Year-end report 2022

LYVIA

SUCCESSFUL YEAR WITH SOLID FINANCIAL PERFORMANCE

SEK ~1.8bn
Total revenue 2022FY[1]

+10%
Organic growth 2022FY[1]

+24%
EBITDA margin 2022FY[1]

2022 IN BRIEF

- 2022 has been a successful year were Lyvia continued to develop and deliver business critical and growth enabling software and services to customers all over the world
- Our European expansion has continued with establishment of regional Lyvia offices in selected European key markets. By 2022FY, Lyvia's network included some 1,500 dedicated professionals employed throughout our ~50 local European offices. We have throughout the year streamlined our customer offering towards our business areas Software & Expert Service and Marketing & Tech
- Lyvia continuously develops and strengthen the customer offering of business-critical niche software and expert services. In 2022, we further expanded into Poland via acquisition of a leading provider of software development and expert services in mobile & web development, IoT and Blockchain. Additional investment has been made to strengthening the offering towards Nordic customers
- Continuous efforts have been made to strengthening the organization and successfully onboarding new portfolio companies, as well as strengthening the central organization to set the organizational structures to facilitate continued growth for the years ahead

FULL-YEAR PERIOD (JANUARY– DECEMBER 2022)

- Portfolio revenue[1] increased organically by 9.8% to SEK 1 795m (SEK 1 635m) with solid growth momentum across both business areas Software & Expert Service and Marketing & Tech
- Portfolio EBITDA[1] increased organically by 11.5% to SEK 436m (SEK 391m) with solid growth momentum across both business areas Software & Expert Service and Marketing & Tech
- Lyvia overhead amounted to SEK 102.5m for 2022FY, including cost for central personnel, management, central resources, business development, central cost, cost for completed acquisitions, etc

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SIGNIFICANT EVENTS AFTER THE PERIOD

- Lyvia completed divestment of the industrial technology division and its subsidiaries (operating through Eitrium AB and subsidiaries). The divestment is part of Lyvia's strategy to refining and strengthening the customer offering towards business critical and growth enabling software and services to customers all over the world through our two business areas Software & Expert services and Marketing & Tech
- Continued investments to strengthen Lyvia's customer offering and market position during 2023 Q1 with 3 acquisitions, including market entry into UK and Norway. The acquisitions adds leading software for proprietary hybrid meetings, subscription-based digital marketing products and development, and leading products and expert services within web development, optimization, and A/B-testing
- Lyvia has integrated previous separate operating platforms and launched a one-brand strategy under the Lyvia brand, portfolio companies will continue to operate under the decentralized governance model and through individual brands

FINANCIAL INFORMATION

Portfolio Financials[1] (amount in SEKm)	2022FY	2021FY	2020FY
Total revenue[1]	1 795	1 635	1 466
EBITDA[1]	436	391	305
Organic Revenue growth (%)	9.8%	11.5%	-
Organic EBITDA growth (%)	11.5%	28.2%	-
EBITDA margin (%)	24.3%	23.9%	20.8%

[1] *Pro-forma IFRS adjusted financials including portfolio companies and companies acquired after the period, excluding central Lyvia overhead*

CEO COMMENT

Dear Shareholders & Lyvia friends

It was an exciting year for us. 2022 marks our launch from the Nordics into Europe. This expansion has guided us through the year. With a lot of dedication, heart, and soul, we have systematically staffed our regional teams with the right people. We have also initiated the reorganisation of selected platform companies of Esmaeilzadeh Holding, to form the operating Lyvia Group – the grand launch of the Lyvia brand took place in April 2023. With joint forces, this paves the way now to the European top of Software & Expert Services and Marketing & Tech.

Formation for best possible service offering

Our top priority for this formation was to create the best customer offering, be it organically or through acquisition. As a result, we have succeeded in further expanding our offering this year. Now we cover the entire value chain from growth enabling solutions to business-critical services and software.

> "When we talk about Europe, we are talking about an evergreen technology market, as this addressable market is growing by more than 8.4% every year."[1]

Always focusing on ensuring that our product or solution has deep specialisation and the possibility for high customer integration. Furthermore, with the main perspective that it is a business-critical solution with a growth rate above the market. On a rolling basis we also independently assess whether new and complementary business critical niche areas arise in the technology landscape, that we can fill with our know-how.

Environment in which we have performed

2022 has also included negative news. War in Europe, inflation, and dampened demand. Given these major uncertainties, we encountered a weak external environment in the EU. Despite these difficult conditions, I am confident that we took the right path with our expansion. When we talk about Europe, we are talking about an evergreen technology market, as this addressable market is growing by more than 8.4% every year[1].

> "With joint forces, this paves the way now to the European top of Software & Expert Services and Marketing & Tech."

Setting the right focus

I am even more pleased that as a young company we were able to master these challenging times not only well, but exceedingly well. It is precisely in such challenging times that our focus on business-critical solutions has proven to be right. Over the year, this means that our portfolio revenue increased organically by 9.8% to SEK 1 795m (SEK 1 635m) and our portfolio EBITDA[2]

[1] Source: World Bank, McKinsey, ECB, Valu8
[2] Pro-forma IFRS adjusted financials including portfolio companies and companies acquired after the period, excluding central Lyvia overhead

increased organically by 11.5% to SEK 436m (SEK 391m) with solid growth momentum across both business areas Software & Expert Service and Marketing & Tech. The Lyvia overhead[3] amounted to SEK 102m for 2022FY. These results do not include our SPAs (Share Purchase Agreements) already signed at that time. Those have a positive impact on aggregated revenue in the amount of SEK +394m as well as on aggregated EBITDA in the amount of SEK +116m, what in turn leads to a total revenue of SEK 2 189m and a total EBITDA of SEK 552m in 2022.

Our view into the future

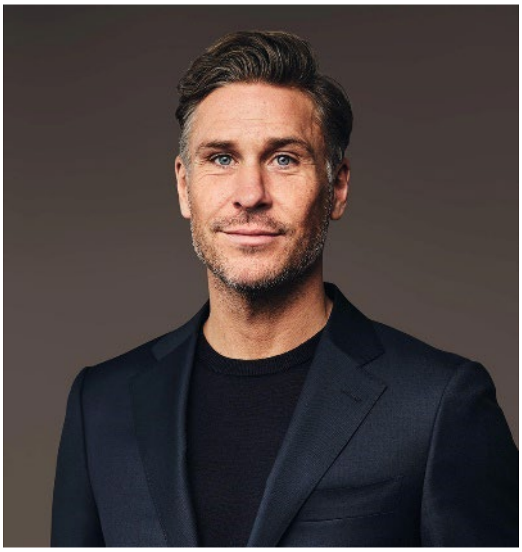
Our main goal for 2023 is to strengthen cross-border activities in and across the group. The cross-border offering of our products and services will provide excellent opportunities to further expand our leading advantages. Also making our software available throughout Europe will provide our customers with noticeably greater benefits.

Without responsibility it doesn't work

We are aware that our responsibility to work in a sustainable and value-creating manner grows with each additional partner. We have therefore made it our task to focus in the coming year on this issue and to put responsible corporate governance together with social and environmental matters on our agenda and thus into our organisation.

I would like to thank you, our investors, for the trust you have placed in us, but also our fellow entrepreneurs and, of course, our employees for their commitment in this exceptional year of 2022. We have mastered it extremely well and we will continue to not disappoint you.

I am looking forward to everything that is yet to come!



Sebastian Karlsson, CEO Lyvia Group

[3] Including cost for central personnel, management, central resources, business development, central cost, cost for completed acquisitions, etc.

YEAR-END REPORT 2022

JANUARY 1, 2022 – DECEMBER 31, 2022

Quarter 4: October 1 – December 31

- Total revenue amounted to 514.7 (89.7) MSEK.
- Operating income amounted to -0.9 (- 1.6) MSEK.
- Profit/loss for the period regarding continuing operations amounted to -66.0 (-13.3) MSEK.

Events during the fourth quarter

- A decision has been made to divest Eitrium AB and its subsidiaries. The divestment of Eitrium AB with subsidiaries took place during the first quarter of 2023 and is part of the process of refining Lyvia's offering to the market. Lyvia's focus areas towards Software & Expert services and Marketing & Tech differ from Eitrium's product-dominant market offering.

Full-year period: January 1 – December 31

- Total revenue amounted to 1,142.5 (193.6) MSEK.
- Operating income amounted to 21.1 (11.8) MSEK.
- Period Profit from continuing operations amounted to -77.4 (-15.6) MSEK.
- Cash flow from operating activities amounted to 149.5 (14.5) MSEK.

One-off events

(Amount in MSEK if not other stated)	One-off impacts on profit and loss statement for period 2022-01-01 - 2022-12-31
Group adjustment regarding clawback for acquisitions in 2021. Initial purchase price has been adjusted. In Äleven Holding AB this is reported as reduced shares, but in the group the amount is impacting the profit and loss statement.	4.7
IFRS 2 accelerated vesting	-59.0
Dissolution of discounting effect IFRS 2	-0.3
Finder's fee	-0.9
Sum of impacts from one-off events	**-55.5**

(Amount in MSEK if not other stated)	2022 3 months Oct-Dec	2021 3 months Oct-Dec	2022 12 months Jan-Dec	2021 12 months Jan-Dec
Total revenue	514.7	89.7	1,142.5	193.6
Operating income	-0.9	-1.6	21.0	11.7
Period Profit, continuing operations	-66.0	-13.3	-77.5	-15.7
Cash flow from operating Activities	-	-	149.5	14.5

ACTIVITY AND MARKET

Lyvia Group AB (publ)'s business consists of investing in and developing other companies. Lyvia Group AB is a European group that invests in entrepreneur-led companies that offer technology-based solutions through three verticals. They are SaaS platforms, software, and IT services as well as consulting services in digital marketing and other creative solutions.

The parent company of the Lyvia Group, Lyvia Group AB, was established in December 2020 and owns at the end of 2022 100% of the ordinary shares in the Äleven Group, Mirovia Group, and Eitrium Group as well as Kaperia AB and Crutiq AB. In May 2022, Esmaeilzadeh Holding AB, Lyvia Group AB's parent company transferred Eitrium AB (with subsidiaries), Äleven Holding AB (with subsidiaries), Crutiq AB, Kaperia AB and Plenius by Mirovia AB through unconditional shareholder contributions of 608.0 MSEK to Lyvia Group Holding AB, which is a subsidiary of Lyvia Group AB.

Dr. Saeid AB has control over the transferred companies (with subsidiaries) before and after the transactions. The transactions were thus carried out between parties exercising the same dominant influence. The transactions are reported according to what is often referred to as the "predecessor approach" or "book-value method", which means that assets and liabilities are reported in the Lyvia Group at the values at which they are included in each unit's balance sheet, adjusted for differences between K3 and IFRS. The consolidated financial statements prepared by Lyvia Group are viewed as a continuation of the respective entity and reflect the transactions as if they had taken place at the beginning of the earliest period presented in the consolidated financial statements, irrespective of the actual transaction date. In other words, Lyvia Group AB's consolidated financial statements for 2022 reflect as if transferred entities were part of the Lyvia Group from the time they were acquired or formed by Dr. Saeid AB.

As part of streamlining operations, the Board decided at the end of 2022 to divest Eitrium AB and its subsidiaries. The total value of the companies is reported as Operations under sale in accordance with IFRS 5, Assets held for sale, and discontinued operations.

GROUP SUBSIDIARIES

Mirovia Nordics AB (publ)

Mirovia Nordics AB (Publ) will invest in entrepreneurial companies that offer niche IT services and software solutions.

<u>Acquired companies within Mirovia Nordics AB (Publ)</u>

Transformant AB, Acquired November 2020.

Bizloop AB, Acquired November 2020.

Lemontree AB, Acquired December 2020.

Sundbom & Partners AB, Acquired in July 2021.

SO4IT AB, Acquired in July 2021.

Svenska Försäkringsfabriken i Umeå AB, Acquired in September 2021.

Toppnamn AB, Acquired September 2021.

Acino, Acquired September 2021.

Traventus, Acquired December 2021.

F Consulting i Sverige AB, Acquired in July 2022.

Rebendo AB, Acquired in July 2022.

Repona AB, Acquired in July 2022.

IT-Huset Holding i Norden AB, Acquired in August 2022.

Cloudgruppen Sverige AB, Acquired in August 2022.

Bright Inventions Sp z.o.o., Acquired August 2022.

Plenius by Mirovia AB

Plenius by Mirovia AB is a Swedish company focused on acquiring and developing stable and profitable niche companies in Spain in the IT consulting sector.

<u>Acquired companies within Plenius by Mirovia AB</u>

Controlnet Web S.L, Acquired May 2022

Inase Informática del Mediterráneo, S.L, Acquired May 2022

Antartyca Consulting, S.L., Acquired May 2022

Agrupo Sistemas, S.L., Acquired May 2022

Mercanza S.L., Acquired July 2022.

Crutiq AB

Crutiq AB's business is to invest in and develop staffing and recruitment companies.

<u>Acquired companies within Crutiq AB</u>

Needo Recruitment Group AB, Acquired April 2022

Äleven Holding AB

Äleven Holding AB's business is to invest in and develop companies in consulting in technology and system development.

<u>Acquired companies within Äleven Holding AB</u>

Human Performance Consulting Sverige AB, Acquired June 2021

Humblestorm Communications AB, Acquired December 2021

Anything Holdings AB, Acquired March 2022

Våning 18 AB, Acquired in March 2022

Letterhead AB, Acquired June 2022

NOBL Holding AB, Acquired June 2022.

Spectrum Digital Solutions AB, Acquired July 2022

Tänk om Gruppen AB, Acquired August 2022

Eitrium AB

Eitrium AB's business is to invest in and develop other companies in market-leading products and value-creating manufacturing. The Eitrium Group is classified as a divestment group held for sale, more information can be found in note 9.

<u>Acquired companies within Eitrium AB</u>

Werinova AB, Acquired in December 2021.

Polyfix AB, Acquired February 2022.

Mora Contract Manufacturing AB, Acquired in March 2022.

Ilmeg Product AB, Acquired May 2022.

Eliasson Plast AB, Acquired in May 2022.

Ab Keymet Oy, Acquired in May 2022.

Minitech AS, Acquired August 2022.

FINANCIAL PERFORMANCE

Figures in parentheses for income statement and cash flow items refer to the corresponding period last year unless otherwise stated.

Events affecting the Group's financial position below during the period are mainly related to companies added to the Group during the year through acquisitions and the reorganisation of Esmaeilzadeh Holding AB with parent company Dr. Saeid AB. Dr. Saeid AB has control over the transferred companies (with subsidiaries) before and after the reorganisation. Thus, the comparative figures are as if Lyvia Group AB (Publ.) has always owned the company with the current group structure.

The financial position is focused on the continuing operations as of the divestment of Eitrium AB and subsidiaries.

FOURTH QUARTER

1 October – 31 December 2022

Operating revenue

Revenue increased by 474 percent to 514.7 (89.7) MSEK.

Operating income

Operating income Amounted to -0.9 (-1.6) MSEK.

Financial income and expenses

Net financial income and expenses amounted to -39.0 (-9.3) MSEK, where the change is attributable to higher interest expenses mainly due to larger bonds and to acquisitions and companies contributed to the Group during the year.

Tax

The Group's effective tax rate was 65 percent.

Lyvia Group AB was formed through a reorganization in 2022 and thus there is no group contribution right between the companies. Companies acquired during the period have not been wholly owned subsidiaries throughout the parent company's tax year and therefore lack group contribution rights or opportunities for tax optimization. Companies acquired during the period have not been wholly owned subsidiaries throughout the parent company's tax year and therefore lack group contribution rights or opportunities for tax optimization. Foreign affiliates reported positive development during the period.

Profit for the period

Loss for the period amounted to -79.0 (-13.3) MSEK, whereas -66.0 MSEK is attributable to continuing operations and -13.0 MSEK is attributable to discontinued operations.

FULL-YEAR PERIOD

1 January – 31 December 2022

Operating revenue

Revenue increased by 490 percent to 1,142.5 (193.6) MSEK.

Operating income

Operating profit increased by 9.3 MSEK to 21.0 (11.7) MSEK.

Tax

The Group's effective tax rate was 69 percent.

Lyvia Group AB was formed through a reorganization in 2022 and thus there is no group contribution right between the companies. Companies acquired during the period have not been wholly owned subsidiaries throughout the parent company's tax year and therefore do not have group contribution rights or the possibility of tax optimization. Foreign affiliates reported positive development during the period.

Profit for the period

Loss for the period amounted to -98.3 (-15.6) MSEK. Of which -77.5 MSEK is attributable to continuing operations and -20.8 MSEK is attributable to discontinued operations

FINANCIAL POSITION

Equity amounted to 1,174.0 (390.1) MSEK on December 31, 2022. The change is mainly attributable to received shareholder contributions in 2022 of a total of 702.4 MSEK linked to the reorganisation within Esmaeilzadeh Holding AB.

Total assets as of December 31, 2022 amounted to 4,296.8 (1,308.2) MSEK, of which assets attributed to continuing operations amounted to 3,605.9 MSEK and assets held for sale amounted to 690.9 MSEK. The increase is attributable to acquisitions and restructuring carried out in 2022.

Liquidity and cash flow

Cash flow from operating activities before the change in working capital amounted to 20.2 (6.1) MSEK. Change in working capital amounted to 129.3 (8.4) MSEK. Cash flow from operating activities totalled 149.5 (14.5) MSEK.

Cash flow from investing activities amounted to -968.8 (-681.2) MSEK. Investments during the period primarily consist of acquisitions of subsidiaries.

Cash flow from Financing activities amounted to 1,088.6 (788.0) MSEK, primarily as a result of the issuance of additional corporate bonds, new issues, and received shareholder contributions.

Cash flow for the full year thus amounted 269.3 (121.3) MSEK. At the period's exit the Cash and cash equivalents of the group amounted to 414.1 (162.0) MSEK.

Seasonality

The Group assesses that the consultancy business has a weaker development during the third quarter. The effect is attributable to employee vacation, resulting in lower revenue during this period. Otherwise, there are no seasonal variations or cyclical effects that effect the business.

Proposed appropriation of profit
For the period, it has been decided that no dividends will be paid.

Reference is made to the parent company's and the Group's results and position in general to subsequent financial statements and notes. All amounts are expressed in millions of Swedish kronor unless otherwise stated.

Events after the reporting period

Acquisition of Public-i

As of January 3, 2023, Mirovia UK LTD, subsidiary of Mirovia Nordics AB, entered into an agreement to acquire Public-i, which designs and provides technology for live broadcasts. In 2021, Public-i had sales of GBP 4.5 million.

Acquisition of Digijo Group AB

On January 17, Äleven AB (indirect subsidiary of Äleven Holding AB) acquired 100% of the shares in Digijo Group AB, which in turn owns all shares in Digipartner Sverige AB and Jo Kommunikation AB. Digijo Group AB is an agency group that combines expertise in web development, communication, and performance marketing.

Acquisition of Mint Media AS

On January 25, 2023, Äleven AB (indirect subsidiary of Äleven Holding AB) became a shareholder in Mint Media AS, which provides subscription-based digital marketing services.

Collaborators

The number of employees in the group by 31 December in 2022 were 1.156 (291) people.

Annual General Meeting

The Annual General Meeting will be held in Stockholm on 2023-06-21.

Risks and uncertainties

Group and Parent Company Essential risks- and uncertainties include market and external risks, financing risks, and risks related to the hiring of staff and their retention. The interest rate situation in the bond market has a significant impact on the prevailing economic and macroeconomic factors.

The geopolitical situation following the Russian invasion of Ukraine is having a significant impact on the global economy. There is no direct impact of the war on the business as Lyvia Group AB (publ)'s operations have not been conducted in Russia or Ukraine. However, the indirect impact due to fluctuations in the financial market through inflation and central bank policy can be significant in the form of higher interest rates. However, it is not possible to quantify these effects at present.

Parent company

In 2022, the Parent Company has had increased operating expenses attributable to increased consulting costs in connection with acquisitions and increased reporting requirements. Personnel costs Have also Increased due to the increased number of employees.

THE GROUP'S STATEMENT OF COMPREHENSIVE INCOME

(Amount in MSEK)	2022 3 months Oct-Dec	2021 3 months Oct-Dec	2022 12 months Jan-Dec	2021 12 months Jan-Dec
Continuing operations				
Net sales	504.4	89.3	1,125.5	193.2
Other Operating income	10.3	0.4	17.0	0.4
Total revenue	514.7	89.7	1,142.5	193.6
Sub-consultants and similar costs	-32.7	-7.9	-94.3	-16.7
Other External expenses	-156.6	-19.0	-315.1	-33.2
Personnel expenses	-288.2	-52.1	-616.7	-117.5
Depreciation and Impairment losses of intangible assets and tangible Fixed assets	-38.6	-12.3	-95.7	-14.5
Other Operating expenses	0.5	-	0.3	-
Operating profit	-0.9	-1.6	21.0	11.7
Financial income and expenses	-39.0	-9.3	-67.0	-23.9
Profit before tax	-39.9	-10.9	-46.0	-12.2
Income tax	-26.1	-2.4	-31.5	-3.5
Profit for the period from continuing operations	-66.0	-13.3	-77.5	-15.7
Discontinued operations				
Profit from discontinued operations, net after tax	-13.0	-	-20.8	-
Profit for the period	-79.0	-13.3	-98.3	-15.7
Other Comprehensive income				
Items liable to be reclassified into:				
Income statement				
Exchange differences on translation of foreign Activities	16.9	0.1	16.9	0.1
Comprehensive income for the period	-62.1	-13.2	-81.4	-15.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amount in MSEK)	2022-12-31	2021-12-31
ASSETS		
Non-current assets		
Goodwill	1,594.1	634.1
Other intangible assets[1]	992.7	254.0
Tangible assets	12.7	4.8
Right-of-use assets	82.3	67.2
Financial non-current assets	55.1	2.5
Deferred tax receivables	0.8	-
	2,737.7	962.6
Current assets		
Accounts receivable	305.1	90.8
Current tax receivables	0.3	-
Other receivables[2]	69.6	23.1
Prepaid expenses and accrued income	79.1	69.7
Cash and cash equivalents	414.1	162.0
Assets held for sale	690.9	-
	1,559.1	345.6
TOTAL ASSETS	4,296.8	1,308.2
EQUITY AND LIABILITIES		
Share capital	0.5	0.0
Other contributed capital	1,266.8	357.1
Translation reserve	17.0	0.1
Retained earnings including earnings for the period	-110.3	-32.6
Equity attributable to equity holders of the parent company	1,174.0	324.6
Non-controlling interests	-	65.5
Total Equity	1,174.0	390.1
Non-current liabilities		
Bonds payable	902.1	392.1
Lease liabilities	50.9	43.7
Deferred tax liabilities	221.1	55.4
Provisions	0.4	3.7
Other financial liabilities[3]	750.1	198.8
	1,924.6	693.7
Current liabilities		
Loans	211.3	69.1
Lease liabilities	31.1	21.9
Accounts payable	68.8	28.2
Current tax liabilities	30.7	10.7
Other financial liabilities	25.3	5.5
Other current liabilities	142.3	36.4
Accrued expenses and deferred income	140.0	52.6
Liabilities held for sale	548.7	-
	1,198.2	224.4
Total liabilities	3,122.8	918.1
TOTAL EQUITY AND LIABILITIES	4,296.8	1,308.2

[1] Consists primarily of intangible assets identified upon acquisition. Brands, customer relations, know-how and developed technology.
[2] For 2022, 40.3 MSEK refers to temporary receivables until the acquisition of Public-i is completed.
[3] Mainly consists of additional purchase costs.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the parent company´s shareholders					
(Amount in MSEK)	Share capital	Other contributed capital	Translation reserves	Retained earnings including profit for the period	Non-controlling interests	Total equity
Closing balance as of December 31, 2021	0.03	357.13	0.08	-32.65	65.55	390.13
Profit for the period				-98.25		-98.25
Other comprehensive income			16.89			16.89
Total comprehensive income	-	-	16.89	-98.25	-	-81.35
Transactions with owners:						
Shareholder contributions		702.37				702.37
New issue of ordinary shares	0.50					0.50
Premium fund		278.13				278.13
Warrants		15.57				15.57
Change in value indebted Purchase price				-29.60		-29.60
Acquisition of minority interest		15.34		50.21	-65.55	-
Effect of restructuring		-101.77				-101.77
Total transactions with shareholders	0.50	909.64	-	20.61	-65.55	865.20
Closing balance per December 31, 2022	0.53	1,266.77	16.97	-110.29	-	1,173.98

(Amount in MSEK)	Share capital	Other contributed capital	Conversion reserves	Retained profit including profit for the period	Non-controlling interests	Total equity
Opening balance 2021. Adjusted for formation by group	0.03	273.63		-8.44	65.55	330.77
Profit for the period				-15.62		-15.62
Other comprehensive income			0.08			0.08
Total comprehensive income	-	-	0.08	-15.62	-	-15.54
Transactions with owners:						
Shareholder contribution		83.50				83.50
Change in value indebted Purchase price				-8.60		-8.60
Total transactions with shareholders	-	83.50	-	-8.60	-	74.90
Closing balance per 31 December 2021	0.03	357.13	0.08	-32.65	65.55	390.13

*Due to values being presented in MSEK, casting differences might appear.

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amount in MSEK)	2022 12 months Jan-Dec	2021 12 months Jan-Dec
OPERATING ACTIVITIES		
Operating income	21.1	11.8
Adjustments for posts as not Included in Cash flow:		
Depreciation	95.7	14.5
Provisions	0.8	-0.8
Share-related compensation to employees	59.4	-
Discounting of additional purchase price	8.4	0.8
Other	-2.9	4.2
Interest received	7.4	0.3
Interest paid	-133.6	-15.4
Paid tax	-36.1	-9.3
Cash flow from operating activities prior change of working capital	20.2	6.1
Increase (-) / Decrease (+) of Accounts receivable	-44.5	-26.6
Increase (+) / Decrease (-) of Accounts payable	-56.2	1.9
Increase (+) / Decrease (-) of Other liabilities/other receivables	166.4	66.2
Increase (+) / Decrease (-) of Interim liabilities/receivables	63.6	-33.1
Cash flow from the operating activities	149.5	14.5
Investing Activities		
Investments in tangible fixed assets	2.2	0.0
Investments in other financial assets	-11.1	-1.5
Investments in subsidiaries after deduction of cash and cash equivalents acquired	-989.3	-679.7
Sale of shares in subsidiaries	29.4	-
Cash flow from investment activities	-968.8	-681.2
Financing activities		
Loans raised	500.7	311.4
Other financial liabilities	24.6	64.2
Amortisation of leasing liabilities	-24.8	-6.0
Received payment for new share issue	251.6	0.0
Received payment for new share issue of ordinary shares	0.5	19.3
Minority interest	-30.8	-
Shareholder contributions	366.8	399.1
Cash flow from Financing activities	1,088.6	788.0
Cash flow for the period	269.3	121.3
Cash and cash equivalents – Beginning of period	162.0	40.7
Cash and cash equivalents at the beginning of the period in respect of divested operations resigns	-18.4	-
Exchange rate difference cash and cash equivalents	1.2	-
Cash and cash equivalents – End of period	414.1	162.0

PARENT COMPANY'S INCOME STATEMENT

(Amount in MSEK)	2022 3 months Oct-Dec	2021 3 months Oct-Dec	2022 12 months Jan-Dec	2021 12 months Jan-Dec
Net sales	18.2	-	18.2	-
Other operating income	-	-	0.0	-
Total revenue	18.2	-	18.2	-
Other external expenses	-18.9	-0.0	-26.7	-0.1
Personnel expenses	-4.7	-	-6.7	-
Other operating expenses	-	-	-	-
Operating profit	-5.4	-0.0	-15.2	-0.1
Financial income and expenses	5.0	0.0	14.6	0.0
Profit after financial items	-0.4	0.0	-0.6	-0.1
Profit for the period before tax	-0.4	0.0	-0.6	-0.1
Tax on profit for the period	-	-	-	-
Profit for the period [4]	-0.4	0.0	-0.6	-0.1

[4] The year's result corresponds to the year's total result.

BALANCE SHEET OF THE PARENT COMPANY

(Amount in MSEK)	2022-12-31	2021-12-31
ASSETS		
Non-current assets		
Financial non-current assets		
Shares in subsidiaries	1,141.6	423.9
Receivables from group companies	37.5	-
Other financial non-current assets	5.1	-
	1,184.2	423.9
Current assets		
Current receivables		
Current receivables from group companies	145.1	0.5
Other receivables	0.0	-
Prepaid expenses and accrued income	0.5	-
Current tax assets	1.5	-
	147.1	0.5
Cash and cash equivalents	117.9	0.2
Total current assets	265.0	0.7
TOTAL ASSETS	1,449.2	424.6
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	0.5	0.0
Non-restricted equity		
Other contributed capital	1,419.8	424.2
Retained earnings including earnings for the period	-0.6	-0.1
Total equity	1,419.7	424.1
Non-current liabilities		
Other financial liabilities	-	0.5
	-	0.5
Current liabilities		
Current liabilities to group companies	5.3	-
Current tax liabilities	1.0	-
Accounts payable	3.0	-
Other current liabilities	18.8	-
Accrued expense and deferred income	1.4	-
	29.5	-
Total liabilities	29.5	0.5
TOTAL EQUITY AND LIABILITIES	1,449.2	424.6

NOTES TO THE FINANCIAL STATEMENT

1. GENERAL INFORMATION

Lyvia Group AB (Publ) with corporate identity number 559290-4089 is a limited liability company registered in Sweden with its registered office in Stockholm. Lyvia Group AB (Publ) is a subsidiary of Esmaeilzadeh Holding AB with corporate identity number 559242-7388, with its registered office in Stockholm, whose parent company is Dr. Saeid AB with corporate identity number 559132-0337 with its registered office in Stockholm. The address of the head office is Strandvägen 5A, 114 51 Stockholm.

The Company and its subsidiaries (the "Group") main business consists of investing in and developing other companies.

The financial statements are presented in millions of Swedish kronor (MSEK).

2. ACCOUNTING PRINCIPLES

This is Lyvia Group AB (Publ)'s first consolidated financial statements prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS). Furthermore, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Council's recommendation RFR 1, Supplementary accounting rules for groups.

The Group emerged in May 2022 in connection with the reorganisation of Esmaeilzadeh Holding AB. The historical financial information of Lyvia for the years 2021 and 2022 prior to the reorganisation is presented as combined financial statements. The formation of the Lyvia Group in 2022 included transactions between entities that were under common control via Dr. Saeid AB's ownership. Because accounting for these transactions is not governed by an IFRS standard, an appropriate accounting policy was applied to historical financial information in accordance with IAS 8, accounting policies, changes in accounting estimates, and errors. An appropriate and established method is to use the previously reported value (the accounting basis of the previous company), which is the principle applied by Lyvia. In short, this means that the assets and liabilities of the entities that are part of the Lyvia Group have been aggregated and reported on the basis of the carrying values that they represent in the Dr. Saeid Group, the so-called predecessor approach.

The basis for preparation of the accounts

In May 2022, Esmaeilzadeh Holding AB, Lyvia Group AB's parent company transferred Eitrium AB (with subsidiaries), Äleven Holding AB (with subsidiaries), Crutiq AB, and Kaperia AB through unconditional shareholder contributions to Lyvia Group Holding AB, which is a subsidiary of Lyvia Group AB. Lyvia Groups AB's ultimate parent company Dr. Saeid AB has control over transferred entities before and after the transaction. The transaction was thus carried out between parties under the same dominant influence. A business combination between companies under the same controlling influence is a business combination where it is ultimately the same party or parties who have a controlling influence over all the combined companies or businesses/businesses both before and after the business combination, and that control is not of a temporary nature. IFRS contains no guidance on accounting for business combinations of companies under the same control. In the absence of an IFRS that relates specifically to a transaction, management shall use its judgment in developing and applying an accounting policy (consistent with IAS 8, accounting policies, changes in accounting estimates, and errors) that results in information that is relevant to users' financial decision-making and reliable. An appropriate and established method that management considers relevant and reliable is to merge the entities that form the Lyvia Group.

The transaction is accounted for in such a way that assets and liabilities are reported in the Lyvia Group at the values found in Esmaeilzadeh Holding AB's annual report for 2021 in accordance with IFRS 1.D16 a) as Lyvia's date for transition to IFRS governs the consolidated IFRS values for the Eitrium Group, the Äleven Group and Crutiq AB and Kaperia AB. Given that the Lyvia Group AB group is a continuation of transferred entities, and the ultimate controlling party is the same before as after the transaction, the consolidated financial statements have been restated for periods prior to the transaction. This is to reflect the transaction as if it had taken place at the beginning of the earliest period presented in the consolidated financial statements independently of the actual transaction date of the transaction between parties exercising the same controlling interest.

Transferred units are thus included in Lyvia Group AB's consolidated financial statements from the later date of January 1, 2021, and the time Dr. Saeid AB directly or indirectly obtains control of the transferred companies.

On 1 July 2022, Lyvia Group AB (Publ)'s parent company Esmaeilzadeh Holding AB transferred Plenius by Mirovia AB (with subsidiaries).

New or changed standards and interpretations

New or amended standards and interpretations that have not entered into force are not expected to have any significant effects on the Group's financial statements.

Valuation basis

Assets and liabilities are reported in the consolidated financial statements based on cost, except for certain financial instruments measured at fair value, such as earn-outs and put options. The significant accounting policies applied are described below.

Consolidated financial statements

The consolidated financial statements comprise of the financial statements of the enterprise and the units (subsidiaries) over which the enterprise has control. Control is achieved when the Group:

- has influence over the investee;

- is exposed, or is entitled, to variable returns from its involvement in the investee company; and

- can use its influence to influence its returns.

The Group reassesses whether control exists if facts and circumstances indicate changes in one or more of the three criteria for control above.

A subsidiary is consolidated when the enterprise acquires control of the subsidiary and ceases when the enterprise loses control of the subsidiary. Income from acquired and divested subsidiaries is included in the profit or loss from the date on which the enterprise acquires control over the subsidiary and until the date on which control over the subsidiary ceases.

In cases where the acquisition does not amount to 100 % of the subsidiary, non-controlling interests arise. However, in the case of acquisitions where the holder has the option to sell his shareholding to the Group at a future date, the Group does not report any non-controlling interest since the liability to be recognised for the option issued is booked against non-controlling interests in equity at the time of acquisition.

If necessary, the subsidiaries' financial statements are adjusted to align the accounting policies used with the Group's accounting policies. All inter-group assets and liabilities, equity, revenues, expenses, and cash flows relating to transactions between companies within the group are eliminated in the consolidation.

Foreign currency conversion

Items included in the financial statements of the various units of the Group are measured in the currency used in the economic environment in which each enterprise is primarily active (the functional currency). The consolidated financial statements use the Swedish krona (SEK), which is the parent company's accounting currency.

Foreign currency transactions are translated into functional currency at the exchange rates prevailing on the date of the transaction or the date on which the items are revalued. Foreign exchange gains and losses arising from the payment of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency at the closing rate are recognised in the income statement. Exchange differences are recognised in operating profit to the extent that they relate to operating balances and otherwise in net financial items.

Business acquisitions

Business acquisitions are reported according to the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values of the assets transferred by the acquirer at the date of acquisition, the liabilities incurred by the acquirer to the previous owners of the acquiree, and the equity interests issued by the acquirer. Exceptions are the companies that are reorganised within the framework of common control in accordance with IFRS 3 as they do not constitute business combinations due to the same ownership structure. Acquisition-related costs are recognised in profit or loss when they are incurred.

At the date of acquisition, the acquired identifiable acquired assets and assumed liabilities are measured at fair value.

Goodwill is calculated as the difference between the transferred consideration, the amount of any non-controlling interest in the acquiree, the fair value of the acquirer's previous equity interests in the acquiree (if applicable) and the net at the date of acquisition of the amounts of the identifiable assets acquired and liabilities assumed.

If the initial recognition of a business combination is incomplete at the end of the reporting period in which the acquisition occurs, the acquirer discloses in its financial statements preliminary amounts for those items for which it is incomplete.

During the valuation period, the acquirer retroactively adjusts the preliminary amounts or accounts for additional assets and liabilities to reflect new information about the facts and circumstances existing at the date of acquisition which, if known, would have affected the calculation of the amounts recognised at that date.

Goodwill

Goodwill is initially valued and reported as above.

Goodwill is not amortised but is tested for impairment at least annually. When impairment is assessed, goodwill is allocated to cash-generating units that are expected to benefit from the synergies from the acquisition. Lyvia Group has three cash-generating units, Mirovia Nordics, Eitrium, and Äleven. A cash-generating unit to which goodwill has been allocated is tested for impairment on an annual basis, and whenever there is an indication that the unit may need to be impaired. If the recoverable amount of the unit is less than the carrying amount of the unit, the impairment loss is first allocated by reducing the carrying amount of goodwill attributable to the unit and then reducing other assets proportionally based on the carrying amount of each asset in the unit. The recoverable amount is the higher of its fair value less point-of-sale costs and its value in use. A recognised impairment loss of goodwill is not reversed in the subsequent period.

When a cash-generating unit is disposed of, goodwill attributable to the cash-generating unit is included in the gain/loss on disposal.

Divestment groups held for sale and discontinued operations

Divestment groups are classified as assets held for sale when their carrying amount will be recovered primarily through a sale transaction and a sale is considered highly likely. Disposal groups held for sale are measured at the lower of carrying amount and fair value less point-of-sale costs. Assets in a disposal group held for sale are recognised separately from other assets in the balance sheet. Liabilities attributable to a disposal group held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is an enterprise that has either been divested or is classified as held for sale and that is a material business segment in its own right. See Note 9 for separate financial statements relating to divestment groups held for sale and discontinuing operations.

Put options and call options to acquire non-controlling interests

In connection with acquisitions, the Group has issued options to non-controlling holders that give them the right to demand that the Group purchases their holdings at a future date. In some cases, the Group also holds call options that give Lyvia the right to purchase non-controlling interests at a future date. Put options issued to non-controlling holders give rise to a financial liability that is measured at the discounted present value of the estimated future redemption amount. The value of the debt reduces non-controlling interests in the Group's equity, as the shares are considered acquired. In subsequent periods, the Group thus does not recognise any non-controlling interests of these entities, and the result is attributed in its entirety to the parent company's shareholders. Any revaluations of liabilities are reported directly in equity. Dividends paid to non-controlling holders for whom the holding has been cancelled in accordance with the above are nevertheless reported as "Dividends to non-controlling holders" in the Group's statement of changes in equity. The dividend is then reported against equity attributable to the parent company's shareholders.

In addition to the call-and-put options, there is a clause on share exchange in which, given an exit, the subsidiary's parent company has the right to acquire the minority shareholders' shares against settlement in their own shares. The share exchange is an option to convert preference shares in a subsidiary into a variable number of the company's own ordinary shares, which is recognised as a liability due to the number of shares being variable. The liability is recognised at the amount that the preference shares are deemed to be worth (corresponding to the value of the ordinary shares) at the future date on which the option is exercised.

Revenue recognition

Revenue is valued based on the agreement with the customer and corresponds to the consideration that the Group expects to be entitled to in exchange for transferring promised goods or services excluding VAT. The Group recognises revenue when control of a product or service is transferred to a customer.

The Group mainly reports revenue from the following revenue streams:

Recruitment Services

The Group offers services in recruitment, consultancy, and interim. The income consists of either a fixed fee before the start of the recruitment process, however, there is also a variable fee linked to the candidate's annual salary, and the income is then adjusted when the candidate signs the employment contract. Revenue is recognised in three phases. First a fee at the start of the recruitment process, then at the presentation of the candidate, and finally at the signed employment contract.

Consulting services

The Group offers consulting services in business-critical areas. The remuneration is variable and is normally based on the number of consulting hours delivered and the contractual price per hour. Revenue from consulting services is recognised over time in the period in which the service is delivered to the customer.

Functional agreement

Functional agreements are normally agreements in which the Group undertakes to replace a function at the customer's premises, such as a test function for one or more software, helpdesk, or management of one or more automations during a certain period. The compensation is normally fixed and paid monthly. Revenue from functional agreements is reported on a straight-line basis over time during the contract period.

Software

The software revenue stream consists of revenue from Software as a Service (SaaS) and commission on software sales. The accounting policies applied are as follows.

Software as a Service

The Group offers customers access to a platform. The remuneration is variable and normally linked to the customer's use of the platform, such as the number of powers of attorney or files received. Revenue from SaaS is reported over time on a straight-line basis during the contract period. Management considers the limitation rule for variable remuneration and recognises revenue when the uncertainty associated with the variable remuneration ceases, which normally occurs at the time the customer uses the software, which entitles the Group to compensation.

Commission on the sale of software

The Group receives commission income from the provision of external software to customers. Revenue is recognised at the time the Group mediates the transaction between the customer and the software supplier. The remuneration is usually linked to the number of users in the software during a month and is received monthly.

Some contracts are indefinite and include a right for both parties to cancel the contract 30 days before the next billing period without charge. Considering that the parties can terminate the agreement without fees, the Group estimates the contract length to be 30 days and that a new agreement with customers thus arises next month if neither party chooses to terminate the agreement.

Lyvia Group AB (Publ) assesses that the Group does not control the software before it is transferred to the customer but is deemed to be an agent in the arrangement, which means that costs from the software supplier are recognised as reduced revenue.

The software is delivered by the software provider to the customer. In certain agreements, the Group undertakes to implement the software at the customer's premises. The implementation service does not materially change or adapt the software. The implementation service is deemed to be a separate performance obligation (from the intermediation of the external software) and is categorised as consulting services as described above.

In some agreements, Lyvia sells third-party hardware to customers. The hardware is sent directly from the third party (the supplier of the hardware) to the customers. Lyvia is not deemed to have any inventory risk for the hardware before or after the hardware is transferred to the customers, nor is it deemed to bear the main responsibility for the delivery of the hardware to the customers or that the hardware works as agreed. Lyvia is not deemed to check the hardware before it is transferred to the customer but is deemed to be an agent in the arrangement. This means that the nature of the revenue stream is to convey hardware from hardware suppliers to customers. Costs from hardware suppliers are reported as reduced revenue, which means that the difference between the amount Lyvia is entitled to invoice customers for the hardware and costs from hardware suppliers is the Group's commission which is recognised as revenue at the time Lyvia mediates the transaction between the customer and the hardware supplier, which normally occurs in close connection with the hardware being delivered to the customer.

Products

The Group sells products in metal, plastic, rope, and other textile products. Sales of products are recognised as revenue when control of the products has been transferred to the customer, based on agreed shipping terms. Some agreements with customers also include variable remuneration in the form of volume discounts where the transaction price is dependent on future sales to customers. Historical data is used to estimate the expected value of volume discounts, and revenue is recognised only to the extent that there is a strong likelihood that a material reversal will not occur. A liability is recognised for expected volume discounts in relation to sales up to and including the balance sheet date. The Group offers customers no right to return products. Product warranties are accounted for in accordance with IAS 37. Provision for product guarantees amounts to an intangible amount and has therefore not been recognised.

Payment terms - Services

Remuneration from the Group's various revenue streams is normally received monthly in arrears and the Group recognises a contractual asset during the period that the services are performed to represent the Group's right to compensation for the services transferred to date. If payments received exceed recognised revenue, a contract liability is recognised.

Payment Terms – Products

Remuneration from the Group's various revenue streams is normally received in arrears when the respective performance obligation is met. A receivable is recognised in the Group when the products are delivered to the customer because this represents the time when the right to the consideration becomes unconditional since only the time value of money is required before payment of the consideration is due. Remuneration in advance also occurs but is not considered significant in terms of the entire Group.

Leasing

The Group as lessee

The Group assesses whether the agreement is, or contains, a lease agreement when the agreement is entered into. The Group reports a right of use and an associated lease liability for all lease agreements in which the Group is a lessee. The Group has chosen to apply the exemptions for short-term leases (contracts classified as leases with a lease period of fewer than 12 months) and low-value leases.

The lease liability is initially measured at the present value of the lease payments not paid at the initial date, discounted using the implied interest rate of the lease, if this interest rate can be readily determined. If this interest rate cannot be easily determined, the lessee's marginal loan rate is used. The marginal borrowing rate is the interest rate that the lessee would have to pay for loan-to-loan financing over an equivalent period, and with the corresponding security, for the right to use an asset in a similar economic environment.

Lease payments included in the valuation of the lease liability include:

- fixed charges (including their substance fixed charges, less any benefits connected with the conclusion of leasing contracts, and
- variable lease payments resulting from an index or price, initially valued by reference to the index or price prevailing on the initial date.

Variable lease payments that do not depend on an index or price are not included in the measurement of the lease liability or right of use. These related payments are recognised as an expense in the period in which the event or relationship giving rise to these payments arises and are included in "Other external charges" in profit or loss.

As a practical solution, IFRS 16 allows not to separate non-leasing components from leasing components, and instead to account for each lease component and all associated non-leasing components as a single leasing component. The Group has chosen not to use this practical solution.

The lease liability is reported as a separate item in the Group's statement of financial position. After the commencement date, the lease liability is measured at its present value using the effective interest method.

The Group reassesses the lease liability (and makes a corresponding adjustment to the right of use) if either:

- The lease term changes or if the assessment of an option to purchase the underlying asset changes, in which case the lease liability must be revalued by discounting the amended lease payments using a revised discount rate.
- Lease payments change as a result of changes in an index or price or if there is a change in the amounts expected to be paid under a residual value guarantee, in which case the lease liability is revalued by discounting the amended lease payments using the initial discount rate (unless the lease payments change due to a change in the variable interest rate, in which case a revised discount rate shall be used).
- An amendment to the lease that is not recognised as a separate lease, in which case the lease liability is revalued by discounting the amended lease payments with a revised discount rate.

Rights of use are initially measured at cost, which consists of the initial value of the lease liability plus lease payments paid on or before the initial date. They are then measured at cost less accumulated depreciation and impairment.

Rights of use are amortised over the shorter of the lease term and the useful life of the underlying asset. If the lease transfers ownership of the underlying asset to the Group or if the cost of the right of use reflects that the Group will exercise an option to purchase, the attributable right of use is amortised over the useful life of the underlying asset. Depreciation commences at the commencement date of the lease.

The rights of use are reported as a separate item in the Group's statement of financial position.

Costs of pensions and redundancy benefits

The Group only has defined contribution pension plans. Payment to a defined contribution pension plan is recognised as an expense when the employees have performed the services entitling them to the contributions.

Other short-term and long-term employee benefits

A liability is recognised for employee compensation in respect of salaries, paid leave, and paid sick leave from the employee's current period at the undiscounted amount of compensation expected to be paid in exchange for these services.

Tax

The income tax expense is the sum of current tax and deferred tax.

Current tax

Current tax is the tax payable in respect of the current year, applying the tax rates decided or in practice decided at the balance sheet date. The current tax also includes adjustments to current tax attributable to prior periods. The current tax is based on the best estimate of taxes that will be paid or received and includes any uncertainties regarding tax treatment.

A liability is recognised for cases where taxation is deemed uncertain, but it is considered likely for a future outflow of funds to a tax authority. The debt is valued by the best estimate of the amount expected to be paid.

Deferred tax

Deferred tax is accounted for using the balance sheet method. Deferred tax liabilities are recognised for substantially all taxable temporary differences, and deferred tax assets are recognised in principle for all deductible temporary differences to the extent that they are likely to be used against future taxable gains. Deferred tax liabilities and assets are not recognised if the temporary differences relate to the initial recognition of goodwill or the initial recognition of an asset or liability (other than a business combination) and at the date of the transaction affect neither recognised nor taxable profit.

The carrying amount of deferred tax assets is tested at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to realise, in whole or in part, the deferred tax asset.

Deferred tax is calculated at the rates that are expected to apply for the period in which the asset is recovered or the liability settled, based on the tax rates and tax rules that have been or are in effect decided at the end of the reporting period.

The measurement of deferred tax liabilities and assets should be based on how the enterprise expects to recover or settle the carrying amount of the corresponding asset or liability at the end of the reporting period.

Deferred tax assets and liabilities are netted when there is a legal right to offset current tax assets against current tax liabilities and they relate to income tax charged by the same tax authority and when the Group intends to settle current tax assets and liabilities with a net amount.

Current tax and deferred tax for the year

Current tax and deferred tax are recognised in profit or loss, except when they are attributable to items recognised in other comprehensive income or directly in equity, in which case current and deferred tax is recognised in other comprehensive income or directly in equity.

Tangible fixed assets

Tangible fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses.

Amortisation occurs on a straight-line basis over the estimated useful life of the asset.

Inventory, tools, and installations 5 years.

The estimated useful lives, residual values, and depreciation method are evaluated at the end of each reporting period, and changes in estimates are reported forward-looking.

An item of property, plant and equipment is removed from the balance sheet upon disposal or disposal or when no future economic benefit is expected to arise from the use of the asset. The gain or loss arising from the disposal or disposal of an asset is the difference between the selling price and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

In-house intangible assets — research and development expenditure.

Research expenses are recognised as an expense in the period in which they are incurred.

An internally generated intangible asset arising from the development, or in the development phase of an internal project, is recognised as an asset in the statement of financial position only if an enterprise can demonstrate that all of the following conditions are met:

- It is technically possible for the enterprise to complete the intangible asset so that it can be used or sold,
- The company's intention is to complete the intangible asset and use or sell it,
- The enterprise has the potential to use or sell the intangible asset;
- The company demonstrates how the intangible asset will generate likely future economic benefits.
- Adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset,
- The enterprise is able to reliably estimate the expenses attributable to the intangible asset during its development,

The cost of internally generated intangible assets is the sum of the costs incurred from the date on which the intangible asset first meets the criteria in paragraphs above. If it is not possible to recognise any internally generated intangible asset, development expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition, the internally generated intangible assets are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation begins when the asset can be used, that is, when it is in the place and condition necessary to use it as intended by management.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination recognised separately from goodwill are initially recognised at fair value at the date of acquisition (which is the cost). After initial recognition, intangible assets acquired in a business combination are recognised at cost less accumulated depreciation and impairment. The Group has identified brand, customer relationships, customer contracts, know-how and developed technology.

The useful life for customer relationships has been estimated at 10 years, except at Needo Recruitment Group AB where the useful life for customer relationships has been assessed at 30 years. The useful life of know-how and developed technology has been estimated at 5 years. The useful life of customer contracts is assessed as 3–4 years and the useful life of trademarks has been deemed indeterminable and is reviewed annually. Given the continued investment and maintenance of brands for each unit and the accompanying economic benefits associated with the use of the asset, the assumption is that the lifetime of brands is indefinite.

Removal of an intangible asset

An intangible asset is removed from the statement of financial position upon disposal or disposal, or when no future economic benefits are expected from the use or disposal of the asset. The gain or loss arising from the removal of an intangible asset from the statement of financial position, calculated as the difference between the selling price and the carrying amount of the asset, is recognised in profit or loss.

Impairment of tangible and intangible assets excluding goodwill.

At the end of each reporting period, the Group evaluates the carrying values of its tangible and intangible assets and right-of-use assets to assess whether there is an indication of a need for impairment. If there is an indication of impairment, the recoverable amount of the asset is calculated to determine any impairment loss. If an asset does not generate cash flows that are largely independent of cash flows from other assets or groups of assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs. When a reasonable and consistent basis for allocation can be identified, common assets are allocated to each cash-generating unit, or to the smallest group of cash-generating units in a reasonable and consistent manner can be identified.

The recoverable amount is the higher of the asset's fair value less point-of-sale costs and its value in use.

In calculating value in use, estimated future cash flows are discounted to their present value by using a pre-tax discount rate to reflect current market assessments of the time value of money, and the risks specifically related to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is written down to its recoverable amount. An impairment loss is recognised as an expense immediately in the result.

An impairment loss is reversed if there is an indication that the need for impairment no longer exists and there has been a change in the assumptions on the basis of which the recoverable amount was calculated. A reversal is made only to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, less depreciation, where relevant if no impairment loss was made. A reversal of an impairment loss is recognised directly in profit. Impairment of goodwill is not reversed.

Financial assets

Financial instruments recognised in the balance sheet comprise assets such as trade receivables, cash, cash equivalents, and financial fixed assets, as well as liabilities such as trade payables, contingent earn-outs, and loan liabilities.

Classification of financial assets

All the Group's financial assets are valued at amortised cost.

Amortised cost and the effective interest method

The effective interest method is a method for calculating the amortised cost of a financial asset or financial liability and for allocating and recognising interest income over the current period.

For financial assets other than purchased or original credit-impaired financial assets (i.e., assets that are credit-impaired on initial recognition), the annual percentage rate of charge is the rate that accurately discounts estimated future cash flows (including all fees and basis points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument or, where applicable, a shorter period, to the gross carrying value of the debt instrument at the time of booking.

The amortised cost of a financial asset is the amount at which the financial asset is initially measured less the repayments, plus the cumulative accruals using the effective interest method on any difference between the original amount and the maturity amount, adjusted for any loss reserve. The gross value of the financial asset is the amortised cost of a financial asset before adjusting for any loss provisions.

Interest income is recognised in profit or loss and is included in the item "financial income".

Impairment of financial assets

The Group reports a loss reserve for expected credit losses on trade receivables, accrued income and cash and cash equivalents. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since the first recognition of each financial instrument.

The Group always reports expected credit losses for the remaining maturity of trade receivables and accrued income. Expected credit losses for trade receivables and accrued income are calculated using the provisioning matrix using experience history and analysis of customers' financial position, adjusted by factors specific to customers, general economic conditions for the industry in which customers operate and an assessment of both the current and forecast on the reporting date.

Cash and cash equivalents are covered by the general model for impairment. For cash and cash equivalents, the low credit risk exemption applies. At the end of 2022-12-31 and 2021-12-31, the loss reserve amounts to an immaterial amount and has therefore not been recognised.

Definition of default

The Group considers the following to constitute default for internal credit risk management purposes as historical experience indicates that financial assets that meet any of the following criteria are generally not recoverable

- when there is a violation of financial conditions by the debtor; or

- information produced internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account collateral held by the group).

Regardless of the above analysis, the Group believes that default has occurred when a financial receivable is more than 90 days due.

Write-off

The Group writes off a financial asset when there is information indicating that the debtor is in serious financial difficulties and there is no realistic prospect of recovery, for example when the debtor has been put into liquidation or has initiated bankruptcy proceedings, or, in the case of trade receivables, when the amounts are due over two years, whichever occurs earlier. Impaired financial assets may still be subject to repayment measures, taking into account legal advice where necessary. Any refunds are reported in the result

Removal from the statement of financial position of financial assets

The Group removes a financial asset from the statement of financial position when contractual rights cease or all risks and rewards of the financial asset are transferred to another party.

If the Group neither transfers nor retains all the risks and rewards associated with ownership of the financial asset and continues to retain control of the transferred asset, the Group recognises the asset and a related liability for amounts it may have to pay. If the Group retains substantially all risks and rewards associated with ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a pledged collateral.

When a financial asset is removed and measured at amortised cost, the difference between the carrying amount of the asset and the amount of consideration and receivables received is recognised.

Financial liabilities and equity

Equity instrument

An equity instrument is any form of contract that imposes a residual right in an enterprise's assets after the deduction of all its liabilities

Issued preference shares

The Group has issued preference shares to the sellers of the acquired companies.

The preference shares are classified as financial liabilities as they contain an undertaking to repurchase the preference shares under certain conditions outside the Group's control against settlement in a variable number of ordinary shares in a possible IPO and a commitment to settle with cash.

In addition to the undertaking, there is an option to buy the shares from the minority and an option for the minority to sell the shares to the Group. Issued put options are valued at the present value of the expected strike price.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method or at fair value through profit or loss. Liabilities for contingent consideration from business combinations are measured at fair value. Changes in fair value are reported in operating profit as Other operating expenses. The effective interest method is a method for calculating the accrued cost of a financial liability and for allocating and accounting for interest expenses over the current period. The effective interest rate is the interest rate that discounts all expected cash flows, including directly attributable costs, premium or discount and interest so that the present value is equal to the cost of the financial instrument. Other financial liabilities Lyvia Group AB value at amortised cost.

The amortised cost of a financial instrument is the amount at which the financial instrument is initially measured less any amortisation, plus accumulated accruals using the effective interest method on any difference between the cost and the maturity amount, for financial assets in addition adjusted for an impairment loss that was expected or incurred.

A financial liability (or part of a financial liability) is removed from the statement of financial position when it is extinguished, i.e. when the obligation specified in the contract is either settled, cancelled by the counterparty or it has been terminated.

Financial liabilities arise when a transfer of a financial asset does not meet the conditions for removal from the statement of financial position or when continued engagement is applicable, and financial guarantee agreements issued by the group.

Share-based payments

Share based payments settled with equity instruments to employees and other persons performing similar services are measured at the fair value of the equity instruments allocated at the allotment date. Fair value excludes the effect of earnings terms that are not market conditions.

Details on the determination of the fair value of share-based remuneration governed by equity instruments.

The fair value of share-based payments settled with the equity instrument is reported on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments expected to vest. At the end of each reporting period, the Group re-evaluates its estimate of the number of equity instruments expected to vest based on the effect of non-market earnings terms.

Any effect of the change in the original estimates is recognised in the result so that the accumulated cost reflects the changed estimate, with a corresponding adjustment in "Other contributed capital" in equity.

The withdrawal or settlement of share-based payments settled by equity instruments is recognised as a shortening of the vesting period, and therefore the amount that would otherwise have been recognised for services received during the remainder of the vesting period is recognised immediately in the income statement and equity.

Bonus Plans

The Group recognises a liability and an expense for bonuses to key employees based on a formula that considers future profitability after certain adjustments in certain of the Group's subsidiaries. The bonus is settled in cash and cash equivalents and the cost is reported on a straight-line basis over the vesting period. In the event of a shortening of the vesting period, the remuneration to which employees are entitled but which has not been expensed in previous periods is recognised as an expense during the remaining shortened vesting period.

Parent Company's accounting policies

The Parent Company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Council's recommendation RFR 2 Accounting for Legal Entities. Statements issued by the Swedish Financial Reporting Council regarding listed companies are also applied.

RFR 2 means that the parent company shall apply all IFRS and statements adopted by the EU in the annual report for the legal entity as far as possible within the framework of the Annual Accounts Act, the Safeguarding Act and with regard to the connection between accounting and taxation. The recommendation specifies which exemptions from and additions to IFRS are to be made.

Classification and layout

The parent company's income statement and balance sheet are prepared in accordance with the schedules of the Annual Accounts Act. The difference with IAS 1 Presentation of financial statements applied in the preparation of the Group's financial statements is primarily the recognition of financial income and expenses, fixed assets and equity.

Subsidiary

Interests in subsidiaries are carried at cost. Cost includes transaction costs that are directly attributable to the acquisition. Dividends from subsidiaries are recognised in the income statement when the right to receive dividends is deemed certain and can be measured reliably. Contingent consideration is recognised as part of the cost if it is probable that it will be paid. If in subsequent periods it appears that the initial assessment needs to be revised, the cost is adjusted.

Financial instruments

The parent company does not apply IFRS 9. Instead, a method based on acquisition value is applied in accordance with the Annual Accounts Act. This means that financial fixed assets are measured at cost less any impairment loss and financial current assets according to the lowest value principle. When calculating the net realisable value of receivables reported as current assets, the principles for impairment testing and loss risk provisions in accordance with IFRS 9 are applied, see principles for the Group. When assessing and calculating impairment losses for financial assets recognised as fixed assets, the principles for impairment testing and loss risk provisions in IFRS 9 are applied whenever possible. Financial liabilities are measured at amortised cost using the effective interest method. The principles for booking and cancelling financial instruments correspond to those applied to the Group and described above.

Leasing

The Parent Company applies the exemption in RFR 2, which is why the rules on leases in IFRS 16 do not apply to the Parent Company as a legal entity. In the Parent Company, lease payments are recognised as an expense on a straight-line basis over the lease term. Thus, the right of use and the lease liability is not recognised in the balance sheet.

Group contributions and shareholder contributions

Group contributions are reported as appropriations for the financial statements. Shareholder contributions made are reported as an increase in the item shares in subsidiaries of the donor. At the recipient, shareholder contributions are reported directly against unrestricted equity.

Historical financial information 2021

Dr. Saeid AB has control over the transferred companies (with subsidiaries) before and after the transactions described in the introductory section. The transactions were thus carried out between parties exercising the same dominant influence. The transactions are reported according to what is often referred to as the "predecessor approach" or "book-value method", which means that assets and liabilities are reported in the Lyvia Group at the values at which they are included in each unit's balance sheet, adjusted for differences between the unit's applied principles and IFRS. The consolidated financial statements prepared by Lyvia Group AB (Publ.) are viewed as a continuation of the respective units and reflect that the transactions as if they had taken place at the beginning of the earliest period presented in the consolidated financial statements, regardless of the actual transaction date. In other words, Lyvia Group AB (Publ.)'s consolidated financial statements for 2021 reflect as if transferred entities were part of the Lyvia Group from the time they were acquired or formed by Dr. Saeid AB. Acquisitions of minority interests (non-controlling interests) during the period are considered a separate transaction and are accounted for at the time it occurs, which is May 2022.

3. KEY ESTIMATES AND JUDGMENTS

In preparing the financial statements in accordance with the consolidated accounting policies described in Note 2, management is required to make judgments (other than those that include estimates) that have a material effect on the amounts reported and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not directly available from other sources. Estimates and assumptions are based on historical experience and other factors deemed relevant. Actual outcomes may differ from these estimates.

The estimates and underlying assumptions are evaluated on an ongoing basis. Changes in these estimates are recognised in the period in which the estimate is changed if the change affects only that period, or in the period in which the change occurs, and in future periods if the change affects both the current period in which the change occurs and future periods.

Important assessments when applying the Group's accounting policies

The following are the critical judgments, other than those involving estimates (presented below), made by management when applying the enterprise's accounting policies that involve a significant risk of a material adjustment to the carrying amounts in the financial statements.

Assessment of the lease term in leases with extension options

Lyvia Group AB (publ) is a lessee in leases consisting of office premises, IT equipment, and cars. The office premises are ordinary office premises located in large cities where access to similar office premises is considered good. Lyvia Group AB (publ) has not incurred any significant improvement expenses linked to any of the office premises.

The agreements for the office premises contain a formal right for Lyvia Group AB (publ) to extend the agreement, often constructed as the agreement automatically being extended for 36 months unless the agreement is terminated 9 months before the end date of the agreement.

The Group determines the lease period as the non-cancellable lease period, together with all periods covered by an option to extend the lease if Lyvia Group AB (publ) is reasonably confident of exercising it alternatively. The Group assesses whether it is reasonably confident to exercise an opportunity to extend a lease by considering all relevant facts and circumstances that create economic incentives for Lyvia Group AB (publ) to exercise the opportunity to extend the lease. After the start date, the Group will reconsider the lease period if there is a significant event or change in circumstances that are within Lyvia Group AB (publ) control and affects Lyvia Group AB (publ) ability to exercise or not exercise the ability to renew or terminate. However, the lease is renewed at the latest at the time of automatic renewal (if no party has terminated the agreement).

When assessing whether it is reasonably certain that Lyvia Group AB (publ) exercises the extension option, management primarily considers the difficulty of substituting a local and remaining period before the agreement is automatically renewed. In 9 of the Group's 53 leases for office space, an extension period has been included in the lease period. Overall, the Group's lease period for office premises varies between 0.5 - 15 years with an average lease period of 12.3 years. No extension option has been included for cars.

Key sources of uncertainty in estimates

The assumptions about the future and other sources of uncertainties in estimates at the end of the reporting period that: involves a significant risk of a material adjustment to the carrying amounts of assets and liabilities in the following financial year, as shown below

Key Assumptions in goodwill impairment tests

The Group annually examines whether there is any need for impairment of goodwill. For 2022, recoverable amounts for sub-groups of cash-generating units (KGEs) were determined by calculation of value in use, which requires certain assumptions to be made. The calculations are based on cash flow forecasts based on budgets established by management for the next five years. Cash flows after the five-year period are extrapolated at a long-term growth rate. The growth rate used is consistent with industry forecasts for each KGEs. Information on assumptions, carrying amount and sensitivity to impairment will be reported in the upcoming annual report.

Assessment of useful life of brands and customer relationships

For brands, a perpetual lifespan is assumed as there are no plans to replace the acquired companies' brands. This assumption is in accordance with Lyvia Group AB (Publ)'s acquisition model where the companies after acquisitions maintain their original business model.

The lifespan of customer relationships is based on the customers' turnover rate, market life and management's best estimate.

Assessment of divestment groups held for sale and discontinuing operations.

The Board of Directors has decided to divest Eitrium AB and its subsidiaries in order to have a more streamlined operation throughout the Lyvia Group AB (Publ) Group. Eitrium AB's focus differs from other companies in that Eitrium AB invests in developing other companies in market-leading products and value-creating manufacturing. While the rest of the group focuses on technology and IT.

4. LOANS AND EQUITY

At the end of the period, the number of shares amounted to 5,278,340 (281,250) divided into 5,278,340 (281,250) ordinary shares and 0 (0) preference shares. 4,997,090 shares were issued in 2022.

The issued corporate bond in Mirovia Nordics AB (Publ.) has affected the group's leverage.

During the period, the loan amount was increased by 400.0 MSEK, of which acquisition costs amounted to a total of 15.9 MSEK. At the end of the period, total borrowing in Mirovia Nordics AB amounts to 783.4 MSEK.

The bond in Mirovia Nordics AB (Publ.) matures in July 2024

The group has also been affected by Äleven Holding AB's borrowing, which has increased during 2022 by 261.3 MSEK and a total borrowing of 330.1 MSEK.

In Eitrium AB, loans of 199.3 MSEK have been taken out during 2022, which is also the same as the total leverage.

At the end of the period, the total leverage in Lyvia Group AB (Publ.) amounts to 1,312.8 MSEK.

5. RELATED PARTY TRANSACTIONS

During the second quarter, Lyvia Group AB (publ) received a shareholder contribution from Esmaeilzadeh Holding AB which has a controlling influence on Lyvia Group AB (publ). The shareholder contribution amounted to 100.0 MSEK. During the year, Lyvia Group AB (publ) received several other shareholder contributions from Esmaeilzadeh Holding AB totalling 602.4 MSEK. These shareholder contributions consisted of shares in companies that Lyvia Group AB had taken over in connection with the reorganisation.

6. FAIR VALUE FINANCIAL INSTRUMENTS

The company has classified financial assets and liabilities according to the following categories; amortised cost, fair value through profit or loss. The carried-out classification considers the company's business model for the management of financial assets, as well as the characteristics of the contractual cash flows from the financial asset.

The following discloses how the fair value of the financial instruments being measured is disclosed to real value in Report above financial position.

Division of how real value is determined is made based on the following three levels.

Level 1: according to rates noted on one active market for the same instrument

Level 2: from outside direct or indirect observable market data not included in level 1

Level 3: from outside input as not observable on market

The Group have no assets regularly reported at fair value. Liabilities of contingent purchase prices from business combinations are valued continuously to real value via the income statement based on level 3. For issued bonds and lease liabilities, the carrying amount corresponds to its fair value because the interest rate on these borrowings is on par with current market rates. For other financial assets and liabilities that are reported at amortised cost, the carrying amount is considered to be a good approximation of fair value taking into account the short maturities of assets and liabilities.

Below Period Have no reclassifications between levels 1, 2 and 3 implemented.

Following summarises the methods and assumptions used to determine the fair value of the Group's financial instruments measured at fair value at Level 3.

Conditional purchase prices from acquisitions are valued at fair value, at Level 3. Contingent consideration has arisen in connection with the acquisition of Letterhead AB, Våning 18 AB, Anything Holdings AB, Needo Recruitment Group AB, Bizloop AB, Lemontree Enterprise Solutions AB, Cloudgruppen AB, Repona AB, F-Consulting AB, IT-Huset Holding i Norden AB, Bright Inventions Sp z.o.o, Mercanza S.L., Controlnet Web S.L., Inase Informática del Mediterráneo, S.L., Antartyca Consulting, S.L. and Agrupo Sistemas, S.L. Part of the purchase price for the business acquisitions is conditional on either average EBITDA, average EBIT or net profit in the acquired company for the coming years. A discounted cash flow method was used to that catch the present value of the expected future financial benefits that will leave the Group upon payment. The significant unobservable data used in the calculation are risk-adjusted discount rate and probability-adjusted expected EBITDA, EBIT or net profit.

In the model, Lyvia has used a risk-adjusted discount rate between 7–25.4 percent. The following table shows changes for contingent considerations, which alone are the instruments measured at fair value in level 3.

(Amount in MSEK)	Contingent consideration
Opening balance 1 January 2021	10.1
Regulation	-4.9
Gains (+) /losses (-) recognized in profit or loss	0.8
Closing balance 31 December 2021	6.1
Regulation	-28.2
Increase from acquisitions	423.7
Gains (+) /losses (-) recognized in profit or loss	12.3
Outgoing balance 31 December 2022	413.9

7. ACQUISITION AND SALE OF SUBSIDIARIES

The following external acquisitions were carried out during the period from January 1st, 2022, to the end of December 2022. The list below does not include companies that have been relocated within the framework of common control because they do not constitute business combinations as defined in IFRS 3. For all acquisitions the group acquires 100 percent of shares and votes in the acquired companies. All acquisitions are part of the Group's strategic focus to invest in entrepreneur-led companies.

ACQUISITION	DATE OF ACQUISITION
Polyfix AB	February 2022
Mora Contract Manufacturing AB	March 2022
Anything Holdings AB (including subsidiaries)	March 2022
Våning 18 AB	March 2022
Needo Recruitment Group AB	April 2022
Ilmeg Products AB	May 2022
Eliasson Plast AB	May 2022
Ab Keymet Oy	May 2022
Controlnet Web S.L.	May 2022
Inase Informática del Mediterráneo, S.L.	May 2022
Antartyca Consulting, S.L.	May 2022
Agrupo Sistemas, S.L.	May 2022
NOBL Holding AB (including subsidiaries)	June 2022
Letterhead AB	June 2022
Spectrum Digital Solutions AB	July 2022
Mercanza S.L.	July 2022
F-Consulting AB	July 2022
Rebendo AB	July 2022
Repona AB (including subsidiaries)	July 2022
Tänk Om Gruppen AB	August 2022
Minitech AS	August 2022
IT-Huset Holding i Norden AB (including subsidiaries)	August 2022
Cloudgruppen Sverige AB (including subsidiaries)	August 2022
Bright Inventions Sp z.o.o.	August 2022

Acquisitions 2022

Amounts reported for the identified acquired assets and liabilities during the period of January 2022 – December 2022 are specified in the table below. As of the balance date, the accounting for acquisitions completed in 2022 has only been provisionally established because the identification and valuation of assets has not yet been completed.

(Amount in MSEK)	
Identifiable intangible assets	941.6
Right-of-use assets	40.9
Tangible fixed assets	60.0
Financial assets	15.6
Accounts receivable	193.7
Other current assets	117.9
Cash and cash equivalents	180.0
Deferred tax liability	210.1
Liabilities to credit institutions	11.1
Lease liabilities	42.0
Accounts payable	105.5
Other current liabilities	180.8
Total identifiable assets	**1,000.2**
Goodwill	1,130.7
Total purchase price	2,130.9
Regulated by:	
Cash and cash equivalents	1,390.1
Conditional purchase price	733.8
Remaining short-term debt that has not yet been settled	7.0
Total compensation transferred	**2,130.9**
Cash outflow on acquisitions:	1,390.1
Resigns: acquired cash and cash equivalents	-180.0
Refers to debt that has not been settled	7.0
Refers to acquisition of divested operations in 2022	-227.8
Net cash outflow from acquisitions of subsidiaries	989.3

Goodwill of 1,130.7 MSEK arising from the acquisitions consists of expected synergies and the total workforce in the companies. These benefits have not been recognised separately from goodwill because they do not meet the criteria for recognising identifiable intangible assets.

For information on contingent earn-outs, see Note 6.

Acquisition-related expenses (including other external costs) amount to 37.8 MSEK.

The acquisitions in 2022 contributed with 867.4 MSEK in net sales and 152.4 MSEK to the profit for the year for the group between the acquisition date and the end of the reporting period. If the acquisitions had taken place on the first day of the financial year, the Group's net sales for the year would have been 2,009.9 MSEK and the Group's profit would have been 38.5 MSEK.

8. DIVISION OF TAKE FROM AGREEMENT WITH CUSTOMERS

The table below represent how profits from agreements with customers are allocated between various sources of profits.

(Amount in MSEK)	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Software[5]	89.7	2.1	162.4	3.1
Functional agreement	117.6	12.9	226.1	15.4
Consulting services	286.9	67.0	715.4	167.4
Hardware	1.0	-	1.0	-
Recruitment Services	9.2	-	20.6	-
Product	-	7.3	-	7.3
Other	10.3	0.4	17.0	0.4
Total	514.7	89.7	1,142.5	193.7

9. DIVESTMENT GROUPS HELD FOR SALE AND DISCONTINUING OPERATIONS

In December 2022, the Group announced its intention to terminate operations within the Eitrium AB Group and initiated an active plan to find a buyer for the subsidiary. Eitrium AB Group has been sold during 2023. Eitrium AB is also considered to be an independent material business segment in the Group. The subsidiary's assets and liabilities have therefore been reported as holdings for sale in the annual report for 2022. Accordingly, the result for 2022 has been reported as profit attributable to assets held for sale. Financial information regarding the discontinued operations for the period up to the divestment period can be found below. Profit from discontinued operations is reported separately in the income statement.

(MSEK)	2022
Revenues	254.0
Other profits/losses	-20.6
Expenses	-249.8
Profit before tax	-16.5
Income tax	-7.3
Profit from discontinued operations after tax	-23.7
Exchange difference on translation of discontinued operations	0.3
Other comprehensive income from discontinued operations	-
Net cash flow from operating activities	-12.2
Net cash flow from investing activities	-238.6
Net cash flow from financing activities	297.3
Net increase in cash and cash equivalents generated in the subsidiary	46.5

[5] Includes revenue from SaaS and commissions on software sales.

Assets and liabilities of disposal group held for sale

The assets and liabilities of the discontinued operation were classified as assets held for sale. The assets and liabilities are shown below as of 31 December 2022.

(MSEK)	2022
Assets held for sale	
Intangible fixed assets	364,6
Tangible fixed assets	149,1
Other non-current receivables	0,1
Accounts receivable	47,7
Inventory	4,8
Other current receivables	55,9
Prepaid expenses and accrued income	3,9
Cash and cash equivalents	64,8
Total assets in disposal group held for sale	690,9
Liabilities directly attributable to assets held for sale	
Accounts payable	22,6
Accrued expenses and prepaid income	13,3
Other current liabilities	29,5
Other non-current liabilities	483,3
Total liabilities in disposal group held for sale	548,7

The company has classified financial assets and liabilities according to the following categories; accrued acquisition value, fair value via the income statement. The classification has been carried out considering the company's business model for the management of financial assets and the characteristics of the contractual cash flows from the financial asset.

The following discloses how the fair value of the financial instruments being measured is disclosed to really value in report above financial position.

The breakdown of how fair value is determined is based on the following three levels.

Level 1: according to rates noted on one active market for the same instrument

Level 2: from outside direct or indirect observable market data not included in level 1

Level 3: from outside Input as not are observable on Market

The group has no assets that are regularly reported at fair value. Liabilities for conditional purchase prices from business acquisitions are valued on an ongoing basis at fair value via the income statement based on level 3. Lyvia Group does not value any other liabilities on an ongoing basis at fair value. For issued bonds and lease liabilities, the reported value corresponds to its fair value because the interest on this borrowing is at par with current market interest rates. For other financial assets and financial liabilities that are reported at amortised cost, the reported value is deemed to be a good approximation of fair value, considering the short maturities of the assets and liabilities.

During the period, no reclassifications between levels 1, 2 and 3 have been carried out.

The following summarises the methods and assumptions used to determine the fair value of the Group's financial instruments valued at fair value according to level 3.

Contingent consideration from business acquisitions is valued at fair value, according to level 3. Contingent consideration has arisen from the acquisition of AB Keymet Oy and Minitech AS. Part of the purchase price for business acquisitions is conditional on the average EBIT of the acquired company in the coming years. A discounted cash flow method was used to capture the present value of the expected future economic benefits that will leave the group upon payment. The significant unobservable data used in the calculation are risk-adjusted discount rate and probability-adjusted expected EBIT. In the model, Eitrium has used a risk-adjusted discount rate at 13.7 percent.

The CEO assures that the year-end report provides a fair overview of the operations, financial position and results of the Parent Company and the Group and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm May 3, 2023

Sebastian Karlsson, CEO

This report has been signed by CEO and group president after authorisation by the board.

This Interim report has not been reviewed by the company's auditors.

This English version of the year-end report is provided as a service and is therefore superseded by the original publication in Swedish in the event of any discrepancies.

For further information, please contact:

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Upcoming reporting dates

Annual Report 2023-05-31

Lyvia Group AB (publ) Year-end report 2022

About Lyvia Group AB

Lyvia Group AB is a Stockholm-based business group with operations spanning Europe, in the business-to-business tech and software services sector. The company owns and manages brands, while enhancing collaboration between the companies in which it is involved. This includes operational and financial synergies as well as access to an ecosystem of like-minded entrepreneurs.

Crucially, Lyvia believes no one is better qualified to run a business than the entrepreneur that created it. This is in line with its Nordic corporate heritage, which places transparency, governance, and responsibility at the centre of operations.

Read more on https://lyviagroup.com/

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