

SOFTBONIC

Annual report

2020



2020 – a very strong year for Softronic

Softronic went into 2020 with clear intentions and three strategic investments. Although we had already started to hear about a new virus in China, we could never have imagined the effect it would have on the world. Nor could we have imagined how well-equipped both we and most of our customers were to run our businesses away from our offices. Now that it is time to look back at the year, we are happy and grateful that our company is now stronger today than it was at the start of 2020.

What happened to our strategic investments? One of them was definitely affected quite significantly by the pandemic; our ambition to take our anti-money laundering product, CM1, to the Nordic and Baltic market. Although we made a few deals in our neighbouring countries in 2020, it was clear early on that an investment of this kind is based on a physical presence on these new markets, which proved impossible with the restrictions that have been in place. However, we still want to achieve this ambition and during the year we made further developments to the service, adding a number of new modules and strengthening our position on our domestic market.

The other two investments; rebuilding the finance function of our MRM membership system and starting operations in Robot-based Process Automation (RPA) were delivered according to plan. The beginning of 2021 saw our first customer for our new MRM and we are looking forward to converting existing customers and gaining new customers in the future. The RPA investment also went well and we now have a group that has delivered several customer projects. It is also very interesting that we are including classic AI technology as pattern recognition in the projects, which is very promising for the future.

We have focused on increasing our procurement skills as well, particularly in public procurements, where formalities play a key role and relatively minor mistakes can have major consequences. It is great to report that we have qualified for framework agreements with a number of different customers, which gives us a strong foundation for the future. We realised that suppliers are normally required to have a quality certification, so we further enhanced our quality process and we were awarded certification from Svensk Kvalitetsbas (Swedish Quality Base). In addition, Softskills, our worker-driven programme to spread knowledge internally, gathered real momentum during the year and we have a strong programme ahead of us.

Our most important intention when we went into 2020 was for us to work even more intensely on our ambition to become Sweden's leading company in GoodTech. We made this concept clearer and worked hard to spread the concept among our staff and present it to customers and future employees. I am really pleased that we have now established "GoodTech – technology that benefits society" as a concept on the market.

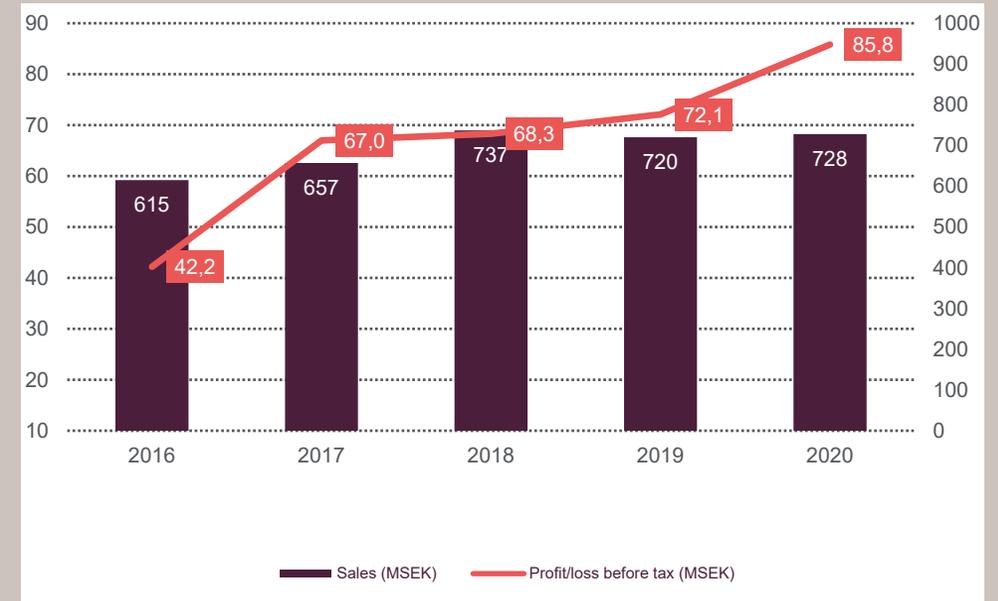
Finally I would like to say a huge thank you to our staff. They have coped extremely well with the challenges they faced to carry out their deliveries, to work together in groups and to stay focused on their customer's business, even though they have not been able to meet colleagues or customers physically for most of the year!

Per Adolffson CEO Softronic



A good year that shows the strength of Softronic's business model

- » A dividend per share of SEK 3.00 (SEK 1.25 +SEK +1.75 extra dividend) is proposed.
- » Profit/loss after tax per share: SEK 1.27 (SEK 1.06)
- » Cash flow from operating activities amounted to MSEK 103.3 (MSEK 76.4)
- » Total liquidity as of 31 December 2020 was MSEK 223
- » The equity/assets ratio amounted to 66% (60%)



	2016	2017	2018	2019	2020
Sales, MSEK	614.7	657.0	737.2	720.0	728.5
EBITDA, MSEK	50.0	75.5	75.0	97.0	110.7
Profit/loss before tax, MSEK	42.2	67.0	68.3	72.1	85.8
Profit margin, %	6.9	10.2	9.3	10.0	11.8
Number of employees at year-end	432	445	438	437	422

GoodTech – Technology that benefits society



**A LISTED COMPANY
SINCE 1998**



**CERTIFIED
14001, 27001 and
Swedish Quality Base**



**5 OFFICES
IN
SWEDEN**

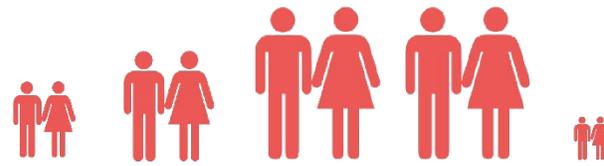
615

customer relationships, most of whom are repeat customers

- LEADING CONSULTANCY FIRM
- COMPLETE PARTNER
- STRONG CUSTOMER REFERENCES
- MEASURABLE RESULTS
- BREADTH AND DEPTH



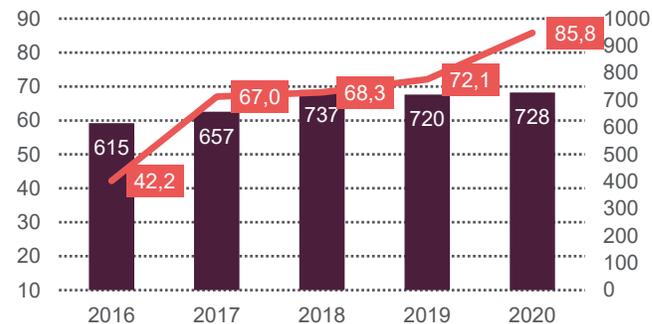
REPEAT CUSTOMERS
Most of our customers stay 10–20 years



12% 20-29 YEARS | 23% 30-39 YEARS | 27% 40-49 YEARS | 29% 50-59 YEARS | 9% 60-69 YEARS

AN INCREDIBLE TEAM!

INDUSTRY EXPERIENCE AVERAGE: 18.1 YEARS | EMPLOYED AT SOFTRONIC AVERAGE: 7.8 YEARS



■ Sales (MSEK) | — Profit/loss before tax (MSEK)

422

Employees at the end of 2020



SWEDEN'S MOST SATISFIED CUSTOMERS

RADAR'S CUSTOMER SATISFACTION INDEX 2019

GOLD MEDAL FOR CSR FROM ECOVADIS



DISTRIBUTION

75% men 25% women



WE HAVE BOTH BREADTH AND DEPTH

- | | |
|----------------------------|--------------------|
| Outsourcing | Consultancy |
| Innovation New development | Advice |
| App.Mgmt | Standard systems |
| App. Operation | Assignments |
| Operation | Services |
| | Specialist |

... and creates a real benefit to society



INFORMATION ABOUT SWEDEN
The right information about society in the right place for new arrivals in 10 languages



8.5 MILLION

user accounts in the E services. An increase of more than 1 million in 2020.



~11,000 / DAY
Queries answered via 1177 Healthcare Guide's phone line



5.3 MILLION

Members in our membership system



2.3 MILLION
Bookings/year



24 BILLION in payouts per year from unemployment insurance funds to approximately 340,000 beneficiaries

25

unemployment insurance funds

20 of them are also partner customers



65,000
JOB OPPORTUNITIES
We have created the conditions for 65,000 agency jobs

37
BILLION

CM1-PEP and sanction checks/year



1.51 MILLION
Credit checks/month



Food for 5.7 billion are handled in our ERP systems every year



5 MILLION
Packages delivered/year



More than **1 million** successful conversations with our CHATBOTS



750,000
Users of the Vklass school portal in more than 70 municipalities

3.6
MILLION

Declarations digitised

Owning shares in Softronic

- » Shares in Softronic have been listed on the Stockholm Stock Exchange since December 1998. The shares are traded on Nasdaq Stockholm Small Cap.
- » **As of 31 December 2020 the number of shareholders in Softronic totalled 7,616.**
- » The aim is for the long-term dividend level to amount to around 50% of profits after tax, depending on the company's capital requirements for investments and changes to working capital, as well as the shareholders' desire for a good dividend yield.



Board of Directors



Petter Stillström, 1972
Chairman

Member since 2008 (also 01-06).
CEO and Board Member of AB Traction.
Other Board assignments (member): Hifab Group and BE Group.
Other Board assignments (Chairman): Nilörngruppen, OEM International.
Not independent in relation to major shareholders.
A shares: -
B shares: -



Stig Martin, 1945

Member since 1984.
Other Board assignments: Västgötadata.

Not independent in relation to major shareholders.

A shares: 891,600
B shares: 3,345,600



Britten Wennman, 1964

Member since 2019.
Other Board assignments:

Independent in relation to the company and its management.

A shares: -
B shares: -



Victoria Bohlin, 1973

Member since 2019.
Other Board assignments: For some subsidiaries in the Capio Group.

Not independent in relation to major shareholders.

A shares: -
B shares: 12,000



Susanna Marcus, 1965

Member since 2016.
Other Board assignments: Chairman Kontract AB, Chairman IAMIP AB.

Not independent in relation to major shareholders.

A shares: -
B shares: 12,000



Tomas Högström, 1963

Employee representative since 2013.
Employed since 1996.

Not independent in relation to major shareholders.

A shares: -
B shares: 1,800

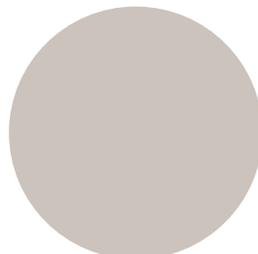


Cecilia Nilsson, 1965

Employee representative since 2010.
Employed since 1993.

Not independent in relation to major shareholders.

A shares: -
B shares: 1,600



Auditor

Nicklas Kullberg

Authorised public accountant; Auditor in charge since 2017.

PricewaterhouseCoopers AB

Management



Per Adolfsson, 1960

CEO
Employed since 2019

Other Board assignments: Datema AB.

A shares: -
B shares: 10,000



Mathias Kjellberg, 1971

COO
Employed since 1999

A shares: -
B shares: -



Anders Bergman, 1964

CFO
Employed since 2004

A shares: -
B shares: -



Joachim Lundberg, 1965

Manager of Group
functions
Employed since 1995

A shares: -
B shares: 163,600



Johan Andersson, 1972

Business Area Manager
Employed since 1999

A shares: -
B shares: -



Anna Thörnlund, 1976

Business Area Manager
Employed since 2000

A shares: -
B shares: 250



Claes Brikell, 1966

Sales Manager
Employed since 1998

A shares: -
B shares: -



Roger Gustavsson, 1969

Business Area Manager
Employed since 1999

A shares: -
B shares: -



Claes Ulväng, 1971

Business Area Manager
Employed since 2020

A shares: -
B shares: -

Profit and Loss Account and Balance Sheet

Profit and Loss Account, MSEK	2020	2019	2018	2017	2016
Revenue	728.5	720.0	737.2	657.0	614.7
Operating expenses	-617.8	-623.0	-662.2	-581.5	-564.7
Depreciation and amortisation according to plan	-23.9	-23.7	-6.9	-8.9	-8.5
Operating income	86.8	73.3	68.1	66.6	41.5
Net financial income/expense	-1.0	-1.2	0.2	0.4	0.7
Profit/loss after net financial income/expense	85.8	72.1	68.3	67.0	42.2
Taxes	-18.9	-16.3	-16.0	-15.2	-9.2
Profit/loss for the period	66.9	55.8	52.3	51.8	33.0

Balance Sheet, MSEK	2020	2019	2018	2017	2016
Assets					
Intangible and equipment	110.2	111.5	113.3	114.7	119.8
Property, plant and equipment	3.1	5.6	8.3	11.3	10.8
Right-of-use asset	25.3	38.8	-	-	-
Other non-current receivables	2.3	2.4	2.5	-	-
Current assets	174.9	178.5	174.9	173.8	164.6
Cash and cash equivalents (incl. current investments)	199.8	117.2	113.0	87.7	62.3
Total assets	515.6	454.0	412.0	387.5	357.5
Equity and liabilities					
Equity	341.0	274.1	270.9	258.1	232.6
Liabilities	174.6	179.9	141.1	129.4	124.9
Total Equity and liabilities	515.6	454.0	412.0	387.5	357.5

Key performance indicators

Key performance indicators, employees	2020	2019	2018	2017	2016
Avg. no. of employees	424	443	452	441	458
Sales per employee, TSEK	1.718	1.625	1.631	1.490	1.342
Staff costs per employee, TSEK	851	858	842	768	727
Profit/loss before tax per employee, TSEK	202	163	151	152	92

Shares, key figures	2020	2019	2018	2017	2016
Earnings per share, SEK	1.27	1.06	0.99	0.98	0.63
Dividend in TSEK*	157,898	-	52,633	39,475	26,316
Dividend per share, SEK*	3.00	-	1.00	0.75	0.50
Share price as of 31 Dec SEK	21.4	16.6	14.4	12.8	7.8
Dividend yield, %*	14.0	-	5.2	3.9	6.5
Equity per share, SEK	6.5	5.2	5.1	4.9	4.4

* Board's proposal – of which SEK 1.75 is an additional dividend for 2020.

Cash flow, MSEK	2020	2019	2018	2017	2016
Cash flow from operating activities	103.3	76.4	65.4	56.7	42.6
Cash flow from investing activities	-0.6	-0.8	-0.6	-5.0	-11.6
Cash flow from financing activities	-20.1	-71.4	-39.5	-26.3	-26.3
Cash flow for the year	82.6	4.2	25.3	25.4	4.7

IT partnership Softronic and UC – focused on continual development

UC (Enento Group) is Sweden's leading business and credit reference agency, which also offers products and services that help private individuals achieve greater security in their finances.

UC is dependent on being able to deliver up-to-the-minute information to its customers. It needs updated systems that are always accessible and scalable.

This IT partnership started in 2011, administering 30 applications. The assignment was extended to include operations and rewriting applications to open source.

When UC became part of the Enento Group in 2018, the applications moved to an OpenShift platform in Softronic's private cloud, which requires a holistic approach to technology and architecture.

UC's ambition to continually develop its business and its offering has meant that its digital services have to be continually developed. It requires a genuine IT partnership with a high level of continuity in Softronic's team.



“Softronic is a very flexible IT partner that has managed to adapt to our needs, despite a little bit of toing and froing. This ability has been valuable for us at a time when we are working on developing new services, while managing ongoing platform consolidation.”

Jörgen Olofsson, CIO Enento Group

The T1D app, a completely unique type 1 diabetes app

Together Against Diabetes1 (T.A.D.1) was established in the autumn of 2016 to make a change and to make a difference. The founder Elin Cederbrant has type 1 diabetes herself and wants to spread knowledge and information about type 1 diabetes and help raise more money for research.

T.A.D.1 started a project to develop an app that makes a real difference to everyone living with and around type 1 diabetes. Softronic was commissioned to develop the T1D app for iOS and Android, and has worked closely with the client. We have supplied a team with a project manager, an app developer, a UX designer, a requirements analyst and a tester. This has been an important project for Softronic and we wanted to support it with the skills we have at the company.

The result is a unified platform that is accessible 24/7

The T1D app provides a unified platform for everyone who has a connection to type 1 diabetes in some way. There are two sections in the app – an information section and a functional section. The information is aimed at the target group, with, for example, information articles, news, checklists and quizzes. It also has an easy-to-use carbohydrate calculator, making it simple to calculate how many carbohydrates are in a meal. In 2021 the aim is to launch an insulin dose calculator, which Softronic has developed.

The T1D app is completely free to download and use. For more information, visit <https://t1dapp.se/>.



“It’s been so enjoyable, exciting and educational to work with Softronic’s team on this project. But what I’ve appreciated the most is the incredible level of engagement you’ve shown. I don’t know how many late nights and weekends we spent sending emails, messages and talking so that we could meet all our deadlines!”

Elin Cederbrant, founder of T.A.D.1

Operating system based on Microsoft Dynamics 365 for Stockholm Parkering

Since 2012 Softronic has been entrusted with supplying and managing an operating system based on Microsoft Dynamics 365 for Stockholm Parkering.

Stockholm Parkering faced the challenge of meeting future demands for integration and connection to parking equipment and facilities, while also meeting customer demands for quick responses to their questions or problems.

Working with Softronic, Stockholm Parkering now has a solution that makes the work of its customer service staff easier by providing them with a better overview and overall picture of the customer. It has also become easier for them to retrieve data and create reports on profitability per car park/facility. The users themselves can create instrument panels and views that show outcomes and key figures, providing them with better data for business decisions.

In 2021 Softronic has been entrusted once again to continue to develop and manage this system.



“Softronic took on a very demanding challenge, replacing a well-established operating system that we had developed ourselves with a brand new one. This was no easy task. However, we were able to succeed because of Softronic’s experience and competence, and the engagement of our entire organisation.”

Christian Rockberger, CEO Stockholm Parkering

Federation solution for the Internet Foundation in Sweden

The Internet Foundation in Sweden is an independent, business-driven and public-benefit organisation that works for an Internet that contributes positively to people and society. The foundation is responsible for the Internet's Swedish top-level domain .se and manages the operation and administration of the top-level domain .nu.

The Internet Foundation in Sweden had an old federation solution that was built on the manual handling of metadata and the manual administration of customers. The foundation wanted to build a scalable solution that could offer several types of federations. At the moment the solution is being used in schools, as well as nursing, health and care.

Softronic has developed a technical solution that handles identity and authorisation federations, and has digitalised the administrative processes for membership applications and assurance checking.

The federation solution is based on modern technology with a focus on useability. At the same time the administrative processes for membership and assurance checking have been digitalised. It is now easy for the foundation's customers to upload and follow up their application.



“The project team has been working closely with us, and they have always been open and transparent with us, which I’ve really appreciated as a customer. Using an agile working method we’ve always found the way forward together and solved the challenges that we’ve faced.”

Ulrika Ahlgren, Internet Foundation in Sweden

Support for charity fundraising

Softronic's CRM system Charity was born out of the need for fund-raising organisations to develop their relationship with donors and have a user-friendly system to handle time-consuming administration. The system is a bespoke, turnkey solution that provides fund-raising organisations with excellent opportunities to focus on their work with donors and increase the number and average value of donations.

Softronic Charity provides the fund-raising organisation provides the fund-raising organisation with full control over the entire range of fund-raising activities and a better understanding of the target groups. It gives them the opportunity to adapt communication channels and get better results in their campaigns. When time-consuming administration is made more efficient, organisations can dedicate more resources to the principal task of getting more people to help in the fight against poverty and increase support for people in need of help.

All event-driven activities can be entered and managed by Softronic Charity, including things like thank-you notes, deed of gifts, reports for honorary persons and welcome letters in connection with direct debits. The results can then be analysed using the system's analysis tools. The budget and the accounting connected with the campaigns can also be managed directly in Softronic Charity.

At Softronic, we are immensely proud to be able to offer Softronic Charity to aid organisations, and as a result help them succeed in their hugely important work.



“Where water is scarce, Läkarmissionen digs wells. Water saves lives. Good hygiene is always important, but particularly now with the coronavirus.”

Monika Frieberg, Database and Head of IT,
Läkarmissionen

