LYVIA | ANNUAL REPORT 2023

Driving digital evolution.

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Lyvia Group AB – European partner for business-critical software and services.

Lyvia Group AB is a European partner for business-critical software and services. We develop and supply software solutions and services that drive business-critical functions through the entire value chain. We help our customers increase their operational efficiency, drive profit and generate growth while remaining competitive in a rapidly changing digital landscape.

We give all customers, from global to small and medium-sized enterprises, the same promise – to provide the best products and services on the market. Our customers are both regional and international, operating in sectors ranging from finance and insurance, infrastructure, IT and telecom to the public sector.

Our vision is to create a universe in which we offer the best business-critical and profit-driving software solutions and services. We have brought together leading experts in tech, software development, business development and digitisation in our continuously growing European network.

EUROPEAN TECH PARTNER

With its head office in Stockholm, Lyvia operates on the European market. As a partner for our customers we generate long-term value. Our aim is to drive profitable growth and to supply leading product and service offerings that are relevant both today and in the future.

BUSINESS-CRITICAL SOFTWARE AND EXPERT SERVICES

Lyvia develops and supplies proprietary software and SaaS-solutions ("Software as a Service") and services, combined with distribution of leading software from third parties, which drive day-to-day and business-critical functions. By supplying this we help our customers increase their operational efficiency, drive profitability and generate growth.

LEADING EXPERTISE IN TECH AND SOFTWARE

We apply our acumen in tech, software development and business development to create customised solutions for complex requirements across various sectors and fields of activity.

PRODUCT SOLUTIONS FOR THE CUSTOMER'S ENTIRE VALUE CHAIN

Our software solutions and services drive functions all throughout the entire value chain, from back-end digital infrastructure and software development, via software solutions and applications, to front-end development. In addition, we offer solutions and services for improved customer experiences and digital marketing, which drives customer acquisition.

HIGH INTEGRATION WITH LONG-TERM RELATIONSHIPS

Our solutions are deeply integrated into the core of our customers' digital infrastructure and ERP systems. We help our customers become more efficient, work smarter, make decisions with deeper insights and give customers and end users an excellent user experience. This is done through a delivery model based on contracted and long-term customer relationships.

ACTIVE EXPANSION THROUGH INVESTMENTS

Lyvia continuously invests to drive active growth via a model that combines organic and acquired growth. We invest in our existing customer offering and in acquiring supplementary products and services in order to improve the value we bring to customers.

+2.1 billion

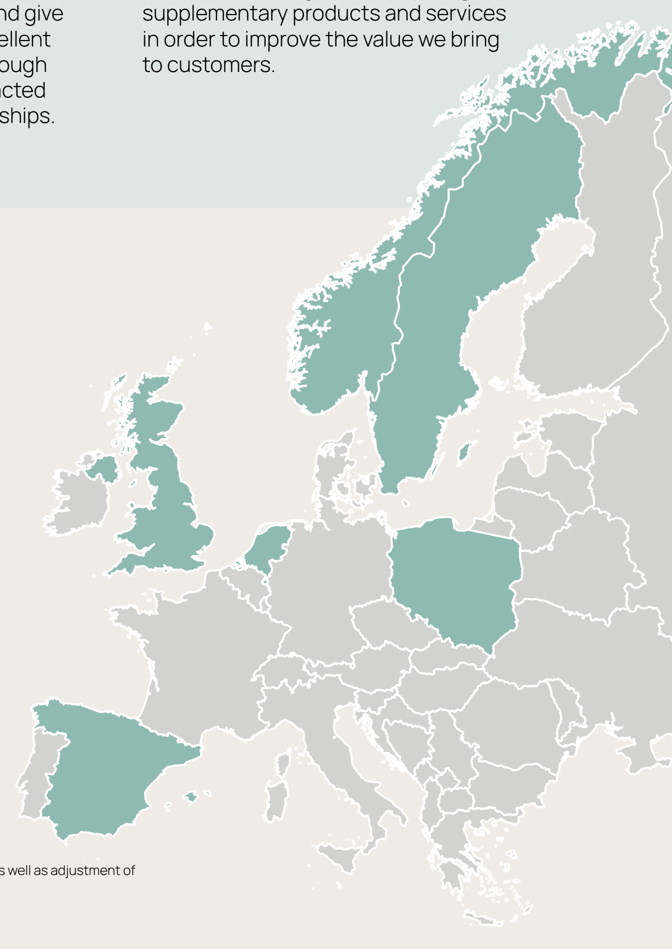
SEK turnover 2023[1]

466

MSEK EBITDA 2023[1]

63%

Recurring revenue 2023[1]



[1]Pro-forma figures according to IFRS including harmonisation of currency effects, distribution over a period of time and accounting plans as well as adjustment of one-off sales of hardware during 2022 (pro-forma adjustments reflect complete ownership during the respective period).

Expansion and streamlining for growth.

2023 was characterised by changes with Lyvia continuing to develop and strengthen the Group, our market presence and product suite. Continuous investments were made in order to strengthen existing products and services, which we supplemented with new products as part of our ambition to be a leading partner and supplier of business-critical software solutions and services for companies.

During the year, Lyvia expanded into three new markets: Great Britain, Norway and the Netherlands. We also enhanced our product offering with new proprietary software including solutions for hosting, cyber security, property management, rent management, analysis and mapping of legal ownership structures, as well as infrastructure solutions in the cloud.

Lyvia continued to streamline the group to achieve the position as a European partner of business-critical software solutions and services. A step in this development has been to organise the Group into four sectors, Digital Infrastructure, Enterprise Solutions, Software Engineering and Customer Experience, from which the operations are run. The sectors allow us to focus on our core offering and to encourage sector-based development and cooperation in order to build a stronger value proposition for our customers. As a further step, Lyvia divested the division for industrial technology. The division's activities in industrial products and services in combination with a product-dominated value proposition differ from Lyvia's strategy. The divestment has led to a higher proportion of recurring revenue.

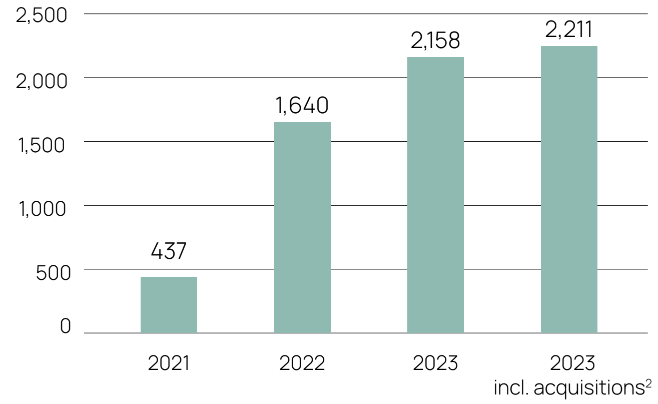
During the year, Lyvia refinanced existing liabilities with a senior financing package of MSEK 1,600. At the same time, the previously covered bond outstanding of a total of MSEK 800 and credit facilities outstanding with previous lenders of a total of MSEK 376 were repaid. The new financing package provides Lyvia with additional capital for continued growth ambitions. The macro environment has continued to be restrained with higher interest rates, which makes raising capital more time-consuming. Lyvia continuously strengthened its group governance, group policies and reporting in order to ensure stable access to the capital market and thereby create a strong foundation for further growth.

In order to support our growth targets, we have implemented a regional organisational structure. This structure assigns clear profit responsibility to our Growth Directors and business unit managers. At the same time, we have centralised our investment organisation to the head office and selected regional offices in order to ensure effective use of resources, of which local investment offices in the UK, Norway and the DACH-region have been closed. All this ensures efficient use of resources and reduces Lyvia's central costs. We have also centralised our finance function and reduced consulting costs by moving this competency internally.

Financial development.

In 2023 Lyvia invested actively in increasing our sales and maintaining a sound margin. Our strategic shift towards software solutions and services has increased our proportion of recurring revenue.

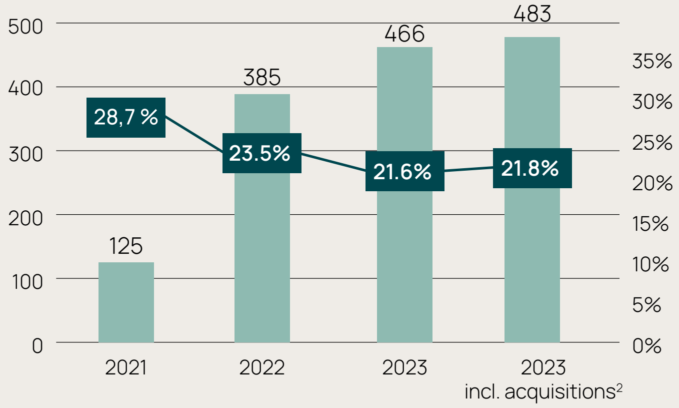
SALES DEVELOPMENT[1] (MSEK)



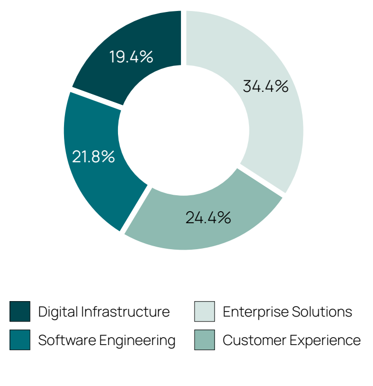
- The portfolio's pro-forma[1] sales amounted to MSEK 2,158 for 2023, equivalent to growth of 32% from MSEK 1,640 for 2022, driven by new products and services, new customers and acquisitions carried out during the year.

EBITDA-DEVELOPMENT[1] (MSEK)

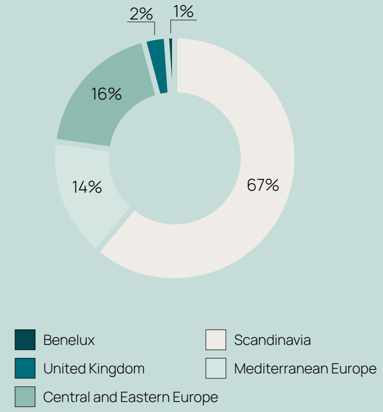
- The portfolio's pro-forma[1] EBITDA amounted to MSEK 466 in 2023, equivalent to an EBITDA-margin of 21.6%.
- The EBITDA-margin 2023 was affected by continuous investments to strengthen the organisation through new hires and product development in order to support continued growth.
- Lyvia's central costs are estimated to amount to MSEK 95 for 2024, including costs for head office, management, central personnel, business development and central costs.



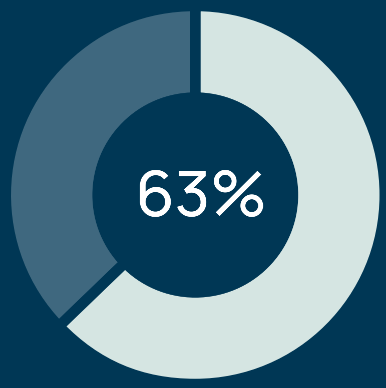
Sales 2023 – Break-down by sector (MSEK)



Sales 2023 – Breakdown by country



Sales 2023 – Recurring revenue



[1] Pro-forma figures according to IFRS including harmonisation of currency effects, distribution over a period of time and accounting plan as well as adjustment of one-off sales of hardware during 2022 (pro-forma adjustments reflect complete ownership during the respective period)..

[2] Including acquisitions carried out after the end of the period.

Period highlights

FIRST QUARTER – NORDIC EXPANSION AND ENTRY INTO THE UK

JANUARY–MARCH 2023

In the first quarter we expanded in Scandinavia and got established in the UK. During the period we carried out acquisitions in order to further strengthen the Group.

- On **3 January** Lyvia became established in the British market with the acquisition of Public-I Group Ltd. Public-I specialises in software for hybrid meetings, AV-solutions and live streaming services that are customised for the public sector and local authorities.
- On **17 January** Lyvia carried out the acquisition of DigiJo Group AB, consisting of Digipartner Sverige AB and Jo Kommunikation AB. DigiJo Group AB provides expertise in web development, communication and performance marketing.

- On **25 January** Lyvia carried out the acquisition of Mint Media AS with registered office in Norway. Mint Media AS provides a subscription-based digital marketing service and web development.

- On **9 March** Lyvia held a shareholder event in Stockholm in order to communicate the latest news regarding the Group's results and ongoing development initiatives.
- On **31 March** Lyvia sold its division in industrial technology with subsidiaries in order to streamline its offer to the market.

SECOND QUARTER – BRAND AWARENESS

APRIL–JUNE 2023

The second quarter saw the launch of Lyvia Group. At the same time we continued to expand in Scandinavia and Central and Eastern Europe.

- On **18 April** Lyvia Group was launched following the merger of three former units. The launch had a great impact in the media.

- On **2 May** Lyvia acquired T-Rank AS, specialised in technical software solutions for analysing legal structures and ownership structures in companies. T-Rank's customers include major banks, law firms and global companies.
- On **1 June** Lyvia acquired IT Systems & Solutions sp. z o.o ("ITSS"). ITSS offers cyber security products and services for local infrastructure and cloud infrastructure.

2023 IN BRIEF Introduction / FINANCIAL DEVELOPMENT / Period highlights

THIRD QUARTER – PROMOTING COOPERATION

JULY–SEPTEMBER 2023

In the third quarter we carried out further activities in order to create long-term collaborations. We moved to a joint head office and held Lyvia Meet, an event and cooperation forum for all business units' management groups in the entire Group.

- On **14 July** Lyvia refinanced existing liabilities with a senior financing package of MSEK 1,600. At the same time, Lyvia repaid the previously covered bond outstanding of a total of MSEK 800 and credit facilities outstanding with previous lenders of a total of MSEK 376.
- On **1 September** Lyvia acquired Arc Consulting Group SP. Z.O.O.SP.K and its Polish subsidiaries. ARC specialises in advanced business models with modern software ERP and offers RPA-services via its software, Archee.

- In **September**, Lyvia moved to a new head office in Stockholm. The new office is a sustainable choice with our employees' well-being in mind, and works as a meeting point for all employees and entrepreneurs.
- The annual Lyvia Meet was held on **21 to 22 September**. Lyvia Meet brings together management teams from all Lyvia's business units to promote cooperation, joint projects and drive development initiatives.

FOURTH QUARTER – ESTABLISHMENT IN BENELUX AND CONTINUED EXPANSION

OCTOBER–DECEMBER 2023

During the last quarter of 2023 we maintained our focus on expansion. We strengthened our presence with acquisitions in Scandinavia and got established in the Benelux region. We also entered into a global partnership with a leading player in software.

- On **1 October** Lyvia acquired Mobile Partner Sweden AB, now part of Cloudgruppen Sverige AB, a subsidiary of Lyvia Group. The acquisition improves the customer base and delivery capacity for both companies and increases competitiveness in the IT and telecom sector.

- In **October** Lyvia entered into a partnership with GigaSpaces, a global leader in in-memory computing and creator of Smart DIH, one of the first out-of-the-box digital integration hubs.
- On **1 November** Lyvia acquired Aditso AB, specialised in hosting, IT-infrastructure and Visma's ERP-products. As Visma's only certified Swedish technical partner, Aditso provides expert support to Visma's distributors and is becoming established as a leading supplier of expertise in Visma's ERP.
- On **1 December** Lyvia acquired Facility Kwadraat Holding B.V. and its subsidiaries. Facility Kwadraat supplies leading software solutions for property management via its own software WISH. This deal also marked Lyvia's entry into the Benelux region.

Dear shareholders and friends of Lyvia,

2023 was a year of change, and it is with pride that I look back on the significant progress we have made. The year was shaped by global discussions about interest rates and inflation, which greatly affected the market. Despite these challenges, Lyvia managed to build a stable foundation for continued growth.

We have taken huge steps forward by increasing our presence outside of Scandinavia's borders, establishing a foothold in Poland, Spain, the UK and Benelux. This expansion has not only expanded our customer base, but also paved the way for strategic acquisitions and strengthened our position in the market. In addition, we have expanded our product portfolio with new and innovative software solutions in areas such as property management, hosting, cyber security and cloud infrastructure.

We have expanded our product portfolio with new and innovative software solutions in areas such as property management, hosting, cyber security and cloud infrastructure.

During the year we completed a significant restructuring in order to better position ourselves for our growth targets and promote efficiency. This includes the centralisation of our investment organisation, which allows for more consistent strategic management of our acquisition activities.

We have restructured our activities into four sectors in order to more clearly focus on our core competencies and promote cooperation and innovation within the organisation. The new sectors from which the day-to-day operations are run are Digital Infrastructure, Enterprise Solutions, Software Engineering and Customer Experience. These sectors allow us to supply comprehensive services across all of our customers' value chain and to offer business-critical functions that appeal to the entire management team's needs.

As part of our growth strategy we have created a clear regional matrix organisation. This gives our business unit managers and Growth Directors profit responsibility and the opportunity to make quick decisions. A cornerstone in our transformation journey has been to focus on recurring revenue, supported by the development of proprietary IP and the expansion of our SaaS operations.

In line with our strategic vision we divested the business area industrial technology in order to strengthen our focus on supplying software and services. This has increased the Group's proportion of recurring revenue, which after the divestment amounted to 63% for the whole year of 2023.

An important milestone in 2023 was our partnership with Danske Bank and DnB. This partnership gives Lyvia a stable financial basis for continued growth, while we also reduced the Group's interest rates. We improved our capital allocation capacity and introduced a Cash Pool. Together, this optimises our liquidity management, ensures effective distribution and maximises interest revenue in several currencies, further reducing our interest expenses.

A cornerstone in our transformation journey has been to focus on recurring revenue, the development of proprietary IP and expansion of our SaaS-operations

I am pleased to welcome Mikael Ericson as new Chairman of the Board. Mikael is a strong addition to the company and contributes his long experience in the financial sector as former CEO at Carnegie Investment Bank and Intrum, among others. At the same time I welcome Martin Almgren as new board member. Martin contributes expertise in global company acquisitions and financial experience from his role as CFO at AddLife and SkiStar.

In 2023 we showed stable growth, while also carrying out investments in order to lay the foundation for our future growth plans. Our investing activities have affected the margin in the short term but positioned us for long-term value creation and a stable economic situation in 2024.

Our partnership with Danske Bank and DnB provides Lyvia with a stable financial foundation for continued growth.

We are firmly determined to continue supplying high-quality software solutions and expert services to our customers. We look forward to continuing our growth journey and creating long-term customer relationships, where Lyvia Group is a prominent European partner.

I am deeply honoured to lead this extraordinary team and I thank all customers, cooperation partners and colleagues for their commitment.

Best regards,

Sebastian Karlsson, Chief Executive Officer, Lyvia Group

Försäkringsfabriken

Försäkringsfabriken is a natural development partner for banks and insurance companies. We streamline and quality-assure data and processes for banks & insurance companies.

Our offering consists of three components:

- Software solutions specially adapted for banks and insurance
- Digitisation and management of insurance administration
- Experts in the field of pensions and insurance

"Being part of Lyvia has been invaluable for Försäkringsfabriken. Our partnership covers business development, shared opportunities and improvements of our platforms and graphic identity. Being part of this family continuously generates new opportunities for cooperation."

/Pierre Schuster, CEO Försäkringsfabriken

FOUNDED	2005
PART OF LYVIA SINCE	Q3 2021
EMPLOYEES	34
HEAD OFFICE	Stockholm
CUSTOMERS	Major

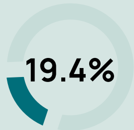
Product and service offering.

Lyvia develops and supplies software solutions and services that drive business-critical functions for companies in sectors such as finance and insurance, infrastructure, IT and telecom for the public sector. Our solutions are based on software developed in-house, SaaS ("Software as a Service") and services, combined with distribution of products and solutions from third parties in order to create a comprehensive customer offering across our four sectors.

Digital infrastructure.

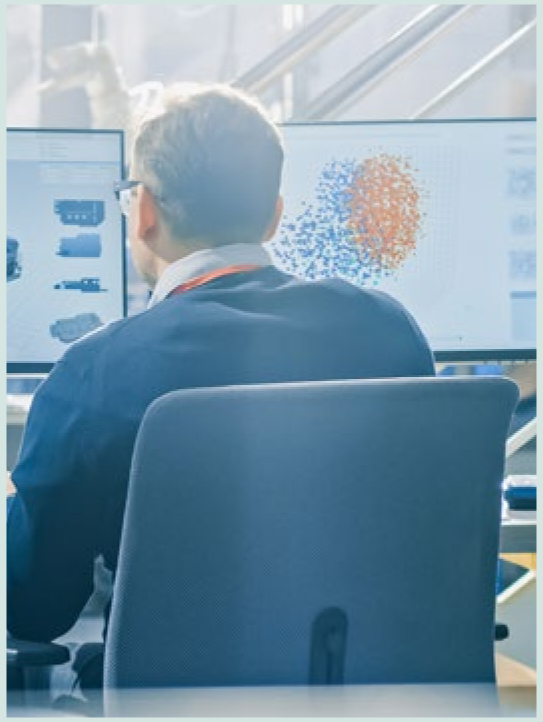
Digital infrastructure and solutions that drive business-critical systems and applications in cyber security, virtualisation, cloud services, monitoring of data handling and digital workplaces Our solutions ensure that operations run smoothly, a consistent customer and end-user experience across different environments and applications, while we also offer a high level of scalability.

Increased transaction volumes and data storage create higher demand for more rapid response times, which together with an increase in external security threats fuels demand for Lyvia's solutions, which play a decisive role for ensuring that business-critical applications are always running, easily accessible and responsive.



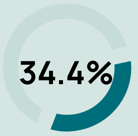
Proportion of revenue 2023[1]

419.4	102.8%	24.5%
MSEK Revenue 2023[1]	EBITDA MSEK 2023[1]	EBITDA-margin 2023[1]



Enterprise Solutions.

Proprietary software solutions for business-critical systems such as ERP, CRM, analytics and business intelligence as well as automation. In addition, we offer application-specific products that address niche customer requirements. Our in-house solutions are supplemented by leading third-party solutions customised for industry-specific challenges.



Proportion of revenue 2023[1]

741.4	190.9	25.8%
MSEK Revenue 2023[1]	EBITDA MSEK 2023[1]	EBITDA-margin 2023[1]

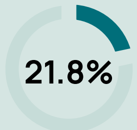
[1]Pro-forma figures according to IFRS including harmonisation of currency effects, distribution over a period of time and accounting plans as well as adjustment of one-off sales of hardware during 2022 (pro-forma adjustments reflect complete ownership during the respective period)..

LYVIA'S UNIVERSE Product and service offering / Software solutions / Business model / Growth model / Corporate Governance / Market / Senior management / Board / ESG-report

Software Engineering.

Our customised software solutions and applications allow developers to handle complex customer challenges, increase customers' efficiency, optimise the ability to attract new end customers and provide an improved user experience.

Software Engineering comprises all development phases, from concept testing to fully scalable global platforms. This includes a wide range of digital functions such as UI/UX-design, front-end and back-end development, database management, business intelligence, analysis and ensuring a high level of performance, security and scalability.



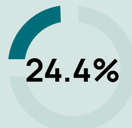
Proportion of revenue 2023[1]

470.3	63.3	13.5%
MSEK Revenue 2023[1]	EBITDA MSEK 2023[1]	EBITDA-margin 2023[1]

Customer Experience.

By using digital marketing solutions we help our customers increase their brand awareness, drive sales and expand commercially with the latest technology. We work with performance-based marketing, A/B-testing and analysis, SEO/SEM and digital channels as well as AI-driven programmatic advertising.

In addition, we offer comprehensive trademark and business services in business strategy, branding and communication, strategy development and market insights as well as web-/app development and omni-channel marketing.



Proportion of revenue 2023[1]

526.9	108.9	20.7%
MSEK Revenue 2023[1]	EBITDA MSEK 2023[1]	EBITDA-margin 2023[1]

Properties deserve data-driven insights.

We help property managers and employees work efficiently, optimally and easily. Using data-driven insights and industry standards for best practice we offer our customers the opportunity to make use of their full potential thanks to relevant and effective information. Our aim is to create customer value by giving better insights into maintenance processes and property management as well as streamlining and automating building processes.

Our software solution, WISH, offers a complete management information system, from practical mobile solutions for managers and senior executives to transparent interactive panels for administrators. With WISH's software, advisory services and long-term maintenance plans, customers can analyse, control and monitor their property management and their scheduled maintenance. This way, they can efficiently control their properties and building processes.

WISH is module-based and offers 15 modules that can be customised to every facility and customer requirement in order to create unique solutions. WISH connects seamlessly to other processes and systems, which facilitates cooperation between departments.

WISH supports employees, managers and boards with:

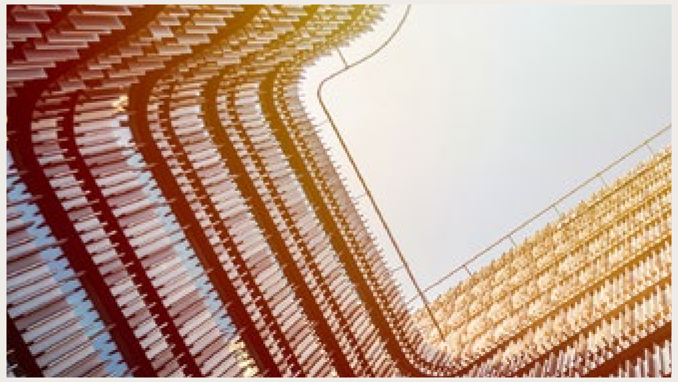
› Complete and sustainable maintenance for facilities, properties and rental management

› Handling of data from technical maintenance to administrative and financial management

› User-friendly interface via mobile apps for back-office and front-office

› Interactive analyses from Qlik Sense in the interface

Together, the modules form an overall solution for property management with the option to link to external information systems via the API-interface. WISH provides a standard API that can be smoothly integrated with other systems via reactive APIs. This allows quick and scalable connection of preferred features to both mobile and stationary applications. This flexibility ensures secure interoperability between different applications.



LYVIA'S UNIVERSE Product and service offering / Software solutions / Business model / Growth model / Corporate Governance / Market / Senior management / Board / ESG-report

Customer value

WISH's module-structure creates customer value by helping companies maximise revenue from their properties, follow laws and regulations and streamline operation and lead times, which in turn minimises service expenses.

Customers can introduce WISH gradually and easily scale up utilisation. The software is user-friendly and compatible with all mobile units, which makes it easy to implement into day-to-day operations.

Currently, more than 25,000 people in various sectors use our solutions. WISH handles property management of 50,000 buildings and registers 2,000,000 events.

WISH helps our customers to

› Optimise buildings, assets and facilities

› Follow laws and regulations

› Maximise property revenue

› Streamline lead times

› Improve working procedures for employees

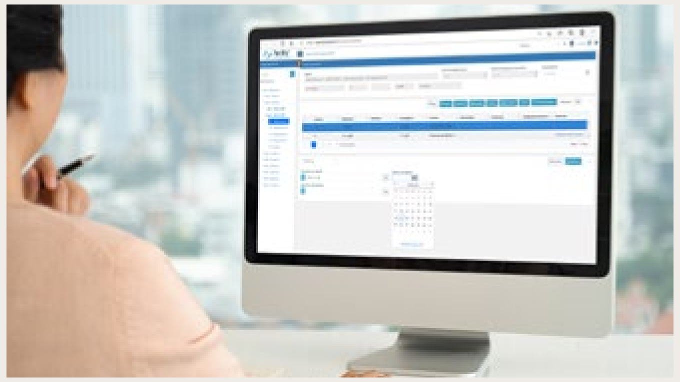
› Increase the properties' sustainability

+25,000

› Users in various industries

+50,000

› Property management is handled via WISH



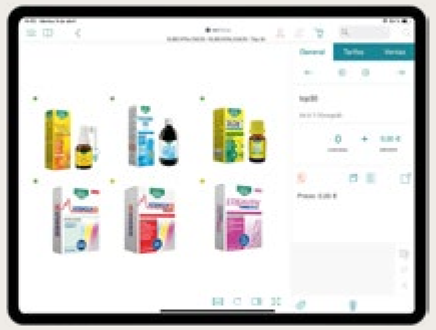
inaCátalog

CRM-product suite that drives sales by improving the shopping experience.

CRM-product suite with omni-channel solution that helps customers drive sales. Our CRM-solutions integrate seamlessly into all sales channels and the customer's ERP-system, which ensures both smooth and efficient operation that improves the sales process and customer experience. In addition, the product suite offers optimisation and automation of administrative processes, which results in higher sales and reduced costs, less errors and quicker management.

The complete product suite is available in twelve languages in order to supply several geographic areas. We increase sales and reduce costs using three key tools:

- B2B-e-commerce platform allowing online sales even when the vendor is not physically present
- B2B-e-commerce designed for selling to private individuals and to quickly generate interest with just a few clicks
- Off-line application customised for sales team tablets, which facilitates both personal sales and telephone sales



A cloud-based back office
All solutions can be integrated seamlessly via Mobility Server, a cloud-based back office. Here customers can manage catalogues, customise offers and analyse data, wherever they may be.

- **Integrated business directory**
  Integrated product catalogue with the option to market products and services.
- **Advanced leads generation**
  With more advanced leads generation and detailed reports the customer can manage brochures throughout the entire leads generation process, from identification to analysis of every sales activity.
- **Analytics tool for pipeline and business activity**
  The interactive analytics tool provides detailed analysis of every step in the customer journey, evaluations, forecasts, conversion KPIs and sales targets, sorted by customer, representative or type of option.

Consolidated information
Analysis and follow-up of sales activities as well as results and opportunities. Important KPIs such as conversion rate, time to conclusion, monthly revenue, resource utilisation and completed activities are compiled in a layout that is easy to keep track of.

- **Uniform sales process**
  Allows uniform sales process in all business units to ensure that work is carried out in accordance with best practice.
- **Intra-group information**
  Maximise business opportunities with a state-of-the-art reference system. Effective communication ensures detailed follow-up for optimal sales potential.

Drive sales by improving the shopping experience

Our comprehensive product suite drives sales, improves the shopping experience, drives customer acquisition and digitises insights about sales orders. This reduces costs, time and errors by optimising and automating administrative processes in all sales channels.

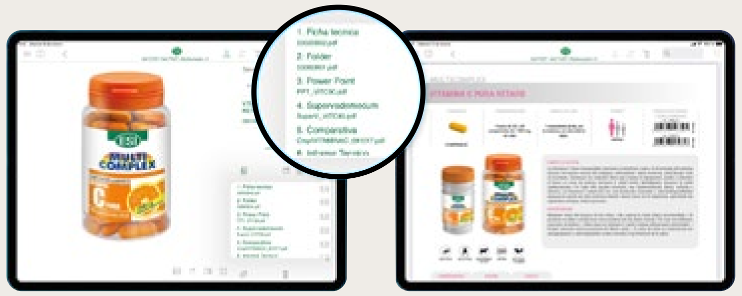
Today, more than 11,000 users in 104 countries and 12 languages rely on our system to drive their sales.

12
› Available languages

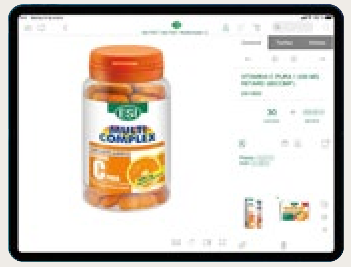
104
› Available countries

+11,000
› Users rely on inaCátalog to increase sales

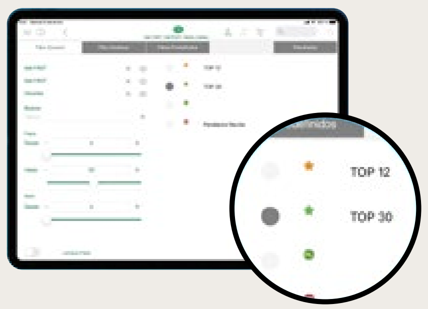
A SELECTION OF OUR MOST POPULAR FEATURES:



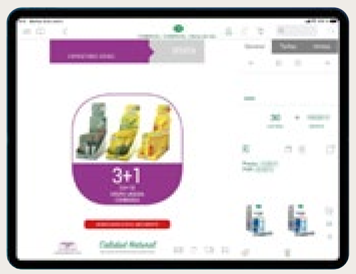
› Include multimedia files such as technical datasheets, videos or other documents to provide more information about your products.



› Features for generating additional sales and cross-selling maximise sales by suggesting related products.



› Filter by properties such as bestselling products, top-30 or other criteria.



› Combine multiple products and sell at package price.

› Geo-localise your customers and plan your route.

Business model.

We develop and supply software solutions and services that drive business-critical functions through the entire value chain. We help our customers increase their operational efficiency, drive profit and generate growth while remaining competitive in a rapidly changing digital landscape. We work in dynamic processes for continuous development, renewal and improvement of our offer, with the aim of establishing ourselves as a leading partner in digital development. Our staff are specialists in their respective fields and an important part in maintaining a first-class customer offering both today and in the future.

Our business model is based on supplying business-critical system solutions, niche software solutions and expert services. Our customers see us as their tech partner, ensuring them long-term value through our deeply integrated solutions.

CUSTOMER REQUIREMENTS

BUSINESS-CRITICAL SYSTEM SOLUTIONS

- System solutions that drive day-to-day business activities and infrastructure
- Improve customers' operational efficiency
- Seamless integration with customers' ERP systems

NICHE SOFTWARE-SOLUTIONS

- Niche software solutions that drive critical day-to-day functions
- Drive niche vertical applications
- High level of integration with IT-infrastructure and other business-critical system solutions

EXPERT SERVICES

- Expert services for business-critical and growth-promoting functions
- Expertise in business-critical system solutions and niche software solutions
- Managed services, aftermarket and continuous configurations to keep the systems updated

HIGH LEVEL OF TECHNOLOGICAL INTEGRATION WITH CUSTOMERS

Our solutions are crucial for our customers' digital infrastructure and run the day-to-day business operations. We ensure efficiency, drive growth and promote lasting relations and recurring revenue through integrated R&D.

BUSINESS-CRITICAL TECH PARTNER

We work together with our customers through established partnerships to generate long-term customer value by means of leading software and services. Our employees act as strategic allies and create specialised solutions that add customer value.

LASTING VALUE PROPOSITION

Our product suite creates long-term and lasting value. We prioritise competence development and offer unlimited opportunities for professional development in Lyvia's European network.

VALUE PROPOSITION

Active growth model.

Lyvia's aim is to supply the best business-critical software solutions and services. In order to maintain our excellence and remain competitive, we employ a model that combines both organic and acquired growth. We invest in improving our existing offer, in order to provide the market's best products and services. At the same time we acquire supplementary products and services in order to expand our total value proposition.

VALUE PROPOSITION
Business-critical software solutions and services

INITIATIVE FOR ORGANIC GROWTH

We actively enhance Lyvia's existing customer offering with strategic investments in several key areas:

- **Research and development (R&D)** to improve existing products and develop new solutions
- **Sales and marketing** to boost customer acquisition capacity, increase reach and expand to new regions and sectors
- **Organisational development** and recruitment of leading experts to continuously sharpen our development ability, product delivery and expert services

INITIATIVE FOR ACQUIRED GROWTH

We continuously evaluate opportunities for expanding our existing customer offering and drive growth by acquiring supplementing product and service area or expanded to new geographic regions by:

- **Acquisitions** to supplement products and services and/or geographic spread
- **Additional acquisitions** to strengthen individual business units in the Group and drive growth
- **Technology acquisition as a** supplement to the product and tech offering

GOVERNANCE
Our investment decisions are based on a systematic approach, where capital allocation is governed by a clear investment rationale and benchmarking against available alternatives. The aim is to generate the highest possible customer value and maximise revenue on invested capital. Our investing activities follow a strict governance model, which ensures that all decisions are made through a structured investment process. This process is designed to follow Lyvia's investment guidelines, maintain risk control measures and carry out full due diligence.

Corporate governance

Our corporate governance is based on two cornerstones: operational autonomy and principles determined by Lyvia. By combining operational autonomy with the Group's principles, every business unit can take responsibility for their day-to-day operations while compliance with Lyvia's predefined principles is ensured. We aim for thorough compliance with the Group's principles, policies and guidelines to protect and monitor the business activities in the entire Group.

Operational autonomy

Lyvia's governance model allows every business unit to work under operational freedom and take responsibility for their day-to-day operations, where the business units' management have profound understanding and experience.

We advocate freedom under responsibility to allow employees to create value while we ensure strong group governance. We entrust our employees, who have the right competency to ensure optimal decision-making and smooth operation, with making operational decisions

A key factor for our continued development is to promote cooperation and knowledge sharing in order to drive digital development. Stimulating entrepreneurial spirit allows Lyvia to benefit from a constantly growing stream of ideas.

Principles for Lyvia's corporate governance

Lyvia employs a set of predefined principles which include CEO instructions, the Board' former workplan, reporting principles, monthly business reviews in combination with annual business appraisal.

Our principles are implemented across the entire organisation in order to ensure compliance with laws and regulations.

At the same time, governance and follow-up of key aspects in every business units are ensured in order to secure operation, drive continuous profitability, growth and create a durable business model.

Market

We act in strategic niches with a high level of complexity that require deep specialisation and are characterised by:

- Business-critical software solutions and expert services that drive customers' day-to-day operations
- niche specialisation that adds customer value through software solutions, services and specialist competency, which promotes lasting and long-term customer relationships
- High level of customer integration with our products and services being an important part of customer's digital infrastructure with costly downtime and integrated R&D activities

Lyvia acts as a strategic partner to both well-established international clients as well as small and medium-sized businesses. We offer business critical systems solutions, niche software solutions and services, as well as specialist expertise. By acting at the heart of our customers' digital infrastructure, our offering is largely not affected by reduced demand.

Driven by underlying megatrends in digitisation, cloud and generative as well as general AI, our addressable markets are predicted to have stable growth prospects.

Investments are expected to increase in digitisation. Major investments in cloud migration and AI indicate a strong market that drives demand for IT services and favours digital business solutions. Increasing cyber security threats in combination with the expansion of 5G and hyper-targeted advertising underline the need for specialised systems, software solutions and specialist services in order to secure and individualise the digital ecosystem.

The market shows a strong indication for increased investments in tech, driven by companies' migration to a digital business model. At the same time, customers' purchasing power is transferred from purchasing departments to specialist functions, which requires a high level of technical expertise in sales. Higher investments coincide with increased competency and are driven by a considerable growth in SaaS-solutions for small and medium-sized businesses. This leads to a more complex IT environment and a higher number of system and budget managers.

Integrated IT and software solutions and services are fundamental components in enterprises' business activities with digitisation as an important driving force for creating customer growth.

SUNDBOM & PARTNERS

Sundbom & Partners develop and delivers expert competence within ERP systems and financial projects, and finance staff mainly to companies in the consulting industry. A large part of our strength is that we have solid experience of both the industry and the systems. We have very good knowledge of the financial challenges that are common at consulting companies, as well as a high level of expertise in project accounting.

FOUNDED	2008
JOINED LYVIA	Q2 2021
EMPLOYEES	48
HQ	Stockholm
CLIENTS	Large & Small

"We continue to work in an entrepreneurial manner, leveraging our participation in a larger group as a market advantage. We've both received and provided assistance to our sister companies to meet customer needs."

/Yvonne Gugg, CEO Sundbom & Partners

Our senior management.

SEBASTIAN KARLSSON
Chief Executive Officer

Co-founder of Lyvia Group. Sebastian heads the day-to-day operations and is in charge of our overall business strategy and vision, our financial performance as well as our external relations.

MARTIN FAGÉUS
Chief Financial Officer

Martin is in charge of our financial reporting, financial strategy and risk management.

MATS ÅGREN
Chief Operating Officer

Mats is in charge of the operating activities, process development, quality assurance and operational improvement.

ERIK MÅRTENSSON
Chief Investment Officer

Erik is in charge of the investing activities, capital allocation and investor relations.

JOHAN ELOWSSON
Chief Legal Officer

Johan is in charge of our transaction strategy, all due diligence, legal risk management and management of regulatory compliance.

OLA STAFSTRÖM
Managing Director Nordics

ANDREAS EKBLOM
M&A Director, Business developer and co-founder.

PHILIP GHATAN
M&A Director and co-founder.

Lyvia's management team consists of strategic leaders dedicated to driving the company towards sustainable growth. Strongly rooted in our business strategy and with a deep understanding of the market and industry trends, the management team makes active decisions for navigating the company through a permanently changing business environment. Their commitment to promoting innovation and efficiency runs through all aspects of the company's operations, which helps us continuously delivering value to our customers.

The management team consists of eight members with experience in company and business development, supplemented by industry expertise from sectors such as the software, IT and consulting industry. This combination of expertise and experience provides a strong foundation for shaping and driving the company's strategy forwards.

The management team plays a crucial role in formulating and driving the company's strategy. Their work involves setting long-term targets, identifying market opportunities and drawing up plans in order to benefit from them. By continuously evaluating the business landscape, industry trends and internal opportunities, they constantly adapt the company's strategy in order to ensure that we remain relevant and competitive in the market.

The overall objective for the management team is to create sustainable value for customers, staff and shareholders. By adapting strategic, financial, operational and legal priorities, they set the course for the company's success, promote growth, reduce risks and protect the company's trademark.

Our Board.

MIKAEL ERICSON, CHAIRMAN OF THE BOARD

- CEO of Esmaeilzadeh Holding
- Non-Executive Director Protium Green Solutions and Öhman Fonder
- Former CEO of Intrum and Carnegie Investment Bank, Senior executive Handelsbanken & Danske Bank

MARTIN ALMGREN, BOARD MEMBER

- CFO of Skistar
- Previous positions include CFO of AddLife, CFO and Business area manager of Medtech AddLife, chartered accountant at EY

SAEID ESMAILZADEH, BOARD MEMBER

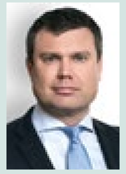
- Founder of Serendipity, Diamorph, Sdiptech, IRRAS, Xbrane Biopharma, Voff Science, Episurf Medical and Lyvia Group, among others

ERIK RUNE, BOARD MEMBER

- Chairman of the Board Rebellion Capital, Board member Lyvia Group, Novedo Holding, Chaintraced and Boet Bostad
- Former CEO Holmströmgruppen, former Managing Director London & Regional Properties Nordics

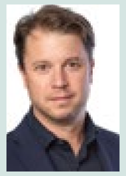
CHRISTER HELLSTRÖM, BOARD MEMBER

- Board member in Novedo, Burt Intelligence, Hidden Dreams and Lyvia Group
- Chairman of the Board and Board member in Premune, Krauthammer, Proact
- Former Senior executive Accenture



MIKAEL BORG, BOARD MEMBER

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



ROBIN RUTILI, BOARD MEMBER

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

Lyvia's Board consists of seven members who hold regular meetings. The ambition is to establish and maintain a strong, reliable and structured governance model throughout the entire Group in order to ensure regulatory compliance and promote entrepreneurship and profitable growth.

The Board has the overall responsibility for setting the company's strategic focus, monitoring its financial health and managing operational efficiency and risks. They ensure that the company follows laws, rules and ethical norms, and promotes accountability and integrity throughout the entire organisation. With a strong focus on cooperation and communication, they strive to build trust in all stakeholders and contribute to long-term success and a positive impact.

The Board members possess extensive and deep knowledge in various fields, including business development, law, economy, technology and industry specific expertise. This diversity of perspectives and experience ensures iterative discussions and decision-making processes, which contributes to a more comprehensive strategy.

With their commitment and work, the Board plays a crucial role in promoting a corporate culture that values innovation, sustainability and ethical conduct. By acting as role models and leaders they promote continuous improvement and strive to create an environment where both staff and the company as a whole can grow in the long term.

ESG-report.

INTRODUCTION

As a strategic partner and supplier of software solutions and services, our customers trust us to drive systems and applications as an integrated component of their digital infrastructure. Our customers rely on our products and solutions not only to drive and secure operating activities today, but also to develop and continuously offer new solutions. We think long-term in everything we do – from customer relationships, product development and employee involvement – in order to provide a leading customer offering, drive profitable growth and secure long-term operations in a responsible way.

We believe that a sustainable business is a prerequisite in order to develop, drive change and create long-term value for our customers, employees and shareholders. Providing business critical software solutions and services in an efficient and responsible way is of utmost important to Lyvia and our employees in order to create value by supporting the transition to a more sustainable society. We do this by integrating environmental responsibility, social responsibility and group governance into our core values and principles.

LYVIA'S CORE VALUES

- **Decentralisation**
  We encourage flexibility, faster decision-making and strong commitment from our employees. We believe in delegating responsibility in order to create a more dynamic and efficient work environment.
- **Entrepreneurship**
  We continuously focus on growth, customer satisfaction and business development. We encourage creative thinking and constantly find new ways to improve our products, services and processes.
- **Cooperation**
  We work together as a team, value different perspectives and utilise the strengths of our employees in order to achieve our goals. Cooperation in which we value different perspectives and competences leads to innovative and effective results.
- **Sustainability**
  We build durable business models with a long-term focus. We strive to have a positive impact on society and the environment with responsible measures and social commitment.

CODE OF CONDUCT

Lyvia's suppliers, business partners and employees play an important role in delivering software solutions and services in a responsible way. We consider it important that external and internal parties share our strategy and run their operations sustainably in accordance with our code of conduct.

Our code of conduct makes up the framework on which we build a strong and healthy corporate culture and work sustainably.

Our code of conduct for suppliers and employees is based on our core values and is influenced by the Ten Principles of the UN's Global Compact. These principles make up the overall rules and guidelines that describe expected conduct and ethical standards for organisations and individuals. They act as a framework for promoting a positive and respectful environment, ensuring compliance with laws and regulations and maintaining integrity and trust. In order to ensure continuous compliance, self-assessment of the compliance with our code of conduct is carried out annually.

WHISTLEBLOWING

We do not tolerate any form of violation in breach of current legislation or our code of conduct. In case of violation or suspicion of violation of our code of conduct or legislation, we make reporting easy and anonymous with our whistleblower system that is available to all employees. All reports received are handled confidentially and professionally by an internal board and, if required, an independent expert in accordance with set procedures.

LYVIA'S UNIVERSE
Product and service offering / Software solutions / Business model / Growth model / Corporate Governance / Market / Senior management / Board / ESG-report

SUSTAINABILITY AT LYVIA GROUP

Sustainability is at the core in Lyvia's business ethics and is guided by the Environmental, Social, and Governance (ESG) principles. Based on a comprehensive materiality assessment, we identify and manage significant risks, opportunities and effects. In 2023 we increased our commitment to sustainability and improved our capacity. As part of this commitment we carried out a thorough materiality analysis to ensure compliance with changing reporting standards and to identify ESG-risks in the organisation.

COMMITMENT FROM CONCERNED PARTIES

When managing our ESG-work and ensuring that sustainability priorities are relevant, we proceed from stakeholders' requirements and expectations on Lyvia.

- **Customers** – We drive innovation together with our customers. We work with iterative processes in order to continuously improve our products and services, promote long-term relations and sustainable business growth.
- **Suppliers** – We work with long-term partnerships to allow us to prioritise ethical procurement and transparency. This creates shared value and promotes responsible business methods.
- **Employees** – Our employees lay the foundation for our success. We have a safe, inclusive and supportive work environment, and invest in employee development and well-being.
- **Business unit management** – We integrate ESG into our business units, promote transparency and accountability to drive positive social and environmental impact.
- **Investors** – Our investors back our strategic objectives. We prioritise transparent communication and incorporate ESG-considerations into our investment decisions to create long-term value.

IMPORTANT ESG-TOPICS

Lyvia's materiality analysis, including risk assessment, serves as the basis for our approach to sustainability. The prioritised topics identified by our materiality analysis 2023 include:

"In the constantly changing digital landscape we do not see sustainability as a limitation, but as a catalyst for innovation. It's about building a future where tech and environment unite."

/Sebastian Karlsson, Chief Executive Officer, Lyvia Group

	TOPIC	RISK	OPPORTUNITY
E	Energy management	› Higher costs due to volatile energy prices. › With insufficient reporting of climate measures you can lose out on major customers, lose existing customers and be excluded from major investment funds.	› Development of digital solutions by integrating the sustainability perspective.
S	Involve, develop and retain staff	› Less opportunities to attract and retain skilled staff, which can pose a threat to profitability and/or growth.	› Being an attractive employer, promoting supplementary training and letting employees participate in incentive programs.
S	Employee health and well-being	› High staff turnover and sick leave can be a threat to profitability and investments.	› Maintaining a healthy workplace and work-life balance means that staff are happier at work and creates healthy working conditions.
S	Diversity, equity, and inclusion	› More difficult to attract skilled employees. Higher staff turnover. Risk of damage to reputation.	› Employer branding and inspiring workplace to attract talent and recruit from a wide target group.
G	Business ethics	› Without a backup and management system this can lead to less control in the delivery chain, moods and lower staff satisfaction.	› Good business ethics contribute to building trust both internally and externally.
G	Cyber, data and information security	› Lack of demonstrated awareness and administration systems can make the company less attractive for customers and investors.	› By prioritising cyber security, disruptions in our customers' systems and software solutions are minimised.

OUR ORGANISATION AND CULTURE

Lyvia works actively to create an open working environment with entrepreneurship in the entire organisation. We believe in an open culture that creates the right environment to offer the best talents a life-long career path with unlimited opportunities for career development from day one. Our organisation supports an inclusive high-performing work environment, promotes innovation, creativity and teamwork among our employees. We continuously invest in our employees and treat them in an inclusive and equal way.

Involve, develop and retain staff

We place great value in our employees and see them as our most important asset. The skills, knowledge and experience of our staff are crucial to our business and our ability to make a lasting impact now and in the future. In order to attract, nurture and retain competent staff we offer opportunities for career development.

Diversity, equity, and inclusion

We strive to promote a work environment that is characterised by openness and respect for different perspectives and backgrounds. We do not accept any form of discrimination based on an individual's gender identity, transidentity, gender expression, ethnicity, other beliefs, religion, non-normative abilities, sexual preferences or age. We have zero tolerance for victimisation, mobbing and sexual harassment.

As part of Lyvia's strategic ESG-work we have taken an active decision to:

- Minimise exposure to jurisdictions that do not fully uphold and respect democratic principles.
- Avoid industries that are highly dependent on limited resources or have a significant negative environmental impact. These include industries with significant carbon emissions and exposure to other environmental risks.
- Avoid investments in companies and regions that are at risk of sanctions.

Employee health and well-being

We strive for a safe and healthy work environment where we value our staff's mental, physical and emotional health. We strive for our employees having a reasonable workload and taking responsibility for their duties and their work.

Business ethics

We maintain a zero tolerance policy against bribery, corruption, money laundering and fraud. Our routines ensure that we do not violate human rights. We are strongly determined to promote professional, ethical and transparent conduct with concerned parties and to follow all applicable laws and regulations in all our markets.

Cyber, data and information security

We manage information in a secure and responsible manner. Lyvia acts in accordance with the law and takes precautionary measures to protect personal, sensitive and confidential information concerning our employees' and others' right to integrity, both with regard to our operations and our services.

Lyvia has implemented an IT policy that acts as a guideline and governs our day-to-day work. All parties are responsible for IT resources and corporate information to be used in accordance with applicable policies, routines and instructions. Self-assessment of the compliance with internal control regarding IT and information security as part of internal control are carried out annually and reported to the audit committee and Board. In addition, management confirms annually that IT is managed in accordance with the principles in this policy.

We shall communicate and publish financial and other relevant information openly and transparently to concerned parties.

A programming hub in southern Spain for customised proprietary software solutions.

We have set up the Software Factory, a unique programming hub for customised proprietary software solutions. Software Factory is a pioneer for a model that taps talent and promotes economic growth, while we also work together with our customers across the world to develop customised, comprehensive software solutions.

ABOUT SOFTWARE FACTORY

Software Factory works with customers across the world to develop customised, comprehensive software solutions. Our customers rely on Software Factory meeting all their needs in platform development, system integration and web development, including e-commerce. They also master programming languages and possess development experience in systems, network management, security, database management and programming.

- **We analyse your business**
  Our technical team is particularly proficient in analysis, optimisation of process control, which ensures delivery of performance optimistic solutions to our customers.
- **Specialised team**
  Our large team of professional developers manages all aspects in a development project, from conceptualisation to launch.
- **Broad comprehensive experience**
  We take care of the entire process of developing advanced software solutions of high quality.

SOFTWARE FACTORY'S ATTRIBUTES

- **Business intelligence**
  Powerful solutions for optimising business decisions aimed at several parts of your organisation, regardless of size, niche and activity.
- **Helpdesk**
  Development and control panels adapted to your requirements.
- **Customised management systems**
  Development of customised management systems for niche verticals such as telecom and retail.
- **Software development for several platforms**
  Qualified team with extensive experience in complex software development for several platforms, leading frameworks and languages.

Bridging the gap between university and the business sector is the driving force for more job openings in Andalusia.

In the town of Jerez de la Frontera, Cádiz, Spain, employment in 2022 was 24.2%[4]. Establishing the Software Factory has enabled us to take advantage of both the untapped talent in software development found here as well as fresh graduates from university in order to create a programming hub in Cádiz. In total, we involve more than 1,400 people, including students in vocational training, customers and representatives from both the public and private sector. This group represents the entire ecosystem that can benefit from Software Factory's services.

Thanks to this unique combination we can offer our customers customised software solutions of high quality at a lower cost, while we also bridge the gap between university and industry and reduce unemployment.

As a private company, Software Factory acts as a gateway to the software development sector for many academics in the Cádiz-region. Since Software Factory was founded, the enterprise has played a key role in creating job openings and actively cooperated with local and regional authorities for new employment opportunities and lower unemployment.

+1,400
› People involved in Software Factory

+100
› Annual development projects

Innovation and talent event in Jerez.

‹ Yo también soy de Jerez ›

"I am also from Jerez" was the slogan for the innovation and talent event organised by Software Factory. The event aimed to promote cooperation between the private and public sector in Jerez with the aim of creating more jobs and reduce unemployment in the Cádiz region. Participating in the event were several dignitaries from Andalusia, including the mayor of Jeréz, María José García-Pelayo.

[4] According to INE, www.ine.se, press release from 22 May 2023

"Joining Lyvia Group was a strategic decision for me as a Spanish entrepreneur. The group's extensive resources, working environment and proven success made it the perfect platform for our company's growth. The journey with Lyvia Group has been transformative, opened the doors to new opportunities and taken our business to new heights."

/José María Martín-Mateos, CEO of Controlnet

controlnet

Controlnet is a company with a niche position in the SaaS markets as well as telecom and retail. It has existed for more than 15 years in Europe and America.

Its Software Factory specialises in the development of customised solutions for several platforms, integrations, further development and business intelligence. Software Factory can handle all types of digital projects thanks to its comprehensive capacity and SaaS services that include both B2B- and B2C solutions.

FOUNDED	2007
PART OF LYVIA SINCE	Q2 2022
EMPLOYEES	36
HEAD OFFICE	Jerez, Spain
CUSTOMERS	Big & small

The Board and the CEO of Lyvia Group AB (publ.) 559290-4089 hereby submit the Annual Report and consolidated accounts for the financial year 01/01/2023 – 31/12/2023. The comparative figures for 2022 relate to the period 01/01/2022 –31/12/2022.

MANAGEMENT REPORT

BUSINESS AND MARKET

Lyvia Group AB (publ)s is a European partner for business-critical software and -services. We develop, acquire and deliver software solutions and services that drive business-critical functions for companies through the customer's entire value chain.

Lyvia, with its head office in Stockholm, is active in six jurisdictions in the European market. We give all customers, both global and small and medium-sized enterprises, the same promise – to provide the best products and services on the market. Our customers are both regional and international, operating in sectors ranging from finance and insurance, infrastructure, IT and telecom to the public sector.

Our solutions are integrated in the core of our customers' digital infrastructure and run day-to-day business operations. We help our customers become more efficient, work smarter, make decisions with more insights and give customers and end users an excellent customer experience. This is done through a delivery model based on contracted and long-term customer relations.

A large part of Lyvia's business model is based on a high proportion of recurring revenue, which gives us stable and predictable cash flows and contributes to being able to act with a long-term perspective. A high proportion of recurring revenue creates the conditions to compensate for temporary dips within individual business units.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In 2023, Lyvia acquired the following companies in Sweden: Aditso AB, Mobile Partner AB, Digipartner Sverige AB, Jo Kommunikation AB and Komopis Produktion AB

The holdings in Poland were increased with the acquisition of Arc Consulting Group sp. z o.o., as well as IT Systems and Solutions sp. z o.o.

Lyvia entered the market in Norway with the acquisition of Mint Media AS, which was subsequently followed up with the acquisition of T-Rank AS.

Lyvia entered the market in the UK with the acquisition of the company Public-I Group Ltd.

Lyvia entered the market in the Benelux region with the acquisition of the Dutch company Facility Kwadraat Holding B.V.

Refinancing
During the year, Lyvia refinanced previous liabilities with a new senior financing package. This was done by redeeming previous bonds such as a credit facility from former lenders. The new financing package provides Lyvia with additional capital for continued growth ambitions.

The new financing package consists partly of a loan of MSEK 1,120 with maturity in August 2026 and partly a revolving loan facility with a three-month maturity of MSEK 480.

Other significant events in brief

- During the year, Mikael Ericson was appointed new Chairman of the Board. Mikael Ericson previously held positions including CEO for Carnegie Investment Bank, CEO at Intrum and executive positions in Handelsbanken and Danske Bank.
- Martin Almgren has been elected as new Board member. Martin Almgren has extensive experience from executive positions with acquisitions all across the world as CFO and Business Manager at AddLife and has been in the position of CFO at SkiStar since some time.
- At an extraordinary general meeting on 19 May 2023, a warrant programme was decided on – find more information about warrants in Note 6 Remuneration to employees.

- As part of streamlining operations, Eitrium AB and its subsidiaries were divested in the first quarter of 2023. The total value of the companies is reported in Discontinued operations in accordance with IFRS 5, and for 2022 in the balance sheet as assets and liabilities held for sale.

DEVELOPMENT OF OPERATIONS, POSITION AND RESULTS (GROUP)

(MSEK)

	2023	2022
Total revenue	2,135.5	1,142.5
Operating profit	209.7	21.1
Profit before tax	-77.4	-46.0
Balance sheet total	4,488.6	4,256.0
Average number of employees	1,400	1,057

COMMENTS ON OPERATIONS, RESULTS AND FINANCIAL POSITION

Development

Lyvia has a dual growth strategy, both elements of which complement each other. Organic growth of existing operations, which are supported by staff from a dedicated department from Lyvia's head office. New acquisitions that complement already existing operations, including additional acquisitions in already existing operations. A dedicated department from Lyvia's head office is responsible for the acquired growth.

Revenue

Revenue for 2023 amounted to MSEK 2,135.4 (1,142.5), which is an increase of 87 percent compared to the previous year. The increase in revenue can be attributed to the business combinations for the year and 14% of the total revenue for the year comes from the companies that were acquired during the year. Other operating income consists mainly of revaluation of additional purchase prices.

Operating profit

Operating profit for the full year amounted to MSEK 209.7 (21.1).

The increase in operating profit can be partly attributed to the acquisitions of the legal entities that were acquired in 2023. At the same time, operating profit has been encumbered by amortisation of intangible assets, which amount to MSEK 148.8 (67.2). The result for 2023 amounted to MSEK -74.2 (-98.3). Loss for the year was affected with MSEK 2.1 (-20.8) relating to discontinued operations.

Financial income and expenses

Net financial income and expenses amounted to MSEK -287.1 (-67.0), where the change is attributable to higher interest expenses mainly as a result of the issuance of additional bonds and to acquisitions and companies added to the Group during the year

In the second half of 2023, interest expense dropped compared to the first half, as Lyvia entered into strategic cooperation with Danske Bank and DnB . Following this, the previous bond (Mirovia Nordics AB) and liability were terminated through Collector (Äleven AB).

The financial result was impacted by MSEK 49.1 in costs related to the termination of previous debts and costs related to the creation of the new financing.

Tax

The Group's effective tax rate was -1.5 (68.4) percent.

Lyvia Group AB was formed through a restructuring in 2022 and there is no Group contribution right for several companies. Companies acquired were not wholly-owned subsidiaries throughout the parent company's tax year and thus lack Group contribution rights or opportunities for tax optimisation.

Another 10 companies were added in 2023 with the same restrictions applying to these. Tax optimisation has been carried out for the remaining companies.

Liquidity and cash flow

Cash flow from operating activities before change in working capital amounted to MSEK 19.6 (20.2). In total, cash flow from operating activities amounted to MSEK 10.4 (149.5).

Cash flow from investing activities amounted to MSEK -428.3 (-968.8). Investments during the period primarily consist of acquisitions of subsidiaries.

Cash flow from financing activities amounted to MSEK 430.4 (1,088.6), primarily as a result of the increase in debt financing through the new bank cooperation. Cash flow for the full year thus amounted to MSEK 12.5 (269.3). At the end of the period, the Group's cash and cash equivalents amounted to MSEK 426.0 (414.1).

In 2023, Lyvia implemented a cash pool in which all operating subsidiaries are included. This has led to higher availability of liquidity and is assessed as keeping a good level.

FINANCIAL POSITION

Equity amounted to MSEK 1,369.5 (1,174.0) on 31 December 2023, see more in Change in equity.

Total assets as of 31 December 2023 amounted to MSEK 4,488.6 (4,256.0). The increase is attributable to acquisitions, which were greater than the reduction in assets that were held for sale, MSEK 690.9 were divested in the first quarter of 2023, see Note 24. Discontinued operations.

Indebtedness compared to 2022 increased from MSEK 1,113.4 to MSEK 1,440.4, at a lower interest rate.

DEVELOPMENT OF OPERATIONS, POSITION AND RESULTS (PARENT COMPANY)

(MSEK)

	2023	2022
Total revenue	10.2	18.2
Operating profit	-67.9	-15.2
Profit before tax	-60.1	-0.6
Balance sheet total	1,999.1	1,449.2
Average number of employees	18	3

In 2023, the parent company incurred higher operating costs relating to restructuring within the Group in order to be strategically prepared for the coming year. The parent company has increased the number of staff in order to manage more acquisitions and increased reporting requirements. The parent company's profit for the year amounts to MSEK 6,1 (-0.6).

SIGNIFICANT RISKS AND UNCERTAINTIES

The Group is exposed to various risks, partly in operations, partly in the form of financial risks.

For the overall risks in the Group, we do a systematic review of our risks every year. Below follows an account of the most critical factors and how we work to mitigate the risk inherent in these.

Risks related to the Group's financial situation

I. Risks related to the availability of capital and refinancing risk

The Group is dependent on equity being issued or loans being obtained in order to execute the long-term business plan. The risk of not having access to this would mean that acquisitions of new business units, taking advantage of future business opportunities or responding to competitive pressure, would suffer.

Furthermore, the Group's ability to refinance its debts is dependent on the conditions in the capital markets, 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.

For detailed information regarding financial instruments and risk management, see Note 31. Financial instruments.

Mitigation:

The risk of a crisis or emergency is ever-present and this means that the Group shall always be up-to-date and prepared for any events that may occur.

In 2023, Lyvia repaid the bond that was issued in the subsidiary Mirovia Nordics AB, as well as the loan that was raised in Äleven AB. As of the middle of 2023, Lyvia instead entered into long-term cooperation with Danske Bank and DnB, which guarantees a better solution both in the short and long term.

Lyvia has well-functioning cooperation with the banks, where reviews and analyses are done continuously several times a year. Furthermore, Lyvia has good contacts and a good reputation in the financial market.

In order to minimise refinancing risk, the Group shall maintain good creditworthiness and long-term financing shall be ensured in good time before it becomes necessary.

II. Dependency on subsidiaries

The cash-generating operations are run 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 occur, the subsidiaries have to stop generating liquidity or restrictions be introduced that entail that funds can no longer be financed between the parent company and the subsidiaries. The likelihood of the above occurring is assessed as being low.

In addition, the Group has introduced a cash pool that allows for good liquidity management.

III. Risks related to exchange rate effects on the balance sheet and income statement.

The Group has significant operations in foreign units, the local currencies of which differ from the Group. Furthermore, the Group has significant assets in foreign currencies, the values of which are affected by the exchange rate of the Swedish krona and liabilities that are expected to be settled in foreign currencies upon maturity.

Mitigation:

The Group has chosen to be exposed to currency movements when these have the potential to provide both a positive and negative effect. The Group regularly reviews its strategy and assessment in case the currency risk needs to be managed differently.

IV. Risks related to changes in interest rate curves (Stibor and Euribor)

The Group's financing cost is affected by the development of the underlying interest rate curves, based on which the Group's liabilities are calculated.

Mitigation:

The Group has chosen to be exposed to the trend in interest rate when this has the potential to provide both a positive and negative effect. The Group regularly reviews its strategy and assessment in case the interest risk needs to be managed differently.

V. Risks related to breach of loan terms and conditions

The Group's financing solution is based on terms and conditions being met by the Group. Lyvia verifies that these are met regularly using structured reports.

If the Group should not meet the terms and conditions, there is a risk of the financiers revoking the credits. This in turn would have major consequences for the Group's continued development.

Mitigation:

The Group has processes to forecast monthly the development of a number of parameters that form the basis for meeting the terms and conditions. This forecasting allows us to proactively fend off possible challenges and ensure that the terms and conditions are met.

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

Lyvia is active in several sectors, with every sector constituting its own market, as well as in various geographical areas. Furthermore, our units run independent business operations. This spread across markets, regions and business units, together with a large number of customers, limits the business risks for the Group as a whole.

Lyvia's growth is divided into two growth strategies: Organic growth and acquisition, with the latter able to be carried out by means of new acquisitions that complement existing operations, and additional acquisitions in already existing operations.

I. Risks related to the identification of profitable investment targets

Failure to identify and invest in attractive investment targets in new markets can lead to the Group failing to follow the desired or most beneficial growth strategy

Similarly, the demand for the desired activities may stretch beyond Lyvia's investment rationale.

Acquisitions are subject to a number of inherent risks, including that 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:

Thanks to Lyvia having dedicated personnel across regions with clear guidelines on which parameters possible acquisitions shall contain, it is ensured that there are sufficient opportunities.

Lyvia has clear guidelines regarding how both additional acquisitions and new acquisitions shall be evaluated before being presented to Lyvia's investment committee.

The evaluation is done using clear and comprehensive due diligence processes that include conceivable risks linked to the specific acquisition and the acquired company's operations.

If the due diligence process is positive, the investment committee makes the final decision that aims to ensure that Lyvia completes the acquisition according to the prepared strategy and business plan.

II. Risks related to the operations not developing as planned

As individual operations undergo challenges that affect the Group, there can be a risk of failing to tackle suitable activities or business opportunities, which can lead to negative 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 large extent be dependent on their key personnel in management who in many cases possess extensive knowledge, but this makes the operations person-dependent.

Mitigation:

In Lyvia great importance is attached to the governance of the respective company where continuous business analysis and evaluation takes place in consultation between the operations and the dedicated person in charge of growth at Lyvia's head office.

Both in individual ongoing reconciliations and workshops, as well as Lyvia working actively to ensure that the various operations can support each other, there are good opportunities to introduce working methods to facilitate knowledge transfer and thus reduce the risk of dependency on key personnel.

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 potentially falling outside its direct control. Such risks include loss of customers due to 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 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 done to minimise potential losses of key customers in connection with the acquisition.

Following the acquisition, continuous follow-up is made regarding new customer generation, strategic acquisition of customers and evaluation of customer losses. This is done in consultation between the operations and the dedicated person in charge of growth at Lyvia's head office.

IV. Risks related to actual or perceived security vulnerabilities in the Group's services and security controls, or in services and security checks for 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 in the acquired companies. The Group works both with Corporate Governance and IT-policy that clarify how risks are to be managed.

V. 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 that create changes in customer needs. Should the number of organisations increase, especially large companies that use the Group's services as a major component of their ERP systems, 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.

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. Insufficient compliance with data protection regulations can also lead to negative publicity and damage the reputation.

Mitigation:

The Group 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:

Protection for intellectual property rights, such as code, trademarks and business secrets 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.

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 industry.

Mitigation:

Lyvia works 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 2023 was 1,400 (1,057), Of the Group's operations, 1,382 (1,054) people are employed in the acquired companies and the remaining 18 (3) persons in the parent company In total, 34 percent of the remaining operational workforce in the Group consisted of women.

The average number of employees in the Parent Company was 18 (3) during the year, of which 22 percent were women.

Environment and Sustainability

Lyvia is committed to sustainability and responsible business methods.

In 2023 the company continued to prioritise essential environmental, social and governance-related risks, opportunities and effects in its business practice by improving efficiency in and through software solutions developed in-house, providing IT technology and offering cloud services (SaaS) and expert services.

Lyvia works to minimise the environmental impact from its business processes. Integrating sustainability into the core values and principles creates long-term value for the company, staff and customers and is crucial for ensuring the ability to develop and drive technological change. Lyvia strives for constant improvements in order to support the transition to a more sustainable society and understands the legal requirements as a minimum standard.

Shares

At year-end, the company had 5,687,723 (5,278,340) ordinary shares outstanding, corresponding to share capital of MSEK 0.6 (0.5). See more in Change in equity, and Note 19. Share capital.

Proposed appropriation of profit

The following earnings are at the disposal of the annual general meeting (SEK):

Share premium reserve	781,139,061
Accumulated profit or loss	1,106,683,905
Net profit/loss for the year	6,097,597
Total	**1,893,920,563**

The Board proposes that these earnings be disposed of as follows (SEK):

Carried forward	1,893,920,563
Total	**1,893,920,563**

Regarding the parent company's and Group's financial position and performance in other respects, please refer to the following financial statements and notes. All amounts are in millions of Swedish kronor, unless otherwise stated.

Events after the reporting date

- Acquisition of Gorilla Services B.V.

  On 1 February 2024 an acquisition agreement was concluded between Lyvia Benelux B.V. and Lyvia Gorilla Services B.V. which strengthens the position in CRM, project management and (IT) service management solutions. In 2022, Gorilla had sales of EUR 39.4m.

- Acquisition of ProCon AS

  On 1 March 2024 an acquisition agreement was concluded between Lyvia NO AS to acquire ProCon Digital AS in order to strengthen the position and product offering in digital infrastructure by adding software developed in-house and display solutions. With a recurring revenue model, ProCon Digital AS has a significant customer base that serves Norwegian municipalities, bank accounts and Norwegian hospitals. In 2022, ProCon had sales of NOK 19.3m.

- Acquisition of the assets and liabilities of Allgreen AB

  On 1 March 2024 an acquisition agreement was concluded between Cloudgruppen Sverige AB to acquire the assets and liabilities in Allgreen, which adds to Cloudgruppen Sverige AB's sales and development opportunities.

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THE GROUP'S FINANCIAL STATEMENTS

INCOME STATEMENT (MSEK)

1 January - 31 December

	Note	2023	2022
Revenue	4	1,895.1	1,125.5
Other operating income	4	240.4	17.0
Subconsultants and similar profit/loss items		-370.3	-94.3
Other external costs	5	-330.2	-315.1
Personnel expenses	6	-973.3	-616.7
Depreciation and amortisation of intangible assets and tangible fixed assets	12, 13	-205.1	-95.7
Other operating expenses	7	-46.8	0.4
Operating profit		**209.7**	**21.1**
Financial income	8	16.4	72.9
Financial expenses	9	-303.5	-139.9
Profit before tax		**-77.4**	**-46.0**
Income tax	10	1.1	-31.5
Profit for the year from continuing operations		**-76.3**	**-77.5**
Discontinued operations			
Profit from discontinued operations, net after tax	24	2.1	-20.8
Net profit/loss for the year		**-74.2**	**-98.3**
Attributable to:			
Shareholders of the parent company		-74.2	-98.3
Non-controlling interests		0.0	0.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MSEK)

1 January - 31 December

	Note	2023	2022
Net profit/loss for the year		-74.2	-98.3
Exchange differences on translation of foreign operations		-5.6	16.9
Comprehensive income for the year		**-79.8**	**-81.4**
Attributable to:			
Shareholders of the parent company		-79.8	-81.4
Non-controlling interests		0.0	0.0

BALANCE SHEET ASSETS (MSEK)

1 January - 31 December

	Note	2023	2022
Fixed assets			
Goodwill	11	2,035.1	1,595.9
Other intangible assets	12	1,371.1	950.1
Tangible fixed assets	13	23.9	12.7
Rights of use	14	104.0	82.3
Other financial assets	31	19.9	55.1
Deferred tax asset	23	4.7	0.8
Current assets		**3,558.7**	**2,696.9**
Inventories	15	11.0	0.0
Accounts receivable	16	349.6	305.1
Current tax assets		16.7	0.3
Other receivables	17	47.1	69.6
Prepaid expenses and accrued income	18	79.5	79.1
Cash and cash equivalents	29	426.0	414.1
Assets held for sale	24	0.0	690.9
Total current receivables		**929.9**	**1,559.1**
Total assets		**4,488.6**	**4,256.0**
Equity			
Share capital	19	0.6	0.5
Other contributed capital	20	1,522.3	1,327.8
Translation reserve		11.4	17.0
Retained earnings including profit for the year		-165.1	-91.0
Equity attributable to shareholders of the parent company		**1,369.2**	**1,254.3**
Non-controlling interests		0.3	-
Total equity		**1,369.5**	**1,254.3**
Long-term liabilities			
Borrowings	21	1,440.4	902.1
Leasing liabilities	22	53.8	50.9
Deferred tax liability	23	301.9	213.2
Provisions		0.0	0.4
Other financial liabilities	25	767.3	636.9
Total long-term liabilities		**2,563.4**	**1,803.5**
Current liabilities			
Borrowings	21	-	211.3
Leasing liabilities	22	47.7	31.1
Accounts payable		100.9	68.8
Current tax liabilities		26.8	30.7
Other financial liabilities	25	63.2	25.3
Other liabilities	26	172.9	142.3
Accrued expenses and deferred income	27	144.2	140.0
Liabilities held for sale	24	0.0	548.7
Total current liabilities		**555.7**	**1,198.2**
TOTAL EQUITY AND LIABILITIES		**4,488.6**	**4,256.0**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (MSEK)

Equity attributable to shareholders of the parent company

	Share capital	Other contributed capital	Translation reserves	Accumulated profit or loss incl. profit for the period	Non-controlling interests	Total Equity
Opening balance 1 January 2023	**0.5**	**1,327.8**	**16.9**	**-91.0**	**-**	**1,254.3**
Profit for the period				-74.2	0.0	-74.1
Other comprehensive income			-5.5			-5.6
Total comprehensive income	**-**	**-**	**-5.5**	**-74.2**	**-**	**-79.7**
Transactions with owners:						
New issue of ordinary shares	0.1					0.1
Warrants subscription		6.1				6.1
Warrants buy-back		-2.8				-2.8
New issue of preference shares		465.4				465.4
Buy-back of preference shares		-274.2				-274.2
Transactions with non-controlling interests					0.3	0.3
Total transactions with shareholders	**0.1**	**194.5**	**-**	**-**	**0.3**	**194.9**
Closing balance 31 December 2023	**0.6**	**1,522.3**	**11.4**	**-165.1**	**0.3**	**1,369.5**

	Share capital	Other contributed capital	Translation reserves	Accumulated profit or loss incl. profit for the period	Non-controlling interests	Total Equity
Opening balance 1 January 2022	**0.0**	**357.1**	**0.1**	**-32.7**	**65.6**	**390.1**
Profit for the period				-98.3		-98.3
Other comprehensive income			16.9			**16.9**
Total comprehensive income	**-**	**-**	**16.9**	**-98.3**	**-**	**-81.4**
Transactions with owners:						
Shareholder contributions		702.4				**702.4**
New issue of ordinary shares	0.5					**0.5**
Share premium reserve		278.1				**278.1**
Warrants		15.6				**15.6**
Revaluation of liabilities for non-controlling interests				-29.6		**-29.6**
Acquisition of non-controlling interest		15.3		50.2	-65.5	**-**
Effect of restructuring		-40.8		19.3		**-21.5**
Total transactions with shareholders	**0.5**	**970.6**		**39.9**	**-65.5**	**945.5**
Closing balance 31 December 2022 according to adopted balance sheet	**0.5**	**1,327.8**	**17.0**	**-91.0**	**0.0**	**1,254.3**

THE GROUP'S CASH FLOW STATEMENT (MSEK)

1 January - 31 December

	Note	2023	2022
THE OPERATING ACTIVITIES			
Operating profit		209.7	21.1
Adjustments for items not included in the cash flow:		29.6	161.4
Interest received		6.5	7.4
Interest paid		-156.0	-133.6
Tax paid		-70.2	-36.1
Cash flow from operating activities before change in working capital		**19.6**	**20.2**
Change in working capital			
Increase (+) / Decrease (-) in accounts receivable		31.0	-44.5
Increase (+) / Decrease (-) in accounts payable		-4.1	-56.2
Increase (+) / Decrease (-) in other liabilities/other receivables		7.2	166.4
Increase (+) / Decrease (-) in interim liabilities/interim receivables		-43.3	63.6
Cash flow from operating activities		**10.4**	**149.5**
Investing activities			
Investments in intangible fixed assets		-5.2	0.0
Investments in tangible fixed assets		-9.6	2.2
Investments in other securities		-10.8	-11.1
Investments in subsidiaries after deduction of cash and cash equivalents acquired	28	-524.2	-989.3
Sale of shares in subsidiaries		121.6	29.4
Cash flow from investing activities		**-428.2**	**-968.8**
Financing activities			
Loans raised	29	342.4	500.7
Other financial liabilities		32.9	24.6
Amortisation of lease liabilities	22	-53.1	-24.8
Received payment from new share issue		108.1	252.1
Non-controlling interest		0.0	-30.8
Shareholder contributions		0.0	366.8
Cash flow from financing activities		**430.3**	**1,088.6**
Cash flow for the period		12.5	269.3
Cash and cash equivalents at beginning of period		414.1	162.0
Cash and cash equivalents relating to discontinued operations	24	0.0	-18.4
Exchange rate difference cash and cash equivalents		-0.6	1.2
Cash and cash equivalents - End of year		**426.0**	**414.1**

NOTES ON THE GROUP'S FINANCIAL STATEMENTS

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 Hovslagargatan 5B, 111 48 Stockholm.

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

2. THE GROUP'S APPLIED ACCOUNTING PRINCIPLES

These are Lyvia Group AB (publ) second consolidated accounts that have been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU. Furthermore, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups.

The Group emerged in May 2022 in connection with the restructuring of Esmaeilzadeh Holding AB. Lyvia's historical financial information for the years 2021 and 2022 prior to the restructuring 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 controlling influence over transferred entities before and after the transaction. The transaction was thus carried out between parties under the same controlling 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. FRS 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 is 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 IFRS values reported Group-wise 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 Group's 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 Group's financial statements independently of the actual transaction date of the transaction between parties exercising the same controlling influence.

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 recognised in the Group's 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.

the Group's financial statements

The Group's financial statements comprise of the financial statements of the enterprise and the units (subsidiaries) over which the enterprise has control. Controlling influence is achieved when the Group:

› has influence over the investment object;

› is exposed, or is entitled, to variable returns from its involvement in the investment object; and

› can use its influence to affect its returns.

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

A subsidiary is consolidated when the enterprise acquires controlling influence over the subsidiary and ceases when the enterprise loses controlling influence over the subsidiary. Income from acquired and divested subsidiaries is included in the profit or loss from the date on which the enterprise acquires controlling influence over the subsidiary and until the date on which controlling influence 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 without controlling influence 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 intra-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 Group's 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 in effect 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 in foreign currency at the closing day 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.

Translation of foreign operations

Assets and liabilities in foreign operations, including goodwill and other consolidated and surplus values and negative surplus values, are translated from the foreign operation's function currency to the Group's reporting currency, Swedish krona, at the exchange rate in effect on the reporting date. Revenue and costs in a foreign operation are translated to Swedish kronor at an average exchange rate that represents an approximation of the currency exchange rates that were in effect on the respective transaction date. Translation differences that arise from currency translation of foreign operations are recognised in other comprehensive income and accumulated in a separate component in equity, titled translation reserve. When disposing of a foreign operation the accumulated translation differences relating to the operation are realised, at which they are reclassified from other comprehensive income to net profit/loss for the year.

Business combinations

Business combinations are recognised 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 on the date of acquisition, the liabilities incurred by the acquirer to the previous owners of the acquired company, and the share of equity issued by the acquirer. Exceptions are the companies that are restructured within the framework of common control in accordance with IFRS 3 as they do not constitute business combinations as a result of the same ownership structure. Acquisition-related costs are recognised in profit or loss as 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 acquired company, the fair value of the acquirer's previous equity interests in the acquired company (if applicable) and the net at the date of acquisition of the amounts of the identifiable assets acquired and liabilities assumed.

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

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

Goodwill

Goodwill is initially measured and reported as above.

Goodwill is not amortised but is tested for impairment at least annually. When testing for impairment, goodwill is allocated to cash-generating units that are expected to benefit from the synergies from the acquisition. Lyvia encompasses five cash-generating units: Scandinavia, Poland, Benelux, Spain and the UK. 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 selling expenses 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

Classification as a discontinued operation is done upon disposal or at an earlier time if the operation meets the criteria for being classified as held for sale.

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 selling expenses. 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.

Profit after tax from a discontinued operation is recognised in its own line in the income statement, separately from the remaining operation. When an operation is classified as discontinued, the layout of the comparative year's income statement is changed so that the income statement is presented as if the discontinued operation had been discontinued at the beginning of the comparative year. The layout of the balance sheet is not changed accordingly

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 24 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 liability 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 recognised 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 consolidated statement of changes in equity. The dividend is then recognised 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 measured 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 both a fixed fee before the start of the recruitment process, however and a variable fee linked to the development of the recruitment process. Revenue is recognised in three phases. First a fee at the start of the recruitment process, then on presentation of the candidate, and finally when the employment contract is signed.

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 agreements

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 products, 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 recognised 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 recognised 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 brokers the transaction between the customer and the software supplier.

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 assesses the contract duration to be 30 days and that a new agreement with customers is thus formed the coming 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 control 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 broker 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 brokers the transaction between the customer and the hardware supplier, which normally occurs soon after the hardware is delivered to the customer.

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 end of the accounting period.

Leasing

The Group as lessee

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

The lease liability is initially measured at the present value of the lease payments not paid on the initial date, discounted using the implied interest rate for the lease contract if this interest rate can be easily determined. If this interest rate cannot be easily determined, the lessee's marginal borrowing rate is used. The marginal borrowing rate is the interest rate that the lessee would have to pay for financing by loan 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 in-substance fixed charges, less any benefits connected with the conclusion of leasing contracts, and
- variable lease payments resulting from an index or price, initially measured by referring 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, it is permissible under IFRS 16 not to separate non-leasing components from leasing components, and instead to account for each leasing component and all associated non-leasing components as a single leasing component. The Group has chosen not to use this practical solution. The Group allocates the contracts to leasing and non-leasing components based on independent prices.

The lease liability is reported as a separate item in the consolidated 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 contract, 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 contract 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 related right of use is amortised over the useful life of the underlying asset. Amortisation commences on the commencement date of the lease.

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

Costs of pensions

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 effect decided on 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 is considered likely for a future outflow of funds to a tax authority. The debt is measured using 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 on 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 according to the tax 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 reported on a net basis 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 recorded at cost less accumulated depreciation and accumulated impairment losses.

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

Equipment, tools, and installations are depreciated over 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 recognised forward-looking.

An item of property, plant and equipment is removed from the balance sheet upon disposal or sale 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 sale of an asset is made up of the difference between the sales 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 company 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 recorded 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 on 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 trademark, customer relationships, customer contracts and developed technology.

The useful life for customer relationships has been estimated at 3-30 years. The useful life of customer contracts is assessed as 3-4 years and the useful life of trademarks as 3-10 years, and some have an indeterminable useful life and are reviewed annually.

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 amounts 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 a need for 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 on 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 selling expenses 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 the money, and the risks specifically related to the asset for which estimates of future cash flows have not been adjusted.

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

Inventories

Inventories are measured to the lower of cost and net realisable value. When calculating the net realisable value an assumption is made about discontinued goods, damaged goods, out-of-date goods and calculated realisable value based on available information.

Financial assets

Financial instruments recognised in the balance sheet comprise assets such as accounts receivable, cash, cash equivalents, and financial fixed assets, as well as liabilities such as accounts payable, contingent additional considerations, and loan liabilities.

Classification of financial assets
All the Group's financial assets are measured 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 effective interest rate is the interest 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 amount 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 when using the effective interest method on any difference between the original amount and the amount on maturity, 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 accounts receivable, 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 accounts receivable and accrued income. Expected credit losses for accounts receivable and accrued income are calculated by means of 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 31/12/2022 – 31/12/2021, the loss reserve amounted 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 breach 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 past 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 accounts receivable, when the amounts are past due for over two years, whichever occurs earlier. Impaired financial assets may still be subject to repayment measures, considering legal advice where necessary. Any repayments are recognised 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 benefits of the financial asset are transferred to another party.

If the Group neither transfers nor retains all the risks and benefits 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 benefits associated with ownership of a transferred financial asset, the Group continues to recognise the financial asset and recognises a pledged collateral.

Financial liabilities and equity

Equity instrument
An equity instrument is any form of contract that entails a residual right in an enterprise's assets after 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 involve a commitment 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 commitment, 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 measured 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 recognised in operating profit/loss as other operating expenses and other operating income. The effective interest method is a method for calculating the amortised cost of a financial liability and for allocating and recognising 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 to which the financial instrument is initially measured less any amortisation, plus accumulated accruals using the effective interest method.

Any difference between the net accounting of transaction costs and dissolution is recorded in the income statement during the term using the effective interest method. Financial assets are adjusted for impairment loss that was expected or occurred.

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.

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 on the allotment date. Fair value excludes the effect of vesting conditions that are not market conditions.

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

The fair value of share-based payments settled with the equity instrument is recognised 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 vesting conditions that are not market conditions.

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 reports a liability and a cost for bonus to key personnel based on a formula that takes into account the future profitability after certain adjustments in some of the Group's subsidiaries. The bonus is settled in cash and cash equivalents and the cost is recognised 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.

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.

Assessments and judgements of additional purchase prices during business combinations and issued preference shares during business combinations

The Group's issued preference shares are measured at fair value based on available data such as contract terms and current assessments regarding expected fulfilment of terms. The method also applies to contingent additional considerations during business combinations. Any buy-back commitments regarding preference shares are measured based on the same method. An estimate and assessment of the value are made on subsequent reporting dates. For more information see Note 31. Financial instruments.

Assessment of the lease term in lease contracts with extension options

Lyvia Group AB (publ) is a lessee in lease contracts consisting of office premises, IT equipment, and cars. The office premises are ordinary office premises located in large cities where the availability of 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 contract by considering all relevant facts and circumstances that create economic incentives for Lyvia Group AB (publ) to exercise the opportunity to extend the lease contract. After the start date, the Group will review 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 premise and the remaining period before the agreement is automatically renewed. In 9 of the Group's 53 lease contracts for office premises an extension period has been included in the lease term. Overall, the Group's lease period for office premises varies between 0.5 - 15 years with an average lease term 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 involve 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 for goodwill. For 2023, recoverable amounts for sub-Groups of cash-generating units (CGUs) were determined by calculation of value in use, which requires certain assumptions to be made. The calculations are determined from 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 CGU. Information about assumptions, carrying amount and its sensitivity to impairment will be reported in the coming annual report

Assessment of useful life of trademarks and customer relationships
For some trademarks, a perpetual lifespan is assumed as there are no plans to replace the acquired companies' trademarks.

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

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

BREAKDOWN OF REVENUE

	2023	2022
Software*	285.1	162.4
Functional Services	577.3	226.1
Consulting services	864.1	715.4
Hardware	99.4	1.0
Recruitment Services	69.1	20.6
Product	-	-
Other**	240.4	17.0
Total	**2,135.5**	**1,142.5**

*Includes revenue from SaaS and commission on software sales.

**Of which valuation additional purchase price of MSEK 220.8 (8.5) and capitalised own development of MSEK 1.2 (0.0).

Geographic information
The Group's significant revenue from external customers (and non-current assets) is attributable to Sweden, Spain, and Poland. Of total revenue, 68% (81%) is attributable to Sweden, 16% (16%) attributable to Spain and 10% (2%) attributable to Poland and the remainder to Benelux, Norway and the UK.

Information about major customers
The Group has no single customer accounting 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

	2023	2022
Software	121.0	57.4
Functional Services	120.6	9.9
Total	**241.6**	**67.3**

Management expects that 81% of the total performance obligations of MSEK 298 allocated to the remaining performance obligations at year-end 2023 will be taken up as revenue in 2024 at MSEK 241.6, the corresponding amount for the financial year 2025 is expected to be MSEK 42.9 (14%) and MSEK 8.6 during the financial year 2026.

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

CONTRACT ASSETS

	2023	2022
Accrued income	63.7	35.3

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. Contract assets are elsewhere referred to in the Group's 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 explained primarily by the business combinations for the year.

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

CONTRACT LIABILITIES

	2023	2022
Deferred income/advance payments from customers	42.9	32.2

The Group recognises a contract liability when the remuneration received exceeds the revenue reported to date. During the year, MSEK 14.5 (MSEK 2.4) 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 explained primarily by the business combinations for the year.

5. REMUNERATION TO AUDITORS

	2023	2022
PwC		
Audit engagements	5.3	2.4
Audit activities other than audit engagements	0.1	0.2
Tax consultancy	0.1	-
Other services	3.9	-
	9.4	**2.6**
Other audit firms		
Audit engagements	3.5	1.7
Audit activities other than audit engagements	0.4	0.6
Tax consultancy	0.4	-
Other services	3.7	-
	8.0	**2.3**
Total	**17.4**	**4.9**

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 and the CEO, and fees for audit consultation provided in connection with the audit engagement.

6. REMUNERATION TO EMPLOYEES

AVERAGE NUMBER OF EMPLOYEES

	2023		2022	
	Average number of employees	Of which women	Average number of employees	Of which women
Parent company:				
Sweden	18	4	3	-
Total in the parent company	**18**	**4**	**3**	**-**
Subsidiaries:				
Benelux	6	2	-	-
Norway	26	4	-	-
Spain	311	70	231	57
United Kingdom	39	6	-	-
Sweden	897	338	807	322
Poland	103	52	16	13
Total in subsidiaries	**1,382**	**472**	**1,054**	**392**
Total in the Group	**1,400**	**476**	**1,057**	**392**

BOARD MEMBERS AND OTHER SENIOR EXECUTIVES

	Group		Parent company	
	2023	2022	2023	2022
Number of board members	7	5	7	5
Of which women	-	-	-	-
Other senior executives incl. CEO	10	9	8	1
Of which women	-	-	-	-

SALARIES AND REMUNERATION

	2023			
	Salaries and other remuneration	Social security expenses	Pension costs	Share-based payments
Parent company	22.4	7.6	1.7	-
Subsidiary	672.2	200.0	44.4	0.8
Total in the Group	**694.6**	**207.6**	**46.1**	**0.8**

	2022			
	Salaries and other remuneration	Social security expenses	Pension costs	Share-based payments
Parent company	4.0	1.2	0.2	-
Subsidiary	377.3	122.8	28.5	59.4
Total in the Group	**381.3**	**124.0**	**28.7**	**59.4**

	2023		2022	
	Board, CEO and other senior executives	Other employees	Board, CEO and other senior executives	Other employees
Parent company:				
Sweden	9.7	12.7	3.6	0.4
Total in the parent company	**9.7**	**12.7**	**3.6**	**0.4**
Subsidiaries:				
Benelux	-	0.6	-	-
Norway	-	14.4	-	-
Spain	1.7	120.8	0.2	56.3
United Kingdom	-	20.6	-	-
Sweden	1.0	486.1	2.4	316.9
Poland	-	27.0	-	1.5
Total in subsidiaries	**2.7**	**669.5**	**2.6**	**374.7**
Total in the Group	**12.4**	**682.2**	**6.2**	**375.1**

Pensions
The retirement age for the CEO and other senior executives is 65 years and the occupational pension corresponds to ITP1.

Severance pay agreement
A mutual period of notice 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 payments. The value has been measured at the fair value of the allocated equity instruments in accordance with IFRS 2 and the cost is recognised 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 30/06/2026. On 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 payments upon allotment has been made based on the value of the ordinary shares at the allotment.

In 2022, the terms and conditions for the majority of preference shares were renegotiated. After the renegotiations, the lock-up period was removed from these as of 31/12/2022, which means that the vesting date for the majority of the agreements was brought forward to 31/12/2022. 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 continues according to previous terms, where the cost is recognised on a straight-line basis over the vesting period that extends to 30/06/2026. The cost of share-based payments amounted to MSEK 0.8 in 2023 and MSEK 59.4 in 2022.

Warrants
On 31 December 2023 there were 86,608 warrants outstanding divided into two warrants programs in Lyvia Group AB and 4,380 warrants issued in Mirovia Holding AB.

An extraordinary general meeting on 28 June 2022 decided on a warrants programme of 68,000 warrants in Lyvia Group AB. During 2022 and 2023, 48,676 warrants were subscribed for. The warrants can be used to subscribe for shares in the period 1-31 December 2024 at a subscription price of SEK 1,000.00 with employees within the Group as target group.

An extraordinary general meeting on 19 May 2023 decided on a warrants programme of 52,000 warrants in Lyvia Group AB (publ). 37,932 warrants were subscribed in 2023. The warrants can be used to subscribe for shares in the period 1-31 December 2027 at a subscription price of SEK 2,274.00 with employees within the Group as target group.

In 2023 Lyvia Group AB (publ) carried out buy-backs with 11,111 warrants of series 2022/2025 repurchased through a transaction and 79 warrants of series 2023/2027 repurchased through five transactions. The warrants have been measured according to Black & Scholes and acquired at markets price.

7. OTHER OPERATING EXPENSES

	2023	2022
Foreign currency translation differences	-2.1	0.4
Valuation additional purchase price	-44.7	
Total	**46.8**	**0.4**

8. FINANCIAL INCOME

	2023	2022
Capital gain when disposing of financial assets*	-	65.7
Exchange rate gains, net	12.0	4.7
Other	4.4	2.5
Total	**18.5**	**72.9**

*The amounts relate to the 2022 sale of preference shares Series B and financial investments in Spain.

9. FINANCIAL EXPENSES

	2023	2022
Interest expenses on bond loans	80.7	55.1
Interest expenses on bank loans	67.9	15.4
Interest expenses on lease liabilities	6.4	3.5
Interest expenses on additional purchase prices and preference shares	124.7	1.6
Interest expenses financial investment	-	36.1
Total interest expense on financial liabilities not classified at fair value through profit or loss	**279.7**	**111.7**
Other financial expenses	23.8	28.2
Total	**303.5**	**139.9**

10. INCOME TAX

	2023	2022
Current tax:		
Current year	-34.3	-21.4
Deferred tax (see note 23)	35.4	-10.1
	1.1	-31.5
The current tax rate is 20.6% (20.6%). The reported tax expense for the year can be reconciled with profit before tax for the year as follows:		
Profit before tax	-75.3	-46.0
Tax according to tax rate of 20.6% (20.6%)	15.5	9.5
Adjustment for differences in tax rate abroad	-1.2	-10.2
Tax effect of non-deductible costs	-121.5	-30.8
Tax relating to previous years	3.0	-
Tax-free income	65.1	-
Utilised deficit including new deficits	4.5	-
Change in temporary differences	35.7	-
Total	1.1	-31.5

Average effective tax rate is 1.5% (68.4%).

11. GOODWILL

	2023	2022
Opening acquisition cost	**1,595.9**	**634.1**
Increase from acquisitions of subsidiaries	442.5	982.6
Exchange rate differences	-3.3	13.8
Discontinued operations	-	-34.6
Closing carrying amount according to adopted balance sheet	**2,035.1**	**1,595.9**

In Lyvia Group AB (publ) there are five cash-generating units where goodwill and trademarks are tested for need for impairment at least annually, or whenever there is an indication of impairment in accordance with IAS 36. Goodwill is tested in the cash-generating units, which are Scandinavia, Poland, Benelux, Spain and the UK.

The 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 discount rate after tax. The operating margin and investment level have been determined by the Board 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 between 11.1% and 11.8% (12.5%) discount rate, which has been adjusted according to the prevailing interest situation and other parameters such as market risk premium, etc.

Goodwill is distributed among the following cash-generating regions: Scandinavia MSEK 1,543, Poland MSEK 230, Benelux MSEK 14, Spain MSEK 207 and the UK MSEK 41. The impairment test has not resulted in any impairment as of 31/12/2023.

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 involve any need for impairment.

Lyvia's bases its sensitivity analyses partly on the discount rate (increase of discount rate, normally 1%) BS partly growth rate in the terminal period (beyond five-year forecasting period) where the growth rate is reduced. The changes have not given rise to/an indication of a 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.

12. OTHER INTANGIBLE ASSETS

	Developed technology	Trademarks	Customer relationships	Total
Opening acquisition cost 1 January 2023	82.9	283.4	663.9	1,030.2
Acquisitions for the year	1.0	-	-	1.0
Increase from acquisitions of subsidiaries	91.8	48.8	434.3	574.7
Exchange rate differences	-1.9	-1.7	-1.5	-5.1
Closing acquisition cost 31 December 2023	**173.8**	**330.5**	**1,096.7**	**1,601.0**
Opening depreciation and impairment 1 January 2023	-7.0	-14.3	-59.0	-80.3
Acquisitions	-1.4	-	-	-1.4
Depreciation for the year	-14.4	-25.9	-108.5	-148.8
Exchange rate differences	0.5	-	0.1	0.6
Closing depreciation 31 December 2023	**-22.3**	**-40.2**	**-167.4**	**-229.9**
Closing carrying amount	**151.5**	**290.3**	**929.3**	**1,371.1**

	Developed technology	Trademarks	Customer relationships	Total
Opening acquisition cost January 1, 2022	12.2	79.5	175.4	267.0
Acquisitions for the year	-	-	-	-
Acquired acquisition costs	70.7	209.3	497.3	777.3
Adjustment determined acquisition analyses	-	-5.4	-8.8	-14.0
Exchange rate differences	-	-	-	-
Closing accumulated cost	**82.9**	**283.4**	**663.9**	**1,030.3**
Opening depreciation 1 January 2022	-	-1.6	-11.4	-13.0
Depreciation for the year	-7.0	-12.7	-47.6	-67.3
Exchange rate differences	-	-	-	-
Closing accumulated depreciation	**-7.0**	**-14.3**	**-59.0**	**-80.3**
Closing carrying amount after correction	**75.9**	**269.1**	**604.9**	**950.1**

13. TANGIBLE FIXED ASSETS

EQUIPMENT

	2023	2022
Opening acquisition cost	35.9	33.8
Acquisitions for the year	9.6	2.4
Increase through business combinations	13.9	27.7
Sales and disposals	-0.2	-28.0
Reclassification	-12.5	-
Exchange rate differences	-0.5	-
Closing accumulated cost	46.2	35.9
Opening depreciation	-23.2	-29.0
Accumulated depreciation from business combinations	-0.9	-6.8
Depreciation for the year	-10.9	-11.8
Sales and disposals	0.2	24.4
Reclassification	12.3	-
Exchange rate differences	0.2	-
Closing accumulated depreciation	-22.3	-23.2
Closing carrying amount	**23.9**	**12.7**

14. LEASING (THE GROUP AS LESSEE)

	2023			2022		
	Office premises	Cars	Total	Office premises	Cars	Total
Opening acquisition cost	91.6	13.6	105.2	69.4	4.0	73.4
Adjustments of additional rights of use	52.2	5.0	57.2	3.2	2.5	5.7
Increase from acquisitions of subsidiaries	12.2	1.6	13.8	56.9	7.3	64.2
Reduction from discontinued operations	-	-	-	-37.9	-0.2	-38.1
Reclassification acquisition cost	7.1	-1.4	5.7	-	-	-
Terminations and disposals	-9.8	-4.1	-13.9	-	-	-
Exchange rate differences	-0.2	-	-0.2	-	-	-
Closing accumulated cost	153.1	14.7	167.8	91.6	13.6	105.2
Opening depreciation	-20.5	-2.6	-23.1	-5.4	-0.9	-6.3
Depreciation for the year	-39.8	-5.6	-45.4	-17.0	-2.0	-19.0
Reclassification depreciation and impairments	-4.4	-1.1	-5.5	-	-	-
Terminations and disposals	7.3	2.7	10.0	1.9	0.3	2.2
Exchange rate differences	0.2	-	0.2	-	-	-
Closing accumulated depreciation	-57.2	-6.6	-63.8	-20.5	-2.6	-23.1
Closing carrying amount	**95.9**	**8.1**	**104.0**	**71.1**	**11.0**	**82,1**

The Group leases office premises and cars. The office premises are ordinary office premises located in large cities where the availability of 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. The Group leases cars with an average lease term of three years. For more information about management's assessment of the lease term, see Note 3. A maturity analysis of the lease liability is presented in Note 22. Leasing liabilities.

AMOUNTS REPORTED IN PROFIT OR LOSS

	2023	2022
Depreciation of rights of use assets	-49.4	-17.6
Interest expenses for lease liabilities	-6.4	-3.2
Costs relating to short-term lease contracts	-0.3	-1.1
Costs relating to leasing of low-value assets	-	-0.2
Income from the sub-lease of rights of use assets	1.1	0.8

On 31 December 2023 the Group had commitments regarding short-term lease contracts of MSEK -0.3 (-1.1). The total cash outflow for leases amounts to MSEK -50.3 (-24.8).

15. INVENTORIES

	2023	2022
Finished products and goods for resale	11.0	-
Total	**11.0**	**-**

Inventories are measured to the lower of cost and net realisable value.

16. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable	362.8	306.4
Loss allowances	-13.2	-1.3
Total	**349.6**	**305.1**

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

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

	2023	2022
Undue accounts receivable	275.4	254.4
Accounts receivable due 1-30 days	41.3	31.0
Accounts receivable due 31-90 days	13.6	15.0
Accounts receivable due 91-180 days	8.8	4.0
Accounts receivable due 181-360 days	7.3	2.0
Accounts receivable due >361 days	16.4	-
Total	**362.8**	**306.4**

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

17. OTHER RECEIVABLES

	2023	2022
Tax asset	36.0	20.4
Ongoing acquisitions	-	40.3
Receivables from employees	0.1	0.4
Other	11.0	8.5
Total	**47.1**	**69.6**

18. PREPAID EXPENSES AND ACCRUED INCOME

	2023	2022
Prepaid rent	1.4	5.4
Prepaid insurance	1.4	1.1
Accrued income	63.7	35.6
Other prepaid expenses	13.0	37.0
Total	**79.5**	**79.1**

19. SHARE CAPITAL

	2023	2022
Ordinary shares	Number	Number
Number of issued shares:		
5,687,723 (5,278,340) ordinary shares of SEK 0.1 (0.1) each	5,687,723	5,278,340
Issued and fully paid shares:		
As of 1 January, 5,278,340 (281,250) ordinary shares of SEK 0.1 (0.1) each	**5,278,340**	**281,250**
Issued during the year	409,383	4,997,090
Holdings of own shares acquired during the year	-	-
As of 31 December, 5,687,723 (5,278,340) ordinary shares of SEK 0.1 (0.1) each	**5,687,723**	**5,278,340**

20. OTHER CONTRIBUTED CAPITAL

	2023	2022
Opening balance	**1,344.7**	**357.1**
Premium arising from issue	465.4	278.1
Warrants subscription	6.1	15.6
Warrants buy-back	-2.8	-
Shareholder contributions	-	702.4
Effect of restructuring	-	-25.5
Buy-back of preference shares	-274.2	-
Translation reserve	-5.5	17.0
Closing balance according to adopted balance sheet	**1,533.7**	**1,344.7**

Other contributed capital consists of share premium fund and shareholder contributions. Of the total shareholder contribution 2022 recognised in change over equity, MSEK 702.4 relates to shareholder contributions from Esmaeilzadeh Holding AB.

21. BORROWING

	2023	2022
Borrowing at amortised cost		
Bank overdraft facility	-	2.4
Bank loan	1,440.4	327.5
Credit card	-	0.1
Bond loan	-	783.4
Total	**1,440.4**	**1,113.4**
Long-term	1,440.4	902.1
Current	-	211.3

All borrowing is in Swedish kronor.

The bond loan that was issued on 7 July 2021 and 15 June 2022, for a total of MSEK 800 with interest STIBOR plus 8.25 percent was repaid in full in 2023.

In connection with the repayment of the bond loan and the previous bank loan, of MSEK 375.6, a new bank loan of approx. MSEK 1,200 was taken out.

22. LEASING LIABILITIES

	2023	2022
Payment window discounted values		
Year 1	47.7	32.1
Between 1-5 years	52.3	48.8
Later than 5 years	1.5	2.9
Total	**101.5**	**83.8**
Classified as:		
Long-term liabilities	53.8	51.7
Current liabilities	47.7	32.1
Total	**101.5**	**83.8**

The Group is not exposed to any material liquidity risk as a result of the leasing liabilities.

23. 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 contracts	Surplus values*	Other	Total
Opening balance 1 January 2022	**-0.3**	**-55.1**	**-**	**-55.4**
New lease contract	-	-	-	-
Increase from acquisitions of subsidiaries	-0.5	-170.7	-0.5	-171.7
Decrease from sale of subsidiaries	0.1	4.5	-	4.6
Reported in profit or loss	-	10.1	-	10.1
Closing carrying amount after 31 December 2022 after correction	**-0.7**	**-211.2**	**-0.5**	**-212.4**
Opening balance 1 January 2023	**-0.7**	**-211.2**	**-0.5**	**-212.4**
New lease contract	2.2	-	-	2.2
Disposals	-2.9	-	-	-2.9
Increase from acquisitions of subsidiaries	-	-118.9	-3.1	-122.0
Decrease from sale of subsidiaries	-	-	-	-
Currency translation	-	2.1	0.1	2.2
Reported in profit or loss	0.3	31.5	3.9	35.7
As of 31 December 2023	**-1.1**	**-296.5**	**0.4**	**-297.2**

*Surplus values consist of trademark, customer contracts, customer relationships and developed technology

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 through net payment. The following table shows deferred tax assets and liabilities presented in the statement of financial position:

	2023	2022
Deferred tax liabilities	-301.9	-221.1
Deferred tax assets	4.7	0.8
Total	**-297.2**	**-220.3**

At the end of the reporting period, the Group has unutilised tax loss deficits amounting to MSEK 1.2 (MSEK 0.0) that can be utilised 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 utilised indefinitely.

24. DIVESTED OPERATIONS

Result and cash flow for divested operations reported below relate to the period 01/01/2023 - 31/03/2023. On 31 March 2023 Lyvia sold Eitrium AB with subsidiaries to Esmailzadeh Holding AB for a payment of MSEK 136.4.

	2023
Revenue	105.3
Costs	-81.0
Operating profit	**24.3**
Net financial income/expense	-13.8
Profit from divested operations	**10.5**
Exchange rate differences	-
Other comprehensive income from operations disposed of	**10.5**
Group-wise capital gain from operations dispo-sed of	-8.4
Profit from divested operations	**2.1**

	2022
Revenue	254.0
Costs	-249.8
Operating profit	**4.2**
Financial items	-20.6
Profit before tax	**-16.4**
Income tax	-7.6
Profit from discontinued operations	**-23.7**

Net cash flow generated from disposal of Eitrium AB with subsidiaries:

	2023
Cash and cash equivalents received	136.4
Cash and cash equivalents relating to the divested operation	-60.8
Settlement of balances relating to the divested operation	-
Net cash inflow at the time of divestment	**75.6**

	2023
Net cash flow from operating activities	-0.9
Net cash flow from investing activities	-
Net cash flow from financing activities	-3.2
Net decrease of cash and cash equivalents generated by the listed operations	**-4.1**

The recorded values of assets and liabilities at the time of sale 31 March 2023 are shown in the table below.

	2023	2022
Tangible fixed assets	366.2	364.6
Intangible fixed assets	145.0	149.1
Other long-term receivables	20.3	0.1
Accounts receivable	55.1	47.6
Other current receivables	63.7	60.8
Prepaid expenses and accrued income	2.9	3.9
Cash and cash equivalents	60.8	64.8
Total assets	**714.0**	**690.9**
Accounts payable	34.3	29.3
Accrued expenses and deferred income	11.1	12.5
Other current liabilities	21.4	29.5
Other long-term liabilities	502.2	483.3
Total liabilities	**569.0**	**554.6**
Net assets	**145.0**	**136.3**

Assets and liabilities relating to the divested operations are no longer included in the balance sheet as Eitrium AB with subsidiaries was divested before 31 December 2023.

25. OTHER FINANCIAL LIABILITIES

	2023	2022
Contingent consideration *	503.7	382.6
Other acquisition-related liabilities	101.9	75.9
Other financial liabilities	3.4	0.1
Preference shares	221.5	203.6
Total	**830.5**	**662.2**
Long-term	767.3	636.9
Current	63.2	25.3
Total	**830.5**	**662.2**

*Of which adjustment for determined acquisition analyses for the comparative year amount to MSEK 32.9.

MSEK 0.0 relate to contingent considerations that are due later than 5 years. For more information about contingent considerations see Note 31. Financial instruments.

Preference shares are classified as financial liabilities as they involve a commitment 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.

26. OTHER LIABILITIES

	2023	2022
Tax at source and charges	12.5	23.9
Accrued payroll tax	21.8	5.9
VAT liabilities	49.9	43.8
Current liabilities to employees	-	0.6
Other liabilities	60.0	68.1
Total	**144.2**	**142.3**

27. ACCRUED EXPENSES AND DEFERRED INCOME

	2023	2022
Deferred income	18.0	14.5
Accrued salaries	43.3	61.7
Accrued social security expenses	13.2	11.5
Accrued consulting expenses	1.1	2.0
Accrued accounting and audit fees	4.8	5.7
Accrued pension costs	1.3	0.6
Accrued interest expenses	13.4	18.6
Advance payments from customers	24.9	17.7
Other accrued costs	24.0	7.8
Total	**144.0**	**140.1**

28. ACQUISITION OF SUBSIDIARIES

Acquisitions	Acquisition date
Public I Group Ltd (including subsidiaries)	January 2023
DIGIJO Group AB (including subsidiaries)	January 2023
Mint Media	January 2023
T-rank AS	May 2023
IT Systems and Solutions sp. Z.o.o	June 2023
ARC Consulting Group sp.z.o.o (including subsidiaries)	September 2023
Mobile Partner Sweden AB	October 2023
Aditso AB (including subsidiaries)	November 2023
Facility Kwadraat Holding B.V. (including subsidiaries)	December 2023

The amounts recognised for the identified acquired assets and liabilities are specified in the table below. For the respective year, the acquisition and analysis are preliminary until identification and valuation of assets has been completed.

	2023	2022
Fair value of acquired assets and liabilities		
Intangible assets	517.6	941.6
Rights of use	-	40.9
Tangible fixed assets	12.4	60.0
Financial assets	-	15.6
Accounts receivable	77.8	193.7
Other current assets	59.7	117.9
Cash and cash equivalents	173.9	180.0
Deferred tax liability	-107.6	-210.1
Liabilities to credit institutes	-2.1	-11.1
Leasing liabilities	-	-42.0
Accounts payable	-36.3	-105.5
Other current liabilities	-104.1	-180.8
Total	**591.3**	**1,000.2**
Goodwill	431.8	1,130.7
Total purchase price	**1,023.1**	**2,130.9**
Settled through:		
Cash and cash equivalents	606.9	1,390.1
Contingent consideration	213.8	733.8
Equity instrument	160.0	-
Remaining short-term debt not yet settled	42.4	7.0
Total compensation transferred	**1,023.1**	**2,130.9**
Cash outflow on acquisitions:	606.9	1,390.1
Deducted: cash acquired	-173.9	-180.8
Refers to debt that has not been settled	42.4	7.0
Refers to acquisition of divested operations	-	-227.8
Net cash outflow from acquisitions of subsidiaries	**475.4**	**989.3**

Goodwill of MSEK 431.8 (1,130.7) 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 MSEK 9.2 (31.5).

The acquisitions during 2023 contributed MSEK 302.4 to earnings and MSEK 14.8 to profit for the year for the Group between the acquisition date and the end of the reporting period. The corresponding comparative figure for 2022 is contributions of MSEK 867.4 to earnings and MSEK 152.4 to profit for the year. 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 MSEK 2,231.2 (2,009.9) and the Group's profit would have been MSEK 43.1 (38.5).

29. NOTES TO CASH FLOW STATEMENT

CASH AND CASH EQUIVALENTS

	2023	2022
Cash and bank balances	426.0	414.1

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 relating to financing activities
The table below shows the changes in the Group's liabilities relating to financing activities, which include both changes relating to cash flows and changes that do not affect cash flows. Liabilities relating 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 make up the net proceeds from borrowings and repayments of borrowings in the statement of cash flows.

Other changes include discount effect, accrued interest, dissolution of transaction costs directly relating to the bond loan for the period, reclassifications relating to the restructuring of the Group and adjustment for discontinued operations.

NON-CASH ITEMS

	2023	2022
Depreciation	205.1	95.7
Provisions	0.0	0.8
Share-based payments to employees	0.0	59.4
Discounting contingent consideration	0.0	8.4
Revaluation contingent consideration	-176.0	0.0
Other	0.5	-2.9
Total	**29.6**	**161.4**

CHANGE IN FINANCIAL LIABILITIES

			Transactions that do not involve payments				
	1 January 2023	Cash flow from financing	Acquisition of subsidiaries	New lease contracts	Preference shares	Other changes	31 December 2023
Bond loan	783.4	-783.4	-	-	-	-	-
Bank loan	330.0	1,126.0	-	-	-	-15.6	1,440.4
Leasing liabilities	82.0	-53.1	13.3	54.0	-	5.3	101.5
Total liabilities from financing activities	**1,195.4**	**289.5**	**13.3**	**54.0**	**-**	**-10.3**	**1,541.9**

			Transactions that do not involve payments				
	1 January 2022	Cash flow from financing	Acquisition of subsidiaries	New lease contracts	Preference shares	Other changes	31 December 2022
Bond loan	388.5	387.0	-	-	-	7.9	783.4
Bank loan	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**

30. SUBSIDIARIES

Subsidiaries	Corporate identity number	Registered office and place of business	Capital and share of voting power	Parent company
HOLDING COMPANY				
Lyvia Benelux B.V.	87183781	Benelux	100%	Mirovia Holding AB
Lyvia CEE AB	559327-3187	Stockholm	100%	Mirovia Holding AB
Lyvia DE Gmbh	HRB 129299	Frankfurt	100%	Mirovia Holding AB
Lyvia Group Holding AB	559290-4089	Stockholm	100%	Lyvia Group AB (publ)
Lyvia Group Mid Holding AB	559371-1756	Stockholm	100%	Lyvia Group Holding AB
Lyvia NO AS	930687294	Oslo	100%	Mirovia Holding AB
Mirovia Holding AB	559278-2758	Stockholm	100%	Lyvia Group Mid Holding AB
Mirovia Invest 1 AB	559278-2766	Stockholm	100%	Mirovia Nordics AB
Mirovia Invest 2 AB	559290-3990	Stockholm	100%	Mirovia Nordics AB
Mirovia Nordics AB	559261-9232	Stockholm	100%	Mirovia Holding AB
Mirovia UK LTD	13851474	London	100%	Mirovia Nordics AB (publ)
Plenius by Mirovia AB	559331-3843	Stockholm	100%	Mirovia Nordics AB
Plenius Corporativo S.L.	B-16753238	Malaga	100%	Plenius by Mirovia AB
Äleven AB	559314-8322	Stockholm	100%	Äleven Collective AB
Äleven Collective AB	559314-8314	Stockholm	100%	Äleven Group AB
Äleven Group AB	559314-8306	Stockholm	100%	Äleven Holding AB
Äleven Holding AB	559211-4267	Stockholm	100%	Lyvia Group Mid Holding AB

Subsidiaries	Corporate identity number	Registered office and place of business	Capital and share of voting power	Parent company
PORTFOLIO COMPANIES				
Acino AB	556700-8130	Umeå	100%	Mirovia Invest 1 AB
Aditso AB	556861-1577	Gothenburg	100%	Mirovia Invest 1 AB
Aditso Hosting AB	556887-7640	Gothenburg	100%	Aditso AB
Antartyca Consulting S.L.	B-84382373	Madrid	100%	Plenius by Mirovia AB
Anything Holdings AB	559354-6103	Stockholm	100%	Äleven AB
Arc Consulting Group sp z.o.o	0000314075	Krakow	100%	Lyvia CEE
Arc Consulting Group spółka z ograniczoną odpowiedzialnością sp.k.	0000321601	Krakow	100%	Arc Consulting sp z.o.o and Lyvia CEE AB
Augusti 2017 AB	559128-1737	Stockholm	100%	Folket Management AB
Bizloop AB	559223-9221	Stockholm	100%	Mirovia Invest 1 AB
Blowtorch AB	559032-2946	Stockholm	100%	So4it AB
Bright Inventions sp z.o.o.	367805647	Gdansk	100%	Mirovia Invest 1 AB
Cloudgruppen i Sverige AB	556583-9627	Malmö	100%	Mirovia Invest 1 AB
Cloudgruppen Syd AB	559295-8184	Malmö	100%	Cloudgruppen Sverige AB
Controlnet Web. S.L	B-35982461	Cadiz	100%	Plenius by Mirovia AB
Crutiq AB	559341-6968	Stockholm	100%	Mirovia Holding AB
CServices sp. z o.o.	0000370056	Warsaw	70%	Arc Consulting Group sp z.o.o
December 2017 AB	559140-1343	Stockholm	100%	Folket Management AB
Digijo Group AB	559411-0537	Umeå	100%	Äleven AB
Digipartner Sverige AB	559141-4148	Umeå	100%	DIGIJO Group AB
F Consulting i Sverige AB	556755-6617	Älvsjö	100%	Mirovia Invest 1 AB
Facility Kwadraat Consultancy B.V	17146497	Den Bosch	100%	Facility Kwadraat Holding B.V.
Facility Kwadraat Holding B.V.	17141668	Den Bosch	100%	Lyvia Benelux B.V.
Facility Kwadraat Software B.V.	17146499	Den Bosch	100%	Facility Kwadraat Holding B.V.
Februari 2016 S AB	559041-5369	Stockholm	100%	Folket Management AB
Folket Bemanning AB	559414-5905	Stockholm	100%	Tank Om Gruppen AB
Folket Feb 23 AB	559414-5913	Stockholm	100%	Folket Kommunikation AB
Folket Kommunikation AB	559173-9791	Stockholm	100%	Folket Management AB
Folket Management AB	559041-5088	Stockholm	100%	Tank Om Gruppen AB
Folket Reklam AB	559173-9783	Stockholm	100%	Folket Management AB
Folket Syster AB	559180-3993	Stockholm	100%	Folket Management AB

Folketbolaget AB	559133-5996	Stockholm	100%	Folket Management AB
Human Performance Consulting Sverige AB	556769-4855	Stockholm	100%	Äleven AB
Humblestorm Communication AB	556773-2572	Stockholm	100%	Äleven AB
Inase informática del Mediterráneo, S.L.	B-9674895	Valencia	100%	Plenius by Mirovia AB
IT Systems and Solutions sp. z o.o.	5272605731		100%	Lyvia CEE AB
IT Huset Affärsutveckling i Norden AB	556506-0596	Stockholm	100%	IT-Huset Holding i Norden AB
IT Huset Holding i Norden AB	556558-7440	Stockholm	100%	Mirovia Invest 1 AB
IT Huset i Norden AB	556545-5069	Stockholm	100%	IT-Huset Holding i Norden AB
Jo Kommunikation AB	556888-7805	Umeå	100%	DIGIJO Group AB
Komopis produktion AB	559127-2033	Stockholm	100%	Folket Management AB/Tillsammans AB
Lemontree AS	994519832	Oslo	100%	Lemontree Enterprise Solutions AB
Lemontree Enterprise Solution AB	556641-0337	Stockholm	100%	Mirovia Invest 1 AB
Letterhead AB	556665-0015	Stockholm	100%	Äleven AB
Mercanza, S.L.	B-83449188	Madrid	100%	Plenius by Mirovia AB
Mint Media AS	915915337	Bergen	100%	Äleven AB
Mobile Partner Sweden AB	556807-3125	Umeå	100%	Cloudgruppen Sverige AB
Needo Consulting AB	559218-2090	Stockholm	100%	Needo Recruitment Group AB
Needo Recruitment Group AB	559100-7249	Stockholm	100%	Crutiq AB
Needo Recruitment Sthlm AB	559088-5884	Stockholm	100%	Needo Recruitment Group AB
Needo Recruitment West AB	559218-3940	Stockholm	100%	Needo Recruitment Group AB
Nobl Consulting AB	556979-1030	Solna	100%	NOBL Holding AB
Nobl Consulting Göteborg AB	559247-1949	Solna	100%	NOBL Holding AB
Nobl Consulting Stockholm AB	559071-0256	Solna	100%	NOBL Holding AB
Nobl Holding AB	559269-3864	Solna	100%	Äleven AB
November 2016 S AB	559068-0186	Stockholm	100%	Folket Management AB
November 2017 AB	559133-6010	Stockholm	100%	Folket Management AB
Pointseven AB	559288-0511	Stockholm	100%	Anything Holdings AB
Project Software Sweden AB	559157-1863	Stockholm	100%	Sundbom Group AB
Public-I Group Ltd	3998680	Brighton	100%	Mirovia UK LTD
Public-I Info Ltd	5119475	Brighton	100%	Mirovia UK LTD
PX Expert Norden AB	559269-7071	Stockholm	100%	Sundbom Group AB
Rebendo AB	556285-5402	Hägersten	100%	Mirovia Invest 1 AB
Repona AB	556713-1437	Lund	100%	Mirovia Invest 1 AB
Repona ApS	35665935	Copenhagen	100%	Repona AB
Repona Väst AB	559135-5747	Gothenburg	100%	Repona AB
Seventy Agency AB	556898-1921	Stockholm	100%	Anything Holdings AB
So4it AB	556680-4208	Stockholm	100%	Mirovia Invest 1 AB
Spectrum Digital Solutions AB	556665-0015	Stockholm	100%	Äleven AB
Sundbom & Partners AB	556759-7009	Stockholm	100%	Sundbom Group AB
Sundbom Group AB	559031-5221	Stockholm	100%	Mirovia Invest 1 AB
Svenska Försäkringsfabriken i Umeå AB	556684-1838	Umeå	100%	Mirovia Invest 1 AB
Tank Om Gruppen AB	559373-6217	Stockholm	100%	Äleven AB
Tillsammans AB	556987-4810	Stockholm	100%	Tank Om Gruppen AB
Toppnamn AB	556737-4581	Umeå	100%	Mirovia Invest 1 AB
T-rank AS	990092397	Oslo	100%	Lyvia NO AS
Trankila AB	559168-3411	Stockholm	100%	Needo Recruitment Group AB
Transformant Group AB	559091-4692	Stockholm	100%	Mirovia Invest 1 AB
Traventus AB	556876-1976	Malmö	100%	Mirovia Invest 1 AB
Volhard Investigaciones AIE	CIF-V76812882	Santa Cruz de Tenerife	100%	Mercanza, S.L/Plenius Corporativo S.L.
Våning 18 AB	559070-9522	Halmstad	100%	Äleven AB
WISH B.V.	67087965	Bruistensingel	100%	Facility Kwadraat Holding B.V.

31. FINANCIAL INSTRUMENTS

Classification and valuation

In accordance with IFRS 9 financial instruments are classified at an amortised cost, fair value over the comprehensive income or fair value via the result depending on the Group's business model for managing the financial assets. As well as the characteristics of the contractual cash flows relating to the financial instrument.

Financial assets recorded at amortised cost consist of accounts receivable, accrued income, cash and cash equivalents as well as financial assets.

Financial liabilities recorded at amortised cost consist of liabilities to credit institutes, leasing and accounts payable.

Financial liabilities recorded at fair value via the result consist of issued preference shares classified as financial liabilities as they involve a commitment to repurchase the preference shares under certain conditions outside the Group's control against settlement in a variable number of ordinary shares.

Contingent additional considerations are measured at fair value via the result. The change in value relating to the discounting effect on the carrying amount is recognised as financial items in the income statement and change in value relating to the development of the concern companies is recorded as other income/costs.

Determination of fair value

IFRS 7 establishes that disclosure shall be provided about the fair value of every financial asset and liability, regardless of whether these are recorded at fair value in the balance sheet or not. For assets and liabilities recorded at amortised cost, the carrying amount is equal to its fair value. Based on that its interest rate is on par with current markets rates or the item's short-term nature.

According to the standard, financial assets and liabilities recorded at fair value are classified into three levels.

- Level 1: Fair value of financial instruments traded on an active market.
- Level 2: Fair value of financial assets not traded on an active market but which are determined using measurement techniques based on market information.
- Level 3: In those cases in which one or more material input data is not based on observable market information.

All of the Group's financial assets and liabilities recorded at fair value are classified at Level 3.

The Group's issued preference shares are measured at fair value based on available data such as contract terms and current assessments regarding expected fulfilment of terms. The method also applies to contingent additional considerations. When calculating fair value an average cost of capital of 13.9% was used in 2023.

FINANCIAL ASSETS

31/12/2023				Fair value Level			
	Amortised cost	Fair value through profit or loss mandatory measurement	Total	1	2	3	Total
Other financial assets	19.9		19.9				
Accounts receivable	349.6		349.6				
Accrued income	52.2		52.2				
Cash and cash equivalents	426.0		426.0				
Total	**847.7**	**-**	**847.7**				

FINANCIAL LIABILITIES

31/12/2023				Fair value Level			
	Amortised cost	Fair value through profit or loss mandatory measurement	Total	1	2	3	Total
Borrowings	1,440.4		1,440.4				
Leasing liabilities	101.5		101.5				
Accounts payable	100.9		100.9				
Other financial liabilities		326.8	326.8			326.98	326.8
Contingent additional consideration from business combinations		503.7	503.7			503.7	503.7
Total	**1,642,8**	**830.5**	**2,473.3**			**830.5**	**830.5**

FINANCIAL ASSETS

31/12/2022				Fair value Level			
	Amortised cost	Fair value through profit or loss mandatory measurement	Total	1	2	3	Total
Other financial assets	55.1		55.1				
Accounts receivable	305.1		305.1				
Accrued income	35.6		35.6				
Cash and cash equivalents	414.1		414.1				
Total	**809.9**	**-**	**809.9**				

FINANCIAL LIABILITIES

31/12/2022				Fair value Level			
	Amortised cost	Fair value through profit or loss mandatory measurement	Total	1	2	3	Total
Borrowings	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
Contingent additional consideration from business combinations		382.6	382.6			382.6	382.6
Total	**1,264.2**	**742.5**	**2,006.7**			**742.5**	**742.5**

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 relating to a business combination.

CONTINGENT CONSIDERATION FROM BUSINESS COMBINATIONS

	2023	2022
At beginning of year	382.6	6.1
Profit or loss recognised in the income statement	24.4	10.8
Additions from business combinations	159.3	393.9
Settlement of contingent consideration	-62.6	-28.2
Total	**503.7**	**382.6**

Risk management

Lyvia's fundamental management of the Group's financial risks is driven by the operating activities generating profit, and not by profits arising from investments in financial instruments. The financing activities in the Group aim to support the operating activities and to identify and manage the financial risks. The financial risks are managed in accordance with the financial policy established by the Board.

Market risk

Currency risk

The currency risk arises from two categories, transaction exposure and translation exposure. Translation exposure arises when translating the subsidiaries' income statements and balance sheets to the Group's currency from other local currencies they report in. On consolidation the Group becomes exposed to changes in exchange rates from these companies. Acquisition of foreign subsidiaries is also financed partly through liabilities in local currencies in order to reduce the translation exposure.

Approximately 30% of Lyvia's turnover consists of sales in EUR, PLN, GBP and NOK. A change in foreign currencies by 5% in 2023 would have affected turnover for the year by MSEK 30.8, broken down into EUR 14.8, PLN MSEK 10.3, GBP MSEK 2.7 and NOK MSEK 3.0. The corresponding effect on the operating result would have been EUR 2.3, PLN MSEK 1.4, GBP MSEK 0.2 and NOK MSEK 1.6.

Interest rate risk

The Group's main interest rate risk arises from long-term financing through loans from banks. The interest rates of the loans are periodically changed and are therefore exposed to the risk that market interest rates may change. For variable interest liabilities, the analysis is prepared on the assumption that the outstanding amount on 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

	2023	2022
Interest rate - increase of 1%	14.6	11.1
Interest rate - decrease by 1%	-14.6	-11.1

Credit risk
Accounts receivable involve a credit risk In those outcomes in which our customers cannot pay their invoices, the Group risks being affected by credit losses. The exposure to credit risk corresponds to the Group's carrying amount for accounts receivable and accrued income, as of the end of the accounting period these amounted to MSEK 413.3 (340.7) after provisions for expected losses. For more information regarding accounts receivable see Note 16.

Liquidity risk
The Group's cash and cash equivalents as of December 31, 2023 amounted to MSEK 426.0 (414.1). In addition to these cash and cash equivalents there was an unutilised component in the revolving credit facility of MSEK 140.7 which is new for the year. Total available credit was increased in 2023 and amounts to MSEK 1,600 as of 31 December. Lyvia has historically financed and plans to continue financing parts of the acquisitions through loans from credit institutes. Loan agreements may contain terms and conditions with restrictions, also called covenants. Lyvia's loan agreements contain such terms and conditions relating to the Group's net liability and interest coverage ratio, as of 31 December 2023 all terms and conditions were met in full.

Liabilities to credit institutes consist primarily of existing credit facilities and Term loan with our two banks Danske Bank and DnB. Financing was issued in June 2023 at an amount of MSEK 1,600 and runs for 3 years. The agreement provides flexibility by allowing us to withdraw amounts in SEK or EUR with only a few days' notice. Interest is always variable with selectable lock-in periods of e.g. 1, 3, 6 months. Interest consists of the STIBOR or EURIBOR curves with a margin. Credit facility and loans are interest-only, but at the same time we can choose to repay drawn credit facility at each fixed-interest date.

As of 31 December 2023 the Group's financial liabilities have contracted terms as follows:

	Up to 1 month	1-3 months	Between 3 months and 1 year	1-2 years	2-5 years	5+ years	Total	**Carrying amount**
31/12/2023								
Accounts payable	100.9	-	-	-	-	-	100.9	**100.9**
Financial instruments at floating interest rate	-	-	-	-	1,458.6	-	1,458.6	**1,440.4**
Interest on interest-bearing instruments	-	-	13.4	-	-	-	13.4	**13.4**
Other financial liabilities	18.1	-	10.9	93.5	204.4	-	326.9	**326.9**
Contingent additional consideration	-	-	63.4	196.6	314.1	114.2	688.3	**503.7**
31/12/2022								
Accounts payable	68.2	0.6	-	-	-	-	68.8	**68.8**
Financial instruments at floating interest rate	-	-	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	-	-	25.3	241.8	92.8	-	359.9	**359.9**
Contingent additional consideration	-	-	-	230.7	141.1	10.8	382.6	**382.6**

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	Total	**Carrying amount**
31/12/2023								
Financial assets	-	-	-	-	-	19.2	19.2	**19.2**
Accounts receivable	330.3	-	32.5	-	-	-	362.8	**362.8**
Accrued income	52.2	-	-	-	-	-	52.2	**52.2**
Cash and cash equivalents	426.0	-	-	-	-	-	426.0	**426.0**
31/12/2022								
Financial 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**

Capital risk

The Group's objective regarding the capital structure is to ensure the ability to continue the operations. According to the terms and conditions in the financing 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).

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 on maturity when the Group becomes liable to pay. The table includes both interest and cash flows. To the extent that interest flows are variable, the same interest rate is used as on the balance sheet date for the entire term.

32. EVENTS AFTER THE REPORTING PERIOD

On 1 February 2024, an acquisition agreement was concluded between Lyvia Benelux B.V. and Gorilla Services B.V. which strengthens the position in CRM, Project management and (IT) service management solutions.

On 1 March 2024 an acquisition agreement was concluded between Lyvia NO AS to acquire ProCon Digital AS in order to strengthen the position and product offering in digital infrastructure by adding software developed in-house and display solutions.

On 1 March 2024 an acquisition agreement was concluded between Cloudgruppen Sverige AB to acquire the assets and liabilities in Allgreen, which adds to Cloudgruppen Sverige AB's sales and development opportunities.

33. TRANSACTIONS WITH RELATED PARTIES

On 31 March 2023, Lyvia Group AB (publ) sold Eitrium AB with subsidiaries to Esmailzadeh Holding AB for a payment of MSEK 136.4.

Apart from this transaction, no material transactions with related parties were carried out in 2023, except for salaries and remuneration to the Board and management, see Note 6. Remuneration to employees.

34. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	2023	2022
Shares in subsidiaries	2,790.6	2,095.9
Pledged assets	6.0	100.0
Floating charges	10.2	-

35. CHANGES IN FINANCIAL POSITION 2022

The company has noted deviations between established figures in the submitted annual report 2022 and this report. The deviations derive from adjusted acquisition analyses and accounting of preference shares.

The table below shows the effects of the changes for the Group. The changes have not affected the income statement or cash flow.

	2022 according to adopted balance sheet	2022 after change
Goodwill	1,594.1	1,595.9
Other intangible assets	992.7	950.1
Other contributed capital	1,266.8	1,327.8
Retained earnings including profit for the year	-110.3	-91.0
Deferred tax liability	221.1	213.2
Other financial liabilities	750.1	636.9

THE PARENT COMPANY'S FINANCIAL STATEMENTS

THE PARENT COMPANY'S INCOME STATEMENT (MSEK)

1 January - 31 December

	Note	2023	2022
Revenue	2	10.2	18.2
Other external costs	3	-45.1	-26.7
Personnel expenses	5	-32.9	-6.7
Depreciation tangible fixed assets		-0.1	0.0
Operating profit		**-67.9**	**-15.2**
Financial income	6	9.6	15.3
Financial expenses	7	-1.8	-0.7
Profit/loss after financial items		**-60.1**	**-0.6**
Appropriations		66.2	-
Tax on profit for the year	8	-	-
Net profit/loss for the year		**6.1**	**-0.6**

THE PARENT COMPANY'S REPORT ON COMPREHENSIVE INCOME (MSEK)

1 January - 31 December

	Note	2023	2022
Net profit/loss for the year		6.1	-0.6
Other comprehensive income		-	-
Comprehensive income for the year		**6.1**	**-0.6**

BALANCE SHEET (MSEK)

1 January - 31 December

	Note	2023	2022
Fixed assets			
Tangible fixed assets			
Equipment and tools		0.7	-
Total tangible fixed assets		**0.7**	**-**
Financial assets			
Shares in subsidiaries	9	1,906.4	1,141.6
Receivables from Group companies	10	34.7	37.5
Other long-term receivables		5.1	5.1
Total financial assets		**1,946.2**	**1,184.2**
Total fixed assets		**1,946.9**	**1,184.2**
Current assets			
Current receivables			
Accounts receivable	15	0.3	-
Other receivables	11	2.8	-
Receivables from Group companies	10	7.7	145.1
Current tax assets	11	-	1.5
Prepaid expenses and accrued income	12	1.7	0.5
Total current receivables		**12.5**	**147.1**
Cash and cash equivalents	13	39.7	117.9
Total current assets		**52.2**	**265.0**
TOTAL ASSETS		**1,999.1**	**1,449.2**
Equity			
Restricted equity			
Share capital	14	0.6	0.5
Non-restricted equity			
Share premium reserve		781.1	312.5
Accumulated profit or loss		1,106.6	1,107.3
Net profit/loss for the year		6.1	-0.6
Total equity		**1,894.4**	**1,419.7**
Long-term liabilities			
Other long-term liabilities	16	83.8	-
Total long-term liabilities		**83.8**	**-**
Current liabilities			
Accounts payable		3.8	3.0
Liabilities to Group companies		11.4	5.3
Current tax liabilities		-	1.0
Other liabilities	17	1.1	18.8
Accrued expenses and deferred income	18	4.7	1.4
Total current liabilities		**20.9**	**29.5**
TOTAL EQUITY AND LIABILITIES		**1,999.1**	**1,449.2**

PARENT COMPANY'S STATEMENT ON CHANGES IN EQUITY (MSEK)

Equity attributable to shareholders of the parent company

	Share capital	Share premium reserve	Accumulated profit or loss	Net profit/loss for the year	Total Equity
Opening balance January 2023	**0.5**	**312.5**	**1,107.2**	**-0.6**	**1,419.6**
Transfer of last year's earnings			-0.6	0.6	
Net profit/loss for the year				6.1	6.1
New issue of ordinary shares	0.1	465.4			465.5
Shareholder contributions					
Warrants subscription		6.1			6.1
Warrants buy-back		-2.9			-2.9
Total transactions with owners	**0.1**	**468.6**	**0.0**	**6.1**	**468.7**
Total closing balance 31 December 2023	**0.6**	**781.1**	**1,106.6**	**6.1**	**1,894.4**

Equity attributable to shareholders of the parent company

	Share capital	Share premium reserve	Accumulated profit or loss	Net profit/loss for the year	Total Equity
Opening balance January 2022	**0.0**	**19.3**	**404.9**	**-0.1**	**424.1**
Transfer of last year's earnings			-0.1	0.1	
Net profit/loss for the year				-0.6	-0.6
New issue of ordinary shares	0.5				0.5
Shareholder contributions			702.4		702.4
Share premium reserve		278.1			278.1
Warrant		15.1			15.1
Total transactions with owners	**0.5**	**293.2**	**702.4**		**995.5**
Total closing balance 31 December 2022	**0.5**	**312.5**	**1,107.2**	**-0.6**	**1,419.6**

THE PARENT COMPANY'S CASH FLOW STATEMENT (MSEK)

1 January - 31 December

	Note	2023	2022
THE OPERATING ACTIVITIES			
Operating profit		-67.9	-15.1
Non-cash items		0.6	-
Interest received		1.3	0.2
Interest paid		-0.7	-0.6
Tax paid		0.0	-0.5
Cash flow from operating activities before change in working capital		**-66.7**	**-16.0**
Change in working capital			
Change in accounts receivable and other receivables		292.4	-0.7
Change in accounts payable and other liabilities		-9.6	18.6
Cash flow from operating activities		**216.1**	**1.9**
Investing activities			
Acquisition of shares in subsidiaries		-	-5.1
Shareholder contributions provided		-469.8	-
Disposal of shares in subsidiaries		69.7	-
Lending to subsidiaries		0.0	-271.7
Other long-term receivables		2.7	-5.1
Investments in tangible fixed assets		-0.8	-
Cash flow from investing activities		**-398.2**	**-281.9**
Financing activities			
Loans raised	19	-	-0.5
Liabilities to Group companies		-4.2	4.2
Proceeds received from new share issue		108.1	293.7
Shareholder contributions		0.0	100.0
Cash flow from financing activities		**103.9**	**397.4**
Cash flow for the year		-78.2	117.4
Cash and cash equivalents at beginning of year	13	117.9	0.2
Cash and cash equivalents - End of year		**39.7**	**117.6**

NOTES ON PARENT COMPANY FINANCIAL STATEMENTS

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 Board's recommendation RFR 2 Accounting for Legal Entities. Statements issued by the Swedish Corporate Reporting Board 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 Swedish Pension Obligations Vesting 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 layouts

The parent company's income statement and balance sheet are presented in accordance with the layout prescribed in the Annual Accounts Act. The difference to 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.

Subsidiaries

Participations in subsidiaries are recognised at cost. Cost includes transaction costs that are directly related 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 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 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.

Lease contracts

The Parent Company applies the exemption in RFR 2, which is why the rules on lease contracts 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 recognised as appropriations. Shareholder contributions made are reported as an increase in the item shares in subsidiaries of the donor. At the recipient, shareholder contributions are recognised directly against unrestricted equity.

2. REVENUE

	2023	2022
Intra-Group re-invoicing	10.2	18.2
Exchange rate differences	0.0	0.0
Total	**10.2**	**18.2**

3. REMUNERATION TO AUDITORS

	2023	2022
PwC		
Audit engagements	0.1	-
Tax consultancy	0.1	-
Other services	3.8	-
	4.0	-
KPMG AB		
Audit engagements	2.0	0.6
Audit assignments in addition to the audit engagement	2.4	0.4
Tax consultancy	-	-
	4.4	1.0
Total	**8.4**	**1.0**

Audit engagement refers to the auditor's remuneration for the statutory audit. Cost relating to KMG AB relates to 2022 audit but is expensed in 2023. The work includes the review of the annual accounts and consolidated accounts and bookkeeping, the administration of the Board and the CEO, and fees for audit consultation provided in connection with the audit engagement.

4. LEASING (THE PARENT COMPANY AS LESSEE)

OBLIGATIONS RELATING TO PAYMENTS FOR LEASE CONTRACTS

	2023	2022
Within 1 year	0.4	0.3
Year 1-5	2.5	1.2
Year 5 and after	-	-
Total	**2.9**	**1.5**

5. REMUNERATION TO EMPLOYEES

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

6. FINANCIAL INCOME

	2023	2022
Interest income from Group companies	7.9	14.7
Interest income other	1.1	0.6
Exchange rate gains	0.6	-
Total	**9.6**	**15.3**

7. FINANCIAL EXPENSES

	2023	2022
Interest expenses, Group companies	-0.5	0.0
Interest expenses other	-1.3	-0.7
Total	**-1.8**	**-0.7**

8. INCOME TAX

	2023	2022
Current tax		
Current year	-	-
Deferred tax	-	-
Total	**-**	**-**

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

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

	2023	2022
Profit before tax	6.1	-0.6
Tax at the current tax rate 20.6%	-1.3	-
Tax effect of:		
Non-deductible costs	-0.2	0.5
Tax-free income	1.5	
Deficit result for tax purposes after interest deduction limits	0.0	0.1
Total	**-**	**-**

9. PARTICIPATIONS IN SUBSIDIARIES

	2023	2022
Opening acquisition costs	1,141.6	423.9
Acquisitions for the year	-	580.0
Disposal	-69.7	-
Shareholder contributions provided	834.5	137.7
Total	**1,906.4**	**1,141.6**

Company name	**Corp. ID No. and registered office**	**Share of equity**	**Number of shares**
Lyvia Group Holding AB	559340-0301, Stockholm	100%	25,000

Company name	2023	2022
Lyvia Group Holding AB	1,906.4	962.2
Plenius by Mirovia AB	-	5.5
Eitrium AB	-	69.7
Äleven Holding AB	-	104.2
Total	**1,906.4**	**1,141.6**

10. RECEIVABLES FROM GROUP COMPANIES

	2023	2022
Opening acquisition costs	182.5	0.5
Additional receivables	42.4	625.7
Settled receivables	-182.5	-443.7
Closing accumulated acquisition costs	**42.4**	**182.5**
Carrying amount		
Carrying amount long-term receivables from Group companies	34.7	37.5
Carrying amount current receivables from Group companies	7.7	145.1
Carrying amount	**42.4**	**182.5**

Loss provision relating to receivables from Group companies
Loss provision for receivables from Group companies is calculated according to the general model and due to the short term and stable risk the provision is insignificant and has thus not been accounted. There has been no significant increase in the credit risk with these counterparties and management assesses that this will not change in the foreseeable future.

11. OTHER RECEIVABLES

	2023	2022
Tax asset	-	1.5
Other	2.8	-
Total	**2.8**	**1.5**

12. PREPAID EXPENSES AND ACCRUED INCOME

	2023	2022
Other prepaid expenses	1.7	0.5
Total	**1.7**	**0.5**

13. CASH AND BANK BALANCES

	2023	2022
Bank accounts	39.7	117.9
Total	**39.7**	**117.9**

14. SHARE CAPITAL

Share capital and number of shares can be seen in the Group's Note 18.

15. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable	0.4	-
Loss allowances	-	-
Total	**0.4**	**-**

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

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

All accounts receivable are accounted as accounts receivable not due.

16. LONG-TERM LIABILITIES

	2023	2022
Acquisition-related liabilities	83.8	-
Total	**83.8**	**-**

17. OTHER LIABILITIES

	2023	2022
Tax at source and charges	1.3	0.4
Social security expenses	0.8	0.3
VAT liabilities	-1.0	1.0
Debt to parent company	0.0	18.1
Total	**1.1**	**19.8**

18. ACCRUED EXPENSES AND DEFERRED INCOME

	2023	2022
Accrued payroll expenses	3.3	0.9
Accrued social security expenses	0.9	0.3
Accrued accounting and audit fees	0.5	0.2
Total	**4.7**	**1.4**

19. NOTES TO CASH FLOW STATEMENT

	2023	2022
Cash and bank balances	39.7	117.9
Total	**39.7**	**117.9**

Cash and bank consist of cash and short-term bank balances with a maturity of three months or less, after deduction for bank overdrafts outstanding. 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.

Non-cash items

	2023	2022
Depreciation	0.1	-
Translation differences	1.1	-
Total	**1.2**	**-**

Change in liabilities relating to financing activities

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

			Transactions that do not involve payments			
	1 January 2023	Cash flow from financing (i)	Equity in convertible debt instruments	Acquisition of subsidiaries	Other changes (ii)	31 December 2023
Loan subsidiaries	4.2	-4.2	-	-	-	0.0
Total	**4.2**	**-4.2**	**-**	**-**	**-**	**0.0**

			Transactions that do not involve payments			
	1 January 2022	Cash flow from financing (i)	Equity in convertible debt instruments	Acquisition of subsidiaries	Other changes (ii)	31 December 2022
Loan parent company	0.5	-0.5	-	-	-	0
Loan subsidiaries	-	4.2	-	-	-	4.2
Total	**0.5**	**3.7**	**-**	**-**	**-**	**4.2**

20. TRANSACTIONS WITH RELATED PARTIES

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

	Sale of goods and services		Purchase of goods and services	
	2023	2022	2023	2022
Lyvia Group Holding AB	10.1	18.2	-	-
Humblestorm Communications AB	-	-	-	0.2
Mirovia Holding AB	-	-	3.7	0.2
Mirovia Nordics AB	-	-	-	1.3
Crutiq AB	-	-	0.1	0.2
Needo Recruitment Sthlm AB	-	-	0.9	0.5
Mercanza S.L.	-	-	1.0	-
Komopis Produktion AB	-	-	0.1	-
Digipartner Sverige AB	-	-	0.0	-
Jo Kommunikation AB	-	-	0.5	-
Transformant Group AB	-	-	0.1	-

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

	Assets		Liabilities	
	2023	2022	2023	2022
Lyvia Group Holding AB	6.4	22.8	0.1	-
Äleven Holding AB	-	1.6	-	-
Eitrium AB	-	3.0	-	-
Lyvia Mid Holding AB	-	0.2	-	-
Mirovia Holding AB	-	117.3	3.3	0.8
Mirovia Nordics AB	-	-	0.3	0.3
Crutiq AB	-	37.7	-	0.1
Needo Recruitment Sthlm AB	-	-	3.7	3.4
Needo Recruitment West AB	-	-	0.7	0.7
Mirovia Invest 1 AB	34.7	-	-	-
Lyvia Benelux B.V.	1.2	-	-	-
Humblestorm Communication AB	0.1	-	-	-
Transformant Group AB	-	-	0.2	-
T-rank AS	-	-	3.1	-

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.

Otherwise, no material transactions with related parties were carried out in 2023, except for salaries and remuneration to the Board and management, see Note 6. Remuneration to employees for the Group. Eitrium divested in the first quarter 2023, see Note 32. Transactions with related parties

21. EVENTS AFTER THE REPORTING DATE

No significant events occurred after year-end.

22. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	2023	2022
Collateral related to acquisitions	83.8	18.9

23. PROPOSED APPROPRIATION OF PROFIT

The Board proposes that these earnings be disposed of as follows (SEK):

Carried forward	1,893,920,563
Total	**1,893,920,563**

SIGNATURES OF THE BOARD

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 Chairman	**Sebastian Karlsson** Chief Executive Officer	**Saeid Esmaeilzadeh** Board member
Martin Almgren Board member	**Christer Hellström** Board member	**Erik Rune** Board member
Robin Rutili Board member	**Mikael Borg** Board member	

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

PricewaterhouseCoopers AB

Nicklas Renström
Authorised public accountant

pwc

REVISIONSBERÄTTELSE

Till bolagsstämman i Lyvia Group AB (publ), org.nr 559290-4089

Rapport om årsredovisningen och koncernredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen och koncernredovisningen för Lyvia Group AB (publ) för år 2023. Bolagets årsredovisning och koncernredovisning ingår på sidorna 34-89 i detta dokument.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av moderbolagets finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Koncernredovisningen har upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av koncernens finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt International Financial Reporting Standards (IFRS), såsom de antagits av EU, och årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens och koncernredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för moderbolaget och koncernen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Övrig upplysning

Revisionen av årsredovisningen och koncernredovisningen för räkenskapsåret 2022 har utförts av en annan revisor som lämnat en revisionsberättelse daterad 30 maj 2023 med omodifierade uttalanden i Rapport om årsredovisningen och koncernredovisningen.

Annan information än årsredovisningen och koncernredovisningen

Detta dokument innehåller även annan information än årsredovisningen och koncernredovisningen och återfinns på sidorna 1-33. Det är styrelsen och verkställande direktören som har ansvaret för denna andra information.

Vårt uttalande avseende årsredovisningen och koncernredovisningen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsredovisningen och koncernredovisningen är det vårt ansvar att läsa den information som identifieras ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsredovisningen och koncernredovisningen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter.

Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

Styrelsens och verkställande direktörens ansvar
Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen och koncernredovisningen upprättas och att de ger en rättvisande bild enligt årsredovisningslagen och, vad gäller koncernredovisningen, enligt IFRS, så som de antagits av EU, och årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning och koncernredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen och koncernredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets och koncernens förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar
Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen och koncernredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen och koncernredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen och koncernredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden
Utöver vår revision av årsredovisningen och koncernredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Lyvia Group AB (publ) för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden
Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar
Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets och koncernens verksamhetsart, omfattning och risker ställer på storleken av moderbolagets och koncernens egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets och koncernens ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

› företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller

› på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Stockholm den dag som framgår av vår elektroniska signatur

PricewaterhouseCoopers AB

Nicklas Renström
Auktoriserad revisor

CONTACT

Lyvia Group AB (publ)
Hovslagargatan 5B
111 48 Stockholm, Sweden

Read more here: www.lyviaGroup.com

FOR MORE INFORMATION CONTACT:

Martin Fagéus
Chief Financial Offifer
martin.fageus@lyviaGroup.com

Erik Mårtensson
Chief Investment Officer
erik.martensson@lyviaGroup.com