

Interim report

January - March
2023

fortnox

Interim report

January-March 2023

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

First quarter of 2023

- *Net sales amounted to SEK 370 million (279), up SEK 91 million or 33 percent. Acquisitions accounted for SEK 2 million or 1 percentage point of the increase.*
- *Operating profit totaled SEK 140 million (90), up SEK 51 million. Adjusted for acquisitions, operating profit amounted to SEK 145 million.*
- *Operating margin was 38 (32) percent. Adjusted for acquisitions, the operating margin was 39 percent.*
- *Profit after tax was SEK 106 million (67).*
- *Earnings per share before and after dilution amounted to SEK 0.17 (0.11).*

Significant events in the first quarter

- As previously announced¹⁾, a redistribution of the areas of responsibility of the Group's operating segments took place on January 1, 2023. This was done to provide customers with better service and to achieve a more suitable division of responsibilities between the Group's business areas. The redistribution primarily entails changes in customer and product responsibility, which also affected the breakdown of revenue and operating segment result between the Group's business areas.
- Charlotta Lundberg was appointed as the new head of the Accounting Firms business area and became a member of Fortnox's Executive Management Team in conjunction with the start of her employment at Fortnox on March 6, 2023. Charlotta has several years of experience of senior management positions, including within EF Education. She was also previously a member of the Swedish management team of Hi3G Access AB.
- The Annual General Meeting on March 30, 2023, resolved in accordance with the proposals presented, including the re-election of all Board members, the introduction of the "ESSP 2023" employee stock purchase plan and a dividend of SEK 73 million corresponding to SEK 0.12 per share.

1) Adjusted outcome per segment and quarter for 2022, is available under note 3.1 in the Year-end report 2022 at www.fortnox.se.

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

Good profitability and increased interest in working at Fortnox!

During the quarter, we continued to develop and refine our products, which resulted in several launches. One new addition was offering bookkeeping from bank statements for our customers using Swedbank, meaning that they now have access to automatic bookkeeping. Automatic bookkeeping makes life easier for customers and is a benefit also from a broader Fortnox perspective, since some of our other products, such as Factoring and Insights, become even better the more bookkeeping is automated.

Another addition that makes life easier for customers was the launch of a redesigned VAT flow – a function in Bookkeeping. Reporting VAT takes a lot of work, regardless of whether it is reported monthly, quarterly or annually. It is also important that this is done correctly. Our new flow provides security by starting with a reminder in the form of a “to-do” list, followed by step-by-step instructions that guide customers through the reporting to ensure its accuracy.

We also made it possible to add private individuals in Digital Byrå (a Fortnox product for accounting firms), taking us one step closer to delivering a complete toolbox for accounting firms. We are moving beyond traditional bookkeeping, towards an offering of functions that help accounting firms manage their entire business, of which private individuals and their tax returns are an essential component.

In March, we launched Cling’s digital signing tool outside the Marketplaces business area. This gives customers access to an integrated signing tool that makes the process simpler since it allows documents to be sent for digital signing, directly from Fortnox. With a combination of document storage, the newly launched Business Mailbox and signing, we are well on the way to offering our customers comprehensive document management.

Good growth and break-even for Financial Services

The work and launches carried out during the quarter will impact our development ahead. The 33 percent increase in sales, to SEK 370 million, compared with the year-earlier quarter is hence a reflection of all the work we did in previous periods. Organic growth amounted to 32 percent, compared with 24 percent in the year-earlier quarter. While all business areas contributed to growth, I would like to highlight

Financial Services. The business area reported a 48 percent increase in revenue, primarily driven by the lending-based operations which grew 51 percent, and it also reached the break-even point during the quarter.

Group operating profit grew 57 percent to SEK 140 million, and we reached an operating margin of 38 percent – the highest level measured for a first quarter. The combined figure of net sales and operating margin, which we refer to as the Rule of Fortnox, amounted to 71 percent. The number of customers reached 495,000, an increase of 15,000, and average revenue per customer and month grew SEK 9 to SEK 242.

More people want to work at Fortnox!

Growing and continuing to invest in the future is a priority, which is why it is so gratifying to see the increasing number of capable and talented people who are interested in working for us. It is important for us to find the right individuals who are suited to our dynamic, innovative culture; this characterizes all parts of our company, including the Executive Management Team. During the quarter, we were hence pleased to welcome a number of new coworkers, including a new Business Area Manager and member of Fortnox’s management, who will be part of our efforts to drive our continued journey.

Best regards,

CEO, Tommy Eklund.



Financial information

SEK million unless otherwise indicated

Key performance indicators (KPIs) (Group)	Jan-Mar 2023	Jan-Mar 2022	Change
Net sales	370	279	33%
EBIT	140	90	57%
EBIT-margin	38%	32%	
Earnings per share, after dilution (SEK)	0.17	0.11	59%
Cash flow from operating activities	141	91	56%
Working capital at the end of the period	333	247	35%
Key performance indicators (KPIs) (The Group's operating segments)	Jan-Mar 2023	Jan-Mar 2022	Change
Businesses			
Revenues	75	54	40%
Operational segment result	58	40	44%
Operational segment margin	77%	75%	
Accounting Firms			
Revenues	70	54	30%
Operational segment result	43	32	36%
Operational segment margin	62%	59%	
Core Products			
Revenues	151	115	32%
Operational segment result	89	71	25%
Operational segment margin	59%	62%	
Financial Services			
Revenues	50	34	48%
Operational segment result	-0	-8	
Operational segment margin	-1%	-25%	
Marketplaces			
Revenues	35	29	21%
Operational segment result	9	5	99%
Operational segment margin	27%	17%	
Revenue distribution (Group)	Jan-Mar 2023	Jan-Mar 2022	Change
Subscription-based	267	203	32%
Transaction-based	81	61	32%
Lending-based	22	15	50%
Others	8	3	140%
Revenue from agreements with customers	378	282	34%

Group Development

Group – Net sales and results in the first quarter

Net sales amounted to SEK 370 million (279), up SEK 91 million or 33 percent. Acquisitions accounted for SEK 2 million or 1 percentage point of this increase. Revenue increased as a result of higher revenue per existing customer, new customers and products, and the further development of existing products. This contributed to organic growth of 32 percent (24) for the first quarter compared with the year-earlier period.

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 25 million (21).

Operating expenses totaled SEK 238 million (193), up SEK 45 million or 23 percent. This was primarily due to higher costs for personnel and sales as well as depreciation/amortization.

Operating profit totaled SEK 140 million (90), up SEK 51 million or 57 percent. Adjusted for acquisitions, operating profit totaled SEK 145 million.

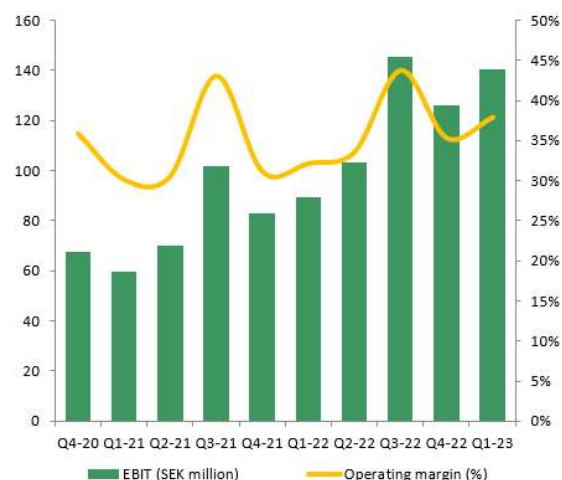
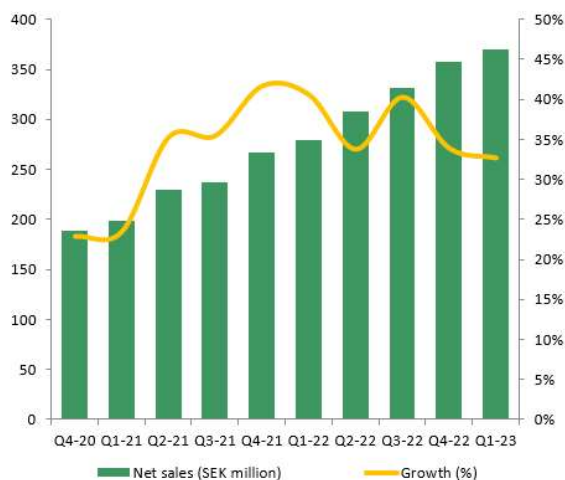
The operating margin was 38 percent (32). Adjusted for acquisitions, the operating margin was 39 percent. The operating margin increased year on year, mainly due to strong growth and a general decline in the share of costs in relation to sales.

Profit before tax amounted to SEK 140 million (87), up SEK 52 million or 60 percent.

At the end of the period, the number of subscription customers was 495,000 (441,000), up 12 percent.

Annual Recurring Revenue (ARR²⁾) amounted to SEK 1,103 million (737).

Average Revenue Per Customer (ARPC²⁾) amounted to SEK 242 (204).



2) For a definition of the alternative performance measures ARR and ARPC, see Fortnox Annual and sustainability report 2022, available at Fortnox.se.

Group – Investments in the first quarter

The Group's investments in tangible and intangible assets, excluding acquisitions, amounted to SEK 44 million (32).

Capitalized development costs accounted for SEK 43 million (31). Capitalized development costs included internally generated costs of SEK 25 million (21). The increase was primarily attributable to a higher number of employees in product development. Development costs pertain to the development of existing and upcoming products.

Depreciation/amortization and impairment of tangible and intangible assets amounted to SEK 38 million (30), of which impairment totaled SEK 0 million (3).

Group – Cash flow and financial position in the first quarter

The Group's cash flow from operating activities was SEK 141 million (91) and was negatively impacted by the lending operations and positively impacted by profit before tax and operating liabilities.

The Group's cash flow from investing activities amounted to SEK -44 million (-37). During the quarter, investments in intangible and tangible assets had a negative impact of SEK 43 million (31) and SEK 1 million (1), respectively.

The Group's cash flow from financing activities amounted to SEK -108 million (-120). The negative cash flow for the first quarter was primarily attributable to a repayment of the revolving credit facility amounting to SEK 100 million. As of March 31, SEK 100 million had been withdrawn from the SEK 500 million revolving credit facility.

At the end of the period, current assets excluding cash and cash equivalents totaled SEK 570 million (381), driven by growth in the lending operations. During the quarter, receivables related to accounts receivable, factoring, invoice financing and business loans rose SEK 41 million (13).

At the end of the period, the Group's cash and cash equivalents amounted to SEK 424 million (307). The earnings trend and increase in operating liabilities contributed to a year-on-year increase in cash and cash equivalents, while investments in intangible assets, an increase in receivables in the lending operations and settlement of interest-bearing liabilities had a negative impact.

Non-current liabilities comprise a lease liability³⁾ of SEK 131 million (144), credit of SEK 100 million (200) drawn from the revolving credit facility, a recognized liability of SEK 98 million (91) for the estimated future purchase consideration for the remaining shares in Capcito and Cling, and deferred tax liabilities of SEK 36 million (32) attributable to completed acquisitions.

Current liabilities amounted to SEK 660 million (440). The year-on-year increase was primarily attributable to deferred income, which included the value of warrants received in conjunction with entering into a partnership agreement with Mynt AB amounting to SEK 25 million. Revenue from the warrants will be recognized when there is a very high probability that the terms associated with the warrants will be met. Excluding the value of the warrants, deferred income increased in line with net sales of subscription-based services.

The Group's working capital amounted to SEK 333 million (247). The year-on-year increase was primarily attributable to the growth in the lending operations, which was partly offset by the increase in deferred income.

The equity/assets ratio was 56 percent (52).

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

Group – Development by segment

Adjusted outcome per segment and quarter for 2022, is available under note 3.1 in the Year-end report 2022 at www.fortnox.se.

Businesses SEK million	<i>Jan-Mar</i> 2023	<i>Jan-Mar</i> 2022	<i>Change</i>
Revenues	75	54	40%
Operational segment result	58	40	44%
Operational segment margin	77%	75%	

First quarter

Revenue amounted to SEK 75 million, up SEK 21 million or 40 percent. The year-on-year increase was primarily attributable to subscription-based revenue, but transaction-based revenue also increased during the period.

Operational segment result amounted to SEK 58 million, up SEK 18 million or 44 percent since the increased revenue did not entail any major cost increases.

During the quarter, Businesses continued to work on marketing and sales initiatives targeted at sole traders and small businesses as well as larger enterprises. Several improvements were made for all customer groups in terms of purchasing experience on the fortnox.se landing page as well as after login. Towards the end of the quarter, a major marketing campaign was carried out to raise awareness about the Fortnox Stock Company product.

Accounting Firms SEK million	<i>Jan-Mar</i> 2023	<i>Jan-Mar</i> 2022	<i>Change</i>
Revenues	70	54	30%
Operational segment result	43	32	36%
Operational segment margin	62%	59%	

First quarter

Revenue amounted to SEK 70 million, up SEK 16 million or 30 percent, due to subscriptions, which continued to account for the largest portion of revenue.

Operational segment result amounted to SEK 43 million, up SEK 11 million or 36 percent, largely due to revenue growth.

During the first quarter, Accounting Firms continued to focus on curating and expanding the offering to accounting firms around the country. This included the launch of Byråanstånd, a function that allows accounting consultants to apply for postponement of tax returns on behalf of their customers. The introduction of the Connect concept during the autumn, where accounting consultants can meet and interact with Fortnox product experts, instructors and industry colleagues, generated a great deal of interest in our training. This time of year is an intense period for Sweden's accounting consultants and therefore also for our support, which continues to receive high ratings from our users.

Core Products <i>SEK million</i>	<i>Jan-Mar</i> 2023	<i>Jan-Mar</i> 2022	<i>Change</i>
Revenues	151	115	32%
Operational segment result	89	71	25%
Operational segment margin	59%	62%	

First quarter

Revenue amounted to SEK 151 million, up SEK 37 million or 32 percent. The increase was primarily attributable to subscription-based and transaction-based revenue related to e-invoicing, invoice data capture and salary specifications.

Operational segment result amounted to SEK 89 million, up SEK 18 million or 25 percent.

As in previous periods, a great deal of work was devoted to further developing the core products during the quarter and product launches included bookkeeping from bank statements for Swedbank customers, new VAT management and document signing in Archive Storage through Cling.

Financial Services <i>SEK million</i>	<i>Jan-Mar</i> 2023	<i>Jan-Mar</i> 2022	<i>Change</i>
Revenues	50	34	48%
Operational segment result	-0	-8	
Operational segment margin	-1%	-25%	

First quarter

Revenue amounted to SEK 50 million, up SEK 16 million or 48 percent – all organic. This growth was largely attributable to synergies between Capcito, Monto and Fortnox Finans.

Operational segment result amounted to SEK 0 million, an improvement of SEK 8 million, attributable to revenue growth.

Factoring performed well during the first quarter, with the automated factoring function now accounting for a significant portion of the factoring volume.

Marketplaces <i>SEK million</i>	<i>Jan-Mar</i> 2023	<i>Jan-Mar</i> 2022	<i>Change</i>
Revenues	35	29	21%
Operational segment result	9	5	99%
Operational segment margin	27%	17%	

First quarter

Revenue amounted to SEK 35 million, up SEK 6 million or 21 percent. This increase is mainly attributable to growing interest in connecting Fortnox's business systems with other products and services.

Operational segment result amounted to SEK 9 million, up SEK 5 million or 99 percent, primarily attributable to increased revenue.

This was the first full quarter that Cling was included in the Marketplaces, where a lot of work was put into an integrated digital signature in Fortnox business system.

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 first quarter

Net sales amounted to SEK 308 million (226), up SEK 82 million or 36 percent. As in the Group, the increase was due to existing and new customers and products.

Operating expenses totaled SEK 180 million (145), up SEK 35 million or 24 percent, mainly due to higher employee benefit expenses and other external costs, which increased as a result of a continued investment in growth.

Operating profit totaled SEK 147 million (96), up SEK 51 million or 53 percent, corresponding to an operating margin of 48 percent (43). The change is attributable to an improved cost structure, mainly due to the scalability of employee benefit expenses and a reduced cost for depreciation/amortization and impairment due to higher impairment in the previous year.

Profit before tax amounted to SEK 152 million (97), up SEK 55 million or 57 percent. Higher interest income from subsidiaries as a result of larger amounts being loaned and upward interest rate adjustments contributed to the positive net financial items.

Parent Company – Investments in the first quarter

The Parent Company's investments in tangible and intangible assets, excluding acquisitions, amounted to SEK 28 million (21).

Capitalized development costs accounted for SEK 27 million (21). The increase was primarily attributable to a higher number of employees in product development. Capitalized development costs included internally generated development costs of SEK 19 million (15).

Depreciation/amortization and impairment of tangible and intangible assets amounted to SEK 14 million (15), of which impairment totaled SEK 0 million (3) for the first quarter.

Parent Company – Financial position in the first quarter

At the end of the period, cash and cash equivalents amounted to SEK 236 million (170). The earnings trend had a positive impact on the Parent Company's cash and cash equivalents, while intra-Group loans to Capcito and Fortnox Finans 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 403 million (233). The year-on-year increase was primarily attributable to an increase in short-term receivables with Group companies.

The Parent Company's non-current liabilities decreased during the quarter due to a lower withdrawal of SEK 100 million from the revolving credit facility.

Employees

At the end of the period, the number of employees was 703 (617).

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.

Significant events after the end of the interim period

No significant events have been reported after the end of the period.

Shares and share capital

At the end of the period, consolidated equity amounted to SEK 1,314 million (1,000).

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

	Mar 31 2023	Mar 31 2022	Dec 31 2022
No. of shares outstanding at the end of the period	609,744,700	609,744,700	609,744,700
Share price at the end of the period (SEK)	70.92	51.95	47.29

The ten largest shareholders on March 31, 2023 are shown in the table below:

Shareholders	No. of shares	%
FIRST KRAFT AB	114,780,712	18.82%
STATE STREET BANK AND TRUST CO, W9	46,824,352	7.68%
SWEDBANK ROBUR TOTAL	32,968,298	5.42%
JP MORGAN CHASE BANK N.A, W9	26,616,520	4.37%
THE BANK OF NEW YORK MELLON, W9	17,647,776	2.89%
MORGAN STANLEY & CO INTL PLC, W8IMY	13,318,815	2.18%
AMF TJÄNSTEPENSION AB	12,950,000	2.12%
BENGTSSON, PEDER KLAS-ÅKE	12,100,000	1.98%
THE NORTHERN TRUST COMPANY	11,273,774	1.85%
SPILTAN TOTAL	10,789,310	1.85%
Others	310,475,143	50.92%
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 according to Euroclear amounted to 46,379 as of March 31, 2023.

Condensed consolidated statement of profit or loss and other comprehensive income

SEK million	Notes	Jan-Mar 2023	Jan-Mar 2022
Net sales		370	280
Other operating income		8	3
Total operating income	3	378	282
Own work capitalized		25	21
Services purchased		-25	-19
Other external costs		-56	-48
Cost of personnel		-143	-117
Depreciation, amortization and impairment of tangible and intangible assets		-38	-30
Total operating expenses		-238	-193
Operating profit		140	90
Financial income/expenses		-1	-1
Profit/loss from participations in associated companies		-	-1
Profit before tax		140	87
Tax		-34	-21
Profit for the period		106	67
Other comprehensive income			
Other comprehensive income		-	-
Comprehensive income for the period		106	67
Earnings per share			
- before dilution, SEK		0.17	0.11
- after dilution, SEK		0.17	0.11
Average no. of shares outstanding			
- before dilution, 000s		609,731	609,745
- after dilution, 000s		609,941	609,763

Condensed consolidated statement of financial position

SEK million	Notes	Mar 31 2023	Mar 31 2022	Dec 31 2022
Assets				
Intangible assets				
Goodwill	6	610	606	610
Platform		370	237	351
Other intangible assets		144	154	146
Tangible assets				
Machinery and equipment		34	35	36
Right-of-use assets		161	167	156
Financial assets				
Shares in associated companies		-	20	-
Financial investments	4	25	-	26
Long-term receivables		0	0	0
Deferred tax assets		1	1	1
Total non-current assets		1,345	1,219	1,325
Current assets				
Accounts receivable	4	67	52	92
Receivables factoring	4	56	50	61
Purchased receivables	4	236	163	205
Business loan receivables	4	149	78	135
Prepaid expenses		31	15	26
Accrued income	4	22	16	18
Other receivables	4	9	7	5
Cash and cash equivalents	4	424	307	435
Total current assets		994	687	976
Total assets		2,339	1,907	2,302
Equity				
Share capital		1	1	1
Other contributed capital		421	420	421
Retained earnings incl. profit for the period		892	579	859
Total shareholders' equity attributable to Parent Company shareholders		1,314	1,000	1,281
Liabilities				
Non-current liabilities				
Non-current interest bearing liabilities	4	100	200	200
Non-current lease liabilities		131	144	129
Deferred tax liabilities		36	32	37
Other non-current liabilities	4	98	91	98
Total non-current liabilities		365	467	464
Current liabilities				
Current interest bearing liabilities		-	-	-
Current lease liabilities		37	30	34
Accounts payable	4	25	17	27
Tax liabilities		71	45	87
Other liabilities	4	129	86	58
Accrued expenses	4	96	70	79
Deferred income		302	193	272
Total current liabilities		660	440	557
Total liabilities		1,026	907	1,021
Total equity and liabilities		2,339	1,907	2,302

Condensed consolidated statement of changes in equity

SEK million	Share capital	Other contributed capital	Retained earnings incl. profit for the period	Total equity
Opening equity, January 1, 2022	1	420	561	982
Comprehensive income for the period			67	67
<i>Transactions with the Group's owners:</i>				
Dividends paid			-49	-49
New share issue				-
Total transactions with the Group's owners	-	-	-49	-49
Closing equity, March 31, 2022	1	420	579	1,000
Opening equity, April 1, 2022	1	420	579	1,000
Comprehensive income for the period			280	280
<i>Transactions with the Group's owners:</i>				
Dividends paid				-
Share-based compensation		0		0
New share issue		1		1
Total transactions with the Group's owners	-	1	-	1
Closing equity, December 31, 2022	1	421	859	1,281
Opening equity, January 1, 2023	1	421	859	1,281
Comprehensive income for the period			106	106
<i>Transactions with the Group's owners:</i>				
Dividends paid			-73	-73
Share-based compensation		0		0
New share issue				-
Total transactions with the Group's owners	-	0	-73	-73
Closing equity, March 31, 2023	1	421	892	1,314

Condensed consolidated statement of cash flows

SEK million	Notes	Jan-Mar 2023	Jan-Mar 2022
Operating activities			
Profit before tax		140	87
Non-cash adjustments		37	31
Income tax paid		-47	-47
		130	71
Increase (-)/decrease (+) in accounts receivable		26	23
Increase (-)/decrease (+) in receivables factoring		5	5
Increase (-)/decrease (+) in purchased receivables		-31	6
Increase (-)/decrease (+) in business loan receivables		-15	-25
Increase (-)/decrease (+) in other operating receivables		-14	-1
Increase (+)/decrease (-) in other operating liabilities		41	12
Cash flow from operating activities		141	91
Investing activities			
Acquisitions of tangible assets		-1	-1
Acquisitions of intangible assets		-43	-31
Business acquisitions, net cash		-	-
Acquisition of financial assets		-	-5
Cash flow from investing activities		-44	-37
Financing activities			
New share issue		-	-
New loans		-	-
Repayment of loan		-100	-114
Repayment of lease liability		-8	-7
Dividends paid to Parent Company owners		-	-
Cash flow from financing activities		-108	-121
Cash flow for the period		-11	-67
Cash and cash equivalents at the beginning of the period		435	373
Cash and cash equivalents at the end of the period		424	307

Condensed Parent Company income statement

SEK million	Jan-Mar 2023	Jan-Mar 2022
Net sales	308	226
Own work capitalized	19	15
Other operating income	0	0
	327	241
Services purchased	-16	-12
Other external costs	-45	-36
Cost of personnel	-105	-82
Depreciation, amortization and impairment of tangible and intangible assets	-14	-15
Total operating expenses	-180	-145
Operating profit	147	96
Financial items	5	1
Profit after financial items	152	97
Appropriations	-	-
Profit before tax	152	97
Tax	-32	-21
Profit for the period⁴⁾	121	77

⁴⁾ Parent Company's comprehensive income corresponds to the result for the period.

Condensed Parent Company balance sheet

SEK million	Mar 31 2023	Mar 31 2022	Dec 31 2022
Assets			
Intangible assets			
Platform	181	142	166
Tangible assets			
Machinery and equipment	29	31	31
Financial assets			
Shares in subsidiaries	828	769	828
Shares in associated companies	-	23	-
Long-term receivables	0	0	0
Deferred tax assets	0	0	0
Total non-current assets	1,038	965	1,024
Current assets			
Accounts receivable	57	40	79
Interest-bearing receivables from Group companies	532	315	507
Other receivables from Group companies	68	41	33
Other receivables	6	5	1
Prepaid expenses	23	11	18
Accrued income	21	15	18
Cash and cash equivalents	236	170	253
Total current assets	944	597	909
Total assets	1,982	1,562	1,933
Equity			
<i>Restricted equity</i>			
Share capital	1	1	1
Development fund	181	139	166
<i>Unrestricted equity</i>			
Share premium reserve	420	420	420
Retained earnings	618	362	335
Profit for the period	121	77	373
Total equity	1,341	999	1,295
Non-current liabilities			
Non-current interest bearing liabilities	100	200	200
Total non-current liabilities	100	200	200
Current liabilities			
Accounts payable	14	8	20
Liabilities to Group companies	4	5	4
Current tax liabilities	67	40	81
Other liabilities	112	75	37
Accrued expenses	66	44	51
Deferred income	276	191	215
Total current liabilities	540	364	438
Total liabilities	641	564	638
Total equity and liabilities	1,982	1,562	1,933

NOTER

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. During the period, the Group received conditional warrants. Financial investments and current investments comprise securities recognized at fair value with value changes in the income statement.

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 result. 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 industry-specific 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 invoice financing, 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	Jan-Mar 2023	Jan-Mar 2022
Revenues (from external customers)	75	54
Revenues (from other segments)	-	-
Operational segment result	58	40
<i>Revenue distributed by service</i>		
Subscription-based	66	47
Transaction-based	9	6
Lending-based	1	0
Others	0	0
Revenue	75	54
Accounting Firms (The Group's operating segment), SEK Million		
Revenues (from external customers)	70	54
Revenues (from other segments)	-	-
Operational segment result	43	32
<i>Revenue distributed by service</i>		
Subscription-based	60	46
Transaction-based	9	7
Lending-based	0	0
Others	0	0
Revenue	70	54
Core Products (The Group's operating segment), SEK Million		
Revenues (from external customers)	151	115
Revenues (from other segments)	-	-
Operational segment result	89	71
<i>Revenue distributed by service</i>		
Subscription-based	106	79
Transaction-based	45	35
Lending-based	0	0
Others	0	0
Revenue	151	115
Financial Services (The Group's operating segment), SEK Million		
Revenues (from external customers)	48	32
Revenues (from other segments)	3	2
Operational segment result	-0	-8
<i>Revenue distributed by service</i>		
Subscription-based	1	2
Transaction-based	22	16
Lending-based	21	14
Others	7	3
Revenue	50	34

Marketplaces (The Group's operating segment), SEK Million	Jan-Mar 2023	Jan-Mar 2022
Revenues (from external customers)	35	29
Revenues (from other segments)	-	-
Operational segment result	9	5
<i>Revenue distributed by service</i>		
Subscription-based	34	29
Transaction-based	-	-
Lending-based	-	-
Others	0	0
Revenue	35	29
<hr/>		
Intra-Group (The Group's operating segment), SEK Million	Jan-Mar 2023	Jan-Mar 2022
Revenues (from external customers)	-	0
Revenues (from other segments)	-	-
Operational segment result	-64	-51
Reversal of expensed capitalized expenditures for development work	19	10
Own work capitalized	25	21
Depreciation and amortization	-38	-30
Operating profit	-58	-50
Financial items	-1	-2
Profit before tax	-59	-52
<i>Revenue distributed by service</i>		
Subscription-based	-	-
Transaction-based	-	-
Lending-based	-	-
Others	-	0
Revenue	-	0
<hr/>		
Eliminations (The Group's operating segment), SEK Million	Jan-Mar 2023	Jan-Mar 2022
Revenues (from external customers)	-	-
Revenues (from other segments)	-3	-2
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	-2
Lending-based	-	-
Others	-	-
Revenue	-3	-2

Group Total (The Group's operating segment), SEK Million	Jan-Mar 2023	Jan-Mar 2022
Revenues (from external customers)	378	282
Revenues (from other segments)	-	-
Operational segment result	135	88
Reversal of expensed capitalized expenditures for development work	19	10
Own work capitalized	25	21
Depreciation and amortization	-38	-30
Operating profit	140	90
Financial items	-1	-2
Profit before tax	140	87
<i>Revenue distributed by service</i>		
Subscription-based	267	203
Transaction-based	81	61
Lending-based	22	15
Others	8	3
Revenue from agreements with customers	378	282

Note 4 – Financial instruments

Group

Mar 31, 2023	Recognized value			Total carrying amount
	Financial assets valued at amortised cost	Financial assets valued at fair value with changes in value over profit	Financial liabilities valued at amortised cost	
SEK million				
Financial assets				
Financial placements		25		25
Account receivables	67			67
Purchased receivables	56			56
Receivables factoring	236			236
Business loan receivables	149			149
Accrued income	22			22
Other receivables	9			9
Cash and cash equivalents	424			424
	963	25		988
Financial liabilities				
Interest bearing liabilities (current and non-current)			100	100
Other non-current liabilities			98	98
Accounts payable			25	25
Accrued expenses			43	43
Other current liabilities			56	56
			323	323

Mar 31, 2022	Recognized value			Total carrying amount
	Financial assets valued at amortised cost	Financial assets valued at fair value with changes in value over profit	Financial liabilities valued at amortised cost	
SEK million				
Financial assets				
Account receivables	52			52
Purchased receivables	50			50
Receivables factoring	163			163
Business loan receivables	79			79
Accrued income	16			16
Other receivables	7			7
Cash and cash equivalents	307			307
	672			672
Financial liabilities				
Interest bearing liabilities (current and non-current)			200	200
Other non-current liabilities			91	91
Accounts payable			17	17
Accrued expenses			29	29
Other current liabilities			37	37
			374	374

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 first quarter of 2023 and SEK -2 million on operating profit.

Note 6 - Goodwill

SEK million

Accumulated cost	
Opening balance, March 31, 2022	606
Business acquisitions	-
Closing balance, June 30, 2022	606
Business acquisitions	-0
Closing balance, September 30, 2022	605
Business acquisitions	4
Closing balance, December 31, 2022	610
Business acquisitions	-
Closing balance, March 31, 2023	610
Carrying amounts	
As of March 31, 2022	606
As of June 30, 2022	606
As of September 30, 2022	605
As of December 31, 2022	610
As of March 31, 2023	610

Audit

This interim report has not been subject to a 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.

Växjö, April 28, 2023

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>	Jan-Mar 2023	Jan-Mar 2022	Rolling 12 months
<u>IFRS financial measures</u>			
Net sales	370	279	1,367
Profit for the period	106	67	386
Earnings per share before dilution (SEK)	0.17	0.11	0.63
Earnings per share after dilution (SEK)	0.17	0.11	0.63
<u>Alternative performance measures</u>			
ARR	1,103	737	
ARPC (SEK)	242	204	242
RoF	71%	73%	73%
EBIT	140	90	515
EBIT margin	38%	32%	38%
Profit margin	29%	24%	28%
Equity per share after dilution (SEK)	2.2	1.6	
Equity at the end of the period	1,314	1,000	
Total assets at the end of the period	2,339	1,907	
Working capital at the end of the period	333	247	
Cash flow from operating activities	141	91	491
Equity/assets ratio	56%	52%	
<u>Non-financial measures</u>			
No. of subscription customers at the end of the period (000s)	495	441	
No. of employees at the end of the period (No.)	703	617	
Average no. of shares outstanding before dilution (000s)	609,731	609,745	609,741
Average no. of shares outstanding after dilution (000s)	609,941	609,763	609,830
No. of shares outstanding at the end of the period before dilution (000s)	609,717	609,745	
No. of shares outstanding at the end of the period after dilution (000s)	610,012	609,745	

Performance measures for the Group per quarter

<i>SEK million unless otherwise indicated</i>	2023 Q 1	2022 Q 4	2022 Q 3	2022 Q 2	2022 Q 1	2021 Q 4	2021 Q 3	2021 Q 2
<u>IFRS financial measures</u>								
Net sales	370	357	332	308	279	267	237	230
Profit for the period	106	94	112	74	67	62	79	54
Earnings per share after dilution (SEK)	0.17	0.15	0.18	0.12	0.11	0.10	0.13	0.09
<u>Alternative performance measures</u>								
Growth compared with prev. quarter	4%	8%	8%	10%	5%	13%	3%	16%
ARR	1,103	944	914	887	737	693	650	608
ARPC (SEK)	242	233	223	212	204	194	184	178
RoF	71%	69%	84%	67%	73%	73%	79%	66%
EBIT	140	126	145	103	90	83	102	70
EBIT margin	38%	35%	44%	34%	32%	31%	43%	31%
Profit margin	29%	26%	34%	24%	24%	23%	34%	24%
Equity per share after dilution (SEK)	2.2	2.1	1.9	1.8	1.6	1.6	1.5	1.4
Equity at the end of the period	1,314	1,281	1,187	1,074	1,000	982	907	826
Total assets at the end of the period	2,339	2,302	2,155	2,026	1,907	1,971	1,414	1,368
Working capital at the end of the period	333	419	347	278	247	247	324	251
Cash flow from operating activities	141	117	117	144	91	76	103	51
Equity/assets ratio	56%	56%	55%	53%	52%	50%	63%	60%
<u>Non-financial measures</u>								
No. of customers at the end of the period (000s)	495	480	466	456	441	425	410	400
No. of employees at the end of the period (No.)	703	686	657	628	617	596	540	516

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>
<p>Operational segment margin</p> <p>A segment's operating margin is calculated as segment operating profit divided by revenue for the operating segment.</p>	<p>This is a measure of profitability used to assess and monitor the operational profitability of a segment.</p>	<p>(A) Operational segment result, MSEK (B) Revenue for the segment, MSEK (C) Operational segment margin, %</p> <p>(A) / (B) = (C)</p>
<p>RoF</p> <p>RoF (Rule of Fortnox) is a performance measure calculated as growth in net sales plus operating margin.</p>	<p>RoF is used to evaluate the Group's ability to combine growth and profitability.</p>	<p>(A) Growth in net sales, % (B) EBIT-/ Operating margin, % (C) RoF, %</p> <p>(A) + (B) = (C)</p> <p>33% + 38% = 71% (2023) 41% + 32% = 73% (2022)</p>

Financial calendar

- Interim report January-June 2023 July 14, 2023
- Interim report January-September 2023 October 27, 2023

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 April 28, 2023 at 8:30 a.m. CEST.

For further information please contact:

Tommy Eklund, President and CEO

Telephone: +46 (0) 72-369 73 50

tommy.eklund@fortnox.se

FORTNOX AB (PUBL), Box 427, SE-351 06 VÄXJÖ, SWEDEN
Phone: +46 470-78 50 00
Comp. Reg. No.: 556469-6291
www.fortnox.se