

Year-end report

January - December
2023

Fortnox

Year-end report

January-December 2023

Rounding differences may affect the summations in the report and figures in parentheses refer to outcomes in the year-earlier period.

Fourth quarter of 2023

- Net sales amounted to SEK 451 million (357), up SEK 94 million or 26 percent. Acquisitions accounted for SEK 1 million or 0 percentage point of the increase.
- Operating profit totaled SEK 186 million (126), up SEK 60 million. Adjusted for acquisitions, operating profit amounted to SEK 186 million.
- Operating margin was 41 percent (35). Adjusted for acquisitions, the operating margin was 41 percent.
- Profit after tax was SEK 188 million (94).
- Earnings per share before and after dilution amounted to SEK 0.31 (0.15).

Full-year 2023

- Net sales amounted to SEK 1,642 million (1,276), up SEK 366 million or 29 percent. Acquisitions accounted for SEK 6 million or 0 percentage point of the increase.
- Operating profit totaled SEK 673 million (464), up SEK 208 million. Adjusted for acquisitions, operating profit amounted to SEK 682 million.
- Operating margin was 41 percent (36). Adjusted for acquisitions, the operating margin was 42 percent.
- Profit after tax was SEK 570 million (347).
- Earnings per share before dilution amounted to SEK 0.94 (0.57) and earnings per share after dilution amounted to SEK 0.93 (0.57).
- The board of directors proposes a dividend of SEK 0.20 (0.12) per share, corresponding to a total dividend of SEK 122 million, up 67 percent compared to the previous year.

Significant events in the fourth quarter

During the quarter, Fortnox launched the Fortnox Business Card, a product that involves the automation of customer receipt handling and the bookkeeping of purchases. When using Fortnox Business card for payment, most processes occur automatically, as it is seamlessly integrated with Fortnox's products, both Bookkeeping and Approval & Review. For employees, Fortnox Business card marks the end of private expenses and the need to wait for the next paycheck to get their money back. Additionally, individual companies and accounting firms no longer have to spend time collecting receipts and matching them with transactions.

Fortnox AB (publ) is a business platform that connects people, businesses and organisations. We help businesses start, grow and develop. With smart technical products, solutions and services, and the ability to connect them with hundreds of external parties, we are a hub for businesses in Sweden. Our vision is to create a prosperous society shaped by thriving businesses. Established in 2001, Fortnox is headquartered in Växjö with offices in Malmö, Linköping and Stockholm. Fortnox AB is listed on Nasdaq Stockholm. For further information see www.fortnox.se

Increased margin within all business areas

The number of customers grew by 16,000 to 536,000 in the fourth quarter, while average revenue per customer (ARPC) rose by SEK 8 to SEK 268. Net sales increased by 26 percent to SEK 451 million, compared to the corresponding quarter in 2022, and operating profit grew by 48 percent to SEK 186 million, yielding an operating margin of 41 percent – the Group's highest fourth-quarter margin to date. The Rule of Fortnox (RoF) – meaning operating margin and sales growth – was 68 percent.

Stable customer growth in a weak economy

According to the National Institute of Economic Research (NIER), the Swedish economy is still in a recession. According to the latest available information, the number of start-ups in Sweden decreased by one percent in the third quarter of 2023, compared with the year-earlier period. The number of start-ups per quarter has been declining since the second half of 2021, a trend that is continuing, according to the Swedish Agency for Growth Analysis Policy. Despite the economic situation, Fortnox gained 16,000 customers in the quarter and thus continued to capture market share. The margin increased within all business areas. Supported by increased growth in the fourth quarter, the RoF reached 70 percent for the full year 2023.

In terms of development, we maintained a high activity level during the final quarter of the year. In Invoicing, for example, we introduced the option to send invoices to private individuals through a web link. Most importantly, this will make it easier for consumers to pay their invoices directly on the site using various payment methods: Swish, direct bank transfer, a "pay later" solution and partial payment. We have also made it easier for the recipient to track which invoices are outstanding, as all invoices are automatically collected in one place.

When starting a new business, customers used to be required to visit a bank branch to open a business account, often with long processing times. To make this easier, we offer a simplified process – through a collaboration with SEB – that allows a customer to apply for a business account digitally when applying for a stock company.

We are continuously improving our bookkeeping product, and incorporating more integrations allows us to see transactions in real time. In light of this, we further improved Fortnox Insights, an offering for accounting consultants using Digital Accounting Firms. We can now analyze a company's sales and cost trends in real time.

A number of innovations were also added to Payroll, including support for monthly reporting of salaries as a basis for collectively agreed insurance – a new requirement from 2024; the possibility of scheduling digital payslips, which offers greater freedom when it comes to payroll runs; and a better basis for holiday calculation.

Our app is able to handle a growing number of administrative tasks, making it possible to run your business from your phone. Some of the functionalities added during the quarter were: the ability to see detailed information about supplier invoices and related documentation, and the ability for Nordea customers to send payments via the app, which means that customers of all major Swedish banks are now able to do so.

Continued strong momentum and progress in key areas

In 2023, we advanced our positions in areas that are important to us. It was gratifying to see Financial Services grow and reach break-even, and later report a profit. Equally gratifying was the progress achieved in automated bookkeeping on the back of further bank integrations and the launch of our new Business Mailbox. Combined with the Tax Agency integration, we now have the capacity to receive all documents and transactions in real time, which is a prerequisite for automatic bookkeeping. Our business card, which was launched in the quarter, was well received. It is still in an introductory phase, but it will be exciting to follow its development going forward.

None of this progress would have been possible without our Fortnoxers, who work tirelessly every day to develop solutions for Sweden's businesses. Moreover, as we have grown, more and more people have started to see us as an attractive and interesting employer. In 2023, we received applications from more than 7,000 people. Of those, we hired nearly 150 people – corresponding to three per week. No matter how long you have been working with us, you are now part of Fortnox and I want to thank you all for your outstanding achievements during the year.

Best regards,

CEO, Tommy Eklund.



Financial information

SEK million unless otherwise indicated

Key performance indicators (KPIs) (Group)	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
Net sales	451	357	26%	1,642	1,276	29%
EBIT	186	126	48%	673	464	45%
EBIT-margin	41%	35%		41%	36%	
Earnings per share, after dilution (SEK)	0.31	0.15	100%	0.93	0.57	64%
Cash flow from operating activities	238	117	104%	647	441	47%
Working capital at the end of the period	542	419	29%	542	419	29%
Key performance indicators (KPIs) (The Group's operating segments)	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
Businesses						
Revenues	92	71	31%	337	251	35%
Operational segment result	71	53	33%	263	188	40%
Operational segment margin	77%	76%		78%	75%	
Accounting Firms						
Revenues	84	68	22%	307	245	25%
Operational segment result	54	41	31%	196	147	33%
Operational segment margin	65%	61%		64%	60%	
Core Products						
Revenues	181	145	25%	663	522	27%
Operational segment result	120	87	38%	421	330	28%
Operational segment margin	66%	60%		63%	63%	
Financial Services						
Revenues	62	49	28%	227	166	37%
Operational segment result	7	-4		22	-18	
Operational segment margin	12%	-9%		10%	-11%	
Marketplaces						
Revenues	39	34	13%	146	124	18%
Operational segment result	14	9	45%	49	33	46%
Operational segment margin	35%	27%		33%	27%	
Eliminations (Group)						
Revenues	-3	-3	-8%	-11	-9	-20%
Revenue distribution (Group)	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
Subscription-based	319	258	24%	1,185	929	28%
Transaction-based	100	75	33%	351	271	29%
Lending-based	32	23	38%	106	75	41%
Others	4	8	-54%	28	23	21%
Revenue from agreements with customers	455	365	25%	1,670	1,298	29%

Group Development

Group – Net sales and results in the fourth quarter

Net sales amounted to SEK 451 million (357), up SEK 94 million or 26 percent. Revenue increased as a result of higher revenue per existing customer as well as new customers and products. Organic growth for the fourth quarter amounted to 26 percent (30), a year-on-year difference mainly attributable to a slightly lower growth rate for subscription-based revenue and, as previously, a generally lower economic activity in society.

During the quarter, efforts to develop new and further develop existing products continued, bringing own work capitalized, which consists of internally generated development costs, to SEK 31 million (23).

Operating expenses totaled SEK 269 million (239), up SEK 30 million or 13 percent. This increase was primarily due to a higher number of employees and services purchased, which increased costs by 19 percent and 17 percent, respectively, compared with the year-earlier period.

Operating profit totaled SEK 186 million (126), up SEK 60 million or 48 percent.

The operating margin was 41 percent (35), boosted by a general decline in costs in relation to net sales. The main variables underlying this decline are the achievement of economies of scale in personnel costs and a reduction of selling costs and credit losses.

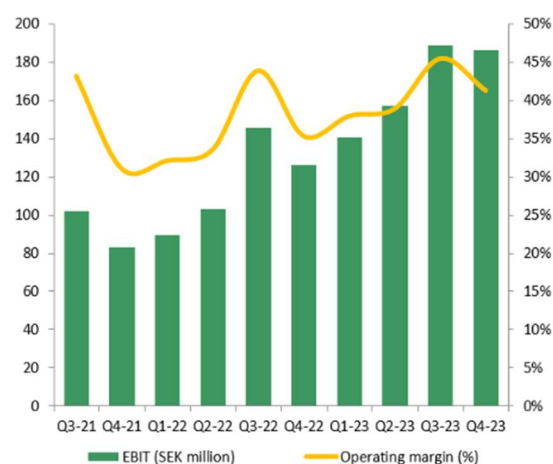
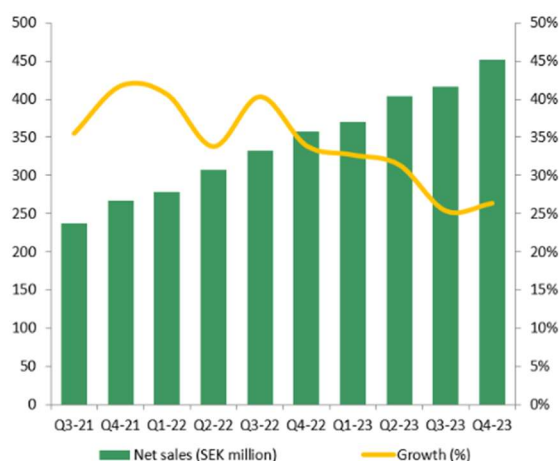
Profit before tax amounted to SEK 186 million (125), up SEK 61 million or 49 percent. Financial income/expenses amounted to SEK 0 million (-1), an improvement despite added costs regarding an extension of the Group's revolving credit facility.

Profit after tax was SEK 188 million (94), up SEK 94 million or 100 percent. In addition to the improvement in profit before tax, this increase is attributable to the recognition of deferred tax assets of SEK 39 million for previously acquired tax losses that are expected to be utilized.

At the end of the year, the number of subscription customers totaled 536,000 (480,000), up 12 percent.

Annual recurring revenue (ARR) has been redefined to include all subscription-based revenue within the Group. The previous definition limited ARR to include only subscription-based revenue from financial administration. In the new definition, subscription-based revenue are also included from the acquired companies Offerta, Cling and Monto. ARR amounted to SEK 1,276 million (1,040) under the new definition and to SEK 1,179 million (944) under the previous definition. For more information on the definition and use of the alternative performance measure ARR, see page 28.

ARPC¹⁾ (Average Revenue Per Customer, or average revenue per subscription customer per month), amounted to SEK 268 (233).



1) For a definition of the alternative performance measure ARPC, see Fortnox Annual and sustainability report 2022, available at [fortnox.se](https://www.fortnox.se).

Group – Investments in the fourth quarter

The Group's investments in tangible and intangible assets, excluding acquisitions, amounted to SEK 45 million (42).

Capitalized development costs accounted for SEK 45 million (40), of which SEK 31 million (23) comprised internally generated costs. The increase was attributable to continued investments in product development related to existing and upcoming products.

Depreciation/amortization and impairment of tangible and intangible assets amounted to SEK 42 million (36), of which impairment totaled SEK 2 million (0).

Group – Cash flow and financial position in the fourth quarter

The Group's cash flow from operating activities amounted to SEK 238 million (117), positively impacted by profit before tax and operating liabilities, while the lending operations also contributed with a positive cash flow during the quarter.

The Group's cash flow from investing activities amounted to SEK -45 million (-49). During the quarter, investments in intangible and tangible assets had a negative impact of SEK 45 million (40) and SEK 1 million (1), respectively. Investments in subsidiaries amounted to SEK 0 million (-7) in the quarter, attributable to the acquisition of Cling in the preceding year.

The Group's cash flow from financing activities amounted to SEK -10 million (-8). The negative cash flow in the fourth quarter was mainly attributable to a repayment of lease liabilities totaling SEK -9 (-8). The remaining effect was mainly attributable to the acquisition of own shares linked to the Group's employee stock purchase plan.

At the end of the period, current assets excluding cash and cash equivalents totaled SEK 751 million (542). Accounts receivable remained at the same high level as in the preceding quarter due to the timing of the balance-sheet date falling on a weekend. Payments were received a few days after the balance-sheet date, which meant that accounts receivable returned to a normal level. During the quarter, receivables related to purchased receivables, factoring and business loans declined SEK 5 million (-28).

At the end of the period, the Group's cash and cash equivalents amounted to SEK 514 million (435). Profit before tax contributed to an increase in cash and cash equivalents compared with the preceding year, despite the repayment of interest-bearing loans of SEK 200 million during the year and self-financing of the lending operations amounting to SEK 166 million.

Non-current liabilities comprised a lease liability²⁾ of SEK 113 million (129), a recognized liability of SEK 11 million (98) for the estimated future purchase consideration for the remaining shares in subsidiaries, and deferred tax liabilities of SEK 33 million (37) attributable to completed acquisitions.

Current liabilities amounted to SEK 723 million (557). The year-on-year increase was primarily attributable to deferred income, which increased in line with net sales of subscription-based services.

The Group's working capital amounted to SEK 542 million (419). The year-on-year increase was primarily attributable to the growth of the lending operations, which was partly offset by the increase in deferred income.

The equity/assets ratio was 67 (56) percent.

2) The lease liability pertains primarily to leases of office properties.

Group – Net sales and results for the full year

Net sales amounted to SEK 1,642 million (1,276), up SEK 366 million or 29 percent. As in the fourth quarter, net sales for the period were positively impacted by new customers and products as well as higher revenue per existing customer. Organic growth for the year amounted to 28 percent (30).

During the period, efforts to develop new and further develop existing products continued, bringing own work capitalized, which consists of internally generated development costs, to SEK 107 million (84).

Operating expenses totaled SEK 997 million (834), up SEK 163 million or 20 percent, mainly as a result of an increase in the number of employees and thus higher personnel costs.

Operating profit totaled SEK 673 million (464), up SEK 208 million or 45 percent. Adjusted for acquisitions, operating profit totaled SEK 682 million (514).

The operating margin was 41 percent (36). Adjusted for acquisitions, the operating margin was 42 percent. The operating margin increased compared with last year due to a general decline in costs in relation to net sales. Of the year-on-year improvement in the operating margin, other external costs accounted for 3 percent, mainly due to a reduction in the use of consultants.

The Group's net financial income/expenses for the full year amounted to SEK 4 million. Along with operating profit, this contributed to profit before tax of SEK 677 million (453), up SEK 224 million or 50 percent.

Profit after tax was SEK 570 million (347), up SEK 223 million or 64 percent. As in the fourth quarter, the recognition of deferred tax assets contributed to the increase.

Group – Investments for the full year

The Group's investments in tangible and intangible assets, excluding acquisitions, amounted to SEK 166 million (139).

Capitalized development costs accounted for SEK 162 million (129), of which SEK 107 million (84) pertained to internally generated development costs. Development work increased, as in prior periods, and pertained to the development of existing and upcoming products.

Depreciation/amortization and impairment of tangible and intangible assets for the period amounted to SEK 160 million (129), of which impairment totaled SEK 2 million (5).

Group - Cash flow and financial position for the full year

The Group's cash flow from operating activities amounted to SEK 646 million (441). Profit before tax and the increase in deferred income had a positive impact on cash flow, while the lending operations had a negative impact as a result of increased receivables, primarily attributable to purchased receivables.

The Group's cash flow from investing activities amounted to SEK -253 million (-185). The increase was attributable to increased investments in internally generated assets as well as the acquisition of the remaining shares in the subsidiary Capcito Finance.

The Group's cash flow from financing activities amounted to SEK -313 million (-194). The negative cash flow from financing activities was mainly attributable to a SEK 200 million payment on the revolving credit facility and a dividend payment to the Parent Company's shareholders of SEK 73 million.

Group – Development by segment

Businesses SEK million	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
Revenues	92	71	31%	337	251	35%
Operational segment result	71	53	33%	263	188	40%
Operational segment margin	77%	76%		78%	75%	

Fourth quarter

Revenue amounted to SEK 92 million, up SEK 22 million, and as previously was primarily attributable to increased subscription revenue.

The operational segment result amounted to SEK 71 million, up SEK 18 million, as the increase in revenue did not lead to any major cost increases.

As in prior periods, Businesses continued to work on marketing and sales initiatives targeted at sole traders and SMEs during the quarter. This included a major campaign for Fortnox's new business card.

Full-year

Revenue amounted to SEK 337 million, up SEK 86 million and the operational segment result amounted to SEK 263 million, up SEK 75 million.

Accounting Firms SEK million	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
Revenues	84	68	22%	307	245	25%
Operational segment result	54	41	31%	196	147	33%
Operational segment margin	65%	61%		64%	60%	

Fourth quarter

Revenue amounted to SEK 84 million, up SEK 15 million, driven by growth of 26 percent in subscription-based revenue, which continued to account for the largest portion of revenue.

The operational segment result amounted to SEK 54 million, up SEK 13 million as a result of good cost control combined with revenue growth.

Autumn is a quieter period for accounting firms, with a strong focus on customer-facing activities such as education and meetings. During the quarter, we saw a great deal of interest in our education courses, with a record number of participants wanting to understand how they can maximize the benefits of Fortnox products.

Full-year

Revenue amounted to SEK 307 million, up SEK 62 million and the operational segment result amounted to SEK 196 million, up SEK 49 million.

Core Products SEK million	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
Revenues	181	145	25%	663	522	27%
Operational segment result	120	87	38%	421	330	28%
Operational segment margin	66%	60%		63%	63%	

Fourth quarter

Revenue amounted to SEK 181 million, up SEK 36 million. As in prior periods, the increase was primarily attributable to subscription-based and transaction-based revenue related to e-invoicing, invoice data capture and payslips. Stock company sales recovered at the end of the quarter and once again grew slightly compared with the corresponding period in 2022.

The operational segment result amounted to SEK 120 million, up SEK 33 million.

As in previous periods, a great deal of work was devoted to developing new products during the quarter, such as the Fortnox Business Card, Recurring Invoicing and Employee Approval as well as further developing existing core products.

Full-year

Revenue amounted to SEK 663 million, up SEK 141 million and the operational segment result amounted to SEK 421 million, up SEK 91 million.

Financial Services SEK million	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
Revenues	62	49	28%	227	166	37%
Operational segment result	7	-4		22	-18	
Operational segment margin	12%	-9%		10%	-11%	

Fourth quarter

Revenue amounted to SEK 62 million, up SEK 13 million. The increase is mainly attributable to transaction-based and lending-based revenue, driven by invoice distribution, purchased receivables and business loans, which contributed growth of 40 percent. Lower recognition of unallocated payments had a negative impact due to higher recognition of older items in the same period last year.

The operational segment result amounted to SEK 7 million, an improvement of SEK 11 million driven by synergies between Capcito, Monto and Fortnox that resulted in revenue in the lending operations growing faster than expenses. Increased automation of credit decisions and administrative processing also contributed to the improvement.

During the fourth quarter, an offer to combine Fortnox Invoice Distribution and Factoring was launched, which reduces administration while also providing an opportunity for customized financing.

Full-year

Revenue amounted to SEK 227 million, up SEK 61 million and the operational segment result amounted to SEK 22 million, up SEK 40 million.

Marketplaces SEK million	Oct-Dec 2023	Oct-Dec 2022	Change	Jan-Dec 2023	Jan-Dec 2022	Change
Revenues	39	34	13%	146	124	18%
Operational segment result	14	9	45%	49	33	46%
Operational segment margin	35%	27%		33%	27%	

Fourth quarter

Revenue amounted to SEK 39 million, up SEK 4 million. As in the preceding quarter, this growth was mainly attributable to growing interest in connecting Fortnox's business systems with other products and services as well as to sales of Cling's products. In addition, we continued to face challenges due to a lower level of economic activity in society, as reflected in the number of requests for quotes from consumers.

The operational segment result amounted to SEK 14 million, up SEK 4 million, primarily attributable to increased revenue. The fourth quarter saw the launch of an option to create quotes using AI and a new workflow for requests. The workflow enables new categories and optimization of questions for an improved conversion rate, and is a prerequisite for Fortnox customers to be able to procure services via Offerta after logging in.

Full-year

Revenue amounted to SEK 146 million, up SEK 22 million and the operational segment result amounted to SEK 49 million, up SEK 15 million.

Other information

Parent company

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

Parent Company – Net sales and results in the fourth quarter

Net sales amounted to SEK 377 million (292), up SEK 84 million or 29 percent. As in the Group, the increase was driven by existing and new customers and products.

Operating expenses totaled SEK 210 million (178), up SEK 32 million or 18 percent, mainly due to higher personnel costs as a result of a continued investment in growth.

Operating profit totaled SEK 186 million (131), up SEK 54 million or 41 percent, corresponding to an operating margin of 49 percent (45). This change is attributable to an improved cost structure, with costs generally declining in relation to the Parent Company's net sales. Of the year-on-year improvement in the operating margin, personnel costs accounted for 3 percent, driven by economies of scale.

Profit before tax amounted to SEK 168 million (134), up SEK 34 million or 25 percent. Group contributions paid of SEK 25 million had a negative impact, but were partly offset by higher interest income from subsidiaries as a result of larger amounts being loaned and upward interest rate adjustments. Group contributions were made to utilize tax losses within the Group.

Parent Company – Investments in the fourth quarter

The Parent Company's investments in tangible and intangible assets, excluding acquisitions, amounted to SEK 29 million (24).

Capitalized development costs accounted for SEK 28 million (23), of which SEK 20 million (16) pertained to internally generated development costs.

Depreciation/amortization and impairment of tangible and intangible assets amounted to SEK 16 million (13), of which impairment totaled SEK 0 million (0).

Parent Company – Financial position in the fourth quarter

Cash and cash equivalents at the end of the period amounted to SEK 317 million (253). The year-on-year increase is primarily attributable to profit before tax, while intra-Group loans to the subsidiaries Capcito and Fortnox Finans and a payment on the revolving credit facility had a negative impact. The intra-Group loans granted were mainly used to finance the lending operations.

At the end of the period, working capital amounted to SEK 537 million (471). The year-on-year increase was primarily attributable to the positive earnings trend, while the increase in deferred income had a negative impact.

As in the Group, accounts receivable remained at the same high level as in the preceding quarter due to the timing of the balance-sheet date falling on a weekend.

Parent Company – Net sales and results Full-year

Net sales amounted to SEK 1,369 million (1,042), up SEK 328 million or 31 percent. As in the fourth quarter, net sales growth for the period was impacted positively by new customers and higher revenue per subscription customer.

Operating expenses totaled SEK 762 million (623), up SEK 139 million or 22 percent, mainly as a result of an increase in personnel costs.

Operating profit totaled SEK 677 million (475), up SEK 201 million or 42 percent, corresponding to an operating margin of 49 percent (46). The operating margin increased compared with last year due to a general decline in the Parent Company's costs in relation to its net sales.

Profit before tax amounted to SEK 683 million (474), up SEK 209 million or 44 percent. As in the fourth quarter, Group contributions paid had a negative effect, but were partly offset by external and internal interest income. The year-on-year improvement was also attributable to an impairment of shares in associated companies of SEK 7 million in 2022.

Parent Company – Investments Full-year

The Parent Company's investments in tangible and intangible assets, excluding acquisitions, amounted to SEK 102 million (84). Capitalized development costs accounted for SEK 98 million (77), of which SEK 69 million (55) pertained to internally generated development costs. The increase was primarily attributable to a higher number of employees in product development.

Depreciation/amortization and impairment of tangible and intangible assets amounted to SEK 59 million (54), of which impairment totaled SEK 0 million (4).

Employees

At the end of the period, the number of employees was 761 (686).

Significant risks and uncertainties

The Group's and the Parent 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 58 of Fortnox's 2022 Annual and sustainability report.

Related party transactions

Fortnox's related parties and the scope of transactions with related parties are described in more detail in Note 29 of the 2022 Annual and sustainability report.

No material changes took place during the quarter in related parties or in the scope of transactions with suppliers who are considered as related parties, neither for the Group nor the Parent Company, compared with the information published in the 2022 Annual and sustainability report.

The external related party transactions related to Capcito Finance AB and Monto.ai AB ended at the end of the quarter, which are described in Note 29 of the 2022 Annual and sustainability report.

Significant events after the end of the interim period

On January 1, 2024, a redistribution of the areas of responsibility of the Group's operating segments took place. This was done to reach customers more effectively and to achieve a more suitable distribution of responsibilities between the Group's business areas. This redistribution mainly involved changes in customer and product responsibility, which will also change how revenue and operational segment result are recognized going forward. Following the redistribution, the products related to Annual Accounts & Taxes and Stock Company will be moved from Core Products to Accounting Firms respectively Businesses. For more information regarding what the results for 2023 would have looked like taking the redistribution into consideration, refer to Note 3.1.

A decision has been made to acquire the remaining shares in Cling for a purchase consideration of approximately SEK 11 million, which is in line with the provision that has been recognized in the Group's non-current liabilities since the acquisition.

Håkan Rosén assumes a new role in Fortnox's group management as Chief Corporate Development Officer. Håkan takes up his new position in the group management as of February 15 and he most recently comes from a role within Fortnox as responsible for Corporate Development and M&A since 2021.

Shares and share capital

At the end of the period, consolidated equity amounted to SEK 1,772 million (1,281).

The share capital amounted to SEK 1 million (1), distributed between 609,744,700 (609,744,700) shares (quota value SEK 0.002).

	31 dec 2023	31 dec 2022
No. of shares outstanding at the end of the period	609,744,700	609,744,700
Share price at the end of the period (SEK)	60.28	47.29

The ten largest shareholders on December 31, 2023

Shareholders	No. of shares	%
FIRST KRAFT AB	114,780,710	18.83%
STATE STREET BANK AND TRUST CO, W9	44,929,756	7.37%
SWEDBANK ROBUR FONDER AB	28,272,465	4.64%
JP MORGAN CHASE BANK N.A, W9	24,329,062	3.99%
MORGAN STANLEY & CO INTL PLC, W8IMY	21,689,824	3.56%
AMF FONDER & PENSION	17,341,873	2.84%
GOLDMAN SACHS INTERNATIONAL, W8IMY	15,008,587	2.46%
THE BANK OF NEW YORK MELLON, W9	14,936,294	2.45%
HANDELSBANKEN FONDER AB	12,900,890	2.12%
DIDNER & GERGE FONDER AB	12,354,709	2.03%
OTHERS	303,200,530	49.71%
Total	609,744,700	100.00%

Fortnox AB has been traded on Nasdaq Stockholm's main market since April 13, 2022 and the number of shareholders amounted to 49,165 as of December 31, 2023. Shareholder information has been taken from Euroclear.

Condensed consolidated statement of profit or loss and other comprehensive income

SEK million	Notes	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales		451	357	1,642	1,276
Other operating income		4	8	28	23
Total operating income	3	455	365	1,670	1,298
Own work capitalized		31	23	107	84
Services purchased		-31	-26	-104	-91
Other external costs		-65	-63	-238	-217
Cost of personnel		-161	-136	-601	-481
Depreciation, amortization and impairment of tangible and intangible assets		-42	-36	-160	-129
Total operating expenses		-269	-239	-997	-834
Operating profit		186	126	673	464
Financial income/expenses		0	-1	4	-6
Profit/loss from participations in associated companies		-	-	-	-5
Profit before tax		186	125	677	453
Tax		2	-31	-107	-106
Profit for the period		188	94	570	347
Other comprehensive income					
Other comprehensive income		-	-	-	-
Comprehensive income for the period		188	94	570	347
Earnings per share					
– before dilution, SEK		0.31	0.15	0.94	0.57
– after dilution, SEK		0.31	0.15	0.93	0.57
Average no. of shares outstanding					
– before dilution, 000s		609,605	609,745	609,669	609,745
– after dilution, 000s		609,752	609,749	609,897	609,780

Condensed consolidated statement of financial position

SEK million	Notes	31 Dec 2023	31 Dec 2022
Assets			
Intangible assets			
Goodwill	6	610	610
Platform		409	351
Other intangible assets		136	146
Tangible assets			
Machinery and equipment		28	35
Right-of-use assets		139	156
Financial assets			
Financial investments	4	23	26
Long-term receivables		0	0
Deferred tax assets		43	1
Total non-current assets		1,387	1,326
Current assets			
Accounts receivable	4	114	92
Receivables factoring	4	46	61
Purchased receivables	4	327	205
Business loan receivables	4	193	135
Prepaid expenses		33	26
Accrued income	4	25	18
Other receivables	4	14	5
Cash and cash equivalents	4	514	435
Total current assets		1,266	976
Total assets		2,652	2,302
Equity			
Share capital		1	1
Other contributed capital		424	421
Retained earnings incl. profit for the year		1,347	859
Total shareholders' equity attributable to Parent Company shareholders		1,772	1,281
Liabilities			
Non-current liabilities			
Non-current interest bearing liabilities	4	-	200
Non-current lease liabilities		113	129
Deferred tax liabilities		33	37
Other non-current liabilities	4	11	98
Total non-current liabilities		157	464
Current liabilities			
Current lease liabilities		33	34
Accounts payable	4	45	27
Tax liabilities		133	87
Other liabilities	4	70	58
Accrued expenses	4	92	79
Deferred income		350	272
Total current liabilities		723	557
Total liabilities		881	1,021
Total equity and liabilities		2,652	2,302

Condensed consolidated statement of changes in equity

SEK million	Share capital	Other contributed capital	Retained earnings incl. profit for the year	Total equity
Opening equity, January 1, 2022	1	420	561	982
Comprehensive income for the year			347	347
<i>Transactions with the Group's owners:</i>				
Dividends paid			-49	-49
Share-based compensation / Shares in own custody		0		0
New share issue	0	1		1
Total transactions with the Group's owners	0	1	-49	-48
Closing equity, December 31, 2022	1	421	859	1,281
Opening equity, January 1, 2023	1	421	859	1,281
Comprehensive income for the year			570	570
<i>Transactions with the Group's owners:</i>				
Dividends paid			-73	-73
Share-based compensation / Shares in own custody		3	-9	-6
Total transactions with the Group's owners	-	3	-82	-79
Closing equity, December 31, 2023	1	424	1,347	1,772

Condensed consolidated statement of cash flows

SEK million	Notes	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating activities					
Profit before tax		186	125	677	453
Non-cash adjustments		43	36	160	135
Income tax paid		-18	-17	-109	-99
		211	144	729	488
Increase (-)/decrease (+) in accounts receivable		-4	-29	-21	-18
Increase (-)/decrease (+) in receivables factoring		-4	-16	15	-6
Increase (-)/decrease (+) in purchased receivables		26	0	-122	-36
Increase (-)/decrease (+) in business loan receivables		-18	-12	-59	-81
Increase (-)/decrease (+) in other operating receivables		-3	-3	-22	-9
Increase (+)/decrease (-) in other operating liabilities		29	33	127	102
Cash flow from operating activities		238	117	646	441
Investing activities					
Acquisitions of tangible assets		-1	-1	-4	-10
Acquisitions of intangible assets		-45	-40	-162	-129
Acquisition of financial assets		-	-7	-87	-46
Cash flow from investing activities		-45	-49	-253	-185
Financing activities					
Share-based compensation / Shares in own custody		-1	0	-6	-
New share issue		-	-	-	1
Repayment of loan		-	-	-200	-116
Repayment of lease liability		-9	-8	-34	-30
Dividends paid to Parent Company owners		-	-	-73	-49
Cash flow from financing activities		-10	-8	-313	-194
Cash flow for the period		183	60	80	61
Cash and cash equivalents at the beginning of the period		331	375	435	373
Cash and cash equivalents at the end of the period		514	435	514	435

Condensed Parent Company income statement

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	377	292	1,369	1,042
Own work capitalized	20	16	69	56
Other operating income	-1	1	0	1
	396	309	1,438	1,098
Services purchased	-18	-16	-65	-56
Other external costs	-60	-50	-203	-172
Cost of personnel	-118	-99	-435	-341
Depreciation, amortization and impairment of tangible and intangible assets	-16	-13	-59	-54
Total operating expenses	-210	-178	-762	-623
Operating profit	186	131	677	475
Financial items	8	3	31	-2
Profit after financial items	193	134	708	474
Appropriations	-25	-	-25	-
Profit before tax	168	134	683	474
Tax	-36	-30	-142	-101
Profit for the period³⁾	133	104	541	373

3) Parent Company's comprehensive income corresponds to the result for the period.

Condensed Parent Company balance sheet

SEK million	31 Dec 2023	31 Dec 2022
Assets		
Intangible assets		
Platform	216	166
Tangible assets		
Machinery and equipment	24	31
Financial assets		
Shares in subsidiaries	979	827
Long-term receivables	0	0
Deferred tax assets	0	0
Total non-current assets	1,219	1,024
Current assets		
Accounts receivable	104	79
Interest-bearing receivables from Group companies	616	507
Other receivables from Group companies	45	33
Other receivables	6	1
Prepaid expenses	25	18
Accrued income	23	18
Cash and cash equivalents	317	253
Total current assets	1,136	909
Total assets	2,355	1,933
Equity		
<i>Restricted equity</i>		
Share capital	1	1
Development fund	216	166
<i>Unrestricted equity</i>		
Share premium reserve	422	420
Retained earnings	576	335
Profit for the period	541	373
Total equity	1,756	1,295
Non-current liabilities		
Non-current interest bearing liabilities	-	200
Other non-current liabilities	1	-
Total non-current liabilities	1	200
Current liabilities		
Accounts payable	28	20
Liabilities to Group companies	4	4
Current tax liabilities	127	81
Other liabilities	47	37
Accrued expenses	67	51
Deferred income	325	245
Total current liabilities	599	438
Total liabilities	599	638
Total equity and liabilities	2,355	1,933

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

The accounting policies applied are consistent with those applied in the preparation of the 2022 Annual and sustainability report.

Note 2 - Key judgements 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.

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'. In the Group, the highest executive decision-maker is Group Management.

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 operational segment results. The Group's segments have been identified on the basis of this internal reporting.

The division into operating segments is based on the varying responsibilities for products and customers that each segment has. The following operating segments exist:

- **Businesses** – Manages marketing and sales of the offerings in Core Products and Financial Services to Business customers. The product offering includes automated, insight-driven and scalable financial and business systems that businesses can purchase and customize directly in Fortnox's digital interface. The business area is also responsible for developing industryspecific solutions for defined customer groups. The goal is to understand and continuously identify the needs that businesses have during their lifetime and then package, market, sell and support them with products, apps and solutions that can help businesses become more successful.
- **Accounting Firms** – Manages marketing and sales of the offerings from Core Products and Financial Services to accounting firms and their consultants, supplemented with its own development of industry-specific solutions. With cutting-edge technology, an integrated accounting process is created, where businesses and employees are connected and can work together with accounting firms, banks and authorities. In addition to software, firms can also receive support from Fortnox's accounting firm experts.
- **Core Products** – Core of our development work at Fortnox. The business area carries out product development, user support and digital additional sales in five of Fortnox's product areas – Accounting, Billing, People, Report and Engage. The focus is on automated and digitalized products and services that make it easy for businesses of all kinds to manage their administrative needs. Since Core Products is focused on development, its main sales channels to the market are business areas Accounting Firms and Businesses, although a certain amount of digital additional sales are managed by Core Products itself. At the same time, the business area is a sales channel for products from Marketplaces and Financial Services.
- **Financial Services** – Develops and offers financial services with a focus on products and solutions that optimize cash flow, primarily for SMEs. By combining smart technology, real-time data and automation, Financial Services can offer customized solutions that are based on the conditions of the individual business. Financial Services offers purchased receivables, factoring and business loans – invoice distribution, reminder services and payment solutions as well as credit ratings in real time. The credit rating ability provides security for the financing business since it makes it possible to set a price on risk based on real-time information rather than historical data.
- **Marketplaces** – Enables meeting between buyers and sellers; consumers can request professional help from service providers, primarily within construction, moving and cleaning, while service providers can find new customers. The business area develops, supports and offers service brokerage and products that simplify interactions between service providers and consumers. It is also responsible for Fortnox Integrations, where businesses can integrate Fortnox with a large variety of systems from partners based on Fortnox's open API. This means that with just a few clicks, customers can connect other programs and services with Fortnox, creating their own business system.

In addition to the operating segments described above, Fortnox has group-wide functions in the areas of HR, Communication, Finance, IT and operations, Legal and compliance as well as the infrastructure product area and thus supports the operating segments in their business plans and contributes to enabling them.

Businesses (The Group's operating segment), SEK Million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Revenues (from external customers)	92	71	337	251
Revenues (from other segments)	-	-	-	-
Operational segment result	71	53	263	188
<i>Revenue distributed by service</i>				
Subscription-based	81	62	297	220
Transaction-based	11	8	37	28
Lending-based	1	1	3	2
Others	0	0	0	0
Revenue	92	71	337	251

Accounting Firms (The Group's operating segment), SEK Million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Revenues (from external customers)	84	68	307	245
Revenues (from other segments)	-	-	-	-
Operational segment result	54	41	196	147
<i>Revenue distributed by service</i>				
Subscription-based	72	59	266	212
Transaction-based	11	8	38	30
Lending-based	1	1	3	2
Others	0	1	0	1
Revenue	84	68	307	245

Core Products (The Group's operating segment), SEK Million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Revenues (from external customers)	181	145	663	522
Revenues (from other segments)	-	-	-	-
Operational segment result	120	87	421	330
<i>Revenue distributed by service</i>				
Subscription-based	127	102	472	367
Transaction-based	54	43	188	153
Lending-based	1	1	3	2
Others	0	0	0	0
Revenue	181	145	663	522

Financial Services (The Group's operating segment), SEK Million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Revenues (from external customers)	59	46	217	157
Revenues (from other segments)	3	3	11	9
Operational segment result	7	-4	22	-18
<i>Revenue distributed by service</i>				
Subscription-based	2	1	5	6
Transaction-based	26	19	97	69
Lending-based	29	22	98	69
Others	5	7	27	22
Revenue	62	49	227	166

Marketplaces (The Group's operating segment), SEK Million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Revenues (from external customers)	39	34	146	124
Revenues (from other segments)	-	-	-	-
Operational segment result	14	9	49	33
<i>Revenue distributed by service</i>				
Subscription-based	38	34	145	123
Transaction-based	0	0	1	0
Lending-based	-	-	-	-
Others	0	0	1	0
Revenue	39	34	146	124

Intra-Group (The Group's operating segment), SEK Million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Revenues (from external customers)	0	-	0	-
Revenues (from other segments)	-	-	-	-
Operational segment result	-80	-66	-279	-217
Reversal of expensed capitalized expenditures for development work	12	18	54	45
Own work capitalized	31	23	107	84
Depreciation and amortization	-42	-30	-160	-123
Operating profit	-80	-55	-278	-211
Financial items	0	-1	4	-12
Profit before tax	-80	-56	-274	-222
<i>Revenue distributed by service</i>				
Subscription-based	-	-	-	-
Transaction-based	-	-	-	-
Lending-based	-	-	-	-
Others	-	-	-	-
Revenue	-	-	-	-

Eliminations (The Group's operating segment), SEK Million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Revenues (from external customers)	-	-	-	-
Revenues (from other segments)	-3	-3	-11	-9
Operational segment result	-	-	-	-
Reversal of expensed capitalized expenditures for development work	-	-	-	-
Own work capitalized	-	-	-	-
Depreciation and amortization	-	-	-	-
Operating profit	-	-	-	-
Financial items	-	-	-	-
Profit before tax	-	-	-	-
<i>Revenue distributed by service</i>				
Subscription-based	-	-	-	-
Transaction-based	-3	-3	-11	-9
Lending-based	-	-	-	-
Others	-	-	0	-
Revenue	-3	-3	-11	-9

Group Total (The Group's operating segment), SEK Million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Revenues (from external customers)	455	365	1,670	1,298
Revenues (from other segments)	-	-	-	-
Operational segment result	186	121	672	464
Reversal of expensed capitalized expenditures for development work	12	18	54	45
Own work capitalized	31	23	107	84
Depreciation and amortization	-42	-36	-160	-129
Operating profit	186	126	673	464
Financial items	0	-1	4	-12
Profit before tax	186	125	677	453
<i>Revenue distributed by service</i>				
Subscription-based	319	258	1,185	929
Transaction-based	100	75	351	271
Lending-based	32	23	106	75
Others	4	8	28	23
Revenue from agreements with customers	455	365	1,670	1,298

Note 3.1 – Recalculation of the operating segments outcome in 2023, as a result of new distribution of responsibilities January 1, 2024

On January 1, 2024, a redistribution of the areas of responsibility of the Group's operating segments took place. This was done to reach customers more effectively and to achieve a more suitable division of responsibilities between the Group's business areas. This redistribution mainly involved changes in customer and product responsibility, which will also change how revenue and operational segment result are recognized going forward. Following the redistribution, the products related to Annual Accounts & Taxes and Stock Company will be moved from Core Products to Accounting Firms respectively Businesses.

Group – Development by segment, SEK Million	Actual Full-year 2023	Ajusted Full-year 2023	Adjusted Q1 2023	Adjusted Q2 2023	Adjusted Q3 2023	Adjusted Q4 2023
Businesses						
Revenues	337	358	81	87	91	99
Operational segment result	263	270	60	64	72	74
Accounting Firms						
Revenues	307	318	72	78	81	86
Operational segment result	196	184	39	45	49	51
Core Products						
Revenues	663	632	143	156	161	172
Operational segment result	421	433	91	104	115	123
Financial Services						
Revenues	227	227	50	58	57	62
Operational segment result	22	22	0	8	7	7
Marketplaces						
Revenues	146	146	35	36	37	39
Operational segment result	49	51	10	11	16	15

Note 4 - Financial instruments**Group**

31 Dec 2023		Recognized value		
SEK million	Financial assets valued at amortised cost	Financial assets valued at fair value with changes in value over profit	Financial liabilities valued at amortised cost	Financial assets valued at amortised cost
Financial assets				
Financial placements		23		23
Account receivables	114			114
Receivables factoring	46			46
Purchased receivables	327			327
Business loan receivables	193			193
Accrued income	25			25
Other receivables	14			14
Cash and cash equivalents	514			514
	1,233	23		1,255
Financial liabilities				
Interest bearing liabilities (current and non-current)			-	-
Other non-current liabilities			11	11
Accounts payable			45	45
Accrued expenses			53	53
Other current liabilities			70	70
			179	179
31 Dec 2022				
SEK million	Financial assets valued at amortised cost	Financial assets valued at fair value with changes in value over profit	Financial liabilities valued at amortised cost	Financial assets valued at amortised cost
Financial assets				
Financial placements		26		26
Account receivables	92			92
Receivables factoring	61			61
Purchased receivables	205			205
Business loan receivables	135			135
Accrued income	18			18
Other receivables	5			5
Cash and cash equivalents	435			435
	950	26		976
Financial liabilities				
Interest bearing liabilities (current and non-current)			200	200
Other non-current liabilities			98	98
Accounts payable			27	27
Accrued expenses			31	31
Other current liabilities			58	58
			414	414

In the Group's opinion, the change in market rates or credit spreads since the interest-bearing loans were raised, has not had a material impact on the Group's financial liabilities. In addition, the financial assets consist in all material respects of cash and cash equivalents and of receivables with short maturities that are recognized after impairment, and accordingly this is considered a reasonable approximation of fair value.

Note 5 - Previous acquisitions

No business acquisitions have taken place in 2023. For information about business acquisitions completed in 2022, refer to Note 18 in the 2022 Annual and sustainability report. Consolidated accounts in conjunction with business acquisitions are not considered, but only refer to the statutory reporting attributable to the business acquisitions.

Business acquisitions completed in 2022 had an impact of SEK 2 million on net sales for the fourth quarter of 2023 and SEK -3 million on operating profit. For the full-year, business acquisitions affected the net sales for 2023 with SEK 9 million and SEK -10 million on operating profit.

Note 6 - Goodwill**SEK million****Accumulated cost**

Opening balance, January 1, 2023	610
Business acquisitions	-
Closing balance, March 31, 2023	610
Business acquisitions	-
Closing balance, June 30, 2023	610
Business acquisitions	-
Closing balance, September 30, 2023	610
Business acquisitions	-
Closing balance, December 31, 2023	610
Carrying amounts	
As of December 31, 2022	610
As of March 31, 2023	610
As of June 30, 2023	610
As of September 30, 2023	610
As of December 31, 2023	610

Audit

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

Signatures

The undersigned assures that the interim report provides an accurate picture of the operations, financial position and earnings of the parent company and the group, and describes any significant risks and uncertainties faced by the parent company and the companies that comprise the Group.

The interim report has been approved for issue by the board and the CEO according to the date shown by the electronic signature.

Tommy Eklund

CEO

According to authorization from the board

Performance measures for the Group

The company presents 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.

<i>SEK million unless otherwise indicated</i>	Okt-Dec 2023	Okt-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
<u>IFRS financial measures</u>				
Net sales	451	357	1,642	1,276
Profit for the period	188	94	570	347
Earnings per share before dilution (SEK)	0.31	0.15	0.94	0.57
Earnings per share after dilution (SEK)	0.31	0.15	0.93	0.57
<u>Alternative performance measures</u>				
ARR	1,276	1,040	1,276	1,040
ARPC (SEK)	268	233	268	233
RoF	68%	69%	70%	73%
EBIT	186	126	673	464
EBIT margin	41%	35%	41%	36%
Profit margin	42%	26%	35%	27%
Equity per share after dilution (SEK)	2,9	2,1	2,9	2,1
Equity at the end of the period	1,772	1,281	1,772	1,281
Total assets at the end of the period	2,652	2,302	2,652	2,302
Working capital at the end of the period	542	419	542	419
Cash flow from operating activities	238	117	647	441
Equity/assets ratio	67%	56%	67%	56%
<u>Non-financial measures</u>				
No. of subscription customers at the end of the period (000s)	536	480	536	480
No. of employees at the end of the period (No.)	761	686	761	686
Average no. of shares outstanding before dilution (000s)	609,605	609,745	609,669	609,745
Average no. of shares outstanding after dilution (000s)	609,752	609,749	609,897	609,780
No. of shares outstanding at the end of the period before dilution (000s)	609,589	609,745	609,589	609,745
No. of shares outstanding at the end of the period after dilution (000s)	609,897	609,756	609,897	609,756

Performance measures for the Group per quarter

<i>SEK million unless otherwise indicated</i>	2023 Q 4	2023 Q 3	2023 Q 2	2023 Q 1	2022 Q 4	2022 Q 3	2022 Q 2	2022 Q 1
<u>IFRS financial measures</u>								
Net sales	451	416	404	370	357	332	308	279
Profit for the period	188	149	127	106	94	112	74	67
Earnings per share after dilution (SEK)	0.31	0.24	0.21	0.17	0.15	0.18	0.12	0.11
<u>Alternative performance measures</u>								
Growth compared with prev. quarter	8%	3%	9%	4%	8%	8%	10%	5%
ARR*	1,276	1,266	1,237	1,202	1,040	1,016	986	839
ARPC (SEK)	268	260	253	242	233	223	212	204
RoF	68%	71%	70%	71%	69%	84%	67%	73%
EBIT	186	189	157	140	126	145	103	90
EBIT margin	41%	45%	39%	38%	35%	44%	34%	32%
Profit margin	42%	36%	31%	29%	26%	34%	24%	24%
Equity per share after dilution (SEK)	2.9	2.6	2.4	2.2	2.1	1.9	1.8	1.6
Equity at the end of the period	1,772	1,585	1,437	1,314	1,281	1,187	1,074	1,000
Total assets at the end of the period	2,652	2,426	2,454	2,339	2,302	2,155	2,026	1,907
Working capital at the end of the period	542	404	444	333	419	347	278	247
Cash flow from operating activities	238	61	206	141	117	117	117	91
Equity/assets ratio	67%	65%	59%	56%	56%	55%	53%	52%
<u>Non-financial measures</u>								
No. of customers at the end of the period (000s)	536	520	510	495	480	466	456	441
No. of employees at the end of the period (No.)	761	747	737	703	686	657	628	617

* Historical figures have been recalculated according to a new definition, see page 28.

Definitions and reason for use of alternative performance measures

The alternative performance measures added since the 2022 Annual and sustainability report are defined, explained and calculated below. For a summary of every alternative performance measure, with definitions, calculations and explanations for their use, refer to the Fortnox 2022 Annual and sustainability report available on the Group's website, www.fortnox.se

Terms and definitions	Reason for use	Derivation <i>(calculated values pertain to the latest quarter, where applicable, otherwise the balance-sheet date)</i>
ARR		
Annual Recurring Revenue comprises the opening value of the next year's revenue from subscription services.	ARR is a measure used to assess the company's subscription-based revenues.	
Operational segment margin		
A segment's operating margin is calculated as segment operating profit divided by revenue for the operating segment.	This is a measure of profitability used to assess and monitor the operational profitability of a segment.	(A) Operational segment result, MSEK (B) Revenue for the segment, MSEK (C) Operational segment margin, % $(A) / (B) = (C)$
RoF		
RoF (Rule of Fortnox) is a performance measure calculated as growth in net sales plus operating margin.	RoF is used to evaluate the Group's ability to combine growth and profitability.	(A) Growth in net sales, % (B) EBIT-/ Operating margin, % (C) RoF, % $(A) + (B) = (C)$ $26\% + 41\% = 68\%$ (2023) $34\% + 35\% = 69\%$ (2022)

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 who is appointed for 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, 2023, the three largest registered shareholders of Fortnox in terms of votes were invited to participate in the Nomination Committee prior to 2024. Monica Åsmyr (Swedbank Robur), Mathias Svensson (First Kraft AB and Chairman of the Nomination Committee) and Peter Nichols (Vor Capital LLP) 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 April 11, 2024, at Fortnox AB at Bollgatan 3B Växjö. Registration for the annual General Meeting can be made until April 5, 2024.

Shareholders will be offered the opportunity to exercise their voting rights also by postal ballot. Specifications regarding how the postal voting is to take place and registration for the Annual General Meeting are published in the notice convening the Annual General Meeting.

Information on registration for the Annual General Meeting and proposals from the Nomination Committee will be published on Fortnox website no later than March 13, 2024. Fortnox's revised annual report, proxy form and proposed resolutions will be available at the Company's head office and website no later than March 19, 2024.

Dividend proposal

For 2023, the Board will propose a dividend of SEK 0.20 (0.12) per share to the AGM, corresponding to a total dividend of SEK 122 million (73), based on the number of shares at year-end. The proposed record date for the right to receive a dividend is April 15. If the AGM approves the proposal, the expected payment date is April 18, 2024.

Financial calendar

• Annual Report 2023	March 19, 2024
• Annual General Meeting	April 11, 2024
• Interim report January – March 2024	April 25, 2024
• Interim report January – June 2024	July 12, 2024
• Interim report January – September 2024	October 24, 2024

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 15, 2024 at 8:30 a.m. CEST.

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