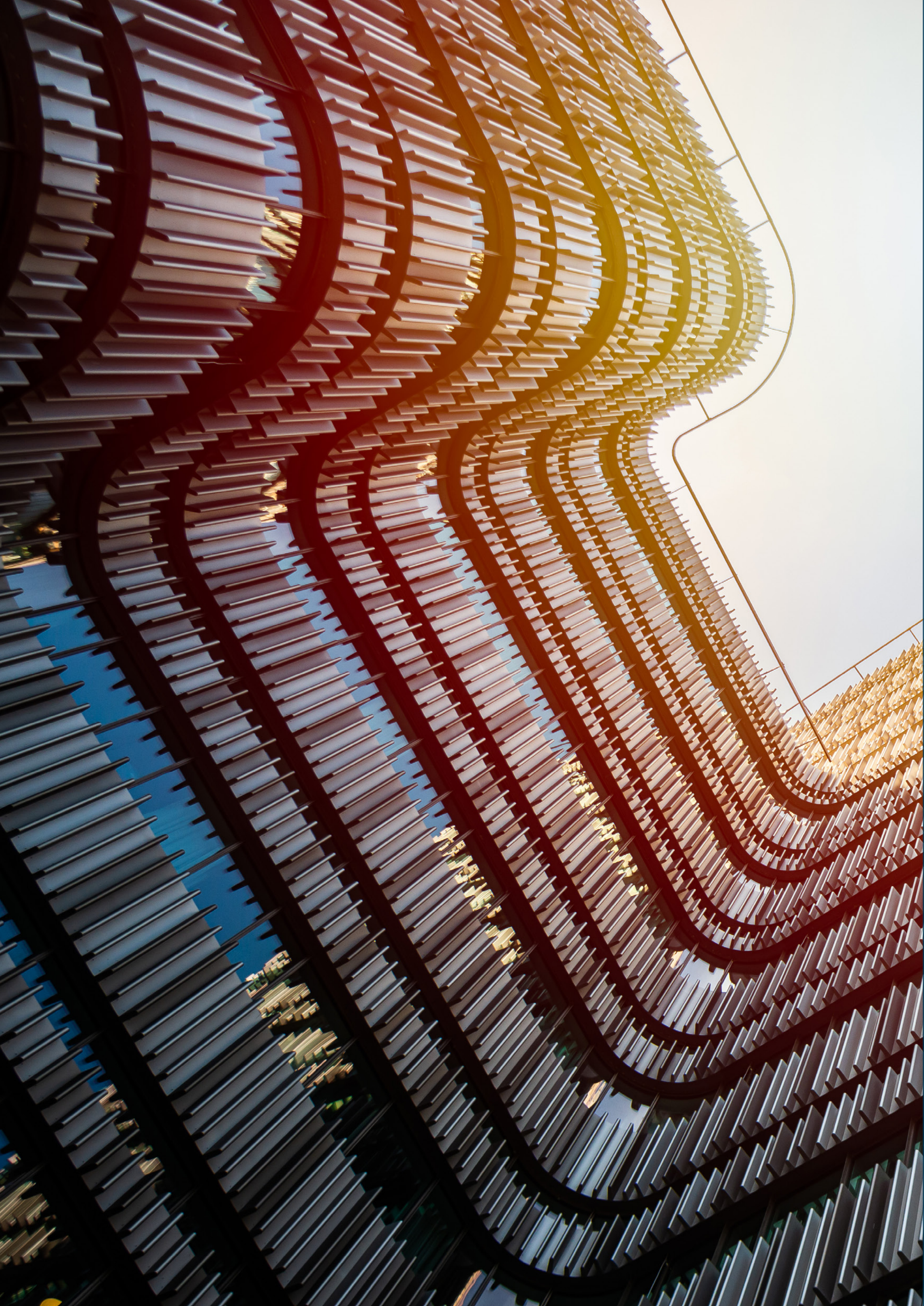
# ANNUAL REPORT 2022

LYVIA

Driving digital evolution.



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# 1. THIS IS LYVIA

Lyvia is a leading European technology partner covering the full value chain from digital design to software and tech development. We develop and deliver business critical and growth enabling software and services to B2B customers all over the world.

Our solutions are integrated in the heart of our clients' technological infrastructure driving business critical day-to-day functions. Our leading products and services enable Lyvia to support and partner with our clients to achieve greater efficiencies, drive profitable growth, and stay ahead of the evolving digital landscape.

With headquarters in Stockholm, we serve our clients both regionally and internationally across sectors such as banking, finance and insurance, infrastructure, IT & telecoms to the public sector.

Operating through our regional European offices, we support leading global clients and enterprises to local small and medium-sized enterprises – with the same dedication towards providing the best products and expert services in the market.

(amount in SEKm)

| PROFIT AND LOSS (GROUP)[1] | 2022 | 2021 FY |
|---|---|---|
| Total revenue | 1 142.5 | 193.7 |
| Operating result | 21.1 | 11.7 |
| Earnings before tax | -46.0 | -12.2 |
| Total assets | 4 296.8 | 1 308.2 |
| Avg no of Employees | 1 057 | 259 |

[1]See page 5 and 6 for pro forma figures

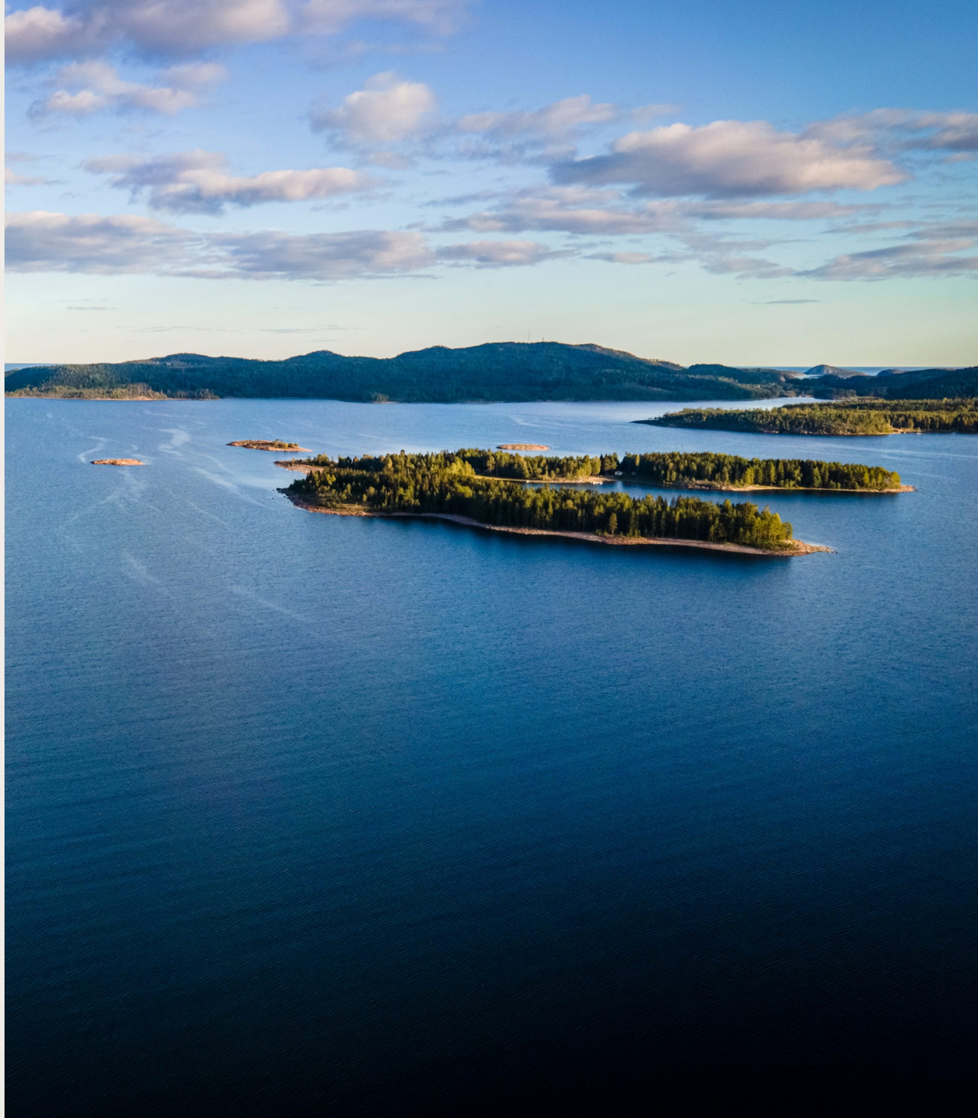
# Our Story.

## >> The beginning

Lyvia was founded with the vision of creating a universe where a client can find best-in-class providers of any digital solution, for their entire digital ecosystem. Building on our entrepreneurial background, we gathered the leading competences in tech, business, and digitalisation from the Nordic area, and got to work. Within a year we expanded into Europe, and we currently have presence within the major European markets.

## >> Evolving Lyvia

We are on a journey to evolve the digital landscape worldwide. Digitalisation is no longer a one-time process, or a transformation. Today, digitalisation is a natural and business-critical part of every organisation, and it is ever evolving. We aim to always be in the forefront of digitalisation, continuing to drive the evolution forward and acting as a strategic partner within all things digital. In order to do this, we work diligently to attract and develop the best talents in the business. We unlock the future potential of employees, entrepreneurs and professionals.



| | |
|---|---|
| VISION | Driving Digital Evolution |
| MISSION | We evolve the digital landscape of tomorrow by fostering innovation, providing evergreen technology solutions and nurture the best talents. |
| VALUES | Decentralized, Entrepreneurial, Collaborative, Sustainable |
| GOAL | We aim to evolutionise the digitalisation in society by providing best-in-class digital services within each niche |

1.8 bn
SEK Revenue

9.8 %
Organic growth

436 m
SEK EBITDA

11.5 %
Organic EBITDA growth

+24 %
EBITDA margin

+1500
professionals in Europe

+50
Offices around Europe

Pro forma IFRS adjusted financials including portfolio companies acquired after period end, excluding SPAs (Share Purchase Agreements) already signed at that time. Excluding central Lyvia overhead.

# European Entrepreneurial Powerhouse for Technological Services .

We are building a leading European network gathering the best technological products and services together with experts driving digital evolution. In short, Lyvia offers the best talents a lifelong career journey with endless opportunities for professional development. Our network allows entrepreneurial freedom fostering innovation, providing evergreen technology and attracting the best talent in business.

## >> Our ambition

We cover the entire value chain from digital solutions to software & technology development. During the last two years we have grown with outstanding pace, and we are just getting started. Our goal is to be the destination strong niche entrepreneurs naturally gravitate to as they seek their next evolutionary step.

## >> Our potential

Growth and scalability in combination with a strong financial profile are our top priorities. Strong financial profile with strong organic growth and high margins derived from sales across SaaS, licenses, contractual and project/hourly based income, this is what we focus on and prioritise.. This will continue to capture market share and deliver growth over the coming years to achieve our ambitious growth targets.

## >> Our value proposition

We create value through our dual strategy, using organic and inorganic initiatives to build niche vertical expertise. With precise focus we target mission-critical, high-value verticals with strong growth and profitability – driven by global macro trends and supported by inorganic growth.

# 2. 2022 IN BRIEF

2022 has been a successful year. Our European expansion has continued with the establishment of regional Lyvia offices in selected key European markets. Lyvia's network includes some 1,500 dedicated professionals employed throughout our ~50 local European offices and we have streamlined our customer offering towards our business areas Software & Expert Service and Marketing & Tech.

Lyvia continuously developed and strengthened the customer offering of business critical niche software and expert services. In 2022, we further expanded into Poland via the acquisition of a leading provider of software development and expert services in mobile & web development, IoT and Blockchain. Additional investment has been made to expand the offering towards Nordic customers.

Continuous work has been done to strengthen Lyvia's central organisation, setting the structures to facilitate continued growth for the years ahead.

(amount in SEKm)

| Pro forma portfolio financials[2] | 2022 FY | 2021 FY | 2020 FY |
|---|---|---|---|
| Total revenue[2] | 1 795 | 1 635 | 1 466 |
| EBITDA[2] | 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% |

[2] Pro forma IFRS adjusted financials including portfolio companies and companies acquired after the period, excluding central Lyvia HQ overhead.

## PRO FORMA DEVELOPMENT

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 driven by topline growth and margin expansion across business areas.

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.

# Significant events after the period.

JANUARY 2023

**Acquisition of Public-i**, leading developer and provider of proprietary software for hybrid meeting management.

**Acquisition of Digijo Group AB** and its subsidiaries **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** which provides subscription-based digital marketing services.

These strategic acquisitions broaden our customer offering and strengthen Lyvia's market presence in their respective industries.

MARCH 2023

Lyvia completed the divestment of its industrial technology division and its subsidiaries. The divestment is part of Lyvia's strategy to refine and strengthen its 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.


APRIL 2023

**Launch of the new brand, Lyvia**, formed out of two companies in the business-to-business tech and software services sector. This development represents a milestone, as Lyvia embodies the commitment to innovation, quality, and customer satisfaction. With Lyvia, we aim to revolutionize the market and establish ourselves as a leader in the industry.

MAY 2023

**Acquisition of T-rank**, a Norwegian B2B SaaS provider of software analyses of beneficial ownership in complex ownership structures used by banks and law firms. This acquisition provides access to a new market and allows us to tap into T-rank's expertise and resources. This contributes to Lyvia's growth and enhances the global footprint.

On the 19th an **Extraordinary General Meeting** was held to decide on an ordinary capital increase. The meeting provided an opportunity for shareholders to vote on important matters related to our company's capital structure. The outcome of the meeting will shape the future funding strategy and facilitate our growth plans.

All these events reflect Lyvia's dynamic nature and strategic focus on expansion, innovation, and shareholder engagement. Lyvia remains dedicated to deliver value to all stakeholders and drive sustainable growth in the market.

# 3. CEO COMMENT

Dear Shareholders and Friends of Lyvia,

I am pleased to present to you our first annual report. It has been a successful year for Lyvia as we continued to develop and deliver business critical and growth enabling software and services to our customers worldwide. We have expanded our European presence by establishing regional offices in key markets and employing approximately 1,500 dedicated professionals throughout our ~50 local European offices.

Throughout the year, we streamlined our customer offering towards our two formed business areas, Software & Expert Services and Marketing & Tech, while continuously developing and strengthening our customer offering of business critical software and expert services. We expanded into Poland for example via the acquisition of a leading provider of software development and expert services in mobile & web development, IoT and Blockchain.

Our efforts to strengthen the organization and successfully onboard these new portfolio companies have been continuous, and we have expanded the central organization to facilitate continued growth in the years ahead.

In terms of financial performance, our portfolio revenue increased organically by 9.8% to SEK 1 795m (SEK 1 635m) and our portfolio EBITDA[2] also increased organically by 11.5% to SEK 436m (SEK 391m) with solid growth momentum across both business areas. Our overhead[3] amounted to SEK 102.5m for 2022FY. These results do not include our SPAs[4] 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.

After the year, we completed the divestment of our industrial technology division and its subsidiaries, as part of our strategy to refine our customer offering towards business critical and growth enabling software and services. We have therefore made ongoing investments to complement our product offering and market position, resulting in three market entries in the UK and Norway - in addition to Poland.

We have further integrated our previous separate operating platforms and launched a one-brand strategy under the Lyvia brand, while our portfolio companies will continue to operate under the decentralized governance model and through individual brands.

Looking into the future, our main goal for 2023 is to broaden cross-border activities in and across the group. The cross-border offering of our products and services will provide excellent opportunities to further enlarge our leading advantages.

We also recognize our responsibility to work in a sustainable and value-creating manner, and we have made it our task to focus on this issue and put responsible corporate governance together with social and environmental matters on our agenda and into our organization.

Thank you, investors, fellow entrepreneurs, and employees, for your commitment in this exceptional year of 2022. We have been very successful, and we will continue to not disappoint.

"Let's make it happen together. The digital evolution starts here!"

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

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

[4] Share Purchase Agreements

# 4. THE LYVIA UNIVERSE

# Our Business Model .

We at Lyvia exist to offer our clients a technology partner covering the full value chain from digital design to software and tech development. Our customer promise allows us to develop and deliver the leading business critical software and expert services.

Our business is focused on the needs of our customers. We work in dynamic processes to continuously develop, innovate and strengthen our customer offering to be the leading force in digital evolution. Our professionals are the engine of technological innovation across the Group and the key to a leading customer offering today and tomorrow.

# Our Business Model.

## Business critical technology partner.

We partner with clients worldwide, delivering critical software and services for business growth. Our specialized products, solutions, and services integrate deeply into clients' technological infrastructure.

At Lyvia, technology is our passion. Our expert professionals act as strategic partners to clients, and drive integrated R&D efforts to develop and innovate customised products and solutions with a high degree of specialization.

We operate through our business areas Software & Expert Services and Marketing & Tech, uniting leading products and experts in their respective niches. This union enables collaborations across niches, and regions, enabling interfaces between back-end software and front-end growth solutions.

## Expert competence.

Lyvia was founded with the vision of creating a universe where our clients can find the best business critical and growth enhancing software and services. Building on our entrepreneurial background, we have accumulated leading expertise in technology, business, and digitalisation through our ever-growing network of professionals. In this way, we actively promote knowledge exchange and competence development across regions and technological niches.

Our long-term perspective allows an ideal environment for competence development where each professional contributes with their unique expertise. Lyvia's European network offers technology-oriented entrepreneurs and professionals unlimited opportunities for professional development from day one.

## Decentralized model.

We operate under a governance model that ensures personal freedom of action and the responsibility of employees and professionals to create value, while ensuring strong governance.

We believe that operational decisions should rest with the respective professionals with the right competencies to ensure accurate decision making and responsive day-to-day operations.

A key enabler for our continued development is fostering collaboration and knowledge share is to drive the digital evolution and to keep and enhance the entrepreneurial spirit allowing Lyvia to harvest on the ever-growing generation of ideas.

# Our Business Model.

## Niche market position.

We act in strategic technological niches with a high level of complexity that require deep specialization. Our products and expertise target the most attractive business critical niche products and services of the wider TMT market landscape characterized by:

**Business critical software**, products and expert services driving clients' day-to-day operations

**Deep specialisation** through a niche offering adding customer value through products, software solution and expertise fostering long-term and lasting customer relationships

**High customer integration** where our products and services are an integrated part of client's technological infrastructure with high cost of failure and integrated R&D activities

**Above market growth** through developing and providing solutions towards niched submarkets with elevate growth pace, backed by global B2B macro trends

## Dual growth model.

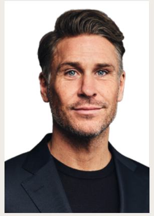
We are continuously working to improve, develop and strengthen our business and customer offering through a dual strategy that combines organic initiatives with growth through acquisitions.

**Organic growth**
Through innovation and R&D activities, we continue to develop our current products and solutions. We hire leading experts to continuously enhance our development capabilities, product delivery and expert services to new levels, and we promote and foster collaborations across countries.

**Growth through acquisition**
We evaluate opportunities on a daily basis to expand our existing customer offering and accelerate our growth, both by expanding into complementary product and service areas and by entering geographic regions where our solutions are not yet offered.

# Our Executive Management Team.

Lyvia's Executive Management Team consists of eight members, all of whom have years of experience in Software, IT and consulting industry as well as in a variety of other industries.



SEBASTIAN KARLSSON
Chief Executive Officer

Co-founder of Lyvia Group. Sebastian is responsible for the overall Corporate Strategy, Leadership and Vision, overall Financial Performance and our External Relations.

MARTIN FAGÉUS
Chief Financial Officer

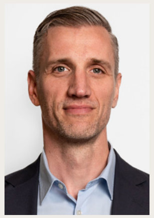
In his role Martin is accountable for the overall Financial Strategy, Financial Reporting, Financial Risk Assessment, and our Capital Management.

MATS ÅGREN
Chief Operating Officer

In his day-to-day tasks Mats oversees Operations management, Process Improvements, Quality Control and ensuring continuing Improvements through the entire company.

ERIK MÅRTENSSON
Chief Investment Officer

As Chief Investment Officer Erik is in charge of our Investment Strategy, Capital Allocation, Investor Relations, and our Strategic Partnerships.



JOHAN ELOWSSON
Chief Legal Officer

As Chief Legal Officer he is responsible for the Transactional Strategy, Due Diligence, Legal Risk Assessment, and all Regulatory Matters.

PHILIP GHATAN

Is our Head of Business area Marketing & Tech

ANDREAS EKBLOM

Is our Head of Business area Software & Expert Services

OLA STAFSTRÖM

Is our Head of Growth for the Business area Software & Expert Services

# Our Board of Directors .

MIKAEL ERICSON, CHAIRMAN OF THE BOARD

- Non Executive Director Protium Green Solutions & Öhman Fonder
- Senior Executive Handelsbanken & Danske Bank
- CEO Intrum & Carnegie Investment Bank

SAEID ESMAILZADEH, BOARD MEMBER

- Founder Serendipity, Diamorph, Sdiptech, IRRAS, Xbrane Biopharma, Voff Science, Episurf Medical, among others

MIKAEL BORG, BOARD MEMBER

- Partner & Chairman of the Board Gernandt & Danielsson
- Chairman of the Board Genova Properties
- Board member Curitas Ventures
- Board member Eitrium

CHRISTER HELLSTRÖM, BOARD MEMBER

- Chairman of the Board Novedo, Burt Intelligence, Hidden Dreams & Mirovia
- Chairman of the Board and Board member Premune, Krauthammer, Proact
- Senior Executive Accenture

ERIK RUNE, BOARD MEMBER

- CEO Holmströmgruppen
- Board member Novedo & Magnolia Bostad
- Former CEO & COO Magnolia Bostad
- Former CFO CBRE Global Investors

ROBIN RUTILI, BOARD MEMBER

- Founder & CEO Vincero
- Co-Founder & Board Member Doktor.se, Dentalum & Buildroid
- Board member Esmaeilzadeh Holding, Mirovia

MARTIN ALMGREN, BOARD MEMBER

- CFO of Skistar
- Former CFO of AddLife
- Former CFO & BA Manager Medtech AddLife
- Former chartered accountant

The Lyvia Board consists of seven members and meets regularly, at least 4 times a year. The ambition is to build a strong, reliable, and structured governance model throughout the group — to ensure compliance and promote continued entrepreneurship as well as profitable growth.

# A digital ecosystem.

We develop and deliver business critical and growth enabling software and services to customers all over the world.

### Software & Expert Services

We develop and deliver leading technology, combining software and expert services towards business-critical applications.

### Marketing & Tech

We provide leading solutions and expert services within brand development, creative design, tech, and digital marketing, enabling our clients to accelerate customer-centric growth.

# SOFTWARE & EXPERT SERVICES

## Evolving the business-critical applications of society.

We build solutions based on our own IP and partner with leading industry providers to evolve our customers' digitalisation

>>

### Cutting-edge software and deep technical knowledge

We provide the specialized technologies and services our clients need for digital evolution. Whether it is developing software, digital infrastructure or future technologies, we have the best-in-class of each service.

>>

### We evolve the critical solutions in society

We deliver software and expert services to critical functions in society such as banking, financial services, insurance and the public sector.

>>

### Software-as-a-service

We deliver solutions on a software-as-a-service model in order to offer a wide range of functionality in a simplistic model for our clients.

# MARKETING & TECH

## Don't transform. Evolve.

Our strategic and creative expertise makes you ready for what the future holds.

>>

### Creative & Strategic Expertise

We partner with bold companies to create meaningful brands and shape futureproof businesses. Our services involve everything from understanding customers and markets to crafting actionable strategies that will help you stay ahead in the digital evolution.

We always combine having a holistic perspective with a relentless focus on what matters the most. Reach out with your ambition, and we're ready to help you whether it's about finding the right operating model or getting the roadmap, tools and experts in place to amplify your customer interactions and brand experience.

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### Data & Digital Development

We help you drive and enable digital transformation. Our experts can help you both with the strategic direction to envision, innovate and transform future-proof digital ecosystems and operational services including development, analytics and optimization of digital touchpoints and platforms.

>>

### Digital marketing

By leveraging tech, data and creativity, we offer services and proprietary software to help you reach your audience and accelerate growth – at scale. In a digital marketing space that is increasingly complex and under constant evolution, we stand out by offering a wide set of niched services.

Interested in finding out how to drive more traffic from search, strengthen your presence in social, leverage native and programmatic advertising or grow with marketing automation? We're your partner.

>>

### Marketing Operations & Sales

We have the experts needed to fully accelerate your marketing and sales operations, going from strategy to hands-on execution. We help you to drive growth across digital and physical touchpoints, ranging from advertising and video production to customer service and outbound sales operations.

# CUSTOMER SOLUTIONS

EXPLORE THE ONGOING DIGITAL EVOLUTION

# STREAMING 3D CAPACITY

## High-performance, 3D workstations streamed and accessible anywhere. Pushing the limits of remote virtual engineering.

The client's outdated workstations could not deliver the necessary performance for the complex 3D models required in their multi-billion dollar construction projects. These expensive and bulky workstation hardware also kept engineers, architects and designers chained to their office desks.

Our solution pushes the limits of virtual engineering. By streaming faster virtual workstations, we now deliver cost-efficient, high-quality, graphics-accelerated 3D virtual workstations using Virtual Desktops and GRID GPU technology from within the datacenter.

Employees can access the virtual workstation from anywhere, at any device – even to a low-cost, low-powered tablet. Many are using it on the go, in the field. Bringing in new team members now only requires a readily available, off the shelf, cheap laptop.

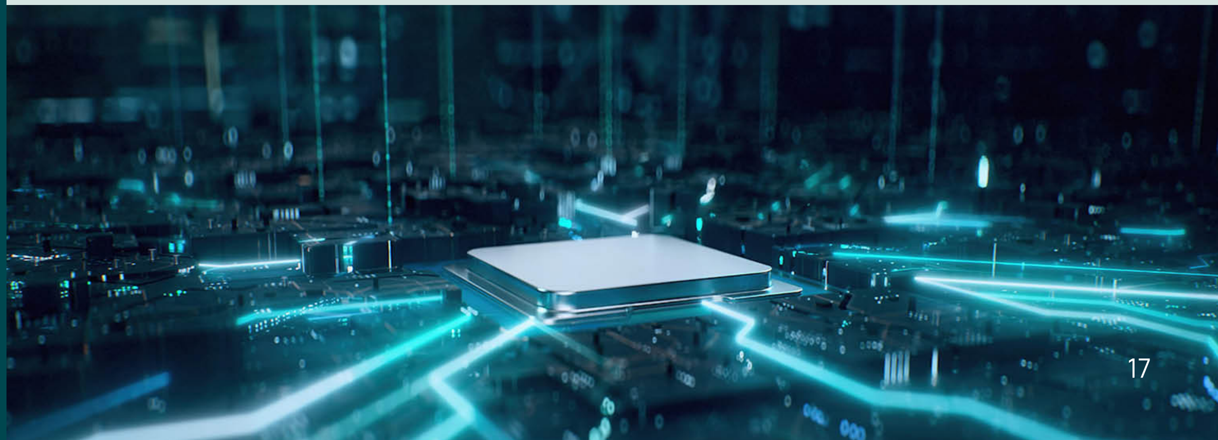
This improvement in performance has resulted in shorter delivery times, reduced waiting times for file transfers, improved collaboration, and decreased help-desk tickets. Moreover, by utilizing a golden image, the 3D modeling environment is accessible in various settings. Managers can easily expand their teams using affordable laptops, and the company is exploring wireless virtual, augmented, and mixed reality headsets to deliver immersive experiences.

This approach truly pushes the boundaries of virtual engineering.

**400 000**
$USD saved annually

**330 h**
saved per team member and year

**70 %**
less help-desk tickets




# BIG DATA FOR BETTER HEALTH

## Enhancing wellness at scale and increasing revenue by Combining Pollution, Weather, Traffic and Sick Leave Data

A major European department store chain faced personnel planning challenges due to a large network of stores and tens of thousands of employees across Europe. High volumes of sick leave and late arrivals caused by traffic created sporadic and unpredictable staffing shortages, resulting in reduced revenue.

By adopting Mz Eco, the client gained access to predictive data and could plan for staffing shortages up to a year ahead. They used employee location, sick-leave history, weather, pollution, traffic, and other health factors to determine when and where additional staff were needed. This optimized personnel efficiency and increased revenue.

By harnessing the power of big data and combining diverse sources such as pollution, weather, traffic, and sick leave records, public health is improved and revenue is increasing. Real-time data from multiple sources provides easy access to pollution and traffic projections, enabling informed decision-making for daily activities and effective policymaking on environmental issues. With the availability of five different dashboards, people can make smarter decisions and plan their day more efficiently.

**840 +**
million values processed

**12 +**
million disease related processes analyzed

**47 +**
million people helped by daily guidance

# BLOCKCHAIN TECHNOLOGY

## Helping Refugees Grocery Shop in Conflict Zones using Blockchain, ensuring fair and fast distribution of necessities.

This initiative is the largest use of blockchain technology in the humanitarian sector and operates in Jordan, Bangladesh and Lebanon – it aims to make the distribution of food and other necessities to people who need them fair and fast, giving them more independence to choose the items they need.

Since 2017, the NGO has delivered cash-based assistance via blockchain.We provide the necessary blockchain technology, including the back-end system, mobile application, integration, and maintenance. By leveraging decentralized blockchain systems, transactions can be processed without intermediaries, promoting fairness in aid distribution. Refugees are identified through biometrics or QR codes, allowing for quick and secure transactions.

**4 +**
million people supported each month

**$3 +**
million USD in bank fees saved

**$529 +**
million USD in cash-based transfers processed

*The Board of Directors and the CEO of Lyvia Group AB (publ.) 559290-4089 hereby submit the Annual Report and consolidated accounts for the financial year 2022-01-01–2022-12-31. The comparative figures for 2021 refer to the period 2021-01-01–2021-12-31.*

# MANAGEMENT REPORT

## NATURE AND FOCUS OF ACTIVITIES

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 two verticals. The first one is SaaS platforms, software, and IT services and the second one is 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 at the end of 2022 it owns 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 SEKm 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 the transferred entities were part of the Lyvia Group from the time they were acquired or formed by Dr. Saeid AB.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Lyvia Group AB (publ) was formed in May 2022 in connection with a reorganisation of Esmaeilzadeh Holding AB.

Mirovia Nordics AB (publ.) has during 2022 acquired the companies F-Consulting AB, Rebendo AB, Repona AB, Cloudgruppen AB, IT-Huset Holding i Norden AB and Bright Invention Sp Z.o.o.

Plenius by Mirovia AB has during 2022 acquired Mercanza S.L.

During 2022, Äleven Holding AB has acquired the companies Anything Holding AB, Våning 18 AB, Letterhead AB, NOBL Holding AB, Spectrum Digital Solutions AB and Think About Gruppen AB.

Crutiq AB has during 2022 acquired the group Needo Recruitment Group AB

During 2022, Eitrium AB has acquired Polyfix AB, Mora Contract Manufacturing AB, Ilmeg Products AB, Eliasson Plast AB, Ab Keymet Oy and Minitech AS. 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 Discontinued operations in accordance with IFRS 5, Assets held for sale, and discontinued operations.

## GROUP SUBSIDIARIES

### Mirovia Nordics AB (publ)

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

Acquired companies within Mirovia Nordics AB (Publ)

- 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.

### Crutiq AB

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

Acquired companies within Crutiq AB

- Needo Recruitment Group AB, acquired April 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.

Acquired companies within Plenius by Mirovia AB

- 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.

### Äleven Holding AB

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

Acquired companies within Äleven Holding AB

- 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

## DEVELOPMENT OF OPERATIONS, POSITION AND RESULTS (GROUP)

| (SEKm) | 2022 | 2021 |
|---|---|---|
| Operating revenue | 1,142.5 | 193.7 |
| Operating profit | 21.1 | 11.7 |
| Profit after financial items | -46.0 | -12.2 |
| Balance sheet total | 4,296.8 | 1,308.2 |
| Average number of employees | 1,057 | 259 |

## COMMENTS ON OPERATIONS, RESULTS AND FINANCIAL POSITION

### Operating revenue

Revenues for 2022 amounted to SEK 1,142.5m (193.7m), which is an increase of 490 percent compared to previous year. The increase in revenue is attributable to the year's business acquisitions from where half of the year's income derives from the companies acquired during the year.

### Operating profit

Operating profit for the full year amounted to SEK 21.1m (11.7m).

The increase in operating profit is attributable to the acquisitions of the legal entities acquired in 2022. At the same time, operating profit was burdened with amortisation of intangible assets identified with the acquisitions, amounting to SEK 67.1m (13.0m). The loss for 2022 amounted to SEK -98.3m (-15.6m), of which SEK -77.5m is attributable to continuing operations and SEK -20.8m is attributable to discontinued operations.

### Financial income and expenses

Net financial income and expenses amounted to SEK -67.0m (-23.9m), where the change is attributable to higher interest expenses mainly as a result of the issuance of additional corporate bonds and to acquisitions and companies added to the Group during the year.

### Tax

The Group's effective tax rate was 65 percent.

Lyvia Group AB was formed through a reorganisation 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 optimisation.

### Liquidity and cash flow

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

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

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

Cash flow for the full year amounted to SEK 269.3m (121.3m). At the end of the period, the Cash and cash equivalents of the group amounted to SEK 414.1m (162.0m).

## FINANCIAL POSITION

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

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

## DEVELOPMENT OF OPERATIONS, POSITION AND RESULTS (PARENT COMPANY)

| (SEKm) | 2022 | 2021 |
|---|---|---|
| Operating revenue | 18.2 | - |
| Operating profit | -15.2 | -0.1 |
| Profit after financial items | -0.6 | -0.1 |
| Balance sheet total | 1,449.2 | 424.6 |
| Average number of employees | 3 | - |

During 2022, the parent company was burdened with increased operating expenses attributable to increased consulting costs and personnel costs as a result of more employees, acquisitions and increased reporting requirements. The increase in financial income is due to increased interest income attributable to Group companies.

## SIGNIFICANT RISKS AND UNCERTAINTIES

The Group's and the Parent company's significant risk and uncertainty factors include market and external risks, financing risks and risks related to the hiring of personnel and their retention.

### Risks related to the Group's financial situation

I. *Risks related to the availability of capital*

The Group is dependent on equity being issued or loans being obtained. Lack of financing may result in the Group not being able to acquire new investment targets and thereby pursue existing or future business strategies, take advantage of future business opportunities, or respond to competitive pressures. For detailed information regarding financial instruments and risk management, see Note 29.

*Mitigation:*

In 2022, Lyvia Group AB (publ.) 's subsidiary Mirovia Nordics AB (publ.) utilised the bond's framework and issued an additional SEK 400m to finance acquisitions. The bond is senior secured and carries a floating coupon rate of STIBOR + 8.25 percent.

In 2022, Äleven Holding AB has increased its leverage, which has increased in 2022 by SEK 261.3m and a total loan of SEK 330.1m.

To minimise the financing risk, i.e., not to obtain long-term financing, the Lyvia Group AB (publ.) Group shall maintain good credit-worthiness and long-term financing shall be procured well in advance before the need arises.

For detailed information regarding financial instruments and risk management, see Note 29.

II. *Dependence on subsidiaries*

The cash-generating operations are conducted by the Group's subsidiaries. Consequently, the Group is dependent on its subsidiaries to meet its financial obligations and to be able to make payments.

*Mitigation:*

In order for this risk to become relevant, the subsidiaries need to stop generating liquidity or alternatively restrictions are introduced that mean that funds cannot be financed between MB and the subsidiaries. The probability of the above occurring is considered low.

III. *Refinancing*

The ability of Group companies to refinance their Treasury bills is dependent on capital market conditions, which may be volatile, and the Group's financial position at the time of refinancing. In the event of a financial crisis or emergency, the Group's access to financing may be adversely affected.

*Mitigation:*

The risk of crisis or emergency always exists, and this means that the Group must be updated and prepared for any events that may occur. It is difficult to influence the capital market and it entails a certain risk, but not so great that it needs to be managed in advance.

## Risks related to the Group's industry, market and business operations

i. *Risks related to the identification of profitable investment targets*

A failure to identify and invest in attractive investment targets or failure to address appropriate business opportunities in new markets may result in the Group's failure to follow the desired or most favourable growth strategy, which may have adverse effects on the Group's financial position and future prospects. Smaller companies tend to have smaller and more streamlined management organisations and such companies can to a significant extent depend on their key management personnel who in many cases possess extensive knowledge.

*Mitigation:*

If the Group fails to identify investment targets that complement existing operations within the Group, it may require the Group to partially change its business model to adapt to market demand. The risk regarding the dependence on the competence of key employees can be reduced if the company conveys the extensive knowledge of the majority within the company. The Group is working on this and intends to introduce working methods to simplify knowledge transfer and thereby reduce the risk of dependence on key personnel.

ii. *Risks related to acquisitions*

Acquisitions are subject to a few inherent risks, including expectations of future development or growth may prove incorrect, despite due diligence measures being carried out, and that important risks, such as credit losses, customer debt, personnel contracts, technical expertise, or unexpected expenses are overlooked or miscalculated, or that uncertain or unlikely events occur that impair the outlook for a particular business.

*Mitigation:*

Acquisitions in general always entail risks and it is therefore important to be one step ahead, this is done through clear and comprehensive due diligence processes that include a clear search for possible risks linked to the specific acquisition and the acquired company's operations.

iii. *Risks related to the Group's customer relationships*

By implementing new services and improving customers' systems and tools through software development on an outsourcing basis, the Group is exposed to several risks linked to customer relationships falling outside its direct control as operational work takes place through the subsidiaries. Such risks include loss of customers because of deficiencies in deliveries where, for example, the implementation of systems and software takes longer than planned, is faulty, causes damage to customers' other systems or costs more than expected. The Group is also exposed to the risk of key customers terminating the relationship, which means that potential future revenues are lost.

*Mitigation:*

In order to minimise risks related to customer relationships, the Group carries out extensive due-diligence measures in connection with acquisitions, which include a clear follow-up of the acquired companies' customer relationships. Investigations are being carried out regarding the potential negative effects that may arise and work is being carried out to minimise potential losses of key customers in connection with the acquisition.

iv. *Risks related to actual or perceived security vulnerabilities in the Group's services and security controls, or in services and security controls of its competitors*

The Group may be subject to third-party attempts and threats regarding intrusion into its communications platform, software, network, and data security as well as other potential security deficiencies.

Information technology security threats can take various forms, including viruses and other malicious programs.

*Mitigation:*

The Group performs a thorough check of IT security during the due-diligence process to identify all potential IT risks of the acquired companies. The Group also intends to introduce a policy to regulate this.

v. *Risks related to errors, defects, delays, and other problems involving the technical systems and infrastructure that the Group relies on for the services and solutions it provides*

The Group relies heavily on its technical systems and infrastructure to provide its services and solutions to its customers. Damage to or failure of technology systems, infrastructure or software within the Group would seriously disrupt its operations.

*Mitigation:*

The Group investigates that there is continuous follow-up of systems and that checks are carried out on parts that may entail risks of errors through its extensive due-diligence processes. In addition, the Group intends to create structure in these measures through the introduction of policies that regulate this type of risk.

vi. *Risks related to development and adaptation in relation to new technologies and infrastructure and changes in customer demand*

To maintain successful business development, the Group must manage its technical systems and infrastructure and is dependent on keeping up with such technological advances in customer needs. Should the number of organisations, especially large companies that use the Group's services as a major component of their ERP systems, increase, the Group may need to make significant investments to scale its technology systems and infrastructure.

*Mitigation:*

The Group monitors closely and is part of the technical development within the Group's business area. If the Group is at the forefront of technological development and dares to take risks in order to continue developing the technology, the Group believes that this should reduce the risk of becoming obsolete in the market.

vii. *Trust related to the success of the Group's strategic relationships with third parties, in particular its partnerships with software developers*.

There is a risk that the Group will not be able to maintain, identify or secure suitable service providers in the future, which may result in the Group not being able to provide customers with relevant products and services.

*Mitigation:*

The Group works regularly with development and follow-up in order to provide customers with relevant products and services.

## Legal, regulatory, and reputational risks

i. *Risks related to the processing of personal data*

Failure by the Group to comply with applicable data protection regulations including the GDPR could result in significant administrative fines, claims for damages and disputes with administrative bodies. Non-compliance with data protection regulations can also lead to negative publicity and reputational damage.

*Mitigation:*

The Group scrupulously complies with applicable data processing laws, including the EU General Data Protection Regulation (EU 2016/679) ("GDPR").

ii. *Risks related to the Group's reliance on protecting its intellectual property rights and third-party claims for intellectual property infringement*

Measures taken to protect the Group's intellectual property rights may be insufficient and may not adequately prevent competitors from copying the Group's services and solutions, or independently developing services and solutions that are substantially equivalent or superior to the Group's services and solutions.

*Mitigation:*

The Group is dependent on protecting its intellectual property rights, such as code, trademarks, and trade secrets. Such protection is obtained through laws and agreements with its customers, employees, suppliers, and other parties.

iii. *Risks related to open-source software*

There is a risk that open-source licenses may be interpreted in a way in domestic or foreign courts that imposes unforeseen conditions or limitations on the Group's ability to provide or distribute its services or solutions. This is because open source has not been interpreted by a court before.

*Mitigation:*

The Group works regularly and structured in its due-diligence processes to minimise the risk of this type of risk being handled carelessly. The Group also intends to implement a policy intended to minimise exposure to the above risk.

## Social risk and management risk

i. *Risks related to key personnel and employees*

The Group's management team consists of a limited number of key personnel, and due to the Group's activities in expert IT services and software development, the Group is also dependent on qualified manpower, both in terms of technical expertise and otherwise, including competent software developers with detailed knowledge of the Group and the industry.

*Mitigation:*

They work regularly on the identification, recruitment, and training of qualified personnel, including due diligence measures in relation to personnel in connection with acquisitions (regarding costs and attention) which is important for maintaining a high level of service.

## Staff

The average number of employees in the Group in 2022 was 1,156 (259), of which 1,057 are attributable to continuing operations and 99 are attributable to discontinued operations. Of the Group's remaining operations, 1,054 people are employed in the acquired companies and 3 in the Parent company. In total, 37% of the continuing operations workforce in the Group consisted of women.

The average number of employees in the Parent Company was 3 (0) during the year, of which 0% were women.

## Environment and Sustainability

Lyvia Group AB (publ.) works continuously with both internal and external environmental issues. The company conducts operations that are not subject to a permit. Lyvia Group AB (publ.) works to reduce environmental impact by streamlining both within and with the help of IT, by providing IT technology with good environmental performance and offering cloud services (SaaS) and other solutions for a greener IT.

Lyvia Group AB (publ.) sustainability work is an integrated part of the business to actively contribute to sustainable development. Lyvia Group AB (publ.) regards society's requirements according to laws and regulations as minimum requirements and the company strives for continuous improvement to promote sustainable development.

## Shares

At year-end, the company had 5,278,340 (281,250) ordinary shares outstanding, corresponding to share capital of SEK 0.53m (0.03m). See note 17.

## Proposed appropriation of profit

The Board of Directors proposes that the corresponding earnings (expressed in whole numbers) in the Parent Company be disposed of as follows.

| 2022-01-01-2022-12-31 | SEK |
|---|---|
| Non-restricted equity | 1,419,796,322 |
| Retained earnings | -107,346 |
| Profit (loss) for the year | -505,342 |
| Sum | 1,419,183,634 |

The Board of Directors proposes that the Annual General Meeting 2022 resolves on:

| The Board of Directors proposes that: | |
|---|---|
| Carried forward | 1,419,183,634 |
| Sum | 1,419,183,634 |

## Events after the reporting period

Acquisition of Public-i

On 3 January 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 4.5m.

Acquisition of Digijo Group AB

On 17 January 2023, 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 25 January 2023, Äleven AB (indirect subsidiary of Äleven Holding AB) became a shareholder in Mint Media AS, which provides subscription-based digital marketing services.

Divestment of Eitrium AB and subsidiaries

On 31 March 2023, Eitrium and its subsidiaries were sold to streamline Lyvia Group AB (publ.) offering to the market. Lyvia Group AB (publ.'s focus areas towards Software & Expert Services and Marketing & Tech differ from Eitrium's product-dominant market offering.

## THE GROUP'S INCOME STATEMENT

For financial year 1 January 2022 – 31 December 2022

| (Amount in SEKm) | Note | 2022-01-01-<br>2022-12-31 | 2021-01-01-<br>2021-12-31 |
|---|---|---|---|
| Net sales | 4 | 1,125.5 | 193.2 |
| Other operating income | 4 | 17.0 | 0.4 |
| Sub-consultants | | -94.3 | -16.7 |
| Other external expenses | 5 | -31.1 | -33.2 |
| Personnel expenses | 6 | -616.7 | -117.5 |
| Depreciation and amortisation of intangible and tangible non-current assets | | -95.7 | -14.5 |
| Other operating expenses | | 0.4 | - |
| Operating profit | | 21.1 | 11.7 |
| | | | |
| Financial income | 7 | 72.9 | 0.3 |
| Financial expenses | 8 | -139.9 | -24.2 |
| Profit after financial items | | -46.0 | -12.2 |
| | | | |
| Income tax | 9 | -31.5 | -3.5 |
| Profit for the year from continuing operations | | -77.5 | -15.7 |
| | | | |
| Discontinued operations | | | |
| Profit from discontinued operations, net after tax | | -20.8 | - |
| | | | |
| Profit for the year | | -98.3 | -15.7 |
| | | | |
| Attributable to: | | | |
| Shareholders of the parent company | | -98.3 | -15.7 |
| Non-controlling interests | | - | - |

# THE GROUP'S REPORT ON COMPREHENSIVE INCOME

For financial year 1 January 2022 – 31 December 2022

| (Amount in SEKm) | Note | 2022-01-01-2022-12-31 | 2021-01-01-2021-12-31 |
|---|---|---|---|
| Profit for the period | | -98.3 | -15.7 |
| | | | |
| Other comprehensive income | | | |
| *Items that may be reclassified in the income statement* | | | |
| Exchange differences on translation of foreign operations | | 16.9 | 0.1 |
| Comprehensive income for the year | | -81.4 | -15.6 |
| | | | |
| Attributable to: | | | |
| Shareholders of the parent company | | -81.4 | -15.6 |
| Non-controlling interests | | - | - |

## THE GROUP'S BALANCE SHEET

As of 31 December 2022

| (Amount in SEKm) | Note | 2022-12-31 | 2021-12-31 |
|---|---|---|---|
| **Non-current assets** | | | |
| Goodwill | 10 | 1,594.1 | 634.1 |
| Other intangible assets | 11 | 992.7 | 254.0 |
| Tangible assets | 12 | 12.7 | 4.8 |
| Rights-of-use assets | 13 | 82.3 | 67.2 |
| Other financial non-current assets | | 55.1 | 2.5 |
| Deferred tax asset | | 0.8 | - |
| | | 2,737.7 | 962.6 |
| **Current assets** | | | |
| Accounts receivable | 14 | 305.1 | 90.8 |
| Current tax assets | | 0.3 | - |
| Other receivables | 15 | 69.6 | 23.1 |
| Prepayments and accrued income | 16 | 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** | | | |
| Share capital | 17 | 0.5 | 0.0 |
| Other contributed capital | 18 | 1,266.8 | 357.1 |
| Translation reserve | | 17.0 | 0.2 |
| Retained earnings including profit for the year | | -110.3 | -32.7 |
| Equity attributable to shareholders of the parent company | | 1,174.0 | 324.6 |
| Non-controlling interests | | - | 65.5 |
| **Total equity** | | 1,174.0 | 390.1 |
| **Long-term liabilities** | | | |
| Bonds/Loans payable | 19 | 902.1 | 392.1 |
| Leasing liabilities | 20 | 50.9 | 43.7 |
| Deferred tax liability | 21 | 221.1 | 55.4 |
| Provisions | | 0.4 | 3.7 |
| Other financial liabilities | 22 | 750.1 | 198.8 |
| | | 1,924.6 | 693.7 |
| **Current liabilities** | | | |
| Loans | 19 | 211.3 | 69.1 |
| Leasing liabilities | 20 | 31.1 | 21.9 |
| Accounts payable | | 68.8 | 28.4 |
| Current tax liabilities | | 30.7 | 10.7 |
| Other financial liabilities | 22 | 25.3 | 5.5 |
| Other liabilities | 23 | 142.3 | 36.4 |
| Accruals and deferred income | 24 | 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 |

## THE GROUP'S STATEMENT OF CHANGES IN EQUITY

As of 31 December 2022

| | Equity attributable to the parent company´s shareholders | | | | | |
|---|---|---|---|---|---|---|
| (Amount in SEKm) | 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 SEKm) | 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 SEKm, casting differences might appear.

# CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2022

| (SEKm) | Note | 2022<br>12 months<br>Jan-Dec | 2021<br>12 months<br>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 in working capital; | | 20.2 | 6.1 |
| Increase (-) / Decrease (+) in accounts receivables | | -44.5 | -26.6 |
| Increase (+) / Decrease (-) in accounts payable | | -56.2 | 1.9 |
| Increase (+) / Decrease (-) in other liabilities/other receivables | | 166.4 | 66.2 |
| Increase (+) / Decrease (-) in 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 | 26 | -989.3 | -679.7 |
| Sale of shares in subsidiaries | | 29.4 | - |
| Cash flow from investing activities | | -968.8 | -681.2 |
| Financing activities | | | |
| Loan raised | 29 | 500.7 | 311.4 |
| Other financial liabilities | | 24.6 | 64.2 |
| Amortisation of lease liabilities | 20 | -24.8 | -6.0 |
| Received payment from new share issue | | 252.1 | 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 | 22 | -18.4 | - |
| Exchange rate difference cash and cash equivalents | | 1.2 | - |
| Cash and cash equivalents - End of period | | 414.1 | 162.0 |

# THE GROUP'S NOTES

## 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 (SEKm).

## 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 based on 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 Group 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 statement's 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.

### Remaining performance obligations

Lyvia Group AB (publ.) applies the exception of not disclosing information on remaining performance obligations for those contracts that have an expected maturity of less than one year from the closing date.

## 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 nearly all taxable temporary differences, and deferred tax assets are recognised for in principle 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 affect neither recognised nor taxable profit at the date of the transaction.

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 can 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 it carries 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 based on 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 considering 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, considering 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 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.

### 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.

## 4. REVENUE FROM CUSTOMER CONTRACT

The Group receives its revenue from contracts with customers through the transfer of goods and services at a time and over time from the following major revenue streams.

| *Breakdown of revenue* | 2022 | 2021 |
|---|---|---|
| Software* | 162.4 | 3.1 |
| Functional Services | 226.1 | 15.4 |
| Consulting services | 715.4 | 167.4 |
| Hardware | 1.0 | - |
| Recruitment Services | 20.6 | - |
| Product | - | 7.3 |
| Other | 17.0 | 0.4 |
| | 1,142.5 | 193,6 |

* Includes revenue from SaaS and commission on software sales.

*Geographic information*

The Group's significant revenue from external customers (and non-current assets) is attributable to Sweden, Spain, and Poland. Of total revenue, 81% is attributable to Sweden, 16% attributable to Spain and 2% attributable to Poland.

*Information about major customers*

The Group has no customer that alone accounts for more than 10% of the Group's revenues.

*Transaction price allocated to remaining performance obligations*

The total amount of the transaction price allocated to the performance commitments that are unfulfilled (or partially unfulfilled) at the end of the reporting period is presented in the table below:

| *Transaction price allocated to remaining performance obligations* | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Software | 57.4 | 11.1 |
| Functional agreements | 9.9 | 11.0 |
| | 67.3 | 22.1 |

Management expects that 62% of the transaction price allocated to the remaining performance obligations at year-end 2022 will be recognised as revenue in 2024 (SEK 41.5m). 32% (SEK 21.8m) is expected to be reported in the financial year 2025 and SEK 3.8m in the financial year 2026.

*Contract balances*

The Group recognises the following assets attributable to agreements with customers:

| *Contract assets* | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Accrued income | 35.3 | 5.7 |

The Group recognises a contractual asset during the period the services are performed to represent the Group's right to compensation for the services transferred to date. Contract assets are elsewhere referred to in the consolidated financial statements as accrued income and are presented as Prepaid expenses and accrued income in the Consolidated balance sheet. All contract assets are presented as current assets. A contract asset is reclassified as accounts receivable at the time the amount is invoiced to the customer.

The increase in contract assets during the year is mainly explained by business combinations for the year.

The Group recognises the following liabilities attributable to agreements with customers:

| *Contract liabilities* | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Deferred income | 14.5 | 2.4 |

The Group recognises a contract liability when the remuneration received exceeds the revenue reported to date. During the year, SEK 14.5m (2.4m) was recognised as income included in the agreement's debt balance at the beginning of the period.

The increase in contract liabilities during the year is mainly explained by the year's business acquisitions

## 5. REMUNERATION OF AUDITORS

The table below shows the remuneration of the Group's auditors.

| | 2022 | 2021 |
|---|---|---|
| KPMG AB | | |
| Audit assignments | 0.6 | - |
| Audit activities other than audit engagements | 0.4 | - |
| | 1.0 | - |
| Öhrlings PricewaterhouseCoopers AB | | |
| Audit assignments | 2.4 | 1.4 |
| Audit activities other than audit engagements | 0.2 | - |
| | 2.6 | 1.4 |
| Deloitte AB | | |
| Audit assignments | - | 0.1 |
| Audit activities other than audit engagements | - | - |
| | - | 0.1 |
| Grant Thornton AB | | |
| Audit assignments | 0.2 | 0.0 |
| Audit activities other than audit engagements | 0.0 | - |
| | 0.2 | 0.0 |
| Ernst & Young AB | | |
| Audit assignments | 0.1 | - |
| Audit activities other than audit engagements | - | - |
| | 0.1 | - |
| Revea AB | | |
| Audit assignments | 0.1 | - |
| Audit activities other than audit engagements | 0.1 | - |
| | 0.2 | - |
| Crowe Osborne AB | | |
| Audit assignments | 0.1 | - |

| | | |
|---|---|---|
| Audit activities other than audit engagements | - | - |
| | 0.1 | - |
| HLB Carlsson & Partners Revisionsbyrå AB | | |
| Audit assignments | 0.1 | - |
| Audit activities other than audit engagements | - | - |
| | 0.1 | - |
| Revisionstjänst Syd AB | | |
| Audit assignments | 0.0 | - |
| Audit activities other than audit engagements | 0.0 | - |
| | 0.1 | - |
| RSM Stockholm AB | | |
| Audit assignments | 0.1 | - |
| Audit activities other than audit engagements | 0.1 | - |
| | 0.2 | - |
| YES Revision KB | | |
| Audit assignments | 0.3 | - |
| Audit activities other than audit engagements | 0.0 | 0.0 |
| | 0.3 | 0.0 |
| Al ma go auditores S.L. | | |
| Audit assignments | 0.1 | - |
| Audit activities other than audit engagements | - | - |
| | 0.1 | - |
| Lytomt Revisjon AS | | |
| Audit assignments | 0.0 | - |
| Audit activities other than audit engagements | - | - |
| | 0.0 | - |
| TOTAL | 4.9 | 1.6 |

Audit engagement refers to the auditor's remuneration for the statutory audit. The work includes the review of the annual accounts and consolidated accounts and bookkeeping, the administration of the Board of Directors and the CEO, and fees for audit advice provided in connection with the audit engagement.

Audit activities in addition to the audit engagement relate to costs incurred in connection with acquisitions.

## 6. REMUNERATION OF EMPLOYEES

Number of employees

| Average number of employees in 2022 | Women | Men | Total |
|---|---|---|---|
| Parent | | | |
| Sweden | - | 3 | 3 |
| Total in the parent company | - | 3 | 3 |
| | | | |
| Subsidiary | | | |
| Sweden | 322 | 485 | 807 |
| Spain | 57 | 174 | 231 |
| Poland | 13 | 3 | 16 |
| Total in subsidiaries | 392 | 662 | 1,054 |
| Total in the Group | 392 | 665 | 1,057 |

| Average number of employees 2021 | Women | Men | Total |
|---|---|---|---|
| Parent company | | | |
| Sweden | - | - | - |
| Total in the parent company | - | - | - |
| | | | |
| Subsidiary | | | |
| Sweden | 105 | 154 | 259 |
| Total in subsidiaries | 105 | 154 | 259 |
| Total in the Group | 105 | 154 | 259 |

Board members and other senior executives

| Parent company | 2022 | 2021 |
|---|---|---|
| Women: | - | - |
| Board members and CEO | - | - |
| Other senior executives | - | - |
| Men: | 1 | - |
| Board members and CEO | 1 | - |
| Other senior executives | - | - |
| Total in the parent company | 1 | - |
| | | |
| Group | 2022 | 2021 |
| Women: | 39 | 17 |
| Board members and CEO | 15 | 7 |
| Other senior executives | 24 | 10 |
| Men: | 185 | 69 |
| Board members and CEO | 132 | 54 |
| Other senior executives | 53 | 15 |
| Total in the Group | 224 | 86 |

Salaries and allowances

Employee remuneration costs

| Parent | 2022 | 2021 |
|---|---|---|
| Salaries and other remuneration | 4.0 | - |
| Social security cost | 1.2 | - |
| Pension costs | 0.2 | - |
| Other personnel costs | 1.2 | - |
| Subsidiary | | |
| Salaries and other remuneration | 377.3 | 76.4 |
| Social security cost | 122.8 | 25.8 |
| Pension costs | 28.5 | 8.7 |
| Share-based compensation to employees | 59.4 | - |
| Other personnel costs | 22.0 | 6.6 |
| *Total salaries and remuneration in the Group* | 381.3 | 76.4 |
| *Total social security cost in the Group* | 124.0 | 25.8 |
| *Total pension costs in the Group* | 28.7 | 8.7 |
| *Total share-based compensation to employees in the group* | 59.4 | - |
| *Total other personnel costs in the Group* | 23.2 | 6.6 |
| Total in the Group | 616.7 | 117.5 |

| Parent | 2022 | 2021 |
|---|---|---|
| Salaries and other remuneration to senior executives including the CEO (1 person) | 0.9 | - |
| of which bonus and similar remuneration to senior executives | - | - |
| Salaries and other remuneration to other employees | 3.1 | - |
| Total salaries and other remuneration in the parent company | 4.0 | - |

| Subsidiary | 2022 | 2021 |
|---|---|---|
| Salaries and other remuneration to senior executives including the CEO (224 persons) | 64.3 | 19.7 |
| of which bonus and similar remuneration to senior executives | 2.3 | - |
| Salaries and allowances for other employees | 313.0 | 94.5 |
| Total salaries and other remuneration in the Group | 377.3 | 114.2 |

## Pensions

The retirement age for the CEO and other senior executives is 65 years and the occupational pension corresponds to ITP1. Lyvia Group AB's (publ.) CEO took office at Lyvia Group AB on 5 May 2022.

## Severance pay agreement

A mutual notice period of 3 months applies between the company and other senior executives. Upon termination, no severance pay is received.

### Share-based payments

For some of the acquisitions carried out in 2021, preference shares have been issued to previous sellers as part of the purchase price. In connection with this, the Group entered into shareholder agreements with the holders of the preference shares with a reciprocal right to buy/sell the preference shares after a certain date (lock-up period) for a purchase price that is dependent on the future performance of the portfolio companies.

Since the lock-up period is a condition of continued employment for sellers who worked in the acquired company, part of the contingent consideration was recognised separately from the acquisition as share-based compensation. The value has been measured at the fair value of the allocated equity instruments in accordance with IFRS 2 and the cost is reported on a straight-line basis over the lock-up period as personnel cost.

The lock-up periods for the agreements where the consideration related to shares originally extended between the respective acquisition dates in 2021 to a maximum of 2026-06-30. At the vesting date, the agreements gave the holders the right to convert the preference shares into ordinary shares in the Group.

The calculation of the value for the portion of the purchase price that is related to share-based compensation upon allotment has been made based on the value of the ordinary shares at the allotment date.

In 2022, the terms and conditions for the majority of preference shares were renegotiated. After the renegotiations, the lock-up period was removed from 2022-12-31. This means that the vesting date for the majority of the agreements was brought forward to 2022-12-31. These new terms have been treated as an accelerated vesting, which means that all remaining costs for these share-based payments have been expensed and reported in the income statement in 2022.

At the end of 2022, there is still an agreement that proceeds according to previous terms, where the cost is reported linearly over the vesting period that extends to 2026-06-30.

The cost of share-based payments amounted to SEK 59.4m in 2022 and SEK 0.0m in 2021.

## 7. FINANCIAL INCOME

| | 2022 | 2021 |
|---|---|---|
| Capital gain on disposal of financial assets* | 65.7 | - |
| Currency | 4.7 | 0.0 |
| Other | 2.5 | 0.3 |
| | 72.9 | 0.3 |

*Sales of preference shares type Series B and financial investments in Spain.*

## 8. FINANCIAL COSTS

| | 2022 | 2021 |
|---|---|---|
| Interest expenses on bond loans | 55.1 | 17.9 |
| Interest expenses on bank loans | 15.4 | 3.6 |
| Interest expense on lease liabilities | 3.5 | 0.5 |
| Capital loss from the disposal of financial assets | 38.0 | 0.2 |
| Total interest expense on financial liabilities not classified at fair value through profit or loss | 112.0 | 22.2 |
| Other financial expenses | 27.9 | 2.0 |
| | 139.9 | 24.2 |

## 9. INCOME TAX

| | 2022 | 2021 |
|---|---|---|
| Current tax: | | |
| Current year | 21.4 | 6.2 |
| Deferred tax (see note 21) | 10.1 | -2.8 |
| | 31.5 | 3.5 |

The current tax rate is 20.6% (2021: 20.6%).

The reported tax expense for the year can be reconciled with profit before tax for the year as follows:

| | 2022 | 2021 |
|---|---|---|
| Profit before tax | -46.0 | -12.2 |
| Swedish tax rate of 20.6% (2021: 20.6%) | 9.5 | 2.5 |
| Foreign tax | -10.2 | - |
| Tax effect of non-deductible costs | -29.8 | -5.2 |
| Non-deductible net interest income | -1.0 | - |
| Other tax expenses | - | -0.8 |
| Reported tax expense for the year | -31.5 | -3.5 |

## 10. GOODWILL

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Acquisition value | | |
| Opening acquisition cost | 634.1 | - |
| Increase from acquisitions of subsidiaries | 949.5 | 634.1 |
| Increase from change in acquisition analysis | 31.3 | - |
| Exchange rate effect | 13.8 | - |
| Discontinued operations | -34.6 | - |
| Accumulated acquisition values | 1,594.1 | 634.1 |
| Carrying amount at year-end | 1,594.1 | 634.1 |

| The carrying amount of goodwill has been allocated to the following cash-generating units: | 2022-12-31 | 2021-12-31 |
| --- | --- | --- |
| Mirovia Holding AB | 879.0 | 332.8 |
| Äleven Holding AB | 715.1 | 266.7 |
| Eitrium AB | 0.0 | 34.6 |
| | 1,594.1 | 634.1 |

| The carrying amount of intangible assets (trademarks) with indeterminate useful lives has been allocated to the following cash-generating units: | 2022-12-31 | 2021-12-31 |
| --- | --- | --- |
| Mirovia Holding AB | 102.6 | 26.6 |
| Äleven Holding AB | 175.7 | 45.9 |
| Eitrium AB | 0.0 | 5.4 |
| | 278.3 | 77.9 |

In Lyvia Group AB (publ) there are three cash-generating units where goodwill and brands are tested for impairment needs annually, or whenever there is an indication of impairment. Äleven Holding AB is the only cash-generating unit that amortises on brands. Recoverable amount for the Group is determined based on value in use calculations using cash flow projections based on financial budgets for a five-year period approved by management. The key assumptions in the impairment test relate to growth rate, operating margin, investment needs and after-tax discount rate. The operating margin and investment level have been determined by the Board of Directors and management based on historical performance and previous experience. Growth after the five-year period is estimated by management based on historical performance and their expectations of market development. Management assumes that after the growth period, the Group will have a growth rate corresponding to market trends. In the impairment test, Lyvia Group AB (publ.) has applied 2% long-term growth rate and 12.5% discount rate.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount allocated to goodwill. Management believes that no reasonable change in key assumptions would imply any need for impairment.

As Eitrium AB and its subsidiaries are presented as discontinued operations for 2022, their figures have been excluded from the note for 2022.

## 11. OTHER INTANGIBLE ASSETS

| | Know-how | Developed technology | Brands | Customer relationships | Completely |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As of 1 January 2021, | - | - | - | - | - |
| Increase from acquisitions of subsidiaries | - | - | 75.6 | 193.7 | 269.2 |
| Adjustment from change in acquisition analysis | - | 12.2 | 3.9 | -18.3 | -2.2 |
| As of 31 December 2021, | - | 12.2 | 79.5 | 175.4 | 267.0 |
| Increase from acquisitions of subsidiaries | 98.4 | 70.9 | 218.5 | 432.1 | 819.9 |
| Discontinued operations | - | - | -5.3 | -8.7 | -14.0 |
| As of 31 December 2022, | 98.4 | 83.1 | 292.6 | 598.7 | 1,072.9 |
| **Accumulated depreciation and impairment** | | | | | |
| As of 1 January 2021 | - | - | - | - | - |
| Depreciation for the year | - | - | 1.6 | 11.4 | 13.0 |
| As of 31 December 2021 | - | - | 1.6 | 11.4 | 13.0 |
| Depreciation for the year | 3.7 | 7.0 | 12.7 | 43.8 | 67.2 |
| As of 31 December 2022 | 3.7 | 7.0 | 14.3 | 55.2 | 80.2 |
| **Carrying amount** | | | | | |
| As of 31 December 2022 | 94.7 | 76.1 | 278.3 | 543.5 | 992.7 |
| As of 31 December 2021 | - | 12.2 | 77.9 | 163.9 | 254.0 |

For information on the Group's impairment testing of trademarks, see Note 10.

## 12. TANGIBLE NON-CURRENT ASSETS

| | Furniture |
|---|---|
| **Cost** | |
| As of 1 January 2021 | - |
| Purchase | 0.0 |
| Increase from acquisitions of subsidiaries | 33.8 |
| **As of 31 December 2021** | **33.8** |
| Purchase | 2.4 |
| Increase from acquisitions of subsidiaries | 27.7 |
| Discontinued operations | -28.0 |
| **As of 31 December 2022** | **35.9** |
| | |
| **Accumulated depreciation and impairment** | |
| As of 1 January 2021 | - |
| Accumulated depreciation from acquisitions of subsidiaries | 28.8 |
| Depreciation for the year | 0.2 |
| As of 31 December 2021 | 29.0 |
| Accumulated depreciation from acquisitions of subsidiaries | 6.8 |
| Depreciation for the year | 11.8 |
| Discontinued operations | -24.4 |
| As of 31 December 2022 | 23.2 |
| | |
| **Carrying amount** | |
| As of 31 December 2022 | 12.7 |
| As of 31 December 2021 | 4.8 |

## 13. LEASING (GROUP AS LESSEE)

| | Office | Cars | Completely |
|---|---|---|---|
| **Cost** | | | |
| As of 1 January 2021 | 8.3 | 0.1 | 8.4 |
| Adjustments to additional rights of use | - | 0.2 | 0.2 |
| Increase from acquisitions of subsidiaries | 61.1 | 3.7 | 64.8 |
| As of 31 December 31 2021 | 69.4 | 4.0 | 73.4 |
| Adjustments to additional rights of use | 3.2 | 2.5 | 5.7 |
| Increase from acquisitions of subsidiaries | 56.9 | 7.3 | 64.2 |
| Reduction from discontinued operations | -37.9 | -0.2 | -38.1 |
| As of 31 December 2022 | 91.6 | 13.6 | 105.2 |
| | | | |
| **Accumulated depreciation and impairment** | | | |
| As of 1 January 2021 | 0.2 | 0.0 | 0.2 |
| Depreciation for the year | 5.2 | 0.9 | 6.1 |
| As of 31 December 2021 | 5.4 | 0.9 | 6.3 |
| Depreciation for the year | 17.0 | 2.0 | 19.0 |
| Reduction of accumulated Depreciation and impairment | -1.9 | -0.3 | -2.2 |
| As of 31 December 2022 | 20.5 | 2.6 | 23.1 |
| | | | |
| **Carrying amount** | | | |
| As of 31 December 2022 | 71.1 | 11.0 | 82.1 |
| As of 31 December 31 2021 | 64.0 | 3.2 | 67.2 |

The Group leases office space 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 in Sweden 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 Lyvia Group AB (publ.) chooses to terminate the agreement 9 months before the end date of the agreement. For further information on management's assessment of the lease term, see Note 3.

A maturity analysis of the lease liability is presented in Note 20.

| Amounts reported in profit or loss | 2022 | 2021 |
|---|---|---|
| Depreciation of rights of use assets | 17.6 | 5.4 |
| Interest expense on lease liabilities | 3.2 | 0.9 |
| Costs relating to short-term leases | 1.1 | 0.6 |
| Costs related to leasing of low-value assets | 0.2 | 0.3 |
| Income from the sub-lease of rights of use assets | 0.8 | 0.2 |

On 31 December 2022 the Group has commitments regarding short-term leases of SEK 0.2m (SEK 0.0m). The total cash outflow for leases amounts to SEK -24.8m (-6.0m).

## 14. ACCOUNTS RECEIVABLE

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Accounts receivable | 306.4 | 90.9 |
| Loss allowance | -1.3 | -0.1 |
| | 305.1 | 90.8 |

### Accounts receivable

Average period of sale is 30 days. No interest is applied to outstanding accounts receivable.

The Group values provisions at an amount corresponding to expected credit losses for the remaining maturity. 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.

The table below describes the risk profile of trade receivables based on the Group's matrix.

| Age analysis of accounts receivable | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Undue accounts receivable | 254 | 89 |
| Overdue accounts receivable 1-30 days | 31 | 1 |
| Overdue accounts receivable 31-90 days | 15 | 1 |
| Overdue accounts receivable 91-180 days | 4 | - |
| Overdue accounts receivable 181-360 days | 2 | - |
| Overdue accounts receivable >361 days | - | - |
| | 306 | 91 |

Loss reserve for other receivables is immaterial. There was no significant increase in credit risk with these counterparties.

## 15. OTHER RECEIVABLES

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Tax asset | 20.4 | 7.4 |
| VAT receivable | 0.0 | 0.3 |
| Ongoing acquisitions | 40.3 | - |
| Receivables from employees | 0.4 | 0.1 |
| Other | 8.5 | 15.3 |
| | 69.6 | 23.1 |

## 16. PREPAID EXPENSES AND ACCRUED INCOME

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Prepaid rent | 5.4 | 2.0 |
| Prepaid insurance | 1.1 | 0.5 |
| Accrued income | 35.6 | 3.6 |
| Other prepaid expenses | 37.0 | 63.6 |
| | 79.1 | 69.7 |

## 17. SHARE CAPITAL

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Common shares | Number | Number |
| Number of shares issued:<br>5,278,340 (281,250) ordinary shares of SEK 0.1 (0.1) each | 5,278,340 | 281,250 |
| Issued and fully paid shares:<br>As of January 1, 281,250 (250,000) ordinary shares of SEK 0.1 (0) each | 281,250 | 250,000 |
| Issued during the year | 4,997,090 | 31,250 |
| Holdings of own shares acquired during the year | | |
| As of December 31, 5,278,340 (281,250) ordinary shares of SEK 0.1 (0.1) each | 5,278,340 | 281,250 |

## 18. OTHER CONTRIBUTED CAPITAL

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| As of 1 January | 357.1 | 273.6 |
| Premium arising from issue | 278.1 | - |
| Share based compensation | 15.6 | - |
| Shareholder contributions | 702.4 | 83.5 |
| Effect of reorganisation | -86.5 | - |
| Translation reserve | 17.0 | 0.0 |
| As of 31 December | 1,283.7 | 357.1 |

Other contributed capital consists of share premium fund and shareholder contributions. Of the total shareholder contribution reported in change over equity, SEK 702,366m relates to shareholder contributions from Esmaeilzadeh Holding AB.

## 19. BORROWING

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| **Borrowings at amortised cost** | | |
| Bank overdraft | 2.4 | 2.0 |
| Bank loans | 327.5 | 70.3 |
| Credit card loan | 0.1 | 0.1 |
| Bond loan | 783.4 | 388.5 |
| | 1,113.4 | 460.9 |
| Long-term | 902.1 | 458.8 |
| Short-term | 211.3 | 2.1 |

All borrowing is in Swedish kronor.

The main features of the Group's borrowing are as follows.

(i) Bond loan of SEK 800m with an interest rate of 8.25 percent + STIBOR. Issue costs amount to SEK 17.5 million.

(ii) The Äleven Holding AB Group has increased its bank loan by SEK 261.3m in 2022.

## 20. LEASING LIABILITIES

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| **Payment time window discounted values** | | |
| Within 1 year | 32.1 | 21.9 |
| Within 1-5 years | 48.8 | 43.7 |
| After 5 years | 2.9 | - |
| | 83.8 | 65.7 |
| **Classified as:** | | |
| Non-current liabilities | 51.7 | 43.7 |
| Current liabilities | 32.1 | 21.9 |
| | 83.8 | 65.7 |

The Group is not exposed to any material liquidity risk as a result of the leasing liabilities. Leasing liabilities are monitored within the Group's finance function.

## 21. DEFERRED TAX

The following are the most significant deferred tax liabilities and assets recognised by the Group and changes in these items during the current and prior reporting periods:

| | Lease agreements | Brand and customer relations | Other | Total |
|---|---|---|---|---|
| As of 1 January 2021 | -0.0 | -12.6 | 0.0 | -12.6 |
| New lease agreements | - | - | - | - |
| Adjustment of PPA | - | 0.5 | - | 0.5 |
| Increase from acquisitions of subsidiaries | -0.3 | -45.8 | - | -46.1 |
| Reported in profit or loss | - | 2.8 | -0.0 | 2.8 |
| As of 31 December 2021 | -0.3 | -55.1 | 0.0 | -55.4 |
| New lease agreement | - | - | - | - |
| Increase from acquisitions of subsidiaries | -0.5 | -178.6 | -0.5 | -179.6 |
| Decrease from sale of subsidiaries | 0.1 | 4.5 | - | 4.6 |
| Reported in profit or loss | - | 10.1 | - | 10.1 |
| As of 31 December 2022 | -0.7 | -219.1 | -0.5 | -220.3 |

Deferred tax assets and liabilities should be recognised net only when there is a legal right to offset current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to taxes charged by the same tax authority and are intended to offset current tax liabilities and tax assets by net payment. The following table shows deferred tax assets and liabilities presented in the statement of financial position:

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Deferred tax liabilities | -221.1 | -55.4 |
| Deferred tax assets | 0.8 | 0.0 |
| | -220.3 | -55.4 |

At the end of the reporting period, the Group has unutilised tax loss deficit amounting to SEK 0.0m (0.0m) that can be used against future tax surpluses. No deferred tax asset has been recognised because it is not considered likely that there will be future tax surpluses. All tax loss deficits can be used indefinitely.

## 22. DISCONTINUING OPERATIONS

In December 2022, the Group announced its intention to sell the operations of the Eitrium AB Group and initiated an active plan to find a buyer for the subsidiary. The Eitrium AB Group has been sold in 2023. Eitrium AB is an independent material business segment in the Group. The Eitrium Group has been classified as operations held for sale and is accounted for in accordance with the applicable principles in IFRS 5 Non-current assets held for sale and discontinued operations. All effects are referred to as "Discontinued operations". The implication of this is that Eitrium's results for 2022 have been excluded from the individual lines of the income statement and reported in a separate line, "Profit from discontinuing operations, net after tax". As Eitrium completed the first acquisitions at the end of December 2021, the unit had no impact on earnings in 2021. In the balance sheet, assets, and liabilities attributable to Eitrium have been reclassified as "Assets held for sale" and "Liabilities held for sale" respectively. The income statement, balance sheet and cash flow for discontinuing operations are shown below.

| (SEKm) | 2022 |
|---|---|
| Net sales | 254.0 |
| Expenses | -249.8 |
| Net interest income | -20.6 |
| 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 |

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.

| (SEKm) | 2022 |
|---|---|
| Assets held for sale | |
| Intangible assets | 364.6 |
| Tangible non-current assets | 149.1 |
| Other long-term receivables | 0.1 |
| Accounts receivable | 47.7 |
| Inventories | 4.8 |
| Other current receivables | 55.9 |
| Prepaid expenses and accrued income | 3.9 |
| Cash and cash equivalents | 64.8 |
| Total assets in settlement group held for sale | 690.9 |
| Liabilities directly attributable to assets held for sale | |
| Accounts payable | 22.6 |
| Accruals and deferred income | 13.3 |
| Other current liabilities | 29.5 |
| Other long-term liabilities | 483.3 |
| Total liabilities in settlement group held for sale | 548.7 |

The company has classified financial assets and liabilities according to the following categories: amortised cost, fair value through profit or loss. The classification has been carried out by taking into account 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.

As described below, the fair value of financial instruments measured at fair value is disclosed in the statement of financial position.

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

Level 1: according to prices quoted on an active market for the same instrument

Level 2: based on directly or indirectly observable market data not included in Level 1

Level 3: based on input data that is not observable in the market

The Group has no assets that are reported at fair value on an ongoing basis. Liabilities for contingent consideration from business combinations are measured at fair value on an ongoing basis through the income statement based on level 3. Lyvia Group AB (publ) does not value any other liabilities at fair value on an ongoing basis. 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 carried at amortised cost, the carrying amount is considered to be a good approximation of fair value taking into account the short maturities of the assets and liabilities.

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

The 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.

Contingent consideration from acquisitions is measured at fair value, at level 3. Contingent purchase prices have arisen in connection with the acquisition of Ab Keymet Oy and Minitech AS. Part of the purchase price for the business acquisitions is conditional on average EBIT in 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 non-observable 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 of 13.7 percent.

## 23. OTHER FINANCIAL LIABILITIES

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Contingent consideration from business combinations | 415.9 | 6.1 |
| Other financial liabilities | 169.7 | 6.0 |
| Preference shares | 189.8 | 192.2 |
| | 775.4 | 204.3 |
| Long-term | 750.1 | 198.8 |
| Short-term | 25.3 | 5.5 |
| | 775.4 | 204.3 |

SEK 4.4m is attributable to contingent consideration maturing later than 5 years. For more information on contingent purchase price, see Note 29.

## 24. OTHER LIABILITIES

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Withholding tax and fees | 23.9 | 6.6 |
| Accrued payroll tax | 5.9 | 2.0 |
| Debt to selling shareholders in business combinations | - | 5.2 |
| VAT liabilities | 43.8 | 11.6 |
| Current liabilities to employees | 0.6 | 0.1 |
| Other liabilities | 68.1 | 10.9 |
| | 142.3 | 49.6 |

## 25. ACCRUALS AND DEFERRED INCOME

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Deferred income | 14.5 | 2.4 |
| Accrued salaries | 61.7 | 16.0 |
| Accrued social security contributions | 11.5 | 4.8 |
| Accrued consultancy costs | 2.0 | 0.3 |
| Accrued accounting and auditing fees | 5.7 | 1.8 |
| Accrued pension costs | 0.6 | 0.2 |
| Accrued payroll tax | 1.0 | 0.7 |
| Accrued interest expense | 18.6 | 7.8 |
| Prepayments from customers | 17.7 | 13.2 |
| Other accrued expenses | 6.8 | 5.6 |
| | 140.0 | 39.5 |

## 26. ACQUISITION OF SUBSIDIARIES

The following external acquisitions have been carried out during the period 1 January 2022 to the end of December 2022. The list below does not include companies that have been relocated within the framework of common control since they do not constitute business combinations as defined in IFRS 3. In all acquisitions the Group acquires 100% 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 |
| IT-Huset Holding i Norden AB (including subsidiaries) | August 2022 |
| Cloudgruppen Sverige AB (including subsidiaries) | August 2022 |
| Minitech AS | August 2022 |
| Bright Inventions Sp z.o.o. | August 2022 |

### Acquisitions 2022

The amounts recognised for the identified acquired assets and liabilities during the period January 2022 – December 2022 is specified in the table below. As of the balance sheet date, the recognition of acquisitions carried out in 2022 has only been determined preliminarily as the identification and valuation of assets have not yet been completed.

| (SEKm) | |
|---|---|
| Identifiable intangible assets | 941.6 |
| Right-of-use assets | 40.9 |
| Tangible non-current assets | 60.0 |
| Financial non-current 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 |
| Leasing liabilities | 42.0 |
| Accounts payable | 105.5 |
| Other current liabilities | 180.8 |
| **Total identifiable net assets** | **1,000.2** |
| Goodwill | 1,130.7 |
| Total purchase price | 2,130.9 |
| Regulated by: | |
| Cash and cash equivalents | 1,390.1 |
| Contingent purchase price | 733.8 |
| Remaining short-term debt not yet settled | 7.0 |
| **Total compensation transferred** | **2,130.9** |
| Cash outflow on acquisitions: | 1,390.1 |
| Resigns: cash acquired | -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 SEK 1,130.7m arising from the acquisitions consists of expected synergies and the combined workforce in the companies. These benefits have not been recognised separately from goodwill since they do not meet the criteria for recognising identifiable intangible assets.

Acquisition-related expenses (included in other external costs) amount to SEK 31.5m.

The acquisitions during 2022 contributed SEK 867.4m in net sales and SEK 152.4m to 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 SEK 2,009.9m and the Group's profit would have been SEK 38.5m.

## 27. NOTES TO CASH FLOW STATEMENT

### Cash and cash equivalents

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Cash and bank | 414.1 | 162.0 |

Cash and bank consist of cash and short-term bank balances with a maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period shown in the consolidated cash flow can be reconciled with the items in the statement of financial position shown above.

### Change in liabilities related to financing activities

The table below shows the changes in the Group's liabilities attributable to financing activities, which includes both changes attributable to cash flows and changes that do not affect cash flows. Liabilities related to financing activities are liabilities for which the cash flows have been classified, or for which future cash flows will be classified as cash flows from financing activities in Cash flows from bank loans and bond loans represent the net proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(i) Other changes include discount effect, accrued interest, resolution of transaction costs directly attributable to the bond loan for the period, reclassifications attributable to the restructuring of the Group and adjustment for discontinued operations.

| | | | Non-payment transactions | | | | |
|---|---|---|---|---|---|---|---|
| | 1 January 2021 | Cash flow from financing | Acquisition of subsidiaries | New leases | Preference shares | Other changes | 31 December 2021 |
| Bond loan | - | 387.5 | - | - | - | 1.0 | 388.5 |
| Bank loans | 74.6 | -2.2 | - | - | - | - | 72.5 |
| Financial liabilities | 5.3 | 64.2 | 5.5 | - | 128.0 | -4.2 | 198.8 |
| Leasing liabilities | 53.9 | -6.0 | 17.5 | 0.3 | - | - | 65.7 |
| Total liabilities from financing activities | 133.8 | 443.5 | 23.0 | 0.3 | 128.0 | -3.2 | 725.5 |

| | 1 January 2022 | Cash flow from financing | Acquisition of subsidiaries | New leases | Preference shares | Other changes | 31 December 2022 |
|---|---|---|---|---|---|---|---|
| Bond loan | 388.5 | 387.0 | - | - | - | 7.9 | 783.4 |
| Bank loans | 72.5 | 257.5 | - | - | - | - | 330.0 |
| Financial liabilities | 198.8 | 24.6 | 597.8 | - | 2.2 | -73.3 | 750.1 |
| Leasing liabilities | 65.7 | -24.8 | 42.0 | 36.5 | - | -37.5 | 82.0 |
| Total liabilities from financing activities | 725.5 | 644.3 | 639.8 | 36.5 | 2.2 | -102.9 | 1 945.5 |

## 28. SUBSIDIARIES

Information about the composition of the Group at the end of the reporting period is presented in the table below:

| Subsidiary | Company registration number | Registered office and place of business | Capital and voting rights | Main activities |
|---|---|---|---|---|
| Transformant Group AB | 559091-4692 | Stockholm | 100% | ERP consultants and Enterprise Resource Planning consultants |
| Bizloop AB | 559223-9221 | Stockholm | 100% | Computer consulting, finance, software development |
| Lemontree Enterprise Solutions AB | 556641-0337 | Stockholm | 100% | Information technology and communications software products and services |
| Lemontree AS | 994519832 | Oslo | 100% | Information technology and communications software products and services |
| Sundbom & Partners Holding AB | 559031-5221 | Stockholm | 100% | Holding activities |
| PX Expert Norden AB | 559269-7071 | Stockholm | 100% | Consulting in ERP systems for medium and large service companies in Sweden |
| Sundbom & Partners AB | 556759-7009 | Stockholm | 100% | Business consulting to medium-sized and large service companies in Sweden |
| Project Software Sweden AB | 559157-1863 | Stockholm | 100% | System solutions for medium and large service companies in Sweden |
| So4it AB | 556680-4208 | Stockholm | 100% | Computer programming |
| SO4IT Operations AB | 559032-2946 | Stockholm | 100% | Computer Operations Services |
| Acino AB | 556700-8130 | Umeå | 100% | Computer programming |
| Svenska Försäkringsfabriken i Umeå AB | 556684-1838 | Umeå | 100% | Develop, manage and sell systems and services for insurance administration |
| Toppnamn AB | 556737-4581 | Umeå | 100% | Consultancy in IT and business development |
| Traventus AB | 556876-1976 | Malmö | 100% | Computer consultancy |
| Mirovia Invest 1 AB | 559278-2766 | Stockholm | 100% | Invest in and develop other companies |
| Mirovia Invest 2 AB | 559290-3990 | Stockholm | 100% | Invest in and develop other companies |
| IT Huset Holding i Norden AB | 556558-7440 | Stockholm | 100% | Computer programming |
| IT Huset i Norden AB | 556545-5069 | Stockholm | 100% | Computer programming |
| IT Huset Affärsutveckling i Norden AB | 556506-0596 | Stockholm | 100% | Computer programming |
| Cloudgruppen i Sverige AB | 556583-9627 | Malmö | 100% | Telecommunications, other |
| Cloudgruppen Syd AB | 559295-8184 | Malmö | 100% | Telecommunications, other |
| Repona AB | 556713-1437 | Lund | 100% | Computer consultancy |
| Repona Väst AB | 559135-5747 | Gothenburg | 100% | Computer consultancy |
| Repona ApS | 35665935 | | 100% | Computer consultancy |
| Rebendo AB | 556285-5402 | Hägersten | 100% | Computer consultancy |
| F Consulting i Sverige AB | 556755-6617 | Älvsjö | 100% | Computer programming |
| Cloudgruppen i Sverige AB | 556583-9627 | Malmö | 100% | Telecommunications, other |
| Cloudgruppen Syd AB | 559295-8184 | Malmö | 100% | Telecommunications, other |
| Bright Inventions | 367805647 | Gdansk | 100% | Software and application development |
| Plenius by Mirovia AB | 559331-3843 | Stockholm | 90% | Investing in software solutions companies |
| Plenius Corporativo S.L. | B-16753238 | Malaga | 100% | Support and develop other companies |
| Mercanza, S.L. | B-83449188 | Madrid | 100% | Sales and development of software |
| Controlnet Web. S.L | B-35982461 | Cadiz | 100% | Sales and development of software |
| Inase informática del Mediterráneo, S.L. | B-9674895 | Valencia | 100% | Sales and development of software |
| Antartyca Consulting S.L. | B-84382373 | Madrid | 100% | Consultancy in IT and business development |
| Agrupo Sistemas S.L. | B-83509968 | Madrid | 100% | Consultancy in IT and business development |
| Lyvia Group Holding AB | 559290-4089 | Stockholm | 100% | Invest in and develop other companies |
| Mirovia UK LTD | 13851474 | London | 100% | Invest in and develop other companies |
| Mirovia Holding AB | 559278-2758 | Stockholm | 100% | Invest in and develop other companies |
| Mirovia Central Eastern Europe AB | 559237-3187 | Stockholm | 100% | The company shall own and manage movable and immovable property and related activities |
| Mirovia Benelux B. | 87183781 | Benelux | 100% | Invest in and develop other companies |

| | | | | |
|---|---|---|---|---|
| Kaperia AB | 559371-1756 | Stockholm | 100% | Invest in and develop other companies |
| Eitrium AB | 559309-6737 | Solna | 100% | Invest in and develop other companies |
| Eitrium Invest AB | 559340-4675 | Solna | 100% | Invest in and develop other companies |
| Eitrium Holding AB | 559347-0734 | Solna | 100% | Invest in and develop other companies |
| Werinova AB | 556563-1115 | Mullsjö | 100% | Engaged in the manufacture and sale of pre-sprayed plastic products |
| Polyfix AB | 556225-0935 | Söderköping | 100% | Conducts development, manufacturing and sales of primarily site components |
| Mora Contract Manufacturing AB | 556614-5529 | Mora | 100% | Subcontracting in metal and plastic products together with development and construction works. |
| Ab Keymet Oy | 2028161-2 | | 100% | Create advanced production processes for metal parts for the manufacturing industry. |
| Eliasson Plast AB | 559034-2027 | Borås | 100% | Manufacture and sale of plastic products and property management. |
| Minitech AS | | | 100% | Develops, manufactures, markets and sells electronic heating products. |
| Minitech Sweden AB | 559260-7351 | Malung | 100% | Develops, manufactures, markets and sells electronic heating products. |
| Äleven Holding AB | 559211-4267 | Stockholm | 100% | Consultancy in technology and system development. |
| Äleven Group AB | 559314-8306 | Stockholm | 100% | Consultancy in technology and system development. |
| Äleven Collective AB | 559314-8314 | Stockholm | 100% | Advisory and consulting services in financing and organisational development. |
| Human Performance Consulting Sverige AB | 556769-4855 | Stockholm | 100% | The company produces theme magazines that are published in major Swedish newspapers. |
| Humblestorm Communications AB | 556773-2572 | Stockholm | 100% | Communications agency whose offer includes advice, etc. |
| Floor 18 AB | 559070-9522 | Halmstad | 100% | Consultancy in the media industry, mainly of digital marketing. |
| Anything Holdings AB | 559354-6103 | Stockholm | 100% | The company is a holding company whose business consists of owning and managing shares |
| Seventy Agency AB | 556898-1921 | Stockholm | 100% | Brand & Business Design agency that helps clients grow |
| Pointseven AB | 559288-0511 | Stockholm | 100% | Pointseven is a growth marketing agency with a focus on digital growth |
| NOBL Holding AB | 559269-3864 | Solna | 100% | The company shall conduct consultancy in organisational development |
| Nobl Consulting | 556979-1030 | Solna | 100% | Offers complete customer care teams leading traditional sales channels. |
| Nobl Consulting Stockholm | 559071-0256 | Solna | 100% | Offers complete customer care teams leading traditional sales channels. |
| Letterhead AB | 556665-0015 | Stockholm | 100% | The company operates under the brand Studio Bon |
| Spectrum Digital Solutions AB | 556665-0015 | Stockholm | 100% | Consultancy in IT and management. |
| Tänk om Gruppen AB | 559373-6217 | Stockholm | 100% | Activities in communication, etc |
| Crutiq AB | 559341-6968 | Stockholm | 100% | Invests in and develops staffing and recruitment companies. |
| Needo Recruitment Group AB | 559100-7249 | Stockholm | 100% | The company operates in the staffing industry |
| Needo Recruitment Sthlm Ltd | 559088-5884 | Stockholm | 100% | The company operates in the staffing industry |
| Needo Recruitment West AB | 559218-3940 | Stockholm | 100% | The company operates in the staffing industry |
| Needo Consulting AB | 559218-2090 | Stockholm | 100% | The company operates in the staffing industry |
| Trankila AB | 559168-3411 | Stockholm | 100% | The company operates in the staffing industry |

There are no significant restrictions on the Group accessing or using assets and settling the Group's liabilities

## 29. FINANCIAL INSTRUMENTS

### (a) classes and categories of financial instruments and their fair value

The following table provides information about:

- classes of financial instruments are based on their characteristics and nature;
- the carrying amount of financial instruments;
- financial instruments measured at fair value (except when the fair value of financial instrument approximately corresponds to its real value); and
- fair value hierarchy of financial assets and financial liabilities

The hierarchy levels of fair value 1 through 3 are based on the degree to which fair value is observable.

The company has classified financial assets and liabilities according to the following categories: amortised cost, fair value through profit or loss. The classification has been carried out considering 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. As described below, the fair value of financial instruments measured at fair value is disclosed in the statement of financial position. The breakdown of how fair value is determined is based on the following three levels:

- Level 1 fair value valuations are quoted prices (unadjusted) in active markets for identical assets or liabilities available to the company at the date of valuation.
- Level 2 fair value valuations are those derived from inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value valuations for the asset and liability are those derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

31 December 2022

| | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | Financial assets | Financial liabilities | | | Level | | | |
| | Amortised cost | VVVRR – mandatory valuation | Amortised cost | Sum | 1 | 2 | 3 | Sum |
| Other financial non-current assets* | 55.1 | | | 55.1 | | | | |
| Cash and cash equivalents | 414.1 | | | 414.1 | | | | |
| Accounts receivable | 305.1 | | | 305.1 | | | | |
| Accrued income | 35.6 | | | 35.6 | | | | |
| Borrowing | | | 1,113.4 | 1,113.4 | | | | |
| Leasing liabilities | | | 82.0 | 82.0 | | | | |
| Accounts payable | | | 68.8 | 68.8 | | | | |
| Other financial liabilities | | 359.5 | | 359.5 | | | 359.5 | 359.5 |
| Contingents earn-out in connection with business combinations | | 415.9 | | 415.9 | | | 415.9 | 415.9 |

** Most of the other financial non-current asset's SEK 40.6m (0.0m) consists of financial investment in Spain.*

31 December 2021

| | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | Financial assets | Financial liabilities | | | Level | | | |
| | Amortised cost | VVVRR – mandatory valuation | Amortised cost | Sum | 1 | 2 | 3 | Sum |
| Other financial non-current assets | 2.5 | | | 2.5 | | | | |
| Cash and cash equivalents | 162.0 | | | 162.0 | | | | |
| Accounts receivable | 90.8 | | | 90.8 | | | | |
| Accrued income | 3.6 | | | 3.6 | | | | |
| Borrowing | | | 461.2 | 461.2 | | | | |
| Leasing liabilities | | | 65.7 | 65.7 | | | | |
| Accounts payable | | | 28.4 | 28.4 | | | | |
| Other financial liabilities | | 198.2 | | 198.2 | | | 198.2 | 198.2 |
| Contingents earn-out in connection with business combinations | | 6.1 | | 6.1 | | | 6.1 | 6.1 |

All financial assets are reported at amortised cost. Liabilities for contingent considerations from business combinations are measured at fair value on an ongoing basis through the income statement based on level 3. The effect on earnings for revaluation of contingent earn-outs is recognised in external financial income/expenses in the income statement. Other financial liabilities are reported as amortised cost. For the Group's borrowings, the carrying amount of the borrowings corresponds to its fair value since the interest rate on these borrowings is on par with current market interest rates. For the fair value of other financial assets and liabilities carried at amortised cost, fair value equals it carrying amount since the discount effect is not considered material. The Group's issued preference shares are classified as financial liabilities as they contain an undertaking to repurchase the preference shares under certain conditions beyond the Group's control against settlement in a variable number of ordinary shares in a possible IPO. Changes in the value of indebted purchase price go through equity.

### *(a) (i) Fair value of the Group's financial assets and financial liabilities measured at fair value on a recurring basis*

The Group's contingent earn-outs are measured at fair value at the end of each reporting period. The table below provides information on how the fair value of this financial liability is determined (in particular the valuation technique and inputs used).

| Financial liabilities | Valuation techniques and inputs | Significant unobservable inputs | Relationship between unobservable inputs and fair value |
|---|---|---|---|
| Contingents earn-out in connection with business combinations | Present value techniques are used to capture the present value of the group that derived from the contingent earn-out. | The discount rate is 7-15.6 percent determined with the Capital Asset Pricing Model. | The higher the discount rate, the lower the fair value.<br>If the discount rate was 1% percent higher / lower while all other variables were kept constant, the carrying value would decrease / increase by SEK 77k/82k (decrease / increase by SEK 138k/145k). |

There were no transfers between levels 1 and 2 in the current or previous year.

### *(a) (ii) Reconciliation of fair value valuations at Level 3 of financial instruments*

The 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. Contingent consideration from acquisitions is measured at fair value, at Tier 3 level. 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. and 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 in the coming years. A discounted cash flow method was used to capture 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 table below contains only financial liabilities. The only financial liabilities subsequently measured at fair value at level 3 fair value measurement represent the contingent consideration of a business combination.

| | Contingents earn-out in connection with business combinations |
|---|---:|
| 1 January 2021 | 10.1 |
| Profit or loss recognised in the income statement | 0.8 |
| Additions from business combinations | - |
| Settlement of contingent purchase price | -4.9 |
| 31 December 2021 | 6.1 |
| Profit or loss recognised in the income statement | 10.8 |
| Settlement of contingent purchase price | -28.2 |
| Additions from business combinations | 427.2 |
| 31 December 2022 | 415.9 |

## (b) Risk management strategy

Lyvia Group AB (publ) assesses that there is a limited risk for the financial instruments covered by bond and debt financing. There is informal risk management that involves a close dialogue with credit institutions and bond intermediaries. Active work is underway in 2023 to develop a more formalised and detailed risk management strategy.

## (c) Market risk

The Group's operations are primarily exposed to financial risks due to changes in interest rates on borrowings.

There has been no change in the Group's exposure to market risks or how these risks are managed and measured.

### *(c) (i) Currency risk management*

The Group does not normally carry out any transactions in foreign currency. The Group's borrowings are in Swedish kronor and in all material respects the Group's monetary assets and liabilities are in Swedish kronor. Consequently, the Group's currency risk exposure is limited. A reasonable possible change in exchange rates would have an immaterial effect on the Group's earnings and equity. As the Group grows, the issue will be addressed in connection with the work of the risk management strategy

### *(c) (ii) Interest rate risk management*

The Group's main interest rate risk arises from floating rate bonds, which expose the Group to interest rate risk related to cash flows. The Group has chosen not to hedge cash flow risk.

The Group's borrowings and receivables are reported at amortised cost. The interest rates of the loans are periodically changed and are therefore exposed to the risk that market interest rates may change in the future

At the end of the financial year, the carrying value of floating rate bonds amounted to SEK 783.4m (388.5m) and bank loans amounted to SEK 330.0m (72.5m).

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date. For variable interest liabilities, the analysis is prepared on the assumption that the outstanding amount at the balance sheet date was outstanding for the whole year. An increase or decrease of 1% percent presents management's assessment of the reasonably possible change in interest rates.

| | Impact on profit after tax for the year | | Impact on other components in equity | |
|---|---|---|---|---|
| | 2022 | 2021 | 2021 | 2020 |
| Interest rate - increase by 1% | 11.1 | 4.6 | 0 | 0 |
| Interest rate - decrease by 1% | -11.1 | -4.6 | 0 | 0 |

## (d) Credit risk management

Credit risk management is decentralised and managed by each sub-group, which manages this in line with local policies.

The credit risk on cash and cash equivalents is limited as counterparties are banks with high credit ratings awarded by international credit rating agencies. An analysis of the probability of default and the outstanding amounts leads to the immaterial nature of the credit reserve due to strong counterparties and very short maturities. For information on the loss reserve for trade receivables, see Note 14.

### *(d) (ii) The Group's credit risk exposure*

As of 31 December 2022, the Group's maximum exposure to credit risk without taking collateral into account is SEK 789.9m.

## (e) Liquidity risk management

Liquidity risk means the risk of not being able to meet one's commitments due to lack of liquidity. The Group manages liquidity risk by maintaining sufficient reserves and banking facilities, by continuously monitoring forecasts and actual cash flows and by matching the maturity profiles of financial assets and liabilities. Below is a description of additional unused facilities that the Group has at its disposal to further reduce liquidity risk.

The tables below describe the Group's remaining contractual maturity of its financial liabilities with agreed repayment periods. The tables have been prepared based on the undiscounted cash flows at maturity when the Group becomes liable to pay. The table includes both interest and cash flows. To the extent that interest flows are variable interest rates, the same interest rate is used as at the balance sheet date for the entire term.

The contractual term is based on the earliest date on which the Group may be required to pay.

The liquidity reserve is defined as cash and cash equivalents and unutilised facilities and amounts to SEK 414.1m on the balance sheet date. Long-term liquidity risk is managed through ongoing liquidity forecasts that are updated on an annual basis. For the bond held by Mirovia Nordics AB, there are several covenants that may affect liquidity, for further information on covenants see section Asset risk management.

| | Up to 1 month | 1-3 months | Between 3 months and 1 year | 1-2 years | 2-5 years | 5+ years | Sum | Carrying amount |
|---|---|---|---|---|---|---|---|---|
| 31 December 2022 | | | | | | | | |
| Accounts payable | 68.2 | 0.6 | | | | | 68.8 | 68.8 |
| Financial instruments at variable interest rates (nominal) | | | 211.3 | 783.4 | 118.7 | | 113.4 | 113.4 |
| Interest on interest-bearing instruments | | 29.4 | 88.2 | | | | 117.6 | 117.6 |
| Other financial liabilities | | | 7.0 | 162.7 | | | 169.7 | 169.7 |
| Conditional earn-out | | | 80.4 | 332.1 | 118.9 | 4.4 | 605.7 | 605.7 |
| 31 December 2021 | | | | | | | | |
| Accounts payable | 28.4 | | | | | | 28.4 | 28.4 |
| Financial instruments at variable interest rates (nominal) | | | 72.5 | | 388.5 | | 461.0 | 461.0 |
| Interest on interest-bearing instruments | | 1.3 | 12.2 | | | | 13.5 | 13.5 |
| Other financial liabilities | | | | 198.2 | | | 198.2 | 198.2 |
| Conditional earn-out | | | 5.4 | 0.7 | | | 6.1 | 6.1 |

*(e) (ii) Bank loan facilities*

The Group uses a combination of cash flow from financial assets and available banking facilities to manage liquidity risk.

The table below shows the cash flow of the financial assets:

| | Up to 1 month | 1-3 months | Between 3 months and 1 year | 1-2 years | 2-5 years | 5+ years | Sum | Carrying amount |
|---|---|---|---|---|---|---|---|---|
| 31 December 2022 | | | | | | | | |
| Financial non-current assets | 0.7 | | 43.3 | 0.1 | 2.7 | 8.3 | 55.1 | 55.1 |
| Accounts receivable | 284.8 | 15.5 | 4.8 | | | | 305.1 | 305.1 |
| Accrued income | 35.6 | | | | | | 35.6 | 35.6 |
| Cash and cash equivalents | 414.1 | | | | | | 414.1 | 414.1 |
| 31 December 2021 | | | | | | | | |
| Financial non-current assets | 1.6 | | | 0.8 | 0.6 | 0.1 | 2.5 | 2.5 |
| Accounts receivable | 88.6 | 1.4 | 0.8 | | | | 90.8 | 90.8 |
| Accrued income | 3.6 | | | | | | 3.6 | 3.6 |
| Cash and cash equivalents | 162.0 | | | | | | 162.0 | 162.0 |

### (f) Asset risk management

The Group manages its capital to ensure that units in the Group will be able to continue operating even with ongoing problems at the same time. The Group's overall strategy remains unchanged from previous years. Under the terms of the bond agreement, no dividend may be paid to shareholders.

The Group's capital structure consists of net debt (borrowing after deduction of cash and cash equivalents) and the Group's equity (including issued capital, reserves and retained earnings).

## 30. EVENTS AFTER THE REPORTING PERIOD

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

As of January 17, 2023, 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.

As of January 25, 2023, Äleven AB (indirect subsidiary of Äleven Holding AB) acquired Mint Media AS, which provides subscription-based digital marketing services.

As of March 31, 2023, Eitrium and its subsidiaries were sold to streamline Lyvia Group AB (publ.)'s offering to the market. Lyvia Group AB (publ.)'s focus areas in Software & Expert Services and Marketing & Tech differ from Eitrium's product-dominant market offering.

As of April 18, 2023, the new brand launched Lyvia.

As of May 2, 2023, Lyvia NO AS, indirect subsidiary of Lyvia Group AB, acquired T-Rank AS, which assesses the ownership structures of the companies and their customers.

As of May 3, 2023, Lyvia published its first year-end report.

As of May 19, 2023, an extraordinary general meeting resolved on a directed issue of not more than 356,293 shares at a subscription price of SEK 1,137 per share and a long-term incentive program. The Annual General Meeting also resolved to elect Mikael Ericson as new Chairman of the Board and Martin Almgren as new Board member for the period until the end of the next Annual General Meeting.

## 31. RELATED PARTY TRANSACTIONS

During the year, Lyvia Group AB (publ.) received a shareholder contribution from Esmaeilzadeh Holding AB (publ.) which has a controlling influence in Lyvia Group AB (publ.). The shareholder contribution amounted to SEK 100.0m. During the year, Lyvia Group AB (publ.) received several other shareholder contributions from Esmaeilzadeh Holding AB (publ.) for a total of SEK 602.4 million. These shareholder contributions consisted of cash and shares in companies that Lyvia Group AB (publ.) had taken over in connection with the reorganisation of Esmaeilzadeh Holding AB (publ.). The remuneration of senior executives, who are the Group's most important key executives, is presented in Note 6 Remuneration to employees

## 32. PLEDGED SECURITIES & CONTINGENT LIABILITIES

At the end of 2022, the following collateral is available:

Security for all shares in each subsidiary; SEK 2,095.9m.
Security regarding the issuer's right to receive an equity contribution under the Equity Commitments Letter; SEK 100m.

At the end of 2022, there are the following contingent liabilities:

Earn-out security for acquisitions completed; SEK 95.4 million.

At the end of 2021, the following collateral is available:
Security for all shares in each subsidiary; SEK 604.4m
Security relating to the escrow account; SEK 33.3m
Security regarding the issuer's right to receive an equity contribution under the Equity Commitments Letter; SEK 100m.

At the end of 2021, there were no contingent liabilities.

## INCOME STATEMENT OF THE PARENT COMPANY

For financial year 1 January 2022 – 31 December 2022

| (SEKm) | Note | 2022-01-01-2022-12-31 | 2021-01-01-2021-12-31 |
|---|---|---|---|
| Net sales | 2 | 18.2 | - |
| Other operating income | | 0.0 | - |
| Subcontractors | | - | - |
| Other external expenses | 3 | -26.7 | -0.1 |
| Personnel expenses | 5 | -6.7 | - |
| Other operating expenses | | - | - |
| Operating profit | | -15.2 | -0.1 |
| Financial income | 6 | 15.3 | 0.0 |
| Financial expenses | 7 | -0.7 | - |
| Profit after financial items | | -0.6 | -0.1 |
| Group contributions | | - | - |
| Income tax | 8 | - | - |
| PROFIT FOR THE YEAR | | -0.6 | -0.1 |

## PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

For financial year 1 January 2022 – 31 December 2022

| (SEKm) | Note | 2022-01-01-2022-12-31 | 2021-07-01-2021-12-31 |
|---|---|---|---|
| Profit for the year | | -0.6 | -0.1 |
| Other comprehensive income | | - | - |
| COMPREHENSIVE INCOME FOR THE YEAR | | -0.6 | -0.1 |

## BALANCE SHEET OF THE PARENT COMPANY

As of 31 December 2022

| (SEKm) | Note | 2022-12-31 | 2021-12-31 |
|---|---|---|---|
| Fixed assets | | | |
| *Financial non-current assets* | | | |
| Shares in subsidiaries | 9 | 1,141.6 | 423.9 |
| Receivables from group companies | 10 | 37.5 | - |
| Other financial non-current assets | | 5.1 | - |
| | | 1,184.2 | 423.9 |
| Current assets | | | |
| *Current receivables* | | | |
| Other receivables | 11 | 0.0 | - |
| Receivables from group companies | 10 | 145.1 | 0.5 |
| Current tax assets | 11 | 1.5 | - |
| Prepaid expenses and accrued income | 12 | 0.5 | - |
| | | 147.1 | 0.5 |
| Cash and cash equivalents | 13 | 117.9 | 0.2 |
| Total current assets | | 265.0 | 0.7 |
| Total assets | | 1,449.2 | 424.6 |
| Equity | | | |
| *Restricted equity* | | | |
| Share capital | 14 | 0.5 | - |
| *Non-restricted equity* | | | |
| Share premium reserve | | 1,419.8 | 424.2 |
| Retained earnings | | -0.1 | - |
| Profit (loss) for the year | | -0.5 | -0.1 |
| Total equity | | 1,419.7 | 424.1 |
| Long-term liabilities | | | |
| Other long-term liabilities | 15 | - | 0.5 |
| | | - | 0.5 |
| Current liabilities | | | |
| Loans to credit institutions | 15 | - | - |
| Accounts payable | | 3.0 | - |
| Liabilities to Group companies | | 5.3 | - |
| Current tax liabilities | 16 | 1.0 | - |
| Other liabilities | 16 | 18.8 | - |
| Accrued expenses and deferred income | 17 | 1.4 | - |
| | | 29.5 | - |
| Total liabilities | | 29.5 | 0.5 |
| TOTAL EQUITY AND LIABILITIES | | 1,449.2 | 424.6 |

## PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

| (SEKm) | Note | Share capital | Unregistered share capital | Retained profit | Share premium reserve | Profit for the year | Total equity |
|---|---|---|---|---|---|---|---|
| Opening balance 1 January 2022 | | 0.0 | - | 404.9 | 19.3 | -0.1 | 424.1 |
| Transfer of last year's earnings | | | | -0.1 | | 0.1 | |
| Profit for the year | | | | | | -0.6 | -0.6 |
| Share capital | | 0.5 | | | | | 0.5 |
| Share-based payment transaction | | | | | | | |
| Shareholder contributions | | | | 702.4 | | | 702.4 |
| Share premium reserve | | | | | 278.1 | | 278.1 |
| Warrant | | | | | 15.1 | | 15.1 |
| Total transactions with owners | | 0.5 | - | 702.4 | 293.2 | - | 995.5 |
| Closing balance 31 December 2022 | | 0.5 | - | 1,107.2 | 312.5 | -0.6 | 1,419.6 |

| (SEKm) | Note | Share capital | Unregistered share capital | Retained profit | Share premium reserve | Profit for the year | Total equity |
|---|---|---|---|---|---|---|---|
| Opening balance 1 January 2021 | | 0.0 | - | - | - | - | 0.0 |
| Transfer of last year's earnings | | | | | | -0.1 | -0.1 |
| Share capital | | | | | | | |
| New shares issued | | | | | 19.3 | | 19.3 |
| Shareholder contributions | | | | 404.9 | | | 404.9 |
| Share-based payment transaction | | | | | | | |
| Total transactions with owners | | - | - | 404.9 | 19.3 | -0.1 | 424.2 |
| Closing balance 31 December 2021 | | 0.0 | - | 404.9 | 19.3 | -0.1 | 424.1 |

## PARENT COMPANY'S STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

| (SEKm) | Note | 2022-12-31 | 2021-12-31 |
|---|---|---|---|
| Operating income | | -15.1 | -0.1 |
| Interest received | | 0.2 | - |
| Group contributions | | - | - |
| Interest paid | | -0.6 | - |
| Income tax paid | | -0.5 | - |
| Cash flow from operating activities before changes in working capital | | -16.0 | -0.1 |
| | | | |
| Changes in working capital | | | |
| Decrease/ (increase) in receivables from Group companies | | - | -0.5 |
| Decrease/ (increase) in other current receivables | | -0.7 | - |
| Increase/ (decrease) in accounts payable | | 3.9 | - |
| Increase/ (decrease) in other current liabilities | | 14.7 | - |
| Cash flow from operating activities | | 1.9 | -0.6 |
| | | | |
| Investing activities | | | |
| Investments in subsidiaries | | -5.1 | -19.0 |
| Loans and advances to subsidiaries | | -271.7 | - |
| Other non-current receivables | | -5.1 | - |
| Cash flow from investing activities | | -281.9 | -19.0 |
| | | | |
| Financing activities | | | |
| Loans raised | 18 | -0.5 | 0.5 |
| Amortisation of loans | 18 | - | - |
| Liabilities of group companies | | 4.2 | - |
| Proceeds received from new share issue | | 293.7 | 19.3 |
| Shareholder contributions | | 100.0 | - |
| Cash flow from financing activities | | 397.4 | 19.8 |
| | | | |
| Cash flow for the year | | 117.4 | 0.2 |
| | | | |
| Cash and cash equivalents at beginning of year | 13 | 0.2 | - |
| | | | |
| Cash and cash equivalents at year-end | 13 | 117.6 | 0.2 |

# PARENT COMPANY NOTES

## 1. 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.

## 2. NET SALES

| | 2022 | 2021 |
|---|---|---|
| Intercompany re-invoicing | 18.2 | - |
| Exchange rate gains | 0.0 | - |
| Total | 18.2 | - |

## 3. REMUNERATION OF AUDITORS

The table below shows the remuneration of the parent company's auditors.

| | 2022 | 2021 |
|---|---|---|
| KPMG AB | | |
| Audit assignments | 0.6 | - |
| In addition to the audit assignment: | 0.4 | - |
| Total | 1.0 | - |

Audit engagement refers to the auditor's remuneration for the statutory audit. The work includes the review of the annual accounts and consolidated accounts and bookkeeping, the administration of the Board of Directors and the CEO, and fees for audit advice provided in connection with the audit engagement.

## 4. LEASING (PARENT COMPANY AS LESSEE)

| | 2022 | 2021 |
|---|---|---|
| Expensed lease payments in 2022 | 0.3 | - |
| Leasing payments 2023 | 0.4 | - |
| Leasing payments 2024 | 1.1 | - |

It is a lease agreement for office space that has been entered into in 2022.

## 5. REMUNERATION OF EMPLOYEES

See Note 6 in the Group's notes above for remuneration to employees of the Parent Company.

## 6. FINANCIAL INCOME

| | 2022 | 2021 |
|---|---|---|
| Interest income | 0.6 | - |
| Interest income, Group companies | 14.7 | 0.0 |
| Total | 15.3 | 0.0 |

## 7. FINANCIAL COSTS

| | 2022 | 2021 |
|---|---|---|
| Interest expenses | 0.7 | - |
| Interest expenses, Group companies | 0.0 | - |
| Losses | 0.0 | - |
| Total | 0.7 | - |

## 8. INCOME TAX

| | 2022 | 2021 |
|---|---|---|
| Current tax | | |
| Current year | - | - |
| Deferred tax | - | - |
| | - | - |

The current tax rate is 20.6% (2021: 20.6%).

The reported tax expense for the year can be reconciled with profit before tax for the year as follows

| | 2022 | 2021 |
|---|---|---|
| Profit before tax | -0.5 | -0.1 |
| Tax at the current rate 20.6% | - | - |
| Tax effect of: | | |
| Non-deductible expenses | 0.4 | - |
| Non-deductible remaining negative interest income/expense | 0.1 | 0.1 |
| Reported tax expense for the year | - | - |

## 9. SHARES IN SUBSIDIARIES

| | 2022 | 2021 |
|---|---|---|
| Acquisition values | | |
| Accumulated acquisition values | 423.9 | - |
| Acquired subsidiaries | 580.0 | 404.9 |
| Adjustment of acquisition costs | - | - |
| Provided shareholder contributions | 137.7 | 19.0 |
| Aggregated cost of acquisition | 1,141.6 | 423.9 |
| Carrying amount | 1,141.6 | 423.9 |

| Company name | Org.nr and registered office | Equity | Number of shares |
|---|---|---|---|
| Lyvia Group Holding AB | 559340-0301, Stockholm | 100% | 25,000 |
| Plenius by Mirovia AB | 559331-3843, Stockholm | - | - |
| Eitrium AB | 559309-6737, Solna | - | - |
| Äleven Holding AB | 559211-4267, Stockholm | - | - |

Carrying amount

| Company name | 2022 | 2021 |
|---|---|---|
| Lyvia Group Holding AB | 962.2 | 423.9 |
| Plenius by Mirovia AB | 5.5 | - |
| Eitrium AB | 69.7 | - |
| Äleven Holding AB | 104.2 | - |
| Carrying amount | 1,141.6 | 423.9 |

* *Lyvia Group AB (publ.) owns preference shares in Plenius by Mirovia AB, Eitrium AB and Äleven Holding AB.*

## 10. RECEIVABLES FROM GROUP COMPANIES

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Acquisition values | | |
| Accumulated acquisition values | 0.5 | - |
| Additional receivables | 625.7 | 0.5 |
| Adjusted receivables | -443.7 | - |
| Aggregated cost of acquisition | 182.5 | 0.5 |
| Carrying amount | 182.5 | 0.5 |
| Carrying amount of non-current receivables from Group companies | 37.5 | - |
| Carrying amount of current receivables from Group companies | 145.0 | 0.5 |
| Total | 182.5 | 0.5 |

### Loss reserve attributable to receivables from Group companies

The loss reserve for receivables from Group companies is calculated according to the general model and due to short maturity and stable risk, the reserve is immaterial and has therefore not been recognised. There has been no significant increase in credit risk with these counterparties and management believes that this will not change in the foreseeable future.

## 11. OTHER RECEIVABLES

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Tax account | 1.5 | - |
| Other | 0.0 | - |
| Carrying amount | 1.5 | - |

## 12. PREPAID EXPENSES AND ACCRUED INCOME

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Other prepaid expenses | 0.5 | - |
| Carrying amount | 0.5 | - |

## 13. CASHIER AND BANK

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Bank accounts | 117.9 | 0.2 |
| Carrying amount | 117.9 | 0.2 |

## 14. SHARE CAPITAL

Share capital and number of shares are stated in the Group's note 17 above.

## 15. LONG-TERM LIABILITIES

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Debt to parent company | - | 0.5 |
| Carrying amount | - | 0.5 |
| Long-term | - | 0.5 |
| Short-term | - | - |

## 16. OTHER LIABILITIES

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Withholding tax and fees | 0.4 | - |
| Social security contributions | 0.3 | - |
| VAT liabilities | 1.0 | - |
| Amounts owed to parent companies | 18.1 | - |
| Carrying amount | 19.8 | - |

## 17. ACCRUED EXPENSES AND DEFERRED INCOME

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Accrued payroll expenses | 0.9 | - |
| Accrued social security expenses | 0.3 | - |
| Accrued accounting and auditing fees | 0.2 | - |
| Carrying amount | 1.4 | - |

## 18. NOTES TO CASH FLOWS STATEMENT

| | 2022-12-31 | 2021-12-31 |
|---|---|---|
| Cash and bank | 117.9 | 0.2 |
| | 117.9 | 0.2 |

Cash and bank consist of cash and short-term bank balances with a maturity of three months or less, after deduction of outstanding overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period shown in the consolidated cash flow can be reconciled with the items in the statement of financial position shown above.

Change in liabilities related to financing activities

The table below shows the changes in the Parent Company's liabilities attributable to financing activities, which includes both changes attributable to cash flows and changes that do not affect cash flows

| | | | Non-payment transactions | | |
|---|---|---|---|---|---|
| | 1 January 2022 | Cash flow from financing | Acquisition of subsidiaries | Other changes | 31 December 2022 |
| Loan parent company | 0.5 | -0.5 | - | - | - |
| Loan subsidiaries | - | 4.2 | - | - | 4.2 |
| Total liabilities from financing activities | 0.5 | 3.7 | - | - | 4.2 |

| | | | Non-payment transactions | | |
|---|---|---|---|---|---|
| | 1 January 2021 | Cash flow from financing | Acquisition of subsidiaries | Other changes | 31 December 2021 |
| Loan parent company | - | 0.5 | - | - | 0.5 |
| Total liabilities from financing activities | - | 0.5 | - | - | 0.5 |

Liabilities related to financing activities are liabilities for which the cash flows have been classified, or for which future cash flows will be classified, as cash flows from financing activities in the statement of cash flows.

## 19. RELATED PARTY TRANSACTIONS

Transactions between the parent and its subsidiaries which are related to the parent and details of transactions between other related parties are presented below:

| | Sale of goods and services | | Purchase of goods and services | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Lyvia Group Holding AB | 18.2 | - | - | - |
| Humblestorm Communications AB | - | - | 0.2 | - |
| Mirovia Holding AB | - | - | 0.2 | - |
| Mirovia Nordics AB | - | - | 1.3 | - |
| Crutiq AB | - | - | 0.2 | - |
| Needo Recruitment Sthlm AB | - | - | 0.5 | - |

The following amounts are presented in the balance sheet at the end of the reporting period:

| | Claims on related parties | | Debt to related parties | |
|---|---|---|---|---|
| | 2022-12-31 | 2021-12-31 | 2022-12-31 | 2021-12-31 |
| Lyvia Group Holding AB | 22.8 | - | - | - |
| Äleven Holding AB | 1.6 | - | - | - |
| Eitrium AB | 3.0 | - | - | - |
| Kaperia AB | 0.2 | - | - | - |
| Mirovia Holding AB | 117.2 | 0.5 | 0.8 | - |
| Mirovia Nordics AB | - | - | 0.3 | - |
| Crutiq AB | 37.7 | - | 0.1 | - |
| Needo Recruitment Sthlm AB | - | - | 3.4 | - |
| Needo Recruitment West AB | - | - | 0.7 | - |

The outstanding balances are unsecured and will be settled in cash. No warranties have been given or obtained. No provisions have been made for doubtful debts in respect of the amounts owed by related parties to the Group.

## 20. EVENTS AFTER THE END OF THE REPORTING PERIOD

As of May 19, 2023, an extraordinary general meeting resolved on a directed issue of not more than 356,293 shares at a subscription price of SEK 1,137 per share and a long-term incentive program. The Annual General Meeting also resolved to elect Mikael Ericson as new Chairman of the Board and Martin Almgren as new Board member for the period until the end of the next Annual General Meeting.

## 21. PLEDGED SECURITIES & CONTINGENT LIABILITIES

At the end of 2022, there are the following contingent liabilities

Earn-out security for acquisitions completed; SEK 18.9m.

At the end of 2021, there were no contingent liabilities.

# SIGNATURES OF THE BOARD OF DIRECTORS

The annual accounts have been prepared in accordance with GAAP in Sweden and the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated accounts give a true and fair view of the Parent Company's and the Group's financial position and results and describe significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, the day shown in our electronic signature

| | | |
|---|---|---|
| Mikael Ericson<br>*Chairman* | Sebastian Karlsson<br>*Chief Executive Officer* | Saeid Esmaeilzadeh<br>*Board member* |
| Erik Rune<br>*Board member* | Mikael Borg<br>*Board member* | Christer Hellström<br>*Board member* |
| Robin Rutili<br>*Board member* | Martin Almgren<br>*Board member* | |

Our audit report has been submitted on the date shown in our electronic signature

KPMG AB

Duane Swanson
*Authorised auditor*

# Auditor's Report

To the general meeting of the shareholders of Lyvia Group AB , corp. id 559290-4089

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Lyvia Group AB for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 19-94 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Other Matter

The annual accounts and consolidated accounts for the year 2021 have not been audited, and an audit of the corresponding figures in the annual accounts and consolidated accounts for the year 2022 has therefore not been conducted.

### Other Information than the annual accounts and consolidated accounts

The other information is included on pages 1-19.The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Lyvia Group AB for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.
The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.
The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm 30 May 2023

KPMG AB

Duane Swanson

Authorized Public Accountant

## Further Information

### Financial calendar 2023

| | |
|---|---|
| Annual General Meeting | > 21 June 2023 |
| Interim Report Q1 | > 30 June 2023 |
| Interim Report Q2 | > 29 August 2023 |
| Interim Report Q3 | > 29 November 2023 |

### Contact

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For more information, please contact:

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## About Lyvia AB

We are on a journey to evolve the digital landscape worldwide. Digitalisation is no longer a one-time process, or a transformation. Today, digitalisation is a natural and business-critical part of every organisation, and it is ever evolving. We aim to always be in the forefront of digitalisation, continuing to drive the evolution forward and acting as a strategic partner within all things digital. In order to do this, we work diligently to attract and develop the best talents in the business. We unlock the future potential of employees, entrepreneurs and professionals.

Read more here: www.lyviagroup.com