16,574**		**-16,574**
Financing activities			
Dividends paid to Parent Company owners	0	-3,226	-3,226
Cash flow from financing activities	0	-3,226	-3,226
Cash flow for the period	57,556		57,556
Cash and cash equivalents at the beginning of the period	209,511		209,511
Cash and cash equivalents at the end of the period	**267,067**		**267,067**

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**