

# Annual report 2020

## Lime Technologies AB (publ)



# This is Lime

**Ever since day one, our overall goal has been to deliver exceptionally user-friendly CRM systems that simplify everyday life for our customers. The balanced mix of commitment and technology has made us one of the market leaders in the Nordic region. Our focus is now on turning all companies into customer magnets who retain their customers and attract new ones.**

Lime's organisation is comprehensive and covers development, sales, implementation and support, allowing for a turnkey offering facilitating efficient and value-creating CRM solutions for the customer. Lime has eight offices in Sweden, Norway, Denmark, Finland and the Netherlands. Lime was founded in 1990 and has demonstrated an average growth rate of 19 percent since the year 2000.

## Our products



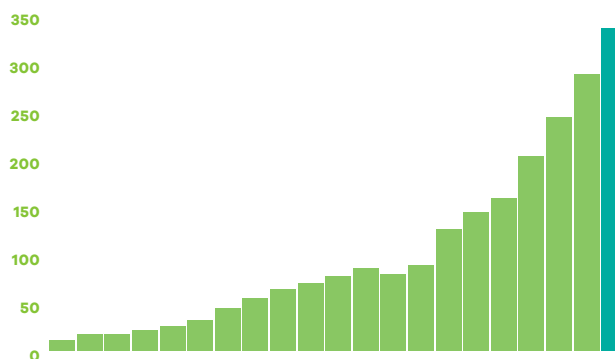
**Lime CRM** is a flexible and powerful SaaS CRM platform. One of the strengths of Lime CRM lies in the combination of the company's expert services and the flexibility of the software. In a very short time, the customer can have a solution with automated flows, support for key demands and a clear overview of the entire business. Combined with integrated systems, an ecosystem is created, providing significant customer benefits.



**Lime Go** has been developed to maximise sales in sales organizations. The typical customer has a great need for new business opportunities and a constant flow of new customers. The software can be described as being streamlined with good control of upcoming business deals. Lime Go comes with a large library of company and contact information for nearly all companies in the Nordic region.

## Lime in numbers

**~70,000 users**  
**~5,500 customers**  
**~280 employees**  
**founded 1990**  
**5 countries**  
**8 offices**



Net sales year 2000 – 2020, MSEK



# Index

2	CEO's comments
6	The Lime share
8	Lime's business
9	<i>Our position in the CRM market</i>
10	<i>Business model &amp; growth strategy</i>
12	<i>Products &amp; expert areas</i>
15	<i>The history of Lime</i>
18	<i>Company culture &amp; employees</i>
20	<i>Sustainability report</i>
37	Corporate governance
38	<i>The Chairman's view</i>
39	<i>Corporate governance report</i>
51	<i>The auditors' examination</i>
53	<i>Board of directors, executive management &amp; auditor</i>
58	Financial reports
59	<i>Index</i>
60	<i>Directors' report</i>
78	<i>Notes</i>
119	<i>Boards' affirmation</i>
120	<i>Auditor's report</i>
126	Multi year overview
133	Financial calendar

## 2020 in brief

- Net sales amounted to MSEK 338.7 (289.7) rendering a net sales growth of 17 % (19 %)
- Organic net sales growth was 14 % (16 %)
- Recurring revenue amounted to MSEK 194.4 (167.2)
- More than 75 new stars were recruited to the company
- Established a new office in the Netherlands
- On 13 January 2020, an additional 35% of the shares in Lime Technologies Gävle AB (previously known as janjoo AB) were acquired



### Key figures

	2020	2019
Net sales (MSEK)	338.7	289.7
Net sales growth (%)	17%	19%
Organic net sales growth (%)	14%	16%
Recurring revenue (MSEK)	194.4	167.2
Adjusted EBITA (MSEK)	99.3	66.8
Adjusted EBITA (%)	29%	23%
Operating income, EBIT (MSEK)	83.2	52.1
Operating income, EBIT (%)	25%	18%
Earnings per share, basic (SEK)*	4.72	2.94
Earnings per share, diluted (SEK)*	4.72	2.94
Cash flow from current operations (MSEK)	119.1	74.2
Average number of employees	244	223



#### On the cover.

In March 2021 the Board of directors of Lime Technologies has appointed Nils Olsson as new president and CEO. He will take on the new role from 1 May.

**Read more on page 4**

The CEO's view

# Long-term profitable growth – before, during and after the pandemic

**For us at Lime Technologies, another eventful year has passed. Despite 2020 being the year in which we learned how to handle a pandemic, Lime achieved growth of 17 % and an EBITA margin of 29 %. Lime has a long history of profitable growth, and this has helped us handle the crisis. At an early stage, we decided on an operational approach which involved increasing our innovative strength and adapting constantly to meet the developing situation. Our basic position is that we have to work harder to ensure that we come through the crisis in good shape.**

I am particularly proud of the way we have handled the crisis so far – we have done it together, without layoffs, without giving anyone notice and without government subsidies. Through their commitment and enthusiastic effort, the staff exceeded my expectations.

This was despite the fact that the pandemic affected many of our customers and, consequently, affected us. The inflow of orders from new customers has been weaker than was expected before the outbreak. But the feeling is that new sales are gradually improving. Sales to existing customers have remained strong throughout the year, and this has helped us cope with the reduction in new sales.

## The Tiger Mentality

Just as in earlier crises, Lime has reacted as a tiger, not a hedgehog. A tiger attacks in the face of danger, a hedgehog curls into a ball. Once again, Lime has kept its focus on growth.

The recruitment and training of new members of staff are two vital processes at Lime. In 2020, we recruited around 75 new employees, which is more than ever before. More than 50 % of this new talent is female. It seems that our attractiveness has actually grown stronger during the crisis, since we are a secure employer who is not laying people off and who is continuing to recruit. But we are not finished yet, and we are planning for another record year in the number of recruits in 2021.



The recruitment and training of new members of staff are two vital processes at Lime. During 2020, around 75 new employees were recruited, which is more than ever before.

**Erik Syrén, CEO, Lime**

We have also been busy establishing a new office in the Netherlands during the year. This is clearly the ideal time for setting up the new office, since we have been able to bring on board several new stars while many other employers have not been recruiting due to Covid 19. We have also rented office space, worked on marketing, built the pipeline and closed our first deals. Now we are up and running, and we are looking forward to the coming year.

We have also invested in product development. We have launched more new products and innovations than ever before. Among other things, we launched Lime e-signing, which allows our customers to sign their quotations and agreements digitally using, for example, Bank ID. Another innovation is Lime BI, in which data can be analysed in depth, and outcomes visualised using reports and graphs. A new major release of Lime Go has been issued. The product has undergone a comprehensive update, and is now more user-friendly.

Unfortunately, we were unable to make any acquisitions during the year. We have, however, built a pipeline of acquisition possibilities for 2021, and we hope that one of these can be concluded going forwards, since this is a part of our growth strategy.

### Going forwards

Our expectation is that the market will steadily improve during the first half of 2021. At the same time, the situation is still difficult to assess, as it depends on the trend in the spread of the infection. We continue to hold to our view that the behavioural changes the pandemic has generated, such as reduced travel and more people working from home, will lead to increased digitalisation in the medium and long terms. Companies need a CRM system for better structure, collaboration and follow-up of employees.

### The CEO's view

In autumn 2020, Lime's Board of Directors evaluated the financial targets and decided that they should be adjusted. The target for sales growth was changed from organic growth of 15 % to total growth of 18 %. This was done to make it clear that there is also scope for acquisitions in our growth strategy.

The profitability target was also adjusted and raised from an EBITA margin of over 23 % to over 25 %. We saw profitability improve throughout 2020, since we have increased the proportion of annual recurring revenue per employee. Our assessment is that profitability will stay strong in the future. We also intend to make use of our profitability for additional investment in growth in 2021.

### Change of CEO

In March 2021, it was announced that Lime's Board of Directors have appointed Nils Olsson as the new CEO of Lime. He will take up the role on 1 May. Currently, Nils is the Chief Operation Officer, and he has been with the Company since 2006 in a number of key positions, including Country Manager in Norway and Group Sales Manager. The change of CEO had been factored into the Company's long-term planning and, accordingly, has been well prepared. When Nils takes over, I will place myself at the Nomination Committee's disposal for a place on the Board of Directors, and I will remain as a major shareholder.

### Finally – thank you!

To sum up, I am very pleased with our choice of strategy for tackling this crisis. We have continued to invest and recruit new members of staff, we have established ourselves in a new market and we have made more product launches than ever before. This will pay off in the long term. But we are not resting on our laurels. We will continue to invest in long-term profitable growth in 2021.

I would like to give a heartfelt thank you to our customers, staff and shareholders – it has been a real pleasure to work with you in 2020.

/Erik Syrén, CEO, Lime





# The Lime share

**The Lime Technologies share has been listed and traded in the Technology sector on Nasdaq Stockholm, since December 6, 2018. Since January 4, 2021, the share is traded on the Mid Cap List. The ticker symbol is LIME and the ISIN code is SE0011870195.**

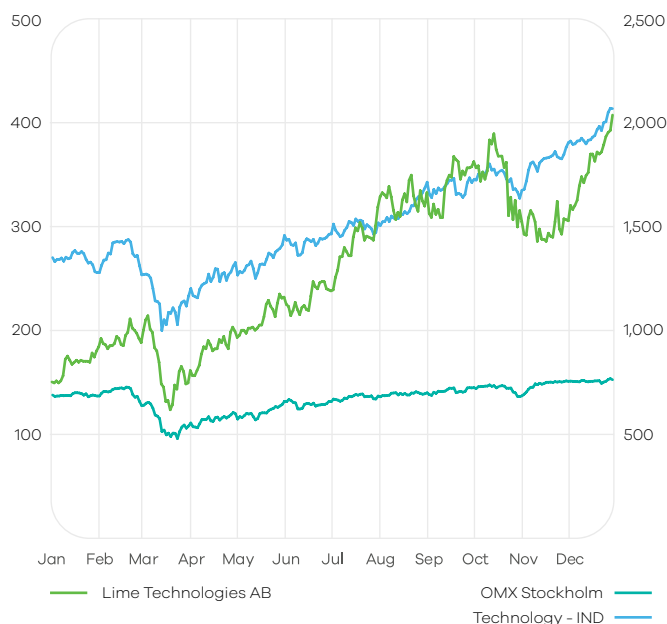
## Turnover and share price performance

Total turnover in 2020 was 10,484,998 shares (5,932 th shares) with a total value of MSEK 2,759.3 (719.4). The average daily turnover amounted to 41,607 shares (23,727), corresponding to a daily value MSEK 10.9 (2.9). At the end of the year the share price was SEK 407.5 (146.4), representing a total market capitalisation for Lime Technologies of MSEK 5,413.0 (1,944.7). The highest paid price during the year was SEK 412.0 (December 30) and the lowest price was SEK 118.2 (March 16). To follow the current share price performance, go to [www.investors.lime-technologies.com](http://www.investors.lime-technologies.com).

## Share capital

On December 31, 2020 Lime Technologies' share capital amounted to SEK 531,339 (531,339). The number of shares amounted to 13,283,481 (13,283,481), whereof none are owned by the company. The quota (par) value per share was SEK 0.04. Each share entitles the holder to one vote. All shares carry equal rights to dividend and to the company's assets. Lime Technologies does not own any of its own shares and has not owned any of its own shares during the 2020 financial year.

## Share price development



## Ownership structure

As of December 31, 2020, the company had a total of 7,868 (2,099) shareholders. The total share capital was owned to 75.6 percent (72.4) by Swedish and foreign institutions, to 12.9 percent (16.9) by the company's management and to 11.5 percent (10.7) by others, including employees. At the end of the period, 70.1 percent (76.6) and 29.1 percent (23.4) of the total share capital was owned by Swedish and foreign shareholders respectively.

### 10 largest shareholders as of December 31, 2020

	Shares	%
1 Syringa Capital AB	1,347,222	10.1%
2 Aktiebolaget Grens specialisten	1,330,000	10.0%
3 Swedbank Robur	1,270,000	9.6%
4 SEB	698,017	5.3%
5 Cliens Sverige	495,632	3.7%
6 Svalder AB	457,400	3.4%
7 Spiltan	439,784	3.3%
8 Tin ny teknik	382,091	2.9%
9 ODIN Small Cap	350,000	2.6%
10 Berenberg	341,231	2.6%
	7,111,377	53.6%

## Dividend policy

The board of directors has adopted a dividend policy in accordance with Lime Technologies' financial targets. According to the policy, the target for the board of directors is to pay dividends corresponding to available cash flow after consideration of Lime Technologies' debt ratio and future growth opportunities, including business acquisitions. Dividend is expected to correspond to at least 50 percent of the group's net profit.

### Ordinary dividend

Lime Technologies' board of directors proposes a dividend of SEK 2.50 per share diluted (1.50), corresponding to MSEK 33.2 and 53% of the net profit for year 2020.



## Development of the share capital

Date	Transaction	Change in number of shares	Total number of shares	Change in share capital (SEK)	Share capital (SEK)	Quota (par) value (SEK)
Dec 10, 2013	Incorporation	-	50,000	-	50,000	1
Mar 28, 2018	Bonus issue	-	50,000	450,000	500,000	10
Oct 16, 2018	Split 250:1	12,450,000	12,500,000	-	500,000	0.04
March 25, 2019	New share issue	783,481	13,283,481	31,339	531,339	0.04

## Incentive programs

At general meetings in 2014 and 2015, the company has resolved to introduce incentive programs by issuing stock options to certain employees, including senior executives.

As of 31 December 2018, Lime Technologies had issued a total of 2,724 stock options in two series – 2014/2019 and 2015/2019 – to certain key individuals in the Group. Each stock option of series 2014/2019 entitled the holder to subscribe to approximately 288 shares in the Company at a price of SEK 5.48 per share, from 1–31 March 2019. Each stock option of series 2015/2019 entitled the holder to subscribe to approximately 288 shares in the Company at a price of SEK 21.08 per share, from 1–31 March 2019. Following a repurchase from former employees in the Group, 985 of the stock options were held by Monterro 1 AB. The number of shares that each stock option entitled the holder to acquire was restated based on dividend paid and the share split (250:1) that was registered at the Swedish Company Registry (Sw. *Bolagsverket*) on 24 October 2018.

All stock options were exercised in March 2019.

## Investor Relations (IR) at Lime Technologies

Lime Technologies' goal is for the share to be valued on the basis of relevant, correct, and current information. This involves a clear financial communication strategy, reliable information and regular contacts with various stakeholders in the financial markets. Contacts with the financial markets take place through presentations of quarterly reports and meetings with analysts, investors and the media at various events, seminars, and during visits to Lime Technologies' offices. Interested parties can download presentation materials and listen to audio recordings from presentations of quarterly reports on Lime Technologies' website.

## Analysts

SEB – Ramil Koria

Carnegie – Predrag Savinovic

Financial information regarding Lime Technologies is available to download from [www.investors.lime-technologies.com](http://www.investors.lime-technologies.com). This includes financial reports, press releases and other presentations. The company's press releases are distributed via Cision and are also available on the company's website.

Management can be reached at:

Phone: +46 46 270 48 00

E-mail: [ir@lime.tech](mailto:ir@lime.tech)

## Shareholder contact

Erik Syrén, CEO and Magnus Hansson, CFO, at Lime Technologies. Lime Technologies' management has an explicit target to keep an ongoing dialog with the media and the capital market.

# **Lime's business**

# Our position in the CRM market

## Lime's comprehensive offering

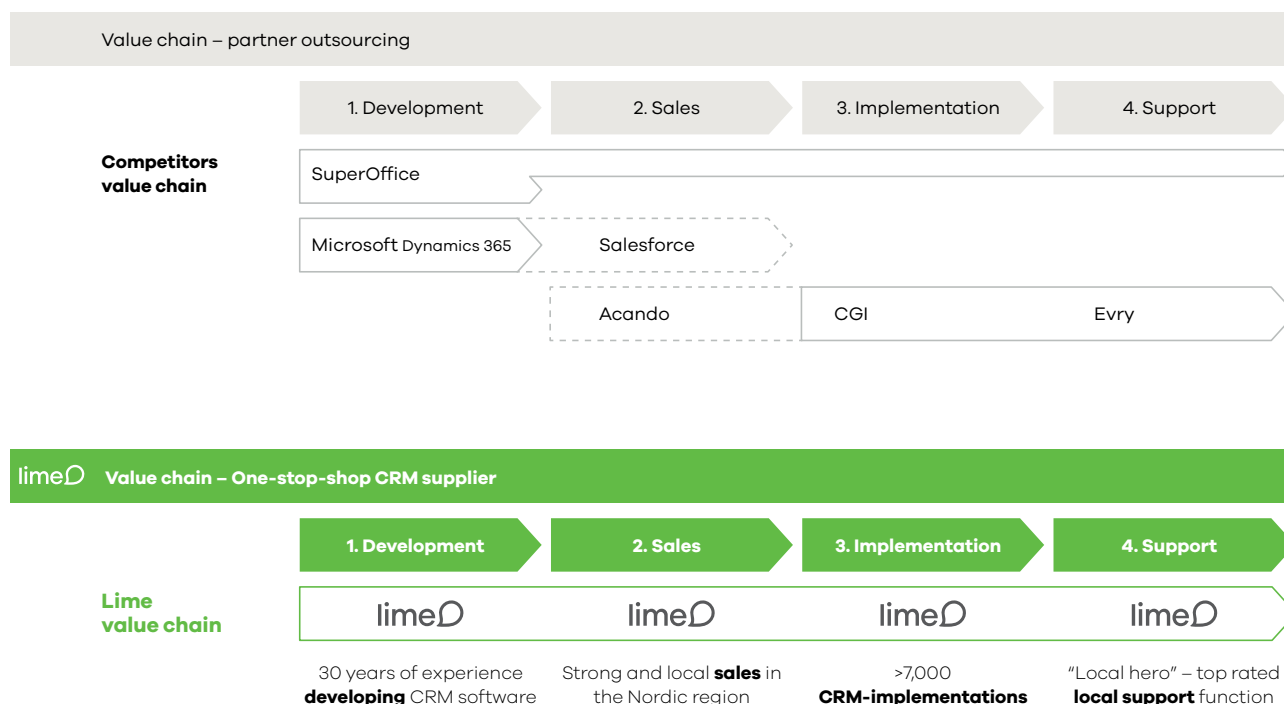
In Lime's view, the Nordic CRM market has a four-step value chain:

*Development -> sales -> implementation  
-> software support*

Lime's offering is comprehensive with local development, sales, consultancy services and project management during implementation, as well as local language support functions.

Unlike Lime's main competitors – where sales from Microsoft and Salesforce are carried out through both direct and indirect channels – Lime only sells its offerings directly and thus covers the entire value chain. This creates a competitive advantage thanks to close and strong relationships with the customers.

The image below illustrates Lime's view of the CRM market's value chain in the Nordic region, where Lime offers a comprehensive solution.



Source: Market report from CapGemini / the company's assessment.



# Business model & growth strategy



## Lime is a comprehensive CRM expert

Lime is the Nordic CRM expert, delivering everything from development to support. We are the only supplier with a clearly defined strategy to work locally in our markets, through direct channels – and we carry out hundreds of implementations every year. Therefore, we know what it takes to implement CRM systems successfully. We are now bringing this knowledge to other markets as we establish operations outside the Nordic region.



## Lime has a powerful and scalable SaaS platform with a local customer base

We offer a strong product portfolio (Lime CRM and Lime Go) to SMEs and larger corporations within our four verticals (real estate, utility, wholesale and consulting). We are constantly increasing investments in our products to ensure we remain competitive at all times.

Today, Lime's most important source of new customers is recommendations from existing customers. We have a positive "revenue churn", meaning our existing customers buy more licences and modules than we lose.



## Lime's business model is scalable and profitable and generates a strong cash flow

We have grown with a positive cash flow since the business was first set up, and the majority of our revenue is repetitive. Our prices are subscription-based, and we receive payments in advance, meaning our cash flow is positive.



### Lime has a clearly defined growth strategy in a market with high growth potential and business acquisition opportunities

Our strategy is to grow in the Nordic region through sales of licences and add-on modules to both new and existing customers.

We are actively looking for business acquisition opportunities that will supplement the product portfolio to both new and existing customer, while at the same time taking steps to enter new markets outside the Nordic region.



### The Nordic CRM market is extensive and growing strongly

Lime is one of the leading CRM suppliers in the Nordic region. The market was worth BSEK 4 in 2020 and is expected to grow by about 10-12% per annum to approximately BSEK 7 in 2023. We established operations in the Netherlands during 2020 – a CRM market that shows similar growth to the Nordic region\*.

Growth is primarily driven by digitalisation of sales and marketing activities, as well as a shift to SaaS and GDPR.

*\*Source: Marketreport from CapGemini 2018*



### Lime has a strong value-driven corporate culture

Our recruitment and introduction processes are well-tested.  
Our dedicated executive managers have extensive experience.

# Lime's products & industry expertise

**Lime is offering two different CRM platforms: Lime CRM and Lime Go. Customers can also add several add-on modules, e.g. Lime Forms, Lime Portal Lime Engage, Lime Field and Lime Newsletter. In addition, the product portfolio also includes Lime Easy, a product that is no longer actively promoted.**

**In 2020, Lime CRM accounted for 81%, Lime Go for 4% and add-on modules for 8% of total net sales, while Lime Easy accounted for 3%.**

## Products

CRM stands for Customer Relationship Management and involves active work with customer relationships. A CRM system is an IT tool that gives you better control of customer relationships, helps you with customer prospecting, sales and marketing strategies, and creates flexible solutions for customer support and analysis.

The purpose of CRM and a CRM system is to ensure that satisfied customers stay with you and have good things to say about your company. In short, CRM is a profitable philosophy combined with very smart technology.

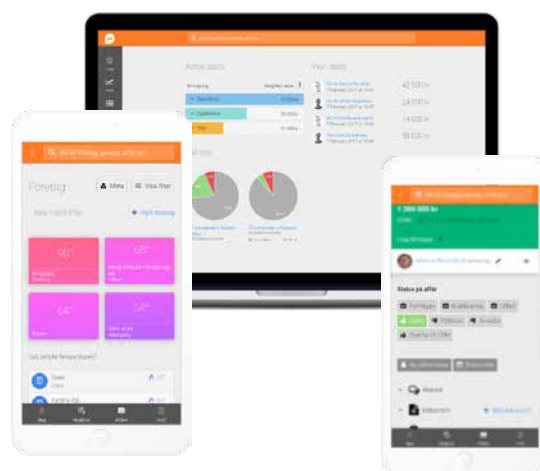
Lime Go is a cloud-based SaaS service, including an extensive library of company information and contact details to nearly all companies in the Nordic region. Administrative work is significantly reduced, as the software comes with information that otherwise would take needlessly long time to register and be hard to find.

The available information also forms a critical tool during sales efforts, as the user easily can follow the potential customer's progress in a simple way. Information such as growth, turnover and number of employees is accessible in the sales rep's own qualification of potential customers. All in all, the access to information about potential new customers simplifies the sales process as users can learn about the customer's organisation in a much more effective way.



## Lime Go

Lime Go is designed to maximise sales within the sales organisation. The software is developed based on more than 20 years of sales experience and helps companies streamline their sales process. The typical customer has 3-20 users, a great need of new business opportunities and a constant flow of new customers.







### Lime CRM

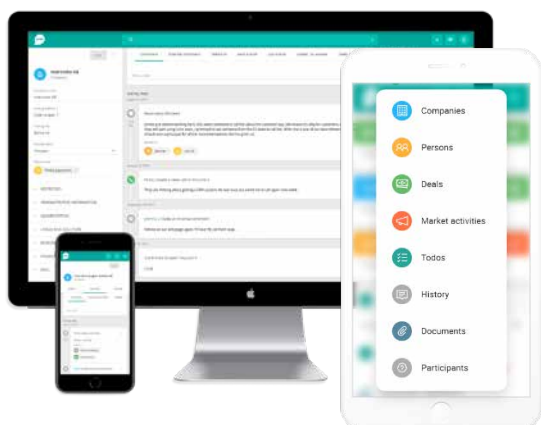
Lime CRM is a flexible and powerful SaaS CRM platform, based on a number of standardised and reusable components.

In addition to basic features, Lime CRM offers good adaptability, a simplistic user experience and great possibilities for integration to other IT systems. For example, customers can easily add membership management, customer administration, facility management, or set up an assets register.

The power of CRM lies in the flexibility of the system in combination with the company's expert services. In a very short time, the customer will have a solution with automated flows, support for key requirements and a clear overview of the entire business.

Lime CRM can either be cloud-based or installed locally at the customer (on-premise). The user interface is either a web client or an installed PC client. The software is built on components that are linked together via APIs to communicate with Lime CRM in a standardised way.

Thanks to the flexibility of the software's basic structure, Lime can be delivered both as pre-packaged expert solutions and as flexible customisations, depending on the customer's preferences.



### Add-ons, integrations, customisations & packet solutions

Combinations of related systems and add-on functionality creates an eco-system with great customer benefits. The combinations can be tailored and packaged for unique and industry-specific challenges.



### Add-ons

Lime supplies a large number of add-on modules. To mention a few:

- Lime Newsletter, which helps organisations take control of their mailings, communicate with prospects and strengthen customer relations, e.g. by easily creating relevant marketing campaigns based on data from the CRM system.
- Lime Forms - a forms tool, making it possible to design different dynamic web forms for case management, leads management and contract signing. The forms can be signed using BankID and all information is stored in Lime CRM.
- Lime Enagage - a gamification platform linked to Lime CRM to set up fun and result-oriented campaigns. The competitions are based on CRM-usage and participants are rewarded after having completed certain selected activities.

## Industry verticals

Lime is focused on sales of CRM systems to companies who need to strengthen their customer relations and/or to streamline their internal processes.

We have customers in several different industries and a distinct focus and specific know-how within four industry verticals:

- Real estate
- Utility
- Consultancy
- Wholesale

Thanks to many years of experience with industry specific implementations, Lime has a particularly strong position within the above verticals. The industry competens in combination with pre-packaged solutions for each vertical, leads to



advantages for the customer in terms of customised solutions and time and cost savings. Sales to the four verticals represented 48 percent of total net sales in 2019.

## Real estate

Lime CRM provides a comprehensive view of tenants, apartments and premises, properties and contracts. The customer can gather workorders and cases in one common, easy-to-use flow. In addition, this makes it easy to publish vacant apartments/premises online, straight from the software.

## Utility

Lime CRM offers efficient case management with support for the energy industry's different business areas and processes. The customer gets control over fieldwork through smart and well thought through workorder management and a complete customer view. The system is often integrated to the client's charging system and NIS system (network information system).

## Consultancy

The customer can create a comprehensive competency database in Lime CRM, including scheduling to ensure fast staffing. All customer and project information is collected in one place. A comprehensive overview of projects provides a great opportunity for proactive actions that increase average prices and staffing.

## Wholesale

Lime CRM provides a holistic view of the customers with links to the ERP system. When all customer data is gathered together with campaign management, mailings and other marketing activities, this creates the right conditions for efficiencies. Lime CRM makes it possible to apply smart sales controls with customer potential and customer classification in one single view.



Några av Limes kunder inom de industrivertikaler som utgör bolagets fokus.

# Our history

**As long as we can remember Lime has been growing profitably. Below are some of the important milestones that have been critical for our success.**

## 1990

Once upon a time in a basement in the small town of Lund... Three math geniuses, who got to know each other at the Faculty of Engineering, founded the company "Lundalogik". Initially they took on programming assignments.



### Why did we get involved in CRM?

The company did well, many new customers appeared on the doorstep and the founders were a bit lost as to how to handle all the customers (to be honest, they were happy to just be coding).

The solution? They developed a software to manage the customers – no surprise!

One visiting customer had a quick peak at the software and bursted out, "That's EXACTLY what we need!" Well, that's how it all started.

WE ♥ CRM

## 2000

The basement was deserted long ago. We are now spread across Sweden and the business is 100% focused on CRM-software.



## 2002

The brand Lime is born. We launched our new CRM-software Lime PRO. Lime stands for "Lund Intelligent Magnets Experts", rumours has it that someone came up with that explanation after the brand was already established – at least that's what some people claim.

## 2006

We launch our very own trainee program, a program that today has thousands of applicants each year.



## 2010

Hello Oslo & Helsinki! With two new markets, we are more than 75 employees and can brag about having installed thousands of CRM systems.





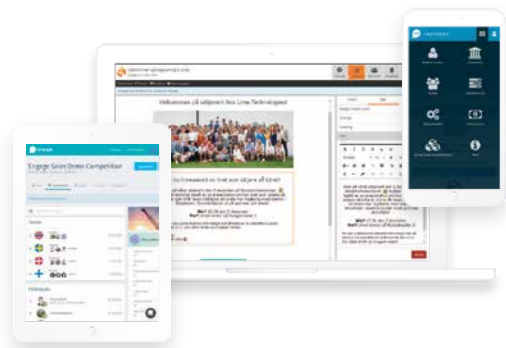
## 2013

A new product enters the market. Let us introduce our new webbased sales tool: Lime Go!



## 2014

Copenhagen now offers not only hygge, but also a CRM system, as we opened up the doors to our new office.



## 2015

#1 in CRM & sales support! We overtake Microsoft and are now the most common CRM supplier on the Swedish market.

## 2017

We welcome RemoteX and Netoptions to the Lime family. The following year we also acquire Sparta. With mobile field management, e-marketing and gamification, we are now able to create CRM-magic for even more of our customers!



## 2018

To ensure that our profile reflects our ambitions for the future, we now leave the Lundalogik company name behind us. We are making it easy by naming ourselves after our most treasured asset: Lime! The 6th of December we ring the opening bell at Nasdaq Stockholm as a public company.



## 2019

We acquire shares in the companies More intenz and janjoo. They both strengthens our offering significantly. We also announce our plans to open an office in the Netherlands during 2020.



## 2020

Lime assumes a strategy that attempts to seize the opportunities that arises in the pandemic. An additional 35% of the shares in Lime Technologies Gävle AB (previously janjoo) are acquired. We establish an office in Utrecht, the Netherlands.

## 30 years of experience of long-term profitable growth

### 1. The entrepreneurial phase 2000 - 2007

- Founded in Lund in 1990. Launch of the first sales tool two years later
- Transition from assignment-based programming to 100 % CRM focus in year 2000
- Lime CRM is launched in 2002
- Offices are established in Stockholm & Gothenburg

### 2. The expansion phase 2008 - 2013

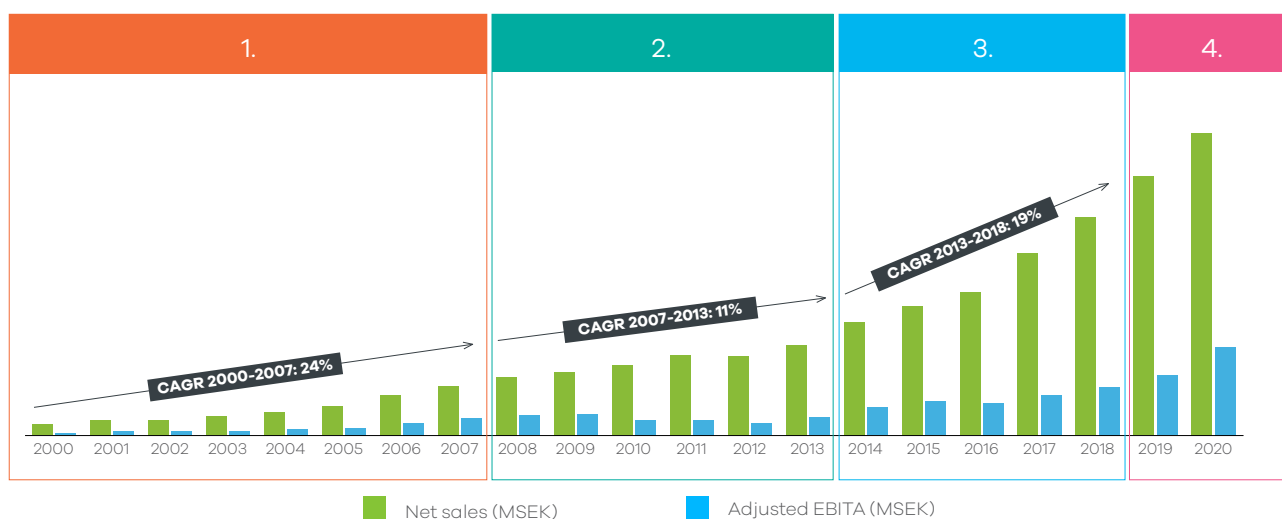
- Subsidiary of Bisnode from 2008
- Expansion into Finland & Norway in 2010
- Investments in product development by making the platform more cloud-compatible and customised for SMEs
- Launch of the new platform Lime Go

### 3. The transformation phase 2014 - 2018

- Monterro and Lime's executive managers become owners in 2014
- New pricing model by changing from up-front payments to subscriptions
- Strengthened organisation and product development to bolster further growth
- Focus on upscaling of operations in Norway and Finland, as well as expansion in Denmark
- Name change from Lundalogik to Lime
- Acquisition of companies RemoteX, Netoptions and Sparta

### 4. The public phase 2019 -

- Public listing of the company on Nasdaq Stockholm in December 2018
- Focus on growth in Finland, Norway and Denmark
- Hiring of more than 75 new employees in 2020
- Acquisition of companies janjoo & More Intenz
- Expansion to the Netherlands during 2020



# Lime's corporate culture and our employees

## Culture and core values

Our employees are the key to Lime's growth and continued success. We are a culture- and business-driven organisation, with clearly defined core values that form the basis for both our daily and long-term work. We are characterised by an aspiration to keep things simple, which permeates both products and processes, as well as all types of communication.

Lime's core values are summarised in our coat of arms, and all employees are recruited in light of these.



## Core values

- **Keep it simple**  
Communicate and act in a simple way that is easily understood.
- **Just do it**  
Don't wait for someone else to solve the problems you encounter.
- **Don't break the chain**  
We are ONE company, not a number of departments.
- **Spend resources wisely**  
Money, time – whether that of customers, colleagues or your own – and Earth's limited resources, must be utilised in a smart way and with great care.
- **Make a mark**  
Don't be like everyone else – make a difference.

## Recruitment for growth

### Trainee program

We feel very proud of our successful trainee programs, attracting thousands of applicants every year, and among which 49 were employed during 2020. During one year, new graduates are employed and get a unique opportunity to kick-start their career at Lime. The program is an investment from the company's perspective. That's how we build future talent within software development, sales, project management and technical consultancy.

All trainees from all markets start their training together at the head office in Lund. Strong ties are built here from day one. The training covers culture, values and Lime's identity, in parallel with how we jointly run the company. By involving more senior colleagues, our trainees get involved in practical work after a few weeks only. We believe in "learning by doing", which is why senior colleagues are always there to provide support to new staff members.

### Other recruitment

In parallel with the trainee program, we are highly focused on training staff, recruiting senior employees and developing our existing staff members to become experts within CRM, sales and other areas requiring a high level of expertise. We recruited about 75 employees during 2020 and our growth journey continues.





## We are there for our customers through the entire journey

### Developers

As a tech company, our development team is the backbone of our business. Our work is agile, and we use new technology to design user-friendly core products, highly appreciated by our customers. We constantly develop our competences and we amuse ourselves by running hachatons, that encourages creativity and innovation within product development.

### Account Management & Customer Success

Being a salesperson at Lime means you have a long-term focus. Rather than sending an email, we prefer to meet our customers, to build trust and create good relationships. Complex sales activities require knowledge within business development, technology and a large dose of curiosity. We are not satisfied until our customers feel they get enduring returns from their investments in our products and services. Our objective is to make their work easier and more fun.

### Project Managers

We often say that our project managers are like Swiss army knives. That's because they are an amazing mix of management consultants and technical project managers. The success builds on being result-oriented and having a strong commitment to our customers. Having a deep understanding of the customer's needs means we can create unique solutions, completely customised to optimise the customer's workflows and outcomes.

### Application consultants

On a daily basis, our application consultants ("appers") transform our customers' problems and needs into creative technical solutions. They do programming in close collaboration with the customer, including everything from interfaces to other IT systems, to customer specific customisations in our own systems.

### Customer Support

We cannot boast enough about our support team and how they stick with our customers in all weathers. When you call us, our customer service team picks up within two to three signals and provides support to you in your local language. That's probably why 98.5% of 6,338 respondents in our latest customer survey said they would recommend others to contact our support team.

### Support functions

Where would we be without our support functions? It is absolutely critical for a growth company to have well-oiled teams within marketing, communication, HR and finance. We are proud that we can do most things in-house.

## Number of employees

At the end of the financial year, the number of employees amounted to 280 (247), split between eight offices: Lund (head office), Stockholm, Gothenburg, Copenhagen, Oslo, Helsinki, Gävle and Utrecht.

The table below shows average employees per office as of 31 December 2020, 2019, 2018, and 2017.

Office	2020	2019	2018	2017
Lund (head office)	114	108	89	89
Stockholm	55	53	48	42
Göteborg	32	27	25	22
Gävle	5	-	-	-
Oslo	15	13	11	11
Helsingfors	15	14	14	13
Köpenhamn	7	7	8	8
Utrecht	1	-	-	-
<b>Total</b>	<b>244</b>	<b>223</b>	<b>195</b>	<b>185</b>

The table below shows average employees per function as of 31 December 2017-2020.

Office	2020	2019	2018	2017
Development	36	31	32	28
Product & marketing	12	13	13	10
Sales	54	53	48	49
Expert Services	115	98	79	74
Customer Support	15	18	13	15
Finance, IT & Management	12	11	10	9
<b>Total</b>	<b>244</b>	<b>223</b>	<b>195</b>	<b>185</b>

The average number of female employees was during 2020 30 % (32 %) in relation to total number of employees.

## "Don't break the chain"

Most importantly, we are ONE Lime. The combination of all our colleagues' daily efforts is what builds customer magnets, delivers quality and outcomes. Our pace is fast, we work as one team and – first and foremost – we have a lot of fun together.



# **Sustainability report 2020**

# Lime & Sustainability

**Lime is a CRM company with over 30 years experiences of helping companies become customer magnets, with smart and user-friendly CRM tools. With offices in every country in the Nordic Region, we expanded into the rest of Europe in 2020, opening our first office in Utrecht, in the Netherlands. Lime's ambition has always been to grow the Company profitably and for the long term.**

Our sustainability goal is to be an attractive and sustainable employer, and a driving force in the community. We aim to find smarter ways of doing things, take bold decisions and be unconventional.

Lime works with clear and sound values to promote sustainable, ethical and socially responsible behaviour among its staff and stakeholders in general. The Company's approach to sustainability is based on every member of staff being committed from the start, and so it begins during the onboarding of all our personnel. We believe that only when both employer and employee are working towards the same goal is a long-term, sustainable business enterprise possible.

Our Management Team is responsible for setting a sustainability strategy, while our four team leaders from the sustainability groups are responsible for taking the work forward in their respective areas. A senior manager has overall responsibility for sustainability, ensuring adherence to the strategy.

## We continuously develop our overall approach to sustainability.

We carried out a wide range of activities during the year, focusing on sustainability, and this has resulted in a more sustainable Company, a more committed staff and a positive contribution to our community. But it goes without saying that we intend to do a whole lot more! The more detailed follow-up process in respect of our environmental footprint which began during 2020, will be refined and further developed during 2021. The aim is to develop a basis for enabling us to prioritise those initiatives which really give results and make a difference, both within the Company and in the community in general. The 2020 measurements are given at the end of this report.

This report provides a presentation of how we performed during the year in four areas from the UN's Global Sustainability Goals.

During the pandemic year of 2020, we faced massive challenges and changes which affected how we were able to implement our approach to sustainability. Despite a challenging year, we are proud of the success we achieved.

# Our dream is a sustainable future

## Lime's Team Leaders for Sustainability



**Cornelia Olsérius**

People & Culture

#3 Good health and well-being



**Viktor Sköld**

Project Manager

#4 Thorough training for everyone



**Eva Boynton**

People & Culture

#5 Gender equality



**Jenny Samuelsson**

Office Manager

#12 Sustainable consumption  
and production



# Sustainability is the key to long-term profitable growth

The importance of a sustainable society continues to increase. We realise that our customers, staff and investors put sustainability high on the factors governing their choice of supplier, employer or investment. At Lime, we are convinced that, to achieve long-term profitable growth, we must continue to work tirelessly for sustainability.

As in previous years, we are focusing our efforts in four areas from the UN's Global Sustainable Development Goals: good health and well-being, quality education for all, gender equality and responsible consumption and production. The Sustainability Report shows the results of these efforts and the targets we have set for 2021.

Even though we have some way to go in achieving the UN's sustainability goals for 2030, I'm extremely proud of the progress we made during 2020 and the ambitions that we have adopted for 2021.



Erik Syrén CEO

## Sustainability Report

This Sustainability Report relates to Lime's financial year 2020. The report covers the Parent, Lime Technologies AB (publ), as well as all units which are consolidated in Lime Technologies AB (publ)'s consolidated financial statements for the same period.

The Sustainability Report has been prepared with the aim of showing Lime's attitude to sustainability and how important sustainability is for our operation. There are no legal standards for a Sustainability Report.

## Focus areas

Lime's approach to sustainability is firmly rooted in the UN's global Sustainable Development Goals, adapted for our operation and our vision of how the company can best contribute to social progress, better entrepreneurship and greater customer satisfaction. Lime's Management Team has selected four areas of sustainability in which we can make the greatest difference in achieving a sustainable approach to business and a framework enabling Lime to make an active contribution to the community.

To achieve a sustainable business enterprise, additional weight must be placed in the following areas:



# Sustainability 2020 in brief

## Good health and well-being

Increase the percentage of staff who are participating in the continuing anonymous measurement of health and wellness to 80 %	Fulfilled
Maintain a general wellness level of at least 7.3 (scale 0-10) throughout the organisation	Fulfilled
Establish local wellness targets for each office, taking account of local conditions and any possible challenges	Partly fulfilled
Implement a range of activities which increase group cohesion and wellness	Fulfilled/ Continuing

## Quality education for all

Lecture at schools and universities	Fulfilled/Continuing
Continued support for Ung Företagsamhet (the Swedish affiliate of Junior Achievers Worldwide) and Venture Cup	Fulfilled/Continuing
Collaborate with external organisations to increase interest in technology and programming among women	Fulfilled/Continuing
Arrange events which increase interest in programming among children and young people	Not fulfilled



### Fun fact

In 2020, we produced 300 MWh of 100 % clean electricity through our investment in a solar park. Thanks to that, we helped reduce emissions of CO<sub>2</sub> in Sweden by 90 tonnes. We are really proud of that!

## Gender equality

The breakdown between men and women in senior positions must at least reflect the gender distribution in the Company in general	Not fulfilled
Female employees must have the same experience of personal development as their male colleagues	Fulfilled
Review and improve the recruitment process to make it more inclusive	Ongoing
Clarify and highlight the Company's position on inclusion and gender equality both internally and externally	Fulfilled/ Ongoing
Further develop and continue to support internal initiatives to empower and advance existing female staff	Not fulfilled
Train staff who take part in the recruitment process to make them aware of confirmation bias and to set out clearly the type of candidates that the Company is looking for	Not fulfilled
Update and remind all employees on existing policies and reports relating to gender equality	Fulfilled/ Continuing
Continue the reverse mentorship programme and evaluate after the completion of the round	Fulfilled/ Continuing

## Sustainable consumption and production

Encourage employees to reuse to a greater extent	Not fulfilled
Invest in climate-smart electricity generation	Fulfilled
Offer vegetarian alternatives at customer and staff events	Not fulfilled/Ongoing
Offer first class train tickets	Fulfilled

# Good health & well-being



At Lime, we aim to be sustainable inside and out, and we value wellness in our staff. We place great weight on creating a safe, open and healthy work environment which promotes creativity and personal development. No one at Lime should have the Monday morning blues – it should feel great to get to work!

There is a wellness group at every office, which works actively to publicise the concept and arrange activities to increase wellness among our staff.

We carry out weekly surveys to measure staff satisfaction. The results are processed at several levels, and form the basis for further measures which are taken to improve our staff's health and well-being.

Lime aims to plan, lead and control its operation systematically in a way that ensures that the quality of the employees' work environment is at a high level, and that we comply with the Swedish Work Environment Act (1997:1160) and its regulations. We place a great deal of importance on preventive action on the work environment, and this is carried out as a close collaboration involving management, employees, safety organisations and the occupational health service.

Lime is committed to encouraging a healthy lifestyle, focusing on wellness. As part of this approach, we offer a generous wellness grant to promote good physical and mental health among our employees.

Staff turnover, absence due to illness and work-related injuries are constantly monitored so that any necessary action can be taken to increase well-being and safety at Lime.

It is in Lime's interest to have explicit goals and core values to create the correct conditions and clear expectations for our staff with the aim of reducing stress. Lime will also supply the tools and resources necessary to ensure that work can be carried out with a high level of efficiency and quality.

Our staff are encouraged to prioritise themselves, their own health and their own wellness.

## Summary of activities in 2020

**Increase the percentage of staff who are participating in the continuing anonymous measurement of health and wellness to 80 %.**

- During 2020, the average participation rate across Lime was 80 %<sup>1</sup>.
- Reminders were sent out to employees highlighting the importance of a high rate of participation in the weekly surveys. New recruits were clearly informed of the importance of this during the onboarding process.
- Immediate managers were encouraged to respond to the comments written by members of staff in the surveys. The results were processed by managers, HR and at Management Team meetings.

**Maintain a general wellness level of at least 7.3 (scale 0-10) throughout the organisation.**

- The result for 2020 was a general wellness level of 7.5.
- Wellness, workload and work/life balance were discussed between managers and employees at regular one-on-one conversations and at all staff appraisals.
- Work in the larger departments is carried out in small teams with a dedicated team leader to support and simplify the work.
- Expectations of their work roles are clearly communicated to new employees, both during the recruitment process and during the early period of their employment at Lime.
- Guidelines setting out the knowledge that participants in the trainee programme are expected to take away during their first year were further refined.
- The onboarding period is evaluated on the basis of the participants' feedback with the aim of improving and creating the best conditions and a reasonable workload for our new employees.

<sup>1</sup>Refers to the results for 2020, with the exception of the period from mid-July to mid-August when the majority of staff were on holiday.

- Reminders to utilise the annual wellness grant and increase awareness about the wide range of activities that it can be used for were sent out to the employees.
- Stress workshops were organised by the Head of People & Culture at those offices and within those teams which requested this.

**Establish local wellness targets for each office, taking account of local conditions and any possible challenges. As part of this process, the results of the surveys will be analysed in greater detail outside local offices and teams.**

- During 2020, some but not all offices and teams set local wellness targets. The results were not analysed to the extent that we had planned, largely due to the adjustments we were obliged to make during the year as a result of the pandemic.
- At the Wellness Group's quarterly meetings with all local representatives, the focus was on follow-ups, reviewing results in the area, reporting on the current situation at the respective offices, target fulfilment and exchanging experiences.

**Continued planning and implementation of a mix of activities which can appeal to a large proportion of our staff at all our offices, increasing cohesion and wellness.**

- A range of activities focusing on promoting wellness, both physical and mental, and cohesion among colleagues were implemented during the year. Cohesion was an area of particular focus, given the digital challenges we are facing. The activities that were arranged included Bollywood dance, yoga with an instructor, wellness competitions to promote wellness while people are telecommuting and local initiatives to maintain coffee break culture and a sense of community.

## Targets for 2021

- Increase the average participation rate in the surveys to 83 % throughout Lime.
- Maintain a general and stable wellness level of a minimum of 7.5 on average.
- Maintain a general and stable stress level of a minimum of 7.3 on average.<sup>2</sup>
- Meet the target and establish local wellness targets for each office, regularly analyse the results and take any necessary action.
- Have an attendance rate of at least 97 % across Lime.
- Increase the percentage of employees who take advantage of the annual wellness grant to 75 %.

## Activities for 2021

- Lime intends to continue to plan and implement a range of activities for the whole organisation and to work at local level to promote well-being and cohesion. Likewise, the creation of clear guidelines and expectations for work roles, the evaluation of the introductory period and the division of larger departments into smaller teams will continue.
- Members of staff will continue to be reminded to utilise the annual wellness grant and to participate in the weekly surveys, and this approach will be combined with encouraging managers to respond to staff comments in the surveys.
- Discussions around wellness, work/life balance and workload will continue at one-on-one conversations and the annual staff appraisal between employees and their immediate managers.
- Stress workshops will be implemented by more team members within People & Culture and will be offered to those teams and officers who request it.
- Employees will become more involved in the planning of activities for the purpose of increasing cohesion and the level of wellness to bring these up to the required level, both locally and within Lime in general.

<sup>2</sup> On a scale of 0–10, where a high figure is desirable.



# Quality education for all



Lime's most important resource is its people. Due to the complexity of our products, staff training is crucial to our continued success. Lime is actively looking for personnel in many areas where there is a skills shortage. That is why we have adopted a long-term plan with the goal of ensuring high quality education in society in general, but with particular focus on the areas of expertise that are important to the Company.

Lime arranges internal training to ensure that our existing personnel have the relevant knowledge. It is essential that employees feel that they are continuing to develop in their own areas of expertise.

We organise and participate in initiatives aimed at increasing the level of interest in education in IT and technology throughout society. This enables Lime to share the expertise in the organisation and to participate in promoting this trend.

There are fewer women than men employees in the technology sector and this is partially due to the choice of education, where women are less likely to choose science and technology. Lime is committed to increasing the level of interest in technology among women by implementing initiatives and working closely with organisations that focus on this worthwhile objective. Through initiatives of this type, we would like to promote a more even distribution between men and women in the technology sector.

It is also in Lime's interest to increase the attractiveness of IT and technology to children and young people with the aim of ensuring the future supply of expertise. Through influencing the guidelines for priorities within the educational system, Lime can help in promoting and encouraging a more technology-oriented educational system. For this reason, Lime intends to participate openly in encouraging education in science and technology for young people and the technologists of the future, and to highlight the importance of future skills requirements.

## Summary of activities during 2020

### Lime will lecture at schools and universities.

- Both by taking part in educational programmes and by providing invited guest speakers, Lime has been involved in lecturing at institutions such as Linköping University and the University College of Northern Denmark. The theme of the lectures was CRM, from both a technical and a sales perspective.

### Lime will continue to back Ung Företagsamhet (UF) [the Swedish branch of Junior Achievers Worldwide] and the Venture Cup to support and train young entrepreneurs in particular in sales and business enterprise.

- UF is an organisation which provides courses for upper secondary school students in entrepreneurship. Lime is a UF partner, and was a member of the jury which selected the best sales performance.

### Lime will collaborate with external organisations which focus on increasing interest in technology and programming among women.

- DataTjej [ComputerGirls] is an organisation for women and non-binary people who are working in, studying or have an interest in IT. During 2020, Lime gave a lecture on CRM for DataTjej and took part in their annual IT Fair.
- Tjejer kodar [Girls Code] is another organisation which promotes interest in programming among women. Lime acted as mentors in their Boot Camp programme with the aim of helping and supporting women to start careers in programming.

Lime will itself initiate and hold events which increase knowledge and interest in programming among children and young people.

- During the spring, a boot camp was planned for children and young people during the summer holidays. It was intended to hold this week-long event at the office in Lund. This had to be cancelled due to Covid 19, but the working group remains in place, and the plan is to hold this event either this summer or in 2022, depending on the situation.

#### Other activities over and above the set goals:

- A considerable effort was made to coordinate and streamline the process of holding guest lectures. Materials and guidelines were developed, and published on Lime's intranet
- A great deal of work was required to adapt the trainee programme and onboarding in response to Covid 19. The programme for the second trainee period in August was adapted so that it could be held on our premises.
- Lime's internal training, the Lime Consultant Academy (LCA), was held as usual in January, but digitally in August. The focus areas for LCA were Python, UX, SQL and personal development.

#### Targets for 2021

- Establish at least one close working relationship with an organisation focusing on increasing interest in technology and programming among women.
- Arrange at least one event focusing on increasing interest in technology and programming among women.
- Initiate a close working relationship or arrange one event focusing on raising interest in technology and programming among children and young people.

#### Activities for 2021

- Develop guidelines on how to raise the quality of the internal training provided.
- Raise the standard of internal training by improving the structure for handling training material.
- Appoint a group to follow up the events and collaboration implemented at Lime, and ensure that the objectives associated with events and collaboration are fulfilled.

# Gender equality



At Lime, we are convinced that an equal and inclusive society and company create conditions for improving business enterprise in general and achieving sustainability in the business sector. That is why Lime is so committed to achieving equality, diversity and inclusion among its staff in general and in senior managerial positions in particular.

As things stand, over 32 % of the Company's employees are women. There are also upwards of 20 nationalities represented at Lime, and we are working at both local and international level to find new talent.

Lime's Management Team consists of five men and one woman. The Company's goal is to equalise this skewed distribution over time. We closely monitor both internal promotions and external appointments to senior positions with diversity as a clear focus area.

Every member of staff must have the knowledge and skills to avoid discrimination, harassment and giving offence at all times. Every member of staff will also have the same opportunities and resources to carry on their work in a professional manner and to develop themselves both in and beyond their professional roles. In this context, every member of staff must feel that they are seen and respected for who they are, and are treated with respect and trust and as of equal value. Through our weekly anonymous surveys, we continuously follow-up our colleagues' experiences in these areas.

Under our reverse mentorship programme, every member of the Management Team is paired with a committed employee at Lime for a period of around six months, during which they discuss equality, diversity and inclusion from their various perspectives. Mentors and mentees from different parts of the organisation are paired so as to avoid, as far as possible, any problems arising in the discussions as a result of the power dynamic. Evaluations are carried out after each round has been completed, enabling us to gather thoughts and ideas for how we can improve Lime in the future.

## Summary of activities during 2020

**Lime's goal is that the distribution between men and women in senior positions must, at a minimum, reflect the gender distribution in the Company in general.**

- During 2020, 14 new managers were appointed through internal and external recruitment, as well as through the acquisition of new companies. 6 of these were women. Currently, 28 % of our managers are female.
- 2 new male managers joined the Company through acquisitions.
- We appointed 3 new female managers through external recruitment.
- Internal promotions provided us with 6 male and 3 female managers.

**Female employees have the same experience of personal development as their male colleagues, as measured through our anonymous staff surveys.**

- The results of our staff surveys show that, on a scale of 0-10, women rank their experience of personal development at an average of 8.0 and men at 7.9.

**Lime will review and improve the existing recruitment process to ensure that it is more inclusive.**

- The first stage in mapping out how we can create a more inclusive process was to gather information by interviewing members of the Management Team and managers responsible for recruitment. This is an iterative approach, and will continue for a long time into the future.

**Lime will clarify and highlight the Company's position on inclusion and gender equality both internally and externally.**

- During the year, this was included in our induction process for all new employees. Our Marketing Department publicised our commitment to gender equality outside the Company, and we also highlighted it in podcasts and at trade fairs.

Lime will further develop and continue to support internal initiatives to empower and advance existing female staff ("Women in Sales", "Women in Consulting").

- Since it was not possible to pursue these initiatives during the year in the same way as we have in the past, in particular by holding physical conferences, the focus shifted onto working on this issue in other formats.

Lime will train staff who take part in the recruitment process to make them aware of factors such as confirmation bias and to set out clearly the type of candidates that the Company is looking for.

- Planned training courses have been postponed, since the training format was based on the structure of the recruitment process. Our recruitment processes have changed as a result of Covid 19, and, consequently, we are holding fire on launching these courses. We focus continuously on clarifying and reviewing the type of candidates we are looking for in our recruitment processes.

Lime will update and remind all employees on existing policies and reports relating to gender equality.

- During staff appraisals, our policies are followed up with all employees as one aspect of the support tools we use. We also refer to our policies both during the induction of new employees and as soon as the opportunity arises in other contexts.
- We use our internal communications channel dedicated to sustainability to share useful reports in this area.

The reverse mentorship programme is continuing, and will be jointly evaluated by all participants after six months, with the aim of gathering insights, ideas and suggestions for future action.

- The reverse mentorship programme was evaluated after its first round, and a new round was then initiated. We decided not to include KPIs in the mentorship programme, but to see it as an opportunity for interdepartmental conversations to raise the level of understanding and place the area in focus. The latest round has been broadened so that diversity and inclusion are also covered.

## Targets for 2021

Lime's efforts in the gender equality project area are aimed at ensuring that the overall objective of achieving the adopted gender equality target range in all departments and offices, and at all levels in the organisation. In all our recruitment, we always employ the best candidate for the job. We are taking our commitment to gender equality further, and broadening the focus into diversity and inclusion.

Our measurement points for monitoring progress are:

- New recruitment
- Promotions
- Staff turnover and length of employment
- Perceived opportunity for personal development
- Experience of inclusiveness internally

## Activities for 2021

- We use an open forum to provide a platform on which issues involving gender equality, diversity and inclusion can be brought up and discussed at both community level and with an internal focus. Each month, we invite our colleagues to take part in discussions on a wide range of themes.
- The reverse mentorship programme will continue and will be evaluated after the completion of each round.
- We will continue to engage in external activities which provide us with the opportunity to increase awareness and encourage commitment in relation to gender equality, diversity and inclusion.
- The recruitment training which we were unable to implement during 2020 will be launched as soon as possible.

# Responsible production & consumption



Lime is fundamentally a service-providing company, which means that we do not produce any physical products that would involve a major risk of environmental impact. Nevertheless, it is very important that we analyse the areas in which we can have an impact on the environment.

Our most far-reaching decision so far has been to invest in a solar park. In 2020, Lime received a certificate confirming that we had contributed to generating 300 MWh of clean solar energy, which covers all of Lime's electricity consumption in Sweden, and is equivalent to the electricity required to power 150 small apartments in Sweden. We are really proud of that!

In previous years, our efforts to increase sustainability included stopping the use of bottled water. Taking just the office in Lund, this resulted in a reduction in consumption of 13,104 bottles! We have also insisted that all our offices sort waste at source and buy organic fruit.

At our offices, we make conscious choices in our purchasing. As an example, we have stopped buying disposable plastic items, and we keep our marketing material under constant review. To give another example, for our last summer party, we purchased sports bottles made from sugar cane rather than disposable bottles of water. For several years now, instead of giving Christmas presents, we have donated money to various charitable organisations such as The Swedish Childhood Cancer Fund and IT for Children.

Lime is reducing its carbon emissions by cutting back on travel and facilitating virtual meetings. Both management and personnel share a strong commitment to achieving sustainability in our business, and are willing to stand up and be counted on this.

## Summary of activities during 2020

### Lime offers first class train tickets instead of economy class flights.

- 2020 affected all of us differently. When the restrictions on flying were introduced in different countries, the amount of travel we did fell. Even before the pandemic broke out, Lime had begun to offer first class train tickets including hotel breakfast on arrival instead of economy class flights.

### Offer vegetarian alternatives at staff and customer events.

- Lime intends to serve vegetarian alternatives as a first choice at staff and customer events. Due to Covid 19, events could not go ahead as planned, and with the reduced choices at restaurants and increased restrictions, it was not possible to fulfil this goal.

### Lime intends to continue to invest in climate-smart electricity generation.

- During 2020, Lime contributed to Sweden emitting 90 tonnes less CO<sub>2</sub>.<sup>3</sup>

### Lime will encourage its employees to reuse more through swap days, collections and lectures.

- Lime's planned clothes swap days had to be cancelled due to Covid 19. We hope to resume this in 2021. And we also hope to organise collections for a sustainable society.

<sup>3</sup> 300,000 kWh x 300 g CO<sub>2</sub> per kWh (in Sweden, we generate electricity with low CO<sub>2</sub> emissions, and so we decided instead to measure ourselves against the average emissions in Europe, which are around 300 grams of CO<sub>2</sub> per kWh.)



## Targets for 2021

- Investigate the options for replacing our company cars with more environmentally-friendly alternatives, such as plug-in hybrids.
- Be transparent in publishing our figures and actions. Lime is continuously working on developing processes to follow up and measure our impact on the environment.
- Use green energy at all our offices across Europe.
- Produce a checklist to help us review our suppliers and our purchases.

## Activities for 2021

- Lime will evaluate the options for using only plug-in hybrids in our operations in future.
- Lime will ensure quality and continuity in measuring our carbon footprint through improved analyses and external scrutiny.
- Lime will ensure that all electricity contracts are 100 % based on renewable energy.
- Lime will produce a checklist to help us review our suppliers.



## **Lime celebrates 2 years as a solar park partner!**

We invested in a solar park at the beginning of 2019. Lime will, of course, continue to invest in 2021.

# Environmental Performance Indicators 2020

**In financial year 2020, in accordance with NASDAQ's voluntary ESG Reporting Guide, Lime Technologies developed a number of basic essential performance indicators in respect of the environment for the first time. This will provide a starting point in improving the Company's sustainability performance and will make a valuable contribution to our annual transparent sustainability reports.**

## Comments on the environmental performance indicators

**Energy.** LLime Technologies' reported energy consumption for 2020 is indirect, consisting primarily of energy purchased for running operations (electricity) and for heating/cooling our premises (district heating).

The reported consumption is based on invoices, except where electricity is included in the annual rent and had to be calculated from that (see table below). In the majority of cases, district heating has been calculated: where there has been a deduction

for the past year by the landlord, this often came too late to be included in the Annual Report.

There is no direct energy consumption from energy sources owned or controlled by the operation; company cars used in the business are owned by leasing companies.

**Renewable energy.** Lime Technologies' primary energy source is solar, through the agreement on solar-generated electricity that Lime has with Svea Solar's solar park in Sjöbo, where 300 MWh is allocated to Lime Technologies annually from 2020 onwards.

Office Estimated	CO <sub>2</sub> -emissions	Area of premises
Lund, Sankt Lars väg 46	Electricity: 107,097 kWh District heating: 355,955 + 54,516 kWh	1,612 m <sup>2</sup>
Lund, Sankt Lars väg 41	Electricity: 12 357 kWh (value based on Lund I & III) District heating: 32,016 kWh	186 m <sup>2</sup>
Stockholm	Electricity: 37,188 kWh District heating: 32,436 kWh	1,019 m <sup>2</sup>
Gothenburg	Electricity: 27,001 kWh District heating: 27,612 kWh	692 m <sup>2</sup>
Gävle	Electricity: 2,500 kWh District heating: 2,500 kWh	95 m <sup>2</sup>
<b>Total SWEDEN</b>	<b>Electricity: 186,143 kWh District heating: 505,035 kWh</b>	<b>3,604 m<sup>2</sup></b>
Oslo	Electricity: 49,990 kWh No district heating	329 m <sup>2</sup>
Helsinki	Electricity: 7,663 kWh District heating: 7,000 kWh	289 m <sup>2</sup>
Copenhagen	Electricity: 4,053 kWh District heating: 24,000 kWh (based on preceding year)	288 m <sup>2</sup>
Utrecht	Electricity: 6,000 kWh/year (based on monthly figures) No district heating	225 m <sup>2</sup>
<b>Total energy consumption</b>	<b>789,884 kWh</b>	<b>Total area 4,735 m<sup>2</sup></b>

**Climate.** The direct and indirect emissions of greenhouse gases (in Lime's case CO<sub>2</sub> only), defined as Scopes 1 and 2 (see diagram) are in line with the energy consumption required for operating the business and for heating/cooling premises.

**Calculation.** The emissions for 2020 have been calculated in accordance with the IEA's (2018) national conversion factors for electricity for Norway, Denmark, Finland and the Netherlands. As far as Sweden is concerned, total electricity consumption is more than covered by the previously-mentioned solar energy agreement, which gives zero emissions. Accordingly, emissions in Sweden are due solely to district heating of our premises.

**Emission intensity.** A common way of reporting emissions is to relate them to the intensity of the operation. For 2020, Lime reports its emissions in relation to total sales (SEK thousand) and to the area of the premises (m<sup>2</sup>).

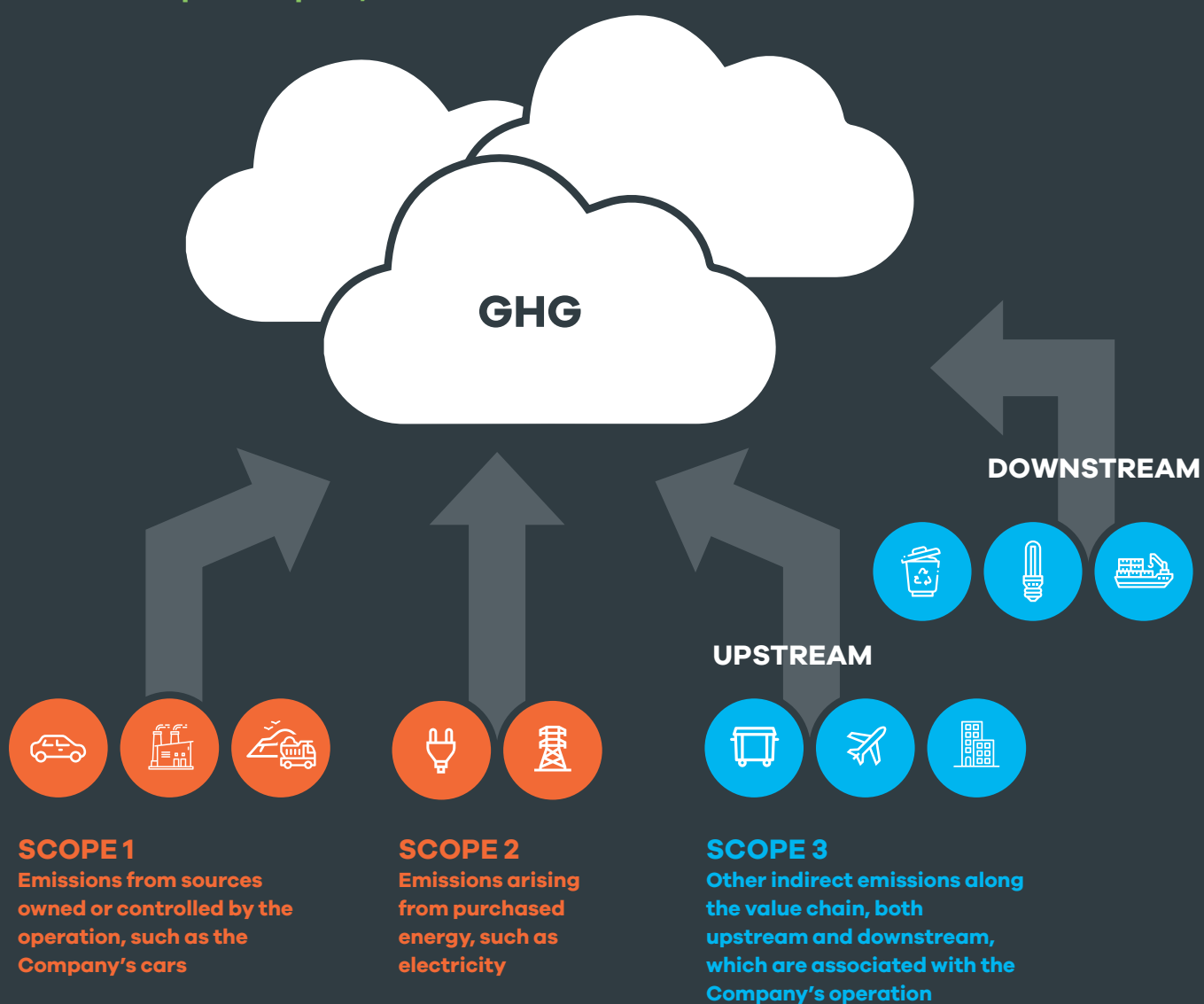
**Scope 3,** i.e. other greenhouse gas emissions along the value chain associated with Lime's operation, cannot be reported at this point. Scope 3 potentially contains over 20 different categories of emission (see illustration).

In a future Scope 3 analysis, it is, however, likely that both emissions from leased company cars and emissions from business travel will form part of the operation's significant emissions (even though 2020 was an atypical year for business travel due to the pandemic).

**Other.** Lime's water consumption is normally included in the rent of the premises. Since water is consumed exclusively for sanitary purposes, hygiene, dishwashing etc., it is not regarded as a critical environmental factor that must be reported for the type of operation run by Lime.

Office Estimated	CO <sub>2</sub> -emissions	Comments/conversion factors
Lund	Electricity: 0 kg District heating: 4,515 kg	Solar electricity with zero emissions. District heating: 0.011 kg CO <sub>2</sub> /kWh
Stockholm	Electricity: 0 kg District heating 1,918 kg	Solar electricity with zero emissions. District heating: 0.061 kg CO <sub>2</sub> /kWh
Gothenburg	Electricity: 0 kg District heating: 1,795 kg	Solar electricity with zero emissions. District heating: 0.065 kg CO <sub>2</sub> /kWh
Gävle	Electricity: 0 kg District heating: 7.5 kg	Solar electricity with zero emissions. District heating: 0.003 kg CO <sub>2</sub> /kWh
<b>Total SWEDEN</b>	<b>Electricity: 0 kg District heating: 8,144 kg</b>	<b>Electricity consumption for all Swedish offices is covered by the solar electricity agreement which provides 300 MWh/year and, consequently, produces no CO<sub>2</sub>-emissions.</b>
Oslo	Electricity: 650 kg No district heating	Norway conversion factor electricity: 0.013
Helsinki	Electricity: 1,464 kg District heating: 1,386 kg	Finland conversion factor electricity: 0.191 District heating: 0.198 kg CO <sub>2</sub> /kWh
Copenhagen	Electricity: 1,277 kg District heating: 1,632 kg	Denmark conversion factor electricity: 0.315 District heating: 0.068 kg CO <sub>2</sub> /kWh
Utrecht	Electricity: approx. 2,424 kg (estimate) No district heating	The Netherlands conversion factor electricity: 0.404
<b>Whole operation: Total emissions</b>	<b>17,068 kg CO<sub>2</sub>/kWh</b>	
<b>Total emissions per SEK thousand</b>	<b>0.050 kg CO<sub>2</sub>/SEK thousand</b>	<b>Sales SEK 338,689 thousand</b>
<b>Total emissions per m<sup>2</sup></b>	<b>3.60 kg CO<sub>2</sub>/ m<sup>2</sup></b>	<b>Total area 4,735 m<sup>2</sup></b>

The GHG Protocol classifies a company's greenhouse gas footprint in three different Scopes: Scopes 1, 2 and 3



# **Corporate Governance 2020**



# Corporate Governance

# The Chairman's view

**During 2020, the performance of the economy was affected by the crisis resulting from the spread of Covid 19. The lasting effects of the pandemic and the political measures which were taken to counteract the spread of the disease are still difficult to foresee. Lime's assessment, however, is that in the long and medium term the change in behaviour due to the pandemic will increase the rate of digitalisation.**

With around 300 employees and 70,000 users, Lime is one of the Nordic Region's largest CRM suppliers. As digital technology is having a serious impact on all business activities, Lime is very well positioned to supply the solutions of the future in an increasingly connected world. A well-implemented CRM system increases competitiveness and resource efficiency. For that reason, we anticipate that demand for Lime's products will increase, and growth of 17 % during a year as tough as 2020 shows just how well Lime is equipped for the future.

During the year, Lime efficiently integrated the operations of the companies acquired in 2019 and 2020, and demonstrated its ability to grow both organically and through acquisition.

Lime's Board of Directors consists of members who complement one another well. All members of the Board hold or have held senior management positions, and this gives them excellent insight into and understanding of the challenges management faces. In addition, they have valuable experience from senior positions in areas such as the software industry, the stock market, corporate acquisitions and HR issues. At our annual strategic discussions – in which the full corporate Management Team participates – this mix generates an exciting and valuable dynamic.

The Board works actively to support the Management Team on strategic matters, ensuring that strategies are correctly formulated and followed up, and it also monitors risks.

The work of the Board follows a fixed annual cycle with scheduled meetings and with an allocation of tasks and responsibility set out in the formal work plan.

The work of the Board, beginning with the Board meeting following election on 29 June 2020, has been evaluated. The Chairman of the Board has compiled the feedback evaluation for the Board of Directors and the Nomination Committee. This evaluation is extremely important in ensuring that the work of the Board is effective, and also in providing guidance in achieving the optimal composition and competencies for the Board. This year's feedback showed that the Board is functioning exceptionally well.

During the past year, the entire Board of Directors constituted the Remuneration Committee. A separate Audit Committee was also appointed.

As in previous years, the future challenges facing the board are in assisting and acting as a sounding board for the Management Team in a number of strategically important focus areas. This involves ensuring Lime's long-term growth and competitiveness in a changing and growing market, through having the right focus in relation to product development, market expansion, customer orientation and the supply of expertise. To put it briefly, continuing to develop Lime in preparation for the future.

Martin Henricson, Chairman of the Board

# Corporate Governance

The Corporate Governance Report is submitted in accordance with the regulations set out in The Swedish Annual Accounts Act and The Swedish Corporate Governance Code (the "Code").

The Code applies to all Swedish companies whose shares are listed on a regulated market. The Code defines a norm for good corporate governance on a higher level of ambition than the Swedish Companies Act and the minimum requirements of other regulations. The Code is based on the principle of "comply or explain". This means that Lime is not required to apply every rule of the Code at all occasions but may choose alternative solutions deemed to better respond to particular circumstances, provided the company openly discloses all such deviations, describes the alternative solution and states the reason for the deviation.

The Corporate Governance Report has been reviewed by the company's auditor in accordance with statutory auditing. Effective and clear corporate governance contributes to ensuring confidence from Lime's stakeholder groups and also increases focus on business purpose and shareholder value in the company. With a high level of transparency, Lime's board of directors and management aim to facilitate the individual shareholder's understanding of the company's decision paths, and to clarify where powers and responsibilities lie in the organization.

The board of directors and management aim for the company to comply with requirements set on the company by Nasdaq Stockholm, shareholders and other stakeholders. Further, the board of directors follows the general debate on the subject and recommendations issued by various bodies. Lime's corporate governance is mainly based on Swedish law, primarily the Swedish Companies Act (Sw. *aktiebolagslagen*), Lime's articles of association, and internal policies and instructions. Lime further complies with rules under the Code and the Nasdaq Stockholm rulebook for issuers.

Corporate governance within Lime is primarily exercised through the annual general meeting and the board of directors. In a wider perspective, it also includes management, its responsibilities and the control and reporting functions within the Group.

## Governance structure

Lime's shareholders are the ultimate decisionmakers in respect of the Group's governance. At the annual general meeting, the shareholders appoint the board of directors, the chairman of the board and the auditor, and resolve how to appoint the nomination committee.

The board of directors is responsible to the shareholders for the Group's organization and management of the Group's affairs.

The auditor reports on their review to the annual general meeting.



## Shareholders & general meeting

According to the Swedish Companies Act (Sw. *aktie-bolagslagen*), the general meeting is the company's ultimate decision-making body. At the general meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of the company's results, discharge from liability of members of the board of directors and the CEO, election of members of the board of directors and the auditors and remuneration to the board of directors and the auditors. Members of the board of directors are appointed and dismissed in accordance with the Swedish Companies Act and the articles of association contain no special rules for this.

The annual general meeting must be held within six months from the end of the financial year. In addition to the annual general meeting, extraordinary general meetings may be convened. According to Lime's articles of association, general meetings are convened by publication of the convening notice in the Swedish National Gazette (Sw. *Post- och Inrikes Tidningar*) and on Lime's website. At the time of the notice, information regarding the notice shall be published in Dagens Industri.

The company's articles of association contain no restrictions on how many votes each shareholder can cast at a general meeting.

Amendments to the articles of association are decided in the manner that follows from the Swedish Companies Act and the articles of association contain no special rules for this.

### Right to participate in general meetings

Shareholders who wish to participate in a general meeting must be included in the shareholders' register maintained by Euroclear Sweden AB on the date occurring five business days prior to the meeting and notify Lime of their intention to participate not later than the date indicated in the notice convening the meeting.

Typically, it is possible for a shareholder to register for the general meeting in several different ways, as indicated in the notice of the meeting. To participate in the general meeting, shareholders who have nominee-registered their shares must, in addition to registering their intention to participate, register the shares in their own name so that the person concerned is registered as a shareholder in the register kept by Euroclear Sweden AB five weekdays before the general meeting.

Shareholders who are not personally present at the general meeting may exercise their right to attend the meeting by proxy. Shareholders who are personally present at the general meeting, or proxies for absentee shareholders, may bring no more than two assistants.

### Shareholder initiatives

Shareholders who wish to have a matter discussed at a general meeting must submit a written request in that regard to Lime's board of directors. Matters shall be discussed at the general meeting if the request has been received by the board of directors at least seven weekdays prior to the time when the convening notice according to the Swedish Companies Act may be submitted at the earliest, or thereafter but within such time that the matter can be included in the convening notice to the general meeting.

## 2020 annual general meeting

The annual general meeting was held on 29 June 2020 at Kungsbrogatan 1, Stockholm. Lime recommended the shareholders to, if possible, use the opportunity to vote in person. 54% of the shares and voting rights were represented at the meeting. The chairman of the board, Peter Larsson, and board members Marlene Forsell, Anders Fransson, Malin Ruijsenaars, Marti Henricson and Anders Nilsson were present at the meeting. Auditor Ola Bjärhäll from PwC was also present, digitally.

Decisions by the shareholders at the annual general meeting included:

- payment of dividend of SEK 1.50 per share. Payment of dividend amounted to MSEK 19.9 in total.
- the board of directors shall consist of five members and no deputy members.
- election of Marti Henricson as chairman of the board.
- re-election of Peter Larsson, Anders Fransson, Malin Ruijsenaars and Marlene Forsell
- approval of board of directors fees until the next annual general meeting of SEK 300,000 to the chairman of the board and, SEK 175,000 to each of the other board members. It was also resolved that, in the event the board implements an audit committee, compensation of SEK 40,000 be paid to the chairman of the audit committee and SEK 25,000 to each of the other audit committee members.
- election of Öhrlings PricewaterhouseCoopers AB (PwC) as auditors, with Ola Bjärhäll as the auditor in charge.

- authorisation of the board of directors to decide – at one or more occasions during the period extending until the next annual general meeting in 2021 – with or without deviation from the shareholders' preferential rights and with or without provisions regarding payment in kind or by set-off – to issue new shares in the company. The number of shares issued under the authorisation is restricted to ten percent (10%) of the total number of shares outstanding on the occasion of the decision of authorisation. If deviating from shareholders' preferential rights, then the issue under this authorisation must be made on market terms.

## Nomination committee

The annual general meeting resolves how the nomination committee will be appointed. The nomination committee's task is to prepare and propose a chairman and other members of the board of directors, including remuneration to the chairman and other members. The nomination committee's task is furthermore to evaluate the work of the board, primarily based on the report provided by the chairman to the nomination committee. The nomination committee applies Lime's diversity policy in its proposal for election of board members.

On 29 June 2020, the annual general meeting of Lime Technologies AB (publ) adopted the following instructions for the nomination committee.

The chairman of the board shall contact the three largest shareholders, in terms of voting rights, listed in the shareholders' register maintained by Euroclear Sweden AB as of the last business day in August the year prior to the annual general meeting will be held. The three largest shareholders shall each be offered an opportunity to appoint a member who together will constitute the nomination committee for the term that extends until such time that a new nomination committee has been appointed. Should any of these shareholders decline to exercise their right to appoint a member, the right will be extended to the next largest shareholder. The nomination committee may adjunct the chairman of the board to the nomination committee.

The chairman of the nomination committee shall be the member representing the largest shareholder in terms of voting rights, unless the members unanimously agree on another chairman. However, the chairman of the nomination committee may not be a director of the board.

The majority of the members of the nomination committee shall be independent in relation to the company and its management. Neither the CEO nor

any other member of the company's management may be a member of the nomination committee. At least one of the members of the nomination committee must be independent in relation to the company's largest shareholder in terms of voting rights, or group of shareholders who cooperates in terms of the company's management. The board of directors must not represent a majority of the members of the nomination committee. If more than one member of the board of directors is a member of the nomination committee, only one of them may be dependent in relation to the company's largest shareholder.

The members of the nomination committee shall receive no fee. If necessary, the company shall cover reasonable costs for the retention of external consultants to enable the nomination committee to perform its duties.

The composition of the nomination committee shall be announced by separate press release as soon as the nomination committee has been appointed and no later than six months before the annual general meeting. The information shall also be available on the company's website, where it shall also be explained how shareholders may submit proposals to the nomination committee.

A member of the nomination committee shall step down if the shareholder by whom they were appointed is no longer one of the three largest shareholders, after which a new shareholder in size order shall be offered the opportunity to appoint a member. Such an offer only needs to be extended to the next three shareholders in order of size. In the absence of special reasons, however, no changes shall be made to the composition of the nomination committee if only minor changes in voting numbers have occurred or if the changes occur later than three months before the annual general meeting. In the event a member resigns from the nomination committee before its work is completed, such shareholder who appointed the member shall be entitled to appoint a new member to the nomination committee, provided the shareholder is still one of the three largest shareholders in terms of voting rights who are represented in the nomination committee.

The nomination committee is entitled, if it is deemed appropriate, to adjunct a member who is appointed by a shareholder who, after the constitution of the nomination committee, has become one of the company's three largest shareholders and who is not already represented on the nomination committee. Such an adjunct member does not take part in decisions made by the nomination committee.

## Nomination committee ahead of the 2021 annual general meeting

Name/representing	Percentage of voting rights, 31 December 2020
Thomas Bill, Syringa Capital AB	10,14%
Emil Hjalmarsson, AB Grenspecialisten	10,00%
Marianne Flink, Swedbank Robur Fonder	9,56%
Adjungerad, Martin Henricson, styrelsens ordförande	

Apart from AB Grenspecialisten and Syringa Capital AB – who represent 10.00% and 10.14% of the shares respectively – there are no other shareholders who represent more than 10% of the voting rights on 31 December 2020.

## External auditor

The auditor reviews Lime's annual report and accounts, as well as the management by the board of directors and the CEO. Since Lime is parent company in a Group, Lime's auditor shall also review the consolidated accounts and the Group companies' interrelationships. The auditor submits an audit report and a Group audit report to the annual general meeting following each financial year.

Öhrlings PricewaterhouseCoopers AB is Lime's auditor, with Ola Bjärehäll as auditor in charge. The company's auditor is presented in more detail under section "Board of directors, senior executives & auditor" in the annual report published on Lime's website.

During the 2020 financial year, the total fees paid to the company's auditors amounted to TSEK 991 whereof TSEK 322 related to the parent company (TSEK 1,255 in 2019 whereof TSEK 395 related to the parent company). In 2020, TSEK 971 related to audit services (whereof TSEK 322 to the parent company).

## The board of directors

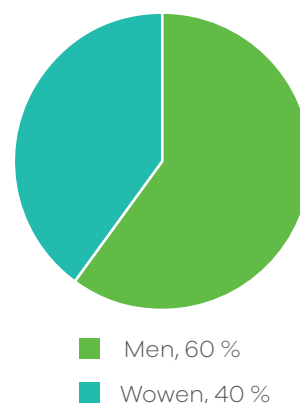
### Composition of the board of directors

Members of the board of directors are normally appointed by the annual general meeting for the term until the next annual general meeting. According to Lime's articles of association, the members of the board of directors shall not be fewer than three and not more than eight members with no deputy members. According to the Code, the chairman of the board of directors shall be elected at the annual general meeting.

Not more than one of the members of the board of directors – insofar as elected by the general meeting – shall be a member of Lime's management or its subsidiaries' management. The majority of the board

of directors – insofar as elected by the general meeting – shall be independent of Lime and its management. At least two of the members of the board of directors who are independent in relation to Lime and its management shall also be independent in relation to Lime's major shareholders. For more information about the members of Lime's board of directors, and a description of their independence in relation to the company and its management, as well as in relation to Lime's largest shareholders, see section "Board of directors, senior executives and auditor" in the annual report published on Lime's website.

### Gender distribution, board of directors



### Work and responsibilities of the board of directors

Lime's board of directors is the second-highest decision-making body, after the general meeting. The Swedish Companies Act prescribes that the board of directors be responsible for Lime's organization and the management of Lime's business. The board of directors shall continuously assess Lime's and the Group's financial position. The board of directors shall ensure that Lime's organization is structured such as the accounting, asset management and Lime's financial conditions are otherwise controlled in a secure manner.

Under the Code, the board of directors is responsible for, among other things, setting the company's targets and strategies, appointing, evaluating and, if necessary, removing the CEO, defining appropriate guidelines to govern the company's conduct in society, with the aim of ensuring the company's longterm capability for value creation, ensuring there are appropriate systems in place for follow-up and control of the company's operations and for the risks to which the company and its operations are associated, ensuring there are satisfactory controls in place of the company's compliance with laws and other regulations applicable to the company's operation, as well as the company's compliance with internal guidelines, and ensuring that the company's

disclosure of information is characterized by transparency and is accurate, relevant, and reliable. Should responsibilities be delegated to one or more of the board's members or to others, the board of directors shall, in compliance with the Swedish Companies Act, act responsibly and continuously ensure that the delegation is maintained. The chairman of the board shall ensure that the work of the board of directors is effective and that the board of directors complies with its obligations.

The work of the board of directors is regulated by written rules of procedures. The rules of procedure include regulations of the functions and distribution of work and responsibilities between the board members and the CEO, as well as between the board of directors and the various committees and certain procedural issues relating to the convening of board meetings. The board of directors convenes according to an annual determined schedule. In addition to these meetings, the board meetings can be convened if the chairman of the board considers it necessary or if a member of the board of directors or the CEO so requests. In accordance with the Swedish Companies Act, the board of directors has adopted an instruction for the CEO, including instructions for both internal reporting to the board of directors and the company's external reporting to the market.

### Diversity

Lime has a policy in place that governs the principles for diversity among its board of directors.

Lime's board of directors shall, as a whole, have appropriate comprehensive competence and experience in relation to Lime's business operations, and be able to identify and understand the risks the company is exposed to. The aim is for the board to consist of members of varying ages, with balanced gender composition and from varied geographical origins, as well as from varied educational and professional backgrounds, which together lead to independent and critical scrutiny from the board.

### Remuneration committee

The board of directors has decided it shall manage matters in their entirety, which, according to the Code, otherwise would have been the responsibility of a separate remuneration committee. This means the board of directors shall:

- make decisions on issues concerning remuneration principles, remuneration and other terms of employment for the executive management,
- monitor and evaluate, both ongoing and during the year finalized, programs for variable remuneration

- monitor and evaluate the application of the guidelines for remuneration to senior executives, which, according to law, the annual general meeting is required to adopt, as well as applicable remuneration structures and remuneration levels in the company, and
- the remuneration committee prepares matters for the board of directors, which has the right of decision.

### Audit committee

The board of directors has decided to constitute a separate audit committee. The audit committee shall:

- monitor the company's financial reporting and provide recommendations and proposals for ensuring the reliability of the reporting,
- with respect to the financial reporting, monitor the efficiency in the company's internal controls, internal audit and risk management,
- keep itself informed of the audit of the annual report and consolidated financial statements and the conclusions of the Audit Council's (Sw. *Revisionsinspektionen*) quality control,
- keep itself informed regarding the results of the audit and the manner in which the audit contributed to the reliability of the financial reporting and the function played by the committee,
- review and monitor the auditor's impartiality and independence and thereupon to note in particular whether the auditor provides the company with services other than audit services,
- assist in the preparation of proposals regarding the resolutions from the general meeting concerning the election of auditor, and

The audit committee prepares matters for the board of directors, which has the right of decision. In 2020, the audit committee consisted of Marlene Forsell and Anders Fransson.

Lime's CEO and CFO participate in the committee's meetings.

### Remuneration to the board of directors

The 2020 annual general meeting resolved to pay compensation to the board of directors for the period until the next annual general meeting of SEK 300,000 to the chairman of the board and SEK 175,000 to each of the other board members. It was also resolved that, in the event the board implements an audit committee, compensation of SEK 40,000 be paid to the chairman of the audit committee and SEK 25,000 to each of the other audit commitment members.



A total of SEK 1,065,000 shall thus be paid as compensation to the board of directors for the period until the end of the 2021 annual general meeting. The amount is distributed among the board members as shown in the table below.

Name	Function	Board Fee (SEK)
Martin Henricson	Chairman	300,000
Malin Ruijsenaars	Board member	175,000
Peter Larsson	Board member	175,000
Anders Fransson	Board member/ audit committee	200,000
	Board member/ chairman audit committee	
Marlene Forsell		215,000
<b>Total</b>		<b>1,065,000</b>

### The chairman of the board

The board's rule of procedure states, among other things, that the chairman of the board shall ensure the work of the board is performed in an efficient manner and that the board of directors fulfils its obligations. This involves organizing and leading the work of the board of directors and creating the best possible conditions for its work. In addition, the chairman of the board shall ensure the members of the board of directors continuously update and deepen their knowledge about the company and that new members receive appropriate induction and education. The chairman shall be available as an advisor and discussion partner to the CEO, but also evaluate the CEO's work and report the evaluation to the board of directors. Further, it is the chairman of the board's responsibility to ensure the board of directors' work is evaluated annually and to provide such evaluation to the nomination committee. Martin Henricson was elected chairman of the board at the annual general meeting on June 29, 2020. The chairman does not participate in the operational management of the company.

### The work of the board of directors 2020

Since the annual general meeting on June 29, 2020, and until the adoption of this annual report, the board of directors has conducted 11 minuted meetings. At the board meetings, Lime's CEO and COO participates and reports on business matters and Lime's CFO participate and takes the minutes of the meeting. At the meetings, the board of directors addressed standard business issues that, as stated in the board's rule of procedure, were presented at each board meeting. These include the business environment, budget, interim reports and annual

accounts. Otherwise, work was focused on further development of the previously developed market and acquisition strategies. In addition to the scheduled meetings, the board's work is made up of ongoing financial reviews, strategic product development, recommendations regarding remuneration levels, acquisition matters, and issues relating to accounting and auditing.

The board's work has been reviewed in a systematic way since the constituent board meeting on 29 June, 2020. The review showed that the board's work was well-functioning.

### Attendance board meetings

Member	Attendance (out of 11)
Peter Larsson	11
Marlene Forsell	11
Anders Fransson	11
Martin Henricson	11
Malin Ruijsenaars	11

Since the annual general meeting on June 29, 2020, and until the adoption of this annual report, the audit committee has conducted 4 minuted meetings. Between the adoption of the annual report for 2019 and the annual general meeting June 29, 2020, the committee conducted 1 minuted meeting.

### Attendance audit committee meetings

Member	Attendance (out of 4)
Marlene Forsell	4
Anders Fransson	4

### Attendance remuneration committee

Member	Attendance (out of 1)
Peter Larsson	1
Marlene Forsell	1
Anders Fransson	1
Martin Henricson	1
Malin Ruijsenaars	1

## The CEO and other senior executives

### The senior executives' work and responsibilities

The CEO is tasked with the handling of the ongoing management and daily operations of the company in accordance with the guidelines and instructions from the board of directors. The division of work between the board of directors and the CEO is set out in the rules of procedure for the board of directors and the board's instructions to the CEO.

The CEO leads the work in the Group's management and makes decisions after consultation with its members. The CEO is also responsible for the presentation of reports and information at the board

meetings and must continuously keep the board of directors informed about matters necessary to evaluate the company's and the Group's financial position.

The CEO and other senior executives are presented in section "Board of directors, senior executives & auditor" in the annual report published on Lime's website. Remuneration to senior executives The table below shows the remuneration received from the company and its subsidiaries by the CEO and other senior executives during the 2020 financial year.

Total average number of senior executives, including the CEO, was 7 (10) in 2020.

January 1 - December 31, 2020 (TKR)	Base salary/fee	Variable pay	Pension cost	Other compensation	Total
CEO	1,804	300	463	70	2,637
Other senior executives	5,645	570	1,166	198	7,578
<b>Koncernen totalt</b>	<b>7,449</b>	<b>870</b>	<b>1,629</b>	<b>267</b>	<b>10,215</b>

### Incentive program to senior executives

An extra general meeting on 25 April 2014 resolved to introduce an incentive program, under which certain employees and key persons in the Group were offered to purchase stock options of the 2014/2019 series, and further, an extra general meeting on October 23, 2015, resolved to introduce an incentive program under which the Company's CFO – Magnus Hansson – was offered to purchase stock option of the 2015/2019 series. A total of 2,545 and 179 stock options were issued under series 2014/2019 and series 2015/2019 respectively. Each stock option of series 2014/2019 entitled the holder to subscribe to approximately 288 shares in the Company at a price of SEK 5.48 per share during 1-31 March 2019. Each stock option of series 2015/2019 entitled the holder to subscribe to approximately 288 shares in the Company at a price of SEK 21.09 per share during 1-31 March 2019. All stock options under both programs were exercised in March 2019 and 783,481 shares were thus issued.

shall never exceed an amount for which the company can make tax deductions. Provided that certain predefined targets are met, the CEO may also receive a company bonus of not more than four months' salary. The bonus is based on the performance of the Group, whereby 50 percent of the bonus is based on how well the company performs in relation to the net sales target and 50 percent is based on how well the company performs in relation to its profitability target. The CEO is also entitled to other normal employment benefits.

Other senior executives are entitled to a fixed base salary, company bonus and, if applicable, individual bonuses, pensions and other benefits, as well as other common terms of employment. The senior executive Johan Holmqvist (Head of Investor Relations), with final employment date on 6 December 2019, is however not entitled to a bonus, according to applicable temporary employment agreement (see further below).

### Terms of employment for the CEO and other senior executives

#### Remuneration and pensions

According to his employment contract, the CEO is entitled to a monthly compensation of SEK 150,000 and pension benefits according to the company's prevailing pension policy. However, pension benefits

#### Termination and severance pay

In case of termination of the CEO's employment contract, a notice period of nine months applies upon termination by the company and a notice period of six months in the case of termination by the CEO. The CEO is not entitled to severance pay in connection with termination of employment.

A mutual notice period of three months applies to other senior executives (or the period otherwise applicable under law or collective agreement) and they are not entitled to severance pay in connection with termination of their employment.

Senior executive Johan Holmqvist (Head of Investor Relations) was employed under a general temporary employment during the period August 31, 2018 - December 6, 2019, corresponding to a normal 50% part-time position (i.e. approximately 20 hours per week). The temporary employment was terminated on December 6, 2019.

### Guidelines for remuneration to senior executives

The annual general meeting on June 29, 2020, resolved on the following guidelines for remuneration to senior executives.

#### Senior executives

For the purposes of these guidelines, senior executives include the Chief Executive Officer and executives who report to the Chief Executive Officer and are members of the Group Management.

#### General remuneration principles

In short, the Company's business strategy is to be a comprehensive CRM expert that offers a powerful and flexible SaaS platform, which leads to a loyal customer base and a profitable business model, strong cash flow and profitable growth.

For more information, please refer to the Company's Annual Reports and the Company's website, <https://www.lime-technologies.se/>.

A prerequisite for implementing the Company's business strategy, safeguard its long-term interests, including sustainability, is that the Company can recruit and retain qualified employees. The Company should therefore offer conditions of employment, including remuneration, that enable attracting and retaining senior executives with the competence and experience required to achieve the Company's goals. The remuneration shall be based on terms that are competitive and in line with market terms.

When evaluating whether these guidelines and the limitations set out herein are reasonable, the Board of Directors (including the Remuneration Committee) has considered the total remuneration of all employees of the Company including the various components of their remuneration as well as the increase and growth rate over time.

#### Principles for fixed and variable remuneration

The remuneration covered by these guidelines may consist of fixed basic salary, variable cash salary, pension and other benefits. In addition the general meeting may decide on, inter alia, long-term incentive programs.

#### Principles for fixed base salary

Each senior executive shall receive a fixed base salary. The fixed base salary shall be in line with market terms, be competitive and shall take into account the scope and responsibility associated with the position, as well as the skills, experience and performance of each senior executive.

Fixed base salary may not amount to more than eighty-five (85) per cent of the total remuneration, assuming that full variable cash salary, pension benefits and other benefits are paid (if there is no variable cash salary, pension benefits or other benefits, the fixed basic salary will constitute the entire remuneration).

#### Principles for variable remuneration

Variable remuneration shall be based on how well the Company meets its financial targets for organic growth and EBITDA. The variable remuneration shall reflect the key drivers for pursuing the Company's strategy, long-term interests and sustainable business practices. To which extent the criteria for awarding variable remuneration have been satisfied shall be determined when the relevant measurement period of the performance criteria has ended. The performance criteria shall be determined and documented on a yearly basis.

For each senior executive (except for senior executives whose main responsibility is own sales), variable remuneration may amount to a maximum of twenty-five (25) per cent of total remuneration if full variable remuneration, pension benefits and other benefits are paid. For senior executives whose main responsibility is own sales, the total remuneration may amount to a maximum of eighty (80) per cent of the total remuneration if full variable remuneration, pension benefits and other benefits are paid.

The Company has the right to recover variable remuneration if it turns out that the Company's accounts contain material errors.

#### Pension

Senior executives shall have pension terms and pension levels that are in line with market terms. The pension benefits shall be premium based. Variable remuneration shall only constitute a basis for pension benefits if it follows from provisions in the applicable

collective bargaining agreement. Unless applicable collective bargaining agreements state otherwise, pension benefits may amount to a maximum of thirty (30) per cent of the fixed salary for each senior executive and, if full variable remuneration, pension benefits and other benefits are paid, a maximum of twenty (20) per cent of the total remuneration.

#### Other benefits

The Company offers other benefits to senior executives such as company car and health insurance. The benefits shall be in line with market terms and the costs of such benefits may, for each senior executive, amount to a maximum of eight (8) per cent of the fixed basic salary and, if full variable remuneration, pension benefits and other benefits are paid, a maximum of five (5) per cent of the total remuneration.

#### Termination notice and severance pay

Employment agreements entered into between the Company and senior executives shall, as a principal rule, apply until further notice. If the Company terminates the employment of a senior executive, the notice period may not exceed twelve (12) months. Severance pay shall only be paid upon termination by the Company and shall not exceed the amount of the agreed fixed basic salary during the notice period. The notice period shall not exceed six (6) months and no severance shall be payable upon the senior executive's own termination of his or her employment.

#### Decision-making process

The Board of Directors has appointed a Remuneration Committee to prepare the Board's proposal for guidelines. Based on the recommendation of the Remuneration Committee, the Board shall, when the need arises for significant changes to the guidelines, at least every four years, prepare guideline proposals to be presented at the Annual General Meeting. The guidelines shall apply to each commitment of remuneration to senior executives, and to any change in such commitment, that is decided after the Annual General Meeting at which the guidelines were adopted. The guidelines thus have no effect on previously binding contractual obligations. Other General Meetings than the Annual General Meetings may amend the guidelines.

The Remuneration Committee shall also monitor and evaluate the application of these guidelines, ongoing and completed programs for variable remuneration to senior executives and the Company's remuneration structures and remuneration levels.

Within the scope and on the basis of these guidelines, the Board of Directors shall, based on the remuneration committee's preparation and recommendations, annually decide on the specific revised remuneration

terms for each individual senior executive and also make other decisions on remuneration to senior executives that may be required. The Chief Executive Officer and the other senior executives do not participate in the Board of Directors' handling of and resolutions regarding remuneration-related matters if they are affected by such matters.

#### Deviation from these guidelines

The Board of Directors may temporarily resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for such deviation and if the deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, it is part of the Remuneration Committee's tasks to prepare the Board's decision on remuneration matters. This includes decisions on deviations from the guidelines. Deviations shall be reported and justified annually in the remuneration report.

### The board of directors' report on internal control

#### General

Lime has established an internal control system aimed at achieving an efficient organization that achieves the targets set by the board of directors. The internal control of financial reporting is an integrated part of the corporate governance. This system includes work to ensure Lime's operations are conducted correctly and efficiently, that laws and regulations are complied with and that financial reporting is accurate and reliable and in accordance with applicable laws and regulations. Lime has chosen to structure internal control work in accordance with the so-called COSO framework, which includes the following elements: control environment, risk assessment, control activities, information and communication as well as monitoring and follow-up.

The control activities carried out shall cover the key risks identified within the Group. Powers and responsibilities are defined in instructions for power of authority, manuals, policies and routines, for example Lime's accounting and reporting instruction, finance and credit policy, communications policy, IT security policy and HR policy. These guidelines constitute, together with laws and other external regulations, the so-called control environment.

In order to provide the board of directors with a basis for determining the level of internal governance and control, Lime continued its review of existing internal controls in 2020, in accordance with established guidelines. The work results in an evaluation and verification of the governing documents and guidelines that form the basis of the Group's operational control.

### Control environment

Lime's control environment is based on the distribution of work among the board of directors, the committees and the CEO, and the corporate values on which the board of directors and the Group management communicate and base their work. The control environment is based on an organization with clear decision paths in which responsibilities and powers are defined in clear instructions, as well as a corporate culture with shared values and the individual's awareness of their responsibilities in maintaining good internal control. The Group's ambition is that its corporate values will permeate the organization.

In order to maintain and develop a well-functioning control environment, to comply with applicable laws and regulations, and to ensure compliance within the entire Group with the Group's desired business practices, the board of directors, as the ultimately responsible body, has established a number of basic documents relevant to risk management and the internal control which consists of operational control documents, policies, procedures and instructions. Among

these documents are the board's rules of procedure, instructions for the CEO, instructions for financial reporting, the Group's code of conduct, communications policy, and insider policy.

Policies, routine descriptions and instructions are distributed to and signed by all relevant employees within Lime through Lime's compliance portal. The Group's employees are obliged to comply with Lime's code of conduct and insider policy. The code of conduct describes expected behaviors in various situations. Lime's employees regularly perform relevant tests to ensure they are aware of the content of relevant policies, routine descriptions and instructions.

The board of directors is responsible for the internal control of the financial reporting. The responsibility to maintain an effective control environment and the continuous internal control work is delegated to the CEO who, in turn, has delegated function specific responsibilities to managers on various levels within the Group.



### Risk assessment

Lime has established a risk assessment procedure, meaning the company conducts annual risk analysis and risk assessment. Based on this procedure, risks are identified and categorized according to the following four areas:

- Strategic risks
- Operational risks
- Financial risks
- Compliance risks

Lime's objective with the risk analysis is to identify the most significant risks that may prevent Lime from achieving its targets or realizing its strategy. The objective is further to evaluate these risks based on the probability that they will arise in the future and to what extent the risks may affect the company's targets if they were to occur.

Each individual risk is assigned a so-called risk owner. The risk owner has a mandate and responsibility to ensure actions and controls are established and implemented. The risk owner is also responsible for monitoring, follow-up and reporting of changes in the Group's risk exposure to identified risks.

Identified risks are reported by the Group management to the board of directors. The board of directors evaluates Lime's risk management system, including risk assessments, in an annual risk report in which the ten most significant risks are examined in detail. The purpose of this procedure is to ensure that significant risks are managed and that controls that counteract identified risks are implemented.



The overall financial risks are identified as liquidity risk, currency risk, interest risk and customer credit risk. The risks are mainly managed by the accounting and finance functions, in accordance with the Group's finance policy. The risk assessment includes identifying the risks that may arise if the fundamental requirements for the financial reporting (completeness, accuracy, valuation and reporting) are not met within the Group. Focus is placed on risks in the financial reporting related to significant income statement and balance sheet items, which are relatively higher due to the complexity of the process or where the effects of possible errors are likely to be substantial, as the value of the transactions are significant. The outcome of the reviews may lead to actions such as improved control routines to further safeguard accurate financial reporting.

### Control activities

Lime has established a risk management process that includes a number of key controls pertaining to matters that must be in place and function in the risk management processes. The control requirement is an important tool that enables Lime's board of directors to lead and evaluate information from Group management and to take responsibility for identified risks.

Lime focuses on documenting and evaluating the major risks related to financial reporting to ensure that the Group's reporting is accurate and reliable. An example of such control is that Lime makes a yearly impairment test of intangible assets with the purpose of assessing returns and potential depreciation requirements.

The control activities limit identified risks and ensure correct and reliable financial reporting, as well as process efficiency. The control activities include both high level and detailed controls and they aim to prevent, detect, and correct errors and deviations. The central accounting and finance department is responsible for the consolidated accounts and statements, as well as for financial and administrative control systems. The department's responsibilities further include ensuring instructions that are critical for the financial reporting, are made known and available to relevant personnel. Within the accounting and control functions, reconciliations and checks of reported amounts are performed continuously, in addition to analysis of the income and balance sheet statements. The financial controller function conducts control activities on all levels within the company. The function analyses and follow-up on budget deviations, prepares forecasts,

follow-up on significant fluctuations across reporting periods and report their findings back into the company, which reduces the risks for errors in the financial reporting.

High IT security is a necessity for good internal control of financial reporting. Therefore, there are rules and guidelines in place to ensure accessibility, accuracy, confidentiality, and traceability of the information in the business system. In order to prevent both accidental and intentional incorrect registration, access to the business system is limited based on authority, responsibility and job position based on Segregation of Duties.

As a step forward in the work to quality assure the financial reporting, the board of directors has established an audit committee. Issues examined by the committee include critical accounting matters and monitoring of the effectiveness of the internal control and risk management related to financial reporting.

### Information and communication

Internal communication to employees is carried out through newsletters and formal policies and instructions are communicated to management and employees through a compliance portal, through which it is possible to monitor that all employees receive and acknowledge the policies and instructions relevant to their particular role within Lime. Such policies include, inter alia, the policies established by Lime for the purpose of informing employees and other persons within Lime of the laws and regulations applicable to the company's distribution of information and the specific requirements imposed on persons active in a listed company regarding, for example, insider information. In view of this, Lime has also established procedures for effective management and restriction of distribution of information not yet available to the public. The board of directors has delegated to the CEO the overall responsibility for dealing with matters relating to insider information and the board of directors has appointed Lime's CFO as the person responsible for the handling of insider lists.

Lime's IR function is led and supervised by Lime's Head of Communications and IR and Lime's CFO. The main responsibilities of the IR function are to support the CEO and senior executives in relation to the capital markets. The IR function also works with the CEO in preparing Lime's financial reports, general meetings, capital market presentations and other regular reporting of IR- activities.



The board of directors has established a communication policy that specifies what is to be communicated, by whom and in what way the information shall be disclosed in order to ensure the external information is accurate and complete. In addition, there are instructions in place on how financial information shall be communicated between management and other employees. A precondition for accurate disclosure of information is further to have solid procedures for information security. Lime's routines and system for disclosure of information aim to provide the market with relevant, reliable, accurate and up-to-date information about the Group's development and financial position. Lime has a communication policy in place that meets the requirements of a listed company.

Financial information provided are:

- Interim reports and the year-end report published as press releases.
- Annual report.
- Press releases that Lime are obliged to publish in accordance with applicable law or Nasdaq Stockholm's regulations
- Presentations and telephone conferences for financial analysts, investors and media in connection with the publication of annual and interim reports, as well as the publication of other important information.
- Meetings with financial analysts and investors. All reports, presentations and press releases are published simultaneously on the Group's website: [investors.lime-technologies.com](https://investors.lime-technologies.com)

### Monitoring and follow-up

A self-assessment of the effectiveness of key controls is carried out annually and a risk report is prepared summarizing the completed self-assessments and explains any deviations that need to be addressed. The risk report is presented to the board of directors every year. The follow-up covers both formal and informal routines applied by managers and process owners as well as those performing the internal controls. The routines include follow-up of outcomes against budget and plans, analyses and key ratios. Controls that fail are actioned, meaning measures are taken and implemented to tackle the deviations.

The board of directors receives reports on the Group's revenue, earnings and financial position each month.

Lime's interim reports, other financial reports and the annual report are always considered by the board of directors prior to being published.

Furthermore, Lime's policies are subject to annual review by the board of directors. The financial reporting is analyzed in detail by the finance department and management on a monthly basis.

Furthermore, the forecasting process is an essential part of the internal control. Sales are forecasted per segment and income stream by responsible sales organization. The sales forecasts are consolidated and validated when the forecast is prepared for the entire organization. Complete forecasts are prepared monthly. In addition to the complete forecast, a budget is prepared that forms the basis for the board's approval in the fourth quarter of the financial year.

In addition to forecasts and budgets, Group management also work with comprehensive strategic plans.

The audit committee monitors the financial reporting and receives the audit report, which includes observations and recommendations, from the company auditor. The effectiveness of the internal control activities is regularly monitored at different levels within the Group and findings are reported back to the board of directors. The Board of directors have continuously monitored the effects the covid-19 pandemic have had on Lime. Based on the scope of the operations and existing control activities, the board of directors has decided there is currently no need to establish a special audit function (internal audit function).

---

### Stockholm, 25 mars 2021

Martin Henricson	Malin Ruijsenaars
Marlene Forsell	Peter Larsson
Anders Fransson	

## The auditors' examination of the corporate governance report



### **The auditors' examination of the corporate governance report**

To the general meeting of the shareholders of Lime Technologies AB (publ), corporate identity number 556953-2616

#### **Engagement and responsibility**

The Board of Directors is responsible for the Corporate Governance Report for the year 2020 on pages 37-57 of the printed version of this document having been prepared in accordance with the Annual Accounts Act.

#### **The scope of the audit**

Our examination of the corporate governance report is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance report. This means that our examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

#### **Opinions**

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, the second paragraph, points 2-6 of the Annual Accounts Act and Chapter 7, Section 31, the second paragraph of the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, March 25, 2021

Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll  
Authorized public accountant  
Auditor in charge







## Board, executive management & auditor

### Board of directors

According to Lime's articles of association, the board shall consist of three to eight directors. The board currently consists of five directors. The directors were elected at the annual general meeting on 29 June 2020, for the time up till the annual general meeting 2021.

### Executive management team

Lime has an experienced and committed executive management team, the members of which hold significant shareholdings in the company. Erik Syrén, CEO since 2012, has worked in the company since 2001, and the executive managers' average employment in Lime is ten years. The team's collective industry knowledge and leadership competence safeguards the company to successfully drive Lime's growth strategy.

## Individual information about the company's board of directors



### Martin Henricson

*Chairman since 2020, Board member since 2019*

**Born:** 1961

**Education:** Bachelor of Arts (Behavioral Sciences/ Economics) and postgraduate studies at Stockholm University

**Other ongoing assignments:** CEO of Outpost 24 AB, board member of Systemite AB and Consafe Logistics AB

**Previous assignments (last five years):** Board member of Episerver Group AB, Formpipe AB and Tacton AB

**Shareholding in the Company:** 5,000 shares

**Independence:** Independent in relation to the Company and its management and the Company's major shareholders



### Peter Larsson

*Chairman between 2014-2020, re-elected as Board member 2020*

**Born:** 1964

**Education:** Computer and System Sciences at Stockholm University

**Other ongoing assignments:** Chairman of the board of directors of Monterro 1 AB (and several of its group companies), Monterro Technology Investment AB (and several of its group companies), Monterro Software Investment AB (and several of its group companies), Itello AB, Outpost 24 AB, Maintmaster Systems Aktiebolag and Viedoc AB. Board member of Next One Technology AB, Palette Software AB, PKL Holdings AB, Oplontis Investment AB, Trapets AB and Herculanum Holdings AB. Deputy board member of Topeca Invest AB

**Previous assignments (last five years):** Chairman of the board of directors of EPiServer Group AB, Monterro TDB Intressenter AB, Q-MATIC Group AB and Revres AB (and several subsidiaries). Board member in Axiomatics AB, Nornor Holding AB, Northern Parklife AB and Pricer Explorative Research (PER) AB.

**Shareholding in the Company:** -

**Independence:** Independent in relation to the Company and its management and the Company's major shareholders



**Marlene Forsell**

*Board member since 2018, re-elected 2020, chairman of audit committee*

**Born:** 1976

**Education:** Master of Science in Business and Economics at Stockholm School of Economics

**Other ongoing assignments:** Board member of Nobia Group, STG, Kambi Group, Index Pharmaceuticals AB and Addsecure AB

**Previous assignments (last five years):** Group CFO of Swedish Match AB (and several board member and executive management assignments of the Swedish Match group). Board member of Scandinavian Tobacco Group AS and Arnold André GmbH & Co. KG

**Shareholding in the Company:** 3,150 shares

**Independence:** Oberoende i förhållande till bolaget och bolagsledningen samt bolagets större aktieägare



**Anders Fransson**

*Board member since 2014, re-elected 2020*

**Born:** 1967

**Education:** Master of science in mechanical engineering at the Institute of Technology at Lund University

**Other ongoing assignments:** Chairman of the board of directors of Billmate AB, CR Competence AB and Invoice Finance AB. Board member of Logisk Resursutveckling (i Malmö) AB, Prorenata AB, Image Systems AB and Intrastat Labs AB

**Previous assignments (last five years):** Chairman of the board of directors of Aivo AB, Grade AB and Mashie FoodTech Solutions AB

**Shareholding in the Company:** 101,200 shares

**Independence:** Independent in relation to the Company and its management and the Company's major shareholders



**Malin Ruijsenaars**

*Board member since 2019, re-elected 2020*

**Born:** 1971

**Education:** Bachelor of Arts (Human Resource Management/Business Administration) at Lund University, master studies in Science in Business and Economics at UC Berkeley, USA, Master of European Studies Brygge, Belgium

**Other ongoing assignments:** Board member of IDL Biotech, responsible for Talent Management and business development at AB Grens specialisten Förvaltning

**Previous assignments (last five years):** Board member of Arcam AB, board member of Auranest AB, Chief Personnel Officer Axis Communications AB

**Shareholding in the Company:** 2,000 shares

**Independence:** Independent in relation to the Company and its management



## Individual information about the company's senior executives



### Erik Syrén

*President & Chief Executive Officer since 2012*

**Born:** 1978

**Employed:** 2001

**Education:** Master of Science in Business and Economics at Lund University

**Other ongoing assignments (aside from assignments within the Lime Group):** Board member of Formpipe Software AB, Wiraya Solutions AB, Syringa Capital and Syringa Consulting AB

**Previous assignments (last five years):** Board member of Aivo Norge AS

**Shareholding in the Company:** 1,347,222 shares



### Magnus Hansson

*Chief Financial Officer since 2015*

**Born:** 1973

**Employed:** 2015

**Education:** Master of Science in Business and Economics at Jönköping International Business School.

**Other ongoing assignments (aside from assignments within the Lime Group):** Board member of Östersjövågen Invest AB and Östersjövågen Konsult AB

**Previous assignments (last five years):** Board member and Chief Executive Officer of European House of Beds AB (and several of its group companies). Board member of Ingenius Aktiebolag. Deputy board member of Air Ionic Products AB. Chief Executive Officer of Wondland AS Norge Filial.

**Shareholding in the Company:** 60,894 shares



### Lars Andersson

*Head of Investor Relations & Chief Experience Officer, 2019 – 2021-01-31.*

**Born:** 1972

**Employed:** 1999

**Education:** Bachelor of Business and Economics and Master's studies at Lund University

**Other ongoing assignments (aside from assignments within the Lime Group):** Board member of AdRapid AB, Swedma AB, E-Space Communication AB and group companies.

**Previous assignments (last five years):** Board member of Office Team AS.

**Shareholding in the Company:** 74,560 shares



### Nils Olsson

*Chief Operating Officer since 2019*

**Born:** 1983

**Employed:** 2006

**Education:** Masters of Science in Business at Linköping University.

**Other ongoing assignments (aside from assignments within the Lime Group):** –

**Previous assignments (last five years):** –

**Shareholding in the Company:** 138,951 shares



**Anna Johansson**

*Head of Support since 2006*

**Born:** 1976

**Employed:** 1999

**Education:** –

**Other ongoing assignments (aside from assignments within the Lime Group):** Deputy board member of Stig Johansson Utveckling AB.

**Previous assignments (last five years):** –

**Shareholding in the Company:** 82,000 shares



**Martin Nilsson**

*Head of Development since 2017*

**Born:** 1973

**Employed:** 2017

**Education:** Master of science in computer engineering at Gothenburg University

**Other ongoing assignments (aside from assignments within the Lime Group):** –

**Previous assignments (last five years):** CTO at Benify AB

**Shareholding in the Company:** 13,888 shares



**Tommas Davoust**

*Head of Expert Services since 2020*

**Born:** 1983

**Employed:** 2017

**Education:** Master of science in engineering at the Institute of Technology at Lund University

**Other ongoing assignments (aside from assignments within the Lime Group):** –

**Previous assignments (last five years):** Chairman of Balltravels Sweden AB

**Shareholding in the Company:** 666 shares

**Auditor**

At the annual general meeting held on June 29, 2020, Öhrlings PricewaterhouseCoopers AB, reg.no. 556029-6740, ("PwC") was re-elected as the company's auditor until the closing of the next annual general meeting.

Since May 2018, Ola Bjärehäll has been auditor-incharge for the company. Ola is an authorised public accountant and member of FAR (the Swedish industry organisation for accounting consultants, auditors and advisors).

# Financial reports

# Index

## Directors' report

Directors' report .....	60
-------------------------	----

## The Group

Consolidated income statement .....	69
Consolidated statement of other comprehensive income .....	69
Consolidated balance sheet .....	70
Consolidated statement of changes in equity .....	72
Consolidated statement of cash flows .....	73

## Parent company

Parent company income statement .....	74
Parent company statement of other comprehensive income .....	74
Parent company balance sheet .....	75
Parent company statement of changes in equity .....	76
Parent company statement of cash flows .....	77

## Notes:

1 General information .....	78
2 Summary of significant accounting principles .....	78
2.1 Basis for preparation .....	78
2.2 Consolidation of the Group .....	78
2.3 Segment reporting .....	79
2.4 Foreign currency transactions .....	79
2.5 Tangible non-current assets .....	79
2.6 Intangible assets .....	80
2.7 Impairment of non-financial assets .....	81
2.8 Financial instruments .....	81
2.8.1 Classifications .....	81
2.8.2 Reporting and valuation .....	81
2.9 Impairment of financial assets .....	81
2.10 Derivatives and hedges .....	82
2.11 Trade receivables .....	82
2.12 Cash and cash equivalent .....	82
2.13 Share capital .....	82
2.14 Trade payables .....	82
2.15 Borrowings .....	82
2.16 Current and deferred income tax .....	82
2.17 Compensation to employees .....	83
2.18 Stock options plans .....	83
2.19 Revenue recognition .....	83
2.20 Interest income .....	84
2.21 Dividend income .....	84
2.22 Leasing .....	84
2.23 Dividends .....	84
2.24 Group contributions .....	84
2.25 Consolidated statement of cash flow .....	84

3. Financial risk management .....	85
3.1 Financial risk factors .....	85
3.2 Capital risk .....	87
3.3 Refinancing .....	87
4. Operational risks .....	87
4.1 Competitive market .....	87
4.2 Retaining and recruiting key personnel .....	87
4.3 Technical development .....	87
4.4 IT security .....	88
4.5 Compliance with laws and regulations .....	88
5. Critical accounting estimates and judgements .....	88
5.1 Critical accounting assumptions and judgements .....	88
6. Segment information .....	89
7. Compensation to auditors .....	92
8. Compensation to employees etc .....	93
9. Financial income & expenses .....	97
10. Income tax .....	98
11. Exchange rate differences .....	99
12. Earnings per share .....	99
13. Dividend per share .....	99
14. Intangible assets .....	100
15. Tangible non-current assets .....	102
15.1 Leases .....	103
16. Financial non-current assets .....	105
16.1 Subsidiaries .....	105
16.2 Associated companies .....	106
16.3 Financial instruments per category .....	10
17. Trade receivables .....	107
18. Prepaid expenses and accrued revenue .....	107
19. Cash and cash equivalent .....	107
20. Share capital .....	108
21. Additional paid in capital .....	108
22. Borrowings .....	109
23. Deferred income tax .....	110
24. Other liabilities .....	111
25. Accrued expenses and prepaid revenue .....	111
26. Business acquisitions .....	112
27. Pledged collaterals and contingent liabilities .....	114
28. Related parties .....	114
29. Events after the reporting period .....	114
30. Cash flow from current operations .....	115
31. Cash flow from financing activities .....	116
32. Definition of performance measures .....	118

Board's affirmation .....	119
---------------------------	-----

Auditor's report .....	120
------------------------	-----

# Directors' report

**The board of directors and the CEO of Lime Technologies AB (publ), Corporate ID No. 556953-2616, hereby presents its Directors' report for the 2020 financial year.**

## Group structure

Lime Technologies AB (publ) is the Parent company in a Group with one wholly owned subsidiary: Lime Technologies Sweden AB, org no. 556397-0465, Lund, which in turn has five wholly owned subsidiaries: Lime Technologies Norway AS, org no. 989 711 393, Oslo, Norway, Lime Technologies Denmark A/S, org no. 360 532 91, Copenhagen, Denmark, Lime Technologies Finalnd OY, org no. 232 081 11, Helsinki, Finland, Lime Technologies Netherlands B.V., org. no. 78107482, Utrecht, the Netherlands and Hysminai AB, org no. 556948-5831, Stockholm. In addition, Lime has two partly owned subsidiary – Lime Intenz AB, org no. 556661-4714 and Lime Technologies Gävle AB, org no. 559022-0298. The Group, in which Lime Technologies AB (publ) is the Parent company, is hereinafter referred to as Lime.

Lime Technologies AB (publ) is listed on Nasdaq Stockholm, Mid Cap.

## About Lime

The Lime Group develops, sells and implements flexible, user-friendly CRM and customer management systems.

The Lime Group primarily addresses the markets in Sweden and the other Nordic countries.

The Lime Group's mission is to create customer magnets.

The Group's vision is: To become the leading Nordic CRM supplier, by creating a simpler and more enjoyable working day for the users.

## Products

Lime sells the following products:

### Lime CRM

Lime CRM is a flexible platform with CRM as its basic functionality. The platform is always tailored to the customer's needs, and can be modified to match exactly what the customer wants. The product is sold in all markets and is the key engine in Lime's business.

### Lime Go

Lime Go is a unique sales and exploration tool. The product contains essential functionality required to best support and serve a sales representative and sales manager. The product is preloaded with

information about all companies and decision makers in the relevant market. The product is sold in Sweden, Norway and Denmark.

### Lime Easy

Lime Easy is a standardized CRM System, for small businesses with simple CRM needs. The system is at the end of its life cycle. By using a proven technical solution, LIME Easy keeps track of customers, business opportunities, contacts, business deals, projects and what has been said, done and promised.

Lime offers three add-on modules in addition to the above:

**Lime Field** is a mobile work order and case management system, Field Service Management.

**Lime Newsletter** is a software program for marketing, sales and communications via e-mail, mobile phone, social media and websites.

**Lime Engage** is a gamification platform that helps businesses engage their employees via competitions.

**Lime Forms** is a program which uses forms to link the customer's website to your CRM.

**Lime Portals** is a software tool which provides customised web forms tailored to the customer's specific processes.

## Business model

The Group's business model is based on signing long-term licensing and maintenance agreements, as well as assisting customers in implementing and adapting the Group's software to the customer's specific needs.

A growing part of Lime's revenue comes from the sale of so-called SaaS services, reported as subscription fees, meaning the customer pays a periodic fee covering both the license right and the maintenance agreement. Lime reports its revenue in four categories: subscription revenue, license rights, support and maintenance revenue, and consulting services. The subscription fee is paid annually or quarterly in advance. The license, which is paid by the customer upon signing of the contract, and the maintenance agreement, which entitles the customer to upgrades and software support, are both paid annually in advance. Consultant revenue is reported on a continuous basis throughout the progression of the project.

## Financial Year 2020

Financial year 2020 was marked by the pandemic which affected the world. At Lime, we decided at an early stage to make the most of the opportunities generated by the pandemic. We continued to recruit, invest in sales and marketing, and we launched more functions in our software than ever before.

On 13 January 2020, an additional 35% of the share capital and voting rights in janjoo AB were acquired.

Net sales growth during the 2020 financial year was 17 % compared to last year. Growth in sales of subscriptions and consulting services were the prime contributors to the improved outcome. SaaS revenue is thus continuing to develop positively.

Utvecklingen av våra plattformar fortgår med ökad intensitet inte minst avseende den webbaserade Lime CRM plattformen.

Recruitment of competent personnel is a critical process within Lime and 2020 saw 75 successful recruitments into the sales, consulting, and development departments, in particular.

Further development of our four focus verticals – Energy, Real Estate, Consulting and Wholesales – has taken place in 2020. The four verticals are over-represented in our customer base, and Lime has decided to develop pre-packaged industry solutions based on the unique competences and skills we have in these areas. This makes it easier and more efficient for Lime to reach these industries through its marketing efforts, to present references and to deliver Lime to customers. These industries will continue to form the basis for our product developments in the future, without limiting flexibility which is the strength in Lime's products.

## Sweden

81% of revenue within the Group comes from the Swedish operations, which thus, largely, mirrors the Group's overall business.

## Other Europe

Business in the rest of Europe was more severely affected by the restrictions introduced in response to the Covid 19 pandemic. In our judgement, the pandemic had a greater impact on the wider European business climate than it did in Sweden.

During the year, we commenced operation in the Netherlands. The operation in the Netherlands is developing according to plan, focusing on building up the local organisation and management. The former Rest of the Nordic Region segment has been renamed Rest of Europe.

The Group's net sales in the other Europe amounted to MSEK 64 in 2020, a growth of 16 % compared to 2019.

## The Market

The Lime Group addresses the markets in Sweden and the Nordic region, with focus on B2B within the industry verticals mentioned above.

Growth is largely driven by the prevalent need within organizations and companies to streamline their sales organizations and to ensure systematic and effective prospecting of new customers. These drivers are continuously becoming stronger during periods of growth.

## Sustainability

In accordance with the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen*), chapter 6 section 11, Lime is not obligated to provide a sustainability report. However, as part of the official annual report, but separate from the directors' report, Lime reports on the sustainability work it performs. (See page 20–35).

## Significant events during the year

On 13 January 2020, additional shares in janjoo AB were acquired, equivalent to 35 % of the total number of shares.

The spread of the Covid 19 virus caused a crisis affecting the whole of society, and this had an impact on the performance of the economy. How long-lasting these effects will be remains difficult to foresee. Since the outbreak of the pandemic, Lime's new sales have suffered to some extent from procurements being postponed or failing to materialise. In addition, payments from customers have been delayed, and provisions for possible bad debts have increased. The strategies we have adopted have ensured that the impact on our performance and position during 2020 has been limited.

Lime is being affected by the political measures taken to combat the spread of this virus, and the effect that this has had on the economy. It is also possible that Lime will be affected by new political measures. Lime has taken a number of precautionary measures to monitor and counteract the effects of the Covid 19 virus, including health and safety measures for our employees and initiatives to ensure we can deliver our services.

Lime's business model, with its focus on subscription sales, and a substantial proportion of repeat revenue, in combination with our large customer base, has made Lime better equipped to cope with an economic downturn.

During the second quarter of 2020, an agreement was signed with the Swedish bank, SEB, for an overdraft facility of SEK 25 million to minimise the liquidity crisis caused by the Covid 19 outbreak. The agreement made the overdraft facility available until close of business on 31 December 2020. The overdraft facility was not utilised.



## Events after the reporting period

In March 2021, Lime's Board of Directors appointed Nils Olsson as the new CEO and Managing Director of Lime. Nils will take up the post on 1 May. The change of CEO is part of the Company's long-term planning, and, accordingly, has been well prepared. The present CEO, Erik Syrén, will place himself at the disposal of the Nominations Committee for a place on the Board, and remains as a major shareholder.

## Five years in summary, The Group (MSEK)

	2020	2019	2018	2017	2016
Net sales	338.7	289.7	244.3	203.9	160.4
Recurring revenues	194.4	167.2	138.5	110.2	73.7
Adjusted EBITA	99.3	66.8	54.3	45.3	35.9
Total assets	364.4	313.6	269.4	257.5	217.2
Average number of employees	244	223	195	185	156

## Comments on the income statement

### Revenue

Net sales for the period amounted to MSEK 338.7 (289.7), rendering a growth of 17 (19) percent. Growth is primarily related to increased revenues from subscriptions and Expert Services.

Organic net sales growth in 2020 reached 14 (16) percent.

Subscription revenue increased by 23 (30) percent from the previous year and amounted to MSEK 151.0 (122.6). Lime's business model is focused on SaaS since 2015.

Revenue from Expert Services increased by 25 (18) percent from the previous year and amounted to MSEK 138.5 (110.5). A major part of Expert Service revenues come from existing customers. As the customer base expands, growth is generated in the Expert Service revenues.

Total recurring revenue for the period increased by 16 (21) percent from the previous year and amounted to MSEK 194.4 (167.2), corresponding to 57 (58) percent of total net sales.

During 2020, the liability for the acquisition of the remaining shares of Lime Intenz was impaired by SEK 1.4 million. The acquisition price in relation to the remaining shares is related to Lime Intenz's net sales. The revenue related to the impairment is treated as an item affecting comparability.

### Annual Recurring Revenue

The trailing twelve-month value of recurring revenue, Annual Recurring Revenue, amounted to MSEK 206 (181) at the end of 2020. The Annual Recurring Revenue increased by 14 (19) percent from the previous year.

### Expenses

Operating expenses for the year increased by 7 (11) percent from the previous year and amounted to MSEK 275.6 (256.4). The increase in expenses during 2020 is mainly related to an increase in the number of employees.

No expenses in 2020 are considered one-off expenses affecting comparison. In 2019, operating expenses amounting to MSEK 0.9 relating to the listing of Lime's shares on Nasdaq Stockholm and acquisition-related expenses are regarded as one-off expenses affecting comparison.

The major part of the Group's operating expenses relates to personnel, and personnel expenses for the year amounted to MSEK 184.7 (169.9), rendering an increase of 9 (14) percent. The number of employees at the end of the year was 280 (247) and the average number of employees for the year was 244 (223). Staff distribution and salaries and compensations are shown in note 8.

Other expenses amounted to MSEK 52.6 (54.9). Lime applies IFRS 16 Leases as of 1 January 2019 and has elected to use the simplified transition approach, meaning comparative information from previous periods are not restated. As a consequence of the pandemic, Lime was unable to travel, hold conferences or carry out physical sales activities during 2020. This has had a positive impact on other costs.

Capitalised development work of own account amounted to MSEK 17.8 (18.5).

In 2020, depreciations amounted to MSEK 38.4 (31.6). Depreciations have increased compared to 2019 as a result of both increased investments in own development work and intangible non-current assets relating to acquired subsidiaries.

Financial net amounted to MSEK -3.2 (-2.1) and consists mainly of interest expenses and currency exchange rate losses.

Taxes for the year amounted to MSEK 17.3 (10.8).

### Income

Operating income before depreciation and one-off items affecting comparison (Adjusted EBITDA) for the year amounted to MSEK 121.6 (84.6), rendering an EBITDA margin of 36 (29) percent. See note 31 for definitions of performance measures.

Operating income before depreciation of acquired intangible non-current assets and one-off items affecting comparison (Adjusted EBITA), amounted to MSEK 99.3 (66.8) for the year, rendering an EBITA margin of 29 (23) percent. See note 31 for definitions of performance measures.

Operating income amounted to MSEK 83.2 (52.1) for the year, rendering an EBIT margin of 25 (18) percent.

Income before tax amounted to MSEK 80.0 (49.9), rendering a margin of 23 (17) percent.

Net income for the year amounted to MSEK 62.7 (39.0), rendering a profit margin of 18 (13) percent and divided per share according to the table below.

### The Parent company

Income after financial items for the Parent company amounted to MSEK -3.9 (-4.0). The parent company has received group contributions, reported as transfer of untaxed reserves, amounting to MSEK 85.0 (43.5).

## Earnings per share

	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
<b>Basic</b>		
The Group's earnings attributable to shareholders of the Parent Company	62,711	39,040
Weighted average number of ordinary shares outstanding (thousands)	13,283	13,283
<b>Earnings per share</b>	<b>4.72</b>	<b>2.94</b>
	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
<b>Diluted</b>		
The Group's earnings attributable to shareholders of the Parent Company	62,711	39,040
Weighted average number of ordinary shares outstanding (thousands)	13,283	13,283
Weighted average number of ordinary shares outstanding (thousands)	13,283	13,283
<b>Earnings per share, diluted</b>	<b>4.72</b>	<b>2.94</b>

## Comments on the balance sheet

### Investments and acquisitions

Total investments for the January – December period amounted to MSEK 25.9 (26.9), including intangible non-current assets but excluding changes to right-to-use assets and leased vehicles.

Further, cash flow from investments in subsidiaries amounted to -8.3 (-5.5) and associated companies to MSEK -0.0 (-3.0).

### Intangible assets

The Lime Group continuously invests resources in the development of new and existing applications and platforms. A total of MSEK 17.8 (18.5) was invested in capitalized development expenses during the year.

### Tangible assets

Investments in tangible assets amounted to MSEK 0.2 (0.3) and mainly related to computer equipment.

## Financial position & liquidity

### Cash and cash equivalent

Cash and cash equivalent amounted to MSEK 64.7 (31.3) at the end of the year. At the end of the year the Lime Group had interest-bearing liabilities of MSEK 97.7 (112.2), meaning the Group's net debt amounted to MSEK -33.0 (-80.3). Of the interest-bearing liabilities, MSEK (23.6 (18.7)) are leasing liabilities.

During the second quarter of 2020, an agreement was signed with the Swedish bank, SEB, for an overdraft facility of SEK 25 million to minimise the liquidity crisis caused by the Covid 19 outbreak. The agreement made the overdraft facility available until close of business on 31 December 2020. The overdraft facility was not used.

The Group's cash flow is strong, and management does not currently see any need for further external financing of current operations. Strong negative impact on orders booked can affect cash flow from operations, meaning a short-term financing need should never be ruled out.

### Deferred tax asset

The Group's deferred tax asset relating to accumulated tax losses carried forward amounted to MSEK 0.0 (0.0) at the end of the year. The Group has not yet utilized accumulated tax losses carried forward of MEK 13.0 (9.7) at the end of the year.

### Equity

Equity at the end of the year amounted to MSEK 110.8 (68.6), corresponding to SEK 8.34 (5.17) per outstanding share.

### Interest-bearing liabilities

In February 2018, Lime Technologies AB entered into an interest-bearing loan agreement of MSEK 130.0 with a tenor of 5 years. In July 2019, Lime obtained a loan of MSEK 8.0 with the same terms and conditions and tenor, as the above-mentioned loan. At the end of the year, the Group's interest-bearing liabilities amounted to MSEK 97.7 (112.2), including liabilities to leasing companies.

### Comments on the consolidated cash flow analysis

Cash flow from current operations amounted to MSEK 119.1 (74.2).

Cash flow from investment activities amounted to MSEK -25.9 (-26.9), investment in intangible assets amounted to MSEK -17.8 (-18.5) and investments in tangible assets amounted to MSEK -0.2 (-0.3). In addition, acquisition of subsidiaries and associated companies came to MSEK -8.3 (-5.5) and MSEK 0.0 (-3.0), respectively.

Cash flow from financing activities amounted to MSEK -58.9 (-37.4) and consists of the rights issue related to redemption of stock options, MSEK 0.0 (5.1), repayment of interest-bearing borrowings MSEK -39.3 (-37.2), dividend MSEK -19.9 (-13.3) and proceeds from borrowings MSEK 0.3 (8.0).

The Group's net cash flow for the year amounted to MSEK 34.3 (9.9).

### Significant risks & uncertainties

The most significant uncertainties in the Lime Group's operations relate to the Group's sales, establishments in the Nordic region and the ability to retain and attract competent personnel.

The Group's net sales of MSEK 338.7 (289.7) was to 57 (58) percent made up of recurring revenue, support and maintenance income, and subscription revenue.

Recurring revenue has increased over time and forms a stable foundation for the Group's earning capabilities in the short to medium term. Other revenue is made up of new license sales and consultancy services, and subject to higher uncertainty, as they are more directly impacted by changes in demands. The sensitivity in sales of consultancy services is somewhat reduced, as these services relate to Lime's own products and mostly to existing customers.

The group is well-established on the Swedish market, where Lime has been operating since it was first founded. The Group has seen a boost to its sales and presence on other European markets but is still not as well recognised there as on the Swedish market. This suggests that more activities to achieve new sales are required. The sensitivity to falling sales is also higher as these operations are smaller in size. Operations in Other European markets have been more affected by the restrictions imposed to reduce the spread of covid-19. Lime continue to invest in sales and marketing activities in Norway, Denmark and Finland. Lime established business in the Netherlands in 2020. The company's strategy for establishments on new markets is to align its investments with sales growth. This strategy ensures certain risk limitation of new business establishments.

Human capital is vital to the Lime Group and access to competent employees is a critical success factor. The Group is managing this by offering employees marketable and compatible employment terms. The Group is running annual trainee programs to underpin an increasing inflow of competent resources. However, the access to the right resources may vary over time, which can lead to increased costs and a fall in operational standards and strategic execution.

### Covid-19

As explained under Events during the Reporting Period, the outbreak of Covid 19 and the measures taken by various governments to counteract the spread of the virus affected our operation. Over and above the effects which are already known, the macroeconomic uncertainty led to a downturn in economic activity, and it is not possible in the current situation to say what the long-term effects will be, but negative consequences cannot be ruled out. The most serious risks following from the current uncertain situation resulting from Covid 19 are;

Revenue: As a result of the macroeconomic uncertainty, there is a risk that procurements will be postponed into the future, that the sales processes to new customers will be prolonged and that existing customers will terminate their contracts. Lime has taken a number of initiatives to counteract these risks, such as increasing our sales activities.

In addition, the political measures governments have taken limit our ability to provide certain services. Lime has taken steps to offset these limitations, for example by providing training and workshops digitally.

**Profitability:** We anticipate an increased risk of bad debt losses in the wake of the spread of Covid 19. Lime's credit exposure to customers is limited through a low customer concentration and actions that have been taken to ensure rapid and effective follow-up of outstanding accounts receivable. In addition, measures have been taken to limit costs which are not judged to be critical to our operation in the short term. The Management Team continuously evaluates the need to adjust the cost base, and the options available to do so.

**Financing and liquidity:** The Management Team carefully monitors forecasts of the Group's liquidity reserves to ensure that cash funds are available to meet the ongoing needs of the operation.

Cash flows during the fourth quarter were in line with the Management Team's expectations. During the second quarter, a bank overdraft facility of SEK was arranged to minimise the liquidity risks stemming from the Covid 19 outbreak. This overdraft facility was not utilised, and the agreement expired on 31 December 2020.

The sensitivity analysis below highlights the effect on the Lime Group's income before tax in 2020, which amounted to MSEK 80.0, of changes to a number of conditions:

Sensitivity analysis	Change	Income on income before tax (MSEK)
Demand for licenses / subscriptions	+/- 5 %	+/- 7.7 (6.5)
Demand for Expert Services	+/- 5 %	+/- 5.5 (5.5)
Personnel expenses	+/- 5 %	-/+ 9.2 (8.5)
STIBOR	+/- 10 bps	-/+ 0.1 (0.1)
EUR/SEK	+/- 10%	+/- 0.8 (0.1)

\* The change in the reference interest rate for the loans (STIBOR) is calculated as the full-year effect based on average interest-bearing liabilities during the year. Comparative figures in brackets.

Further disclosure of risks and uncertainties to which the company is exposed to is found in notes 3 and 4.

## Research & development

The Lime Group develops software for sales and customer management. This work involves surveying, program development and testing. During the year, a total of MSEK 17.8 (18.5) was invested in capitalized development expenses. The capitalization principle is described in note 2.6 to the accounts.

The Lime Group bases its development on existing research and develops and applies this in new applications.

## The board's proposal for guidelines for remuneration to senior executives

The annual general meeting held on 29 June 2020 established the guidelines for the Company's senior officers. The remuneration which the shareholders resolved on at the Shareholders' Meeting falls outside these guidelines. Accordingly, share-based incentive programmes for the Management Team or the remuneration of members of the Board of Directors for their work on the Board are not covered by these guidelines.

For resolved guidelines, see note 8.

## Forward-looking statement

Economic trends are bound to be adversely impacted by the spread of the coronavirus. Lime has taken a number of measures to limit the risks from changed economic trends. The Company has a growing percentage of recurring revenue from an increasing customer base. In the short-term, we expect limited direct impacts, however indirect impacts such as prolonged sales processes and customers facing financial difficulties, will most likely adversely impact demands in the medium term.

Measures taken to generally strengthen the operations in the other European countries are showing anticipated effect and are expected to continue to develop in the right direction.

The Lime Group will continue to develop its operations for profitable growth in 2021. Projects to be implemented include:

- Launch of new versions of the web-interface for Lime CRM
- Continuing to upgrade Lime Easy customer to Lime CRM
- Recruiting new employees to the sales, consulting and development departments in particular
- Continuing to focus on our segments and verticals
- Continuing to focus on the acquisition strategy

## Financial objectives

Lime has a medium-term objective to achieve annual net sales growth exceeding 18 percent and an annual EBITA margin exceeding 25 percent.

The capital structure objective is that net debt relative to EBITDA shall be less than 2.5.

Lime intends to distribute available cash flow after consideration of the company's indebtedness and future growth opportunities, including acquisitions. Dividend is expected to correspond to at least 50 percent of net profit.

Lime's financial objectives constitute forward-looking information. The financial objectives are based upon a number of assumptions relating to, among other factors, the development of Lime's industry, business, results of operation, and financial position. This, as well as the macroeconomic environment in which Lime operates, may differ materially from, and be more negative than assumed by Lime when the financial objectives were established. As a result, Lime's ability to reach these financial objectives is subject to uncertainties and contingencies, some of which are beyond the company's control, and no assurance can be given that Lime will be able to reach the financial objectives or that Lime's financial position or results from operations will not be materially different from these financial objectives.

## Share structure

At the end of 2020, the share capital of Lime Technologies AB (publ) amounted to SEK 531,339.24 divided on 13,283,481 shares.

As of December 31, 2018, Lime Technologies AB had 2,724 stock options registered, which entitle the holders to a total of 783,481 shares. The stock option programs expired in March 2019. All options were exercised during March 2019 and shares corresponding to the program were issued. This rights issue covered an additional 783,481 shares and led to an increase in the share capital of SEK 31,339.

All options were exercised during March 2019.

Lime Technologies AB did not own any of its own shares at the end of 2020.

Apart from the mentioned loan agreement, there are no significant agreements in place to which the company is party and which will have affect, change or cease to apply if control over the company changes or as a result of a public takeover offer or similar agreement, that is of such character that publishing thereof could seriously harm the company.

The loan agreement with SEB can, under certain conditions, be terminated prematurely. For example, the lender is entitled to terminate the loan agreement for immediate repayment if a party other than Monterro 1 AB assumes control of shares representing at least 30 percent of all shares in Lime, or if Lime's shares are delisted from Nasdaq Stockholm.

## Corporate Governance Report

The board of directors provides the corporate governance report in a separate document.

## Proposed disposition of earnings

The following retained earnings are at the disposal of the annual general meeting:

Retained earnings	14,835,984
Net income for the year	63,730,628
<b>Total</b>	<b>78,566,612</b>

The board proposes:

dividend to be paid	33,208,703
to be retained	45,357,910
<b>Total</b>	<b>78,566,612</b>

The board proposes a dividend of SEK 33,208,703, equivalent to SEK 2.50 per share, and retained earnings of SEK 45,357,910.

At the end of the year, consolidated equity amounted to MSEK 110.8 (68.6) and net assets/liabilities amounted to MSEK -32.3 (-80.3)

**The statement of the board in accordance with chapter 18, section 4 of the Swedish Companies Act**

The 2020 annual report shows the company's and the group's financial position as at December 31, 2020. On December 31, 2020 restricted equity in the parent company totaled SEK 531,339 and non-restricted equity totaled SEK 78,566,612. On the same date, the group's total equity totaled SEK 84,163,238.

The proposed dividend reduces the group's solidity from 30 percent to 21 percent.

The nature and scope of the group's business are described in the articles of association and the annual report. The business in which the group engages involves no other risks than those associated with or which may be assumed to be associated with the industry or the risks normally associated with business operations. The board has taken into account the company's and the group's consolidation needs by making a general assessment of the company's and the group's financial position and expectations to meet its obligations in both the short

and the long term. It is the board's opinion that the proposed dividend does not affect the company's and the group's ability to meet known as well as unforeseen payment obligations or jeopardize investments that may be deemed necessary or investments in the group's continued development. The group's financial position does not give rise to any other assessment than that the group can continue its operations and that the company can be expected to fulfil its obligations in the short and long term.

With reference to the above and otherwise to the best knowledge of the board of directors, the board is of the opinion that the proposed distribution of profits is justified with regard to the requirements that the nature, scope and risks of the company's business place on the size of the equity in the company and the group, and on the company's and the group's consolidation needs, liquidity, and position in general.





# Consolidated income statement

	Note	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
Net sales	6	338,689	289,696
Other revenue	11	1,758	576
<b>Gross income</b>		<b>340,447</b>	<b>290,272</b>
<i>Operating expenses</i>			
Compensation to employees	8	-184,671	-169,935
Capitalised development work done by own employees		17,794	18,451
Depreciation		-38,359	-31,606
Other expenses	7, 11	-52,558	-54,882
Share in earnings of associated companies		547	-247
<b>Total operating expenses</b>		<b>-257,247</b>	<b>-238,219</b>
<b>Operating income</b>	<b>6</b>	<b>83,200</b>	<b>52,053</b>
Financial income	9	701	522
Financial expenses	9	-3,896	-2,710
<b>Income after financial net</b>		<b>80,005</b>	<b>49,865</b>
Taxes	10	-17,294	-10,825
<b>Net income</b>		<b>62,711</b>	<b>39,040</b>
<b>Income attributable to:</b>			
Shareholders of the Parent Company		62,711	39,040
		<b>62,711</b>	<b>39,040</b>
<b>Consolidated statement of other comprehensive income</b>			
<b>Other comprehensive income</b>			
Items that may be reclassified to the income statement			
Translation adjustments		-573	98
Other comprehensive income for the period, net of tax		-573	98
<b>Other comprehensive income for the year</b>		<b>62,138</b>	<b>39,138</b>
<b>Other comprehensive income for the year, attributable to:</b>			
Shareholders of the Parent Company		62,138	39,138
		<b>62,138</b>	<b>39,138</b>
<b>Earnings per share, based on income attributed to shareholders of the Parent Company during the year (SEK / share)</b>			
	12		
<b>Earnings per share, based on income attributed to shareholders of the Parent Company during the year (SEK / share)</b>			
- basic		4.72	2.94
- diluted		4.72	2.94
Average number of shares, basic		13,283,481	13,283,481
Average number of shares, diluted		13,283,481	13,283,481

Other Comprehensive Income refers in its entirety to foreign exchange differences without tax effect. The following notes form an integral part of this consolidated financial statement.

# Consolidated balance sheet

	Note	Dec 31, 2020	Dec 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>	14		
Capitalised development expenses		62,122	53,492
Software		38,403	28,556
Trademarks		33,478	33,478
Customer relationships		12,658	16,665
Goodwill		69,763	69,763
<b>Total intangible assets</b>		<b>216,424</b>	<b>201,954</b>
<b>Tangible non-current assets</b>	15		
Vehicles		1,658	2,570
Machinery and equipment		647	591
Right-to-use assets		21,970	16,189
<b>Total tangible non-current assets</b>		<b>24,275</b>	<b>19,350</b>
<b>Financial non-current assets</b>			
Associated companies		0	2,705
Other financial non-current assets	16	706	537
<b>Total financial non-current assets</b>		<b>706</b>	<b>3,242</b>
Deferred tax asset	23	58	58
<b>Total non-current assets</b>		<b>241,463</b>	<b>224,604</b>
<b>Current assets</b>			
Trade receivables	17	51,604	52,763
Current tax assets		1,504	631
Other current receivables		733	435
Prepaid expenses and accrued revenue	18	4,385	3,792
<b>Total current assets</b>		<b>58,226</b>	<b>57,621</b>
Cash and cash equivalent	19	64,662	31,342
<b>Total current assets</b>		<b>122,888</b>	<b>88,963</b>
<b>Total assets</b>		<b>364,351</b>	<b>313,567</b>

# Consolidated balance sheet

	Note	Dec 31, 2020	Dec 31, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the Parent Company's shareholders</b>			
Share capital	20	531	531
Additional paid in capital	21	58,100	58,100
Reserves		-210	363
Retained earnings including net income for the year		52,419	9,633
<b>Total equity</b>		<b>110,840</b>	<b>68,627</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	22	57,946	74,492
Deferred tax liabilities	23	27,959	24,964
<b>Total non-current liabilities</b>		<b>85,905</b>	<b>99,456</b>
<b>Current liabilities</b>			
Borrowings	22	39,723	37,688
Trade payables		2,777	3,591
Current tax liabilities		13,871	7,517
Other liabilities	24	19,555	16,894
Accrued expenses and prepaid revenue	25	91,680	79,794
<b>Total current liabilities</b>		<b>167,606</b>	<b>145,484</b>
<b>Total liabilities</b>		<b>253,511</b>	<b>244,940</b>
<b>Total equity and liabilities</b>		<b>364,351</b>	<b>313,567</b>

The following notes form an integral part of this consolidated financial statement.

# Consolidated statement of changes in equity

	Note	Attributable to the parent Company's shareholders				Total equity
		Share capital	Additional paid in capital	Reserves	Retained earnings	
<b>Opening balance January 1, 2019 according to adopted balance sheet</b>		<b>500</b>	<b>53,034</b>	<b>265</b>	<b>-16,124</b>	<b>37,675</b>
Net income for the year					39,040	39,040
Other comprehensive income for the year				98		98
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>98</b>	<b>39,040</b>	<b>39,138</b>
<b>Transactions with owners</b>						
New share issue		31	5,066		0	5,097
Dividend					-13,283	-13,283
<b>Total transactions with owners</b>		<b>31</b>	<b>5,066</b>	<b>0</b>	<b>-13,283</b>	<b>-8,186</b>
<b>Closing balance December 31, 2019</b>		<b>531</b>	<b>58,100</b>	<b>363</b>	<b>9,633</b>	<b>68,627</b>
<b>Opening balance January 1, 2020 according to adopted balance sheet</b>		<b>531</b>	<b>58,100</b>	<b>363</b>	<b>9,633</b>	<b>68,627</b>
Net income for the year					62,711	62,711
Other comprehensive income for the year				-573		-573
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>-573</b>	<b>62,711</b>	<b>62,138</b>
<b>Transactions with owners</b>						
New share issue		0	0		0	0
Dividend					-19,925	-19,925
<b>Total transactions with owners</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>-19,925</b>	<b>-19,925</b>
<b>Closing balance December 31, 2020</b>		<b>531</b>	<b>58,100</b>	<b>-210</b>	<b>52,419</b>	<b>110,840</b>

The following notes form an integral part of this consolidated financial statement.

# Consolidated statement of cash flows

	Note	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
<b>Cash flow from current operations</b>			
Cash flow from operating activities	30	135,696	89,294
Interest paid		-2,619	-2,710
Income taxes paid		-13,987	-12,416
<b>Cash flow from current operations</b>		<b>119,090</b>	<b>74,168</b>
<b>Cash flow from investing activities</b>			
Investment in intangible assets	14	-17,794	-18,451
Investment in tangible non-current assets	15	-185	-300
Sales of tangible non-current assets		525	207
Acquisition of subsidiaries		-8,338	-5,504
Acquisition of associated companies		0	-2,952
Investment in financial non-current assets	16	-168	-29
Interest received		98	99
<b>Cash flow from investing activities</b>		<b>-25,862</b>	<b>-26,931</b>
<b>Cash flow from financing activities</b>			
Dividend paid	31	-19,925	-13,283
New share issue		0	5,096
Proceeds from borrowings		299	8,040
Repayment of borrowings		-39,292	-37,217
<b>Cash flow from financing activities</b>		<b>-58,918</b>	<b>-37,364</b>
<b>Net cash flow</b>		<b>34,310</b>	<b>9,873</b>
<b>Net change in cash flow</b>			
Cash and cash equivalent, beginning of year	19	31,342	21,152
Exchange rate differences in cash		-990	317
<b>Cash and cash equivalent, end of year</b>	<b>19</b>	<b>64,662</b>	<b>31,342</b>

The following notes form an integral part of this consolidated financial statement.



# Parent company income statement

	Note	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
Net sales		0	0
Other income		5,577	7,050
<b>Gross income</b>		<b>5,577</b>	<b>7,050</b>
<i>Operating expenses</i>			
Compensation to employees		-6,635	-6,714
Other expenses		-931	-1,816
<b>Total operating expenses</b>		<b>-7,566</b>	<b>-8,530</b>
<b>Operating income</b>		<b>-1,989</b>	<b>-1,480</b>
Financial income	9	518	135
Financial expenses	9	-2,410	-2,688
<b>Income after financial items</b>		<b>-3,881</b>	<b>-4,033</b>
Transfer to/from untaxed reserves		85,000	43,500
Taxes	10	-17,389	-8,474
<b>Net income for the year</b>		<b>63,731</b>	<b>30,993</b>
<b>Parent company statement of other comprehensive income</b>			
<b>Other comprehensive income</b>			
Items that may be reclassified to the income statement:			
-		0	0
Other comprehensive income for the period, net of tax		0	0
<b>Other comprehensive income for the year</b>		<b>63,731</b>	<b>30,993</b>

The following notes form an integral part of this consolidated financial statement.

# Parent company balance sheet

ASSETS	Note	Dec 31, 2020	Dec 31, 2019
<b>Financial non-current assets</b>			
Shares in subsidiaries	16	133,360	133,360
<b>Total financial non-current assets</b>		<b>133,360</b>	<b>133,360</b>
<b>Current assets</b>			
Other receivables		58	79
Receivables from Group Companies		29,609	2,123
Prepaid expenses and accrued revenues	18	131	158
<b>Total current assets</b>		<b>29,798</b>	<b>2,360</b>
Cash and cash equivalent	19	717	782
<b>Total current assets</b>		<b>30,515</b>	<b>3,142</b>
<b>Total assets</b>		<b>163,875</b>	<b>136,502</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Restricted equity</i>			
Share capital	20	531	531
<i>Shareholders' surplus</i>			
Shareholders' surplus		5,065	5,065
Retained earnings		14,836	3,769
Net income for the year		63,731	30,993
<b>Total equity</b>		<b>84,163</b>	<b>40,358</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	22	28,286	56,617
<b>Total non-current liabilities</b>		<b>28,286</b>	<b>56,617</b>
<b>Current liabilities</b>			
Borrowings	22	28,286	28,240
Trade payables		179	16
Current tax liabilities		13,660	7,072
Liabilities to Group Companies		6,303	1,445
Other liabilities		547	1,366
Accrued expenses and prepaid revenue	25	2,451	1,388
<b>Total current liabilities</b>		<b>51,426</b>	<b>39,527</b>
<b>Total liabilities</b>		<b>79,712</b>	<b>96,144</b>
<b>Total equity and liabilities</b>		<b>163,875</b>	<b>136,502</b>

# Parent company statement of change in equity

	Note	Share capital	Share premium reserve	Retained earnings	Net income for the year	Total equity
<b>Opening balance January 1, 2019 according to adopted balance sheet</b>						
		500	0	1,556	15,495	17,551
Results brought forward		0		15,495	-15,495	0
Net income for the year					30,993	30,993
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>30,993</b>	<b>30,993</b>
<b>Transactions with owners</b>						
New share issue		31	5,066	0		5,097
Dividend				-13,283		-13,283
<b>Total transactions with owners</b>		<b>31</b>	<b>5,066</b>	<b>-13,283</b>	<b>0</b>	<b>-8,186</b>
<b>Closing balance December 31, 2019</b>		<b>531</b>	<b>5,066</b>	<b>3,768</b>	<b>30,993</b>	<b>40,358</b>
<b>Opening balance January 1, 2020 according to adopted balance sheet</b>						
		531	5,066	3,768	30,993	40,358
Results brought forward				30,993	-30,993	0
Net income for the year					63,731	63,731
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>63,731</b>	<b>63,731</b>
<b>Transactions with owners</b>						
Dividend				-19,925		-19,925
<b>Total transactions with owners</b>		<b>0</b>	<b>0</b>	<b>-19,925</b>	<b>0</b>	<b>-19,925</b>
<b>Closing balance December 31, 2020</b>		<b>531</b>	<b>5,066</b>	<b>14,835</b>	<b>63,731</b>	<b>84,163</b>

# Parent company statement of cash flow

	Note	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
<b>Cash flow from current operations</b>			
Cash flow from operating activities	30	-24,161	-1,943
Interest paid		-2,410	-2,688
Income taxes paid		-10,801	-11,890
<b>Cash flow from current operations</b>		<b>-37,372</b>	<b>-16,521</b>
<b>Cash flow from investing activities</b>			
Dividend / group contributions received		85,000	43,500
Interest received		518	135
<b>Cash flow from investing activities</b>		<b>85,518</b>	<b>43,635</b>
<b>Cash flow from financing activities</b>			
Dividend		-19,925	-13,283
New share issue		0	5,096
Proceeds from borrowings		0	8,000
Repayment of borrowings		-28,286	-27,142
<b>Cash flow from financing activities</b>		<b>-48,211</b>	<b>-27,329</b>
<b>Net cash flow</b>		<b>-65</b>	<b>-215</b>
<b>Net change in cash</b>			
Cash and cash equivalent, beginning of year	19	782	997
<b>Cash and cash equivalent, end of year</b>	<b>19</b>	<b>717</b>	<b>782</b>

# Notes

## 1. General information

Lime Technologies AB (publ), Parent company, and its subsidiaries (jointly the Group) develop, distribute and sell software, so-called CRM systems, and provide consultancy services. The Group has sales offices in Sweden, Denmark, Finland, Norway and the Netherlands.

The Parent company is a public liability company incorporated in Sweden with its registered office in Stockholm. The address of the head office is S:t Lars väg 46, 222 70 Lund.

On March 25, 2021, the board of directors approved these consolidated financial statements for publication.

## 2. Summary of significant accounting principles

Significant accounting principles applied in the preparation of the financial statements for this Group and Parent company are listed below. These principles have been applied consistently for all years presented, unless otherwise stated.

### 2.1 Basis for preparation

#### The Group

The consolidated financial statements for the Lime Technologies AB (publ) Group have been prepared in accordance with the Swedish Annual Accounts Act (Årsredovisningslagen), RFR1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) and interpretations from IFRS Interpretations Committee (IFRS IC) as endorsed by EU. The consolidated statements are prepared in accordance with the purchase method.

The preparation of statements in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, it requires management to apply certain assessments when applying the Group's accounting principles. Areas that include a high degree of assessment and which are complex, or areas where assumptions and estimates are essential for the consolidated accounts, are presented in note 5.

#### Parent company

The Parent company applies the Annual Accounts Act and the recommendation RFR 2 Accounting for Legal Entities. The recommendation requires the Parent

company to use the same accounting principles as for the Group, except in cases where the Annual Accounts Act or current tax rules limit the possibility of using IFRS. The deviations between accounting policies adopted for the Parent company and accounting policies for the Group are described below.

#### Investments in subsidiaries

Investments in subsidiaries are accounted for at the purchase value less any write-downs. The purchase value for shares in subsidiaries includes the transaction costs and conditional purchase prices.

#### Financial instruments

The Parent company does not apply IFRS 9. Financial non-current assets in the Parent company are valued at acquisition value less any write-offs, and financial current assets are valued at the lowest of acquisition value and fair value, less transaction costs.

#### New standards and interpretations

A number of new standards and interpretations came into effect for financial years starting on or after January 1, 2020. No IFRS standards or IFRIC interpretations that have taken effect since 1 January 2020 have had any significant impact on the Group.

#### New standards and interpretations not yet applied by the Group

A number of new standards and interpretations come into effect for financial years starting on or after January 1, 2021 and these have not been applied in the preparation of this Annual Report and are not expected to have any effect on the Consolidated Financial Reports.

### 2.2 Consolidation of the Group

#### (a) Subsidiaries

Subsidiaries are all companies for which the Group has control. The Group controls a company when it is exposed to, or has the right to, variable returns from its holding in the company and has the ability to influence the returns through its power over that other company. Subsidiaries are included in the consolidated financial statements from the date that control is transferred to the Group. They are excluded from the consolidated financial statements from the date such control ceases.

The purchase method is applied for the Group's business acquisitions. The purchase price for an acquired subsidiary is the fair value of the assets given, liabilities assumed by the Group to the previous owners of the acquired company, and the shares issued by the Group. The purchase price also includes the fair value of any assets or liabilities arising from a conditional purchase price. Identifiable acquired assets and assumed liabilities in a business acquisition are initially measured at fair value on the day of the acquisition. At acquisition, the Group will decide on an acquisition-by-acquisition basis if the measuring of the holding in a non-controlling interest will be made at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Transaction costs attributable to the acquisition are expensed as incurred.

Intra-Group transactions, balance sheet items, and unrealised gains and losses on transactions between Group companies are eliminated. The accounting principles for subsidiaries are amended, if necessary, to ensure consistent application of the Group's principles.

## 2.3 Segment reporting

Operating segments are presented in a manner that complies with the internal management reporting submitted to the highest executive decision maker. The highest executive decision maker is the function responsible for allocating resources and assessing the operating segments' performances. In the Group, this function has been identified as the CEO. See also note 6.

## 2.4 Foreign currency transactions

### (a) Functional currency and presentation currency

Items included in the financial statements of each entity of the Group are measured using the currency of the economic environment in which the entity mainly operates (the functional currency). The consolidated financial statements are presented in Swedish Kronor (SEK), which is the Group's presentation currency.

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of each respective transaction or on the date the items are translated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Foreign exchange gains and losses resulting from borrowings and cash or cash equivalents are reported in the income statement as financial income or expenses. All other foreign exchange gains and losses are reported in Other income or Other expenses in the income statement.

Transaction differences related to changes in the accrued acquisition value are recognized in the income statement, and other changes in the carrying amount are recognized in Other Comprehensive Income.

### (c) Group companies

The results and financial position of all Group companies (of which none has a high inflation currency as its functional currency) that have a functional currency other than the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet are translated at the closing rate on the date of the balance sheet;
- (ii) income and expenses for each income statement are translated at period average exchange rate (as long as this average rate represents a reasonable approximation of the cumulative effect of the rates applying on the transaction date; otherwise revenues and expenses are translated at the transaction date rate); and
- (iii) all resulting net exchange differences are recognized in Other Comprehensive Income.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange rate differences are recognized in Other Comprehensive Income.

## 2.5 Tangible non-current assets

Tangible non-current assets are stated at purchase value less accumulated depreciation. The purchase value includes costs directly attributable to the acquisition of the asset.

Additional expenses are added to the asset's carrying value or reported as a separate asset, whichever is appropriate, only when it is likely that the future economic benefits associated with the asset will be allocated to the Group and the asset's acquisition value can be measured reliably. The reported value of the replaced part is removed from the balance sheet. All other kinds of repairs and maintenance are reported as expenses in the income statement during the period they arise.



Depreciation of tangible non-current assets, to allocate their acquisition value or translated value down to the estimated residual value over the estimated useful life, is made linearly as follows:

Vehicles	5 years
Machinery and equipment	3-8 years

The assets' residual value and estimated useful life is tested at the end of each reporting period and adjusted if necessary.

An asset's carrying value is written down immediately to its recovering value if the asset's carrying value exceeds its estimated recovery value (note 2.7).

Gains and losses on disposals are determined by comparing the selling proceeds and the carrying value and are recognized within Other income or Other expenses in the income statement.

## 2.6 Intangible assets

### (a) Goodwill

Goodwill arises from the acquisition of subsidiaries and refers to the amount by which the purchase price, and any non-controlling interest in the acquired company and the fair value on the acquisition date on a previous equity interest in the acquired company, exceeds the fair value of the identifiable acquired net assets. If the amount is lower than the fair value of the acquired subsidiary's net assets, which is the case in a low-cost acquisition, the difference is reported directly in the income statement. Goodwill that has been reported by the acquired company is eliminated in the acquisition analysis.

In order to test impairment requirements, goodwill acquired in a business acquisition is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the acquisition. Each entity or group of entities to which goodwill has been allocated corresponds to the lowest level in the Group on which the goodwill in question is monitored in the internal control. Goodwill is monitored at the operating segment level. The goodwill acquired through the acquisition of Lime Technologies Sweden AB, has in Lime been allocated to the Group as a whole.

Goodwill is impairment tested annually or more often if there is an indication of impairment. The carrying value of the cash-generating unit to which the goodwill is attributed is compared to the recoverable value, which is the highest of the value use and the fair value less costs to sell. Any impairment loss is recognized immediately as a cost and is not reversed.

### (b) Trademarks

Trademarks acquired through a business acquisition are recognized at fair value on the acquisition date. Trademarks are deemed to have an indefinite useful life.

The trademark acquired through the acquisition of Lime Technologies Sweden AB, has in Lime been allocated to the Group as a whole.

Trademarks are impairment tested annually or more often if there are indications of impairment. The carrying value of the cash-generating unit to which the trademark is attributed is compared to the recoverable value, which is the highest of the value use and the fair value less costs to sell. Any impairment loss is recognized immediately as a cost and is not reversed.

### (c) Software

Software acquired through a business acquisition is recognized at fair value on the acquisition date. Software recognized as an asset is depreciated over its estimated useful life, 5-10 years.

The software acquired through business acquisitions has in Lime been allocated to the Group as a whole.

### (d) Customer relations

Customer relations acquired through a business acquisition are recognized at fair value on the acquisition date. Customer relations recognized as assets are depreciated over their estimated useful life, 5-10 years.

The customer relations acquired through business acquisitions, has in Lime been allocated to the Group as a whole.

### (e) Capitalised development expenses

Expenses for software maintenance are charged to income as incurred. Development costs directly attributable to the development and testing of identifiable and unique software products controlled by the Group are reported as intangible assets when the following criteria are met:

- it is technically possible to complete the software so that it can be used,
- the company intends to complete the software and to use or sell it,
- prerequisites for using or selling the software exist,
- it can be shown how the software is likely to generate future economic benefits,

- adequate technical, financial and other resources to complete the development and use or sale of the software are available, and
- the expenses related to the software during its development can be calculated reliably.

Directly attributable expenses that are capitalised as part of the software include staff expenses and other direct costs.

Other development costs which do not meet these criteria are expensed when incurred. Development costs previously expensed are not reported as assets in subsequent periods.

Capitalised work of own account is reported as a cost reduction in the consolidated income statement.

Development expenses for software recognised as assets are depreciated over their estimated useful life, 5 - 7 years.

## 2.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets that are not ready for use are not subject to depreciation but are tested annually for any impairment loss. Written-off assets are assessed for impairment whenever events or changes in circumstances indicate that the reported value may not be recoverable. An impairment loss is made by the amount at which the asset's carrying value exceeds its recoverable value. The recoverable value is the higher of the asset's fair value less costs to sell, and its value in use. When assessing impairment requirements, assets are grouped at the lowest levels where there are essentially independent cash flows (cash-generating units). For assets (other than goodwill) that have previously been written down, a test is made on each balance sheet date as to whether reversals should be made.

## 2.8 Financial instruments

The group applies IFRS 9 Financial Instruments as of January 1, 2018. IFRS 9 deals with the classification, measuring, and recognition of financial assets and liabilities and introduces new regulations for hedge accounting. IFRS 9 replaces the sections of IAS 39 that deal with the classification and measuring of financial instruments and introduces a new loss impairment model. The full version of IFRS 9 was issued in July 2014 and is applicable for financial years commencing on or after January 1, 2018. The standard is adopted by the EU. The application of IFRS 9 has not had any significant impact on the classification and measuring of the Group's financial assets and liabilities.

## 2.8.1 Classifications

The Group classifies its financial assets in the following categories: financial assets at fair value through the income statement, loans, and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

### *Loans and trade receivables*

Loans and trade receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted on a trading market. They are included in current assets with the exception of due dates more than 12 months after the end of the reporting period, which are classified as non-current assets.

## 2.8.2 Reporting and valuation

Loans and trade receivables are after the acquisition date reported at accrued acquisition value using the effective interest rate method.

## 2.9 Impairment of financial assets

### (a) Assets recorded at accrued acquisition value

At each balance sheet date, the Group assesses whether there is objective evidence that a financial asset, or a group of financial assets, are impaired. A financial asset, or group of financial assets, requires impairment only if there is objective evidence of impairment as a consequence of one financial asset or group of financial assets that can be estimated as reliable.

Objective evidence of impairment includes indications that the debtor or group of debtors has significant financial difficulties, that payments of interest or capital amounts have not been paid or are overdue, that it is probable that the debtor or group of debtors will enter bankruptcy or other financial reorganisation, or that there is observable information indicating a measurable reduction of estimated future cash flow, such as changes to due liabilities or other financial conditions that correlate with credit losses.

Impairment of loans and receivables is estimated as the difference between the asset's carrying value and the present value of estimated future cash flow (excluding future credit losses not incurred), discounted at the financial asset's original effective interest rate. The carrying value of the asset is reduced and the amount of the loss is recognised in the Consolidated Income Statement.

If the impairment loss is recovered in a subsequent period and the recovery can objectively be attributed to an event that occurred after the impairment

was reported (such as an improvement in the debtor's creditworthiness), the reversal of the previously reported impairment loss is reported in the Consolidated Income Statement.

### 2.10 Derivatives and hedges

The Group has no derivatives on the balance sheet date and has not used any during the reporting period.

### 2.11 Trade receivables

Trade receivables are amounts to be paid by customers for goods sold or services rendered in the current business operations. If payments are expected within one year or earlier (or during normal business cycle if this is longer), they are classified as current assets. If not, they are recorded as non-current assets.

Trade receivables are initially recorded at fair value and subsequently measured at amortized value using the effective interest rate method, less allowances for impairment charges.

### 2.12 Cash and cash equivalent

Cash and cash equivalents, as reported in the balance sheet as well as in the cash flow statement, include cash, bank balances and other short-term investments with maturity within three months from the date of investment.

### 2.13 Share capital

Ordinary shares are classified as equity.

### 2.14 Trade payables

Trade payables are liabilities to pay for goods and services purchased in the current business operations from suppliers. If payments are due within 12 months or earlier (or during normal business cycle if this is longer), they are classified as current liabilities. If not, they are recorded as non-current liabilities.

Trade payables are initially recorded at fair value and subsequently measured at amortized value using the effective interest rate method.

### 2.15 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

### 2.16 Current and deferred income tax

Income taxes for the period include both current and deferred tax. Income taxes are reported in the income statement unless the underlying item is reported in Other Comprehensive Income or directly in equity. For those items, the related income tax is also reported in other Comprehensive Income or directly in equity.

The current tax is measured based on the tax laws that have been enacted or practically enacted by the reporting date in the countries where the Parent company and its subsidiaries have operations and are earning taxable income. Management regularly evaluates the claims made in tax returns regarding situations where applicable tax rules are subject to interpretation, and when deemed appropriate, makes allowances for amounts that are likely to be paid to the tax authorities.

Deferred tax is recognized for temporary differences between the tax value of assets and liabilities and their book value in the Consolidated Income Statement. However, deferred tax is not recognized if it arises as a result of the initial recognition of goodwill.

Deferred tax is measured at the tax rates (and laws) that have been enacted or announced on the reporting date, and that are expected to be applied to the deferred tax asset when it is realized or the deferred tax liability when it is settled.

Deferred tax assets are recognized to the extent it is probable that future taxable profits will be available, against which the temporary differences can be utilized.

Deferred tax liabilities are calculated on taxable temporary differences arising on holdings in subsidiaries except for deferred tax liabilities where the Group can control the timing of reversal of the temporary difference and it is likely that the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets in relation to deductible temporary differences relating to holdings in subsidiaries are reported only to the extent it is likely that the temporary difference will be reversed in the future and there will be taxable surpluses for which the deduction may be utilized.

Deferred tax assets and tax liabilities are offset when there is a legal right to offset current tax assets and tax liabilities, and when deferred tax assets and tax liabilities relate to taxes charged by one and the same tax authority and concern either the same tax subject or different tax subjects, where there is an intention to settle balances through net payments.

## 2.17 Compensation to employees

Liabilities relating to salaries and compensations, including paid absenteeism, which are expected to be settled within 12 months after the end of the financial year, are reported as current liabilities to the undiscounted amount that is expected to be paid when the liabilities are settled. The cost is reported in line with the services being performed by the employees. The liability is reported as an obligation for employee compensation in the balance sheet.

The Group companies have different plans for post-employment benefits, including defined-benefit and defined-contribution pension plans and health benefits after termination of employment.

### (a) Pension obligations

The Group has defined-contribution pension plans. A defined-contribution plan is a pension plan under which the Group pays fixed fees to a separate legal entity. The Group has no legal or informal obligations to pay additional fees if this legal entity does not have sufficient assets to pay all employee benefits related to employee services during current or previous periods.

For defined-contribution plans, the Group pays contributions to publicly or privately managed pension plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the fees have been paid. The contributions are reported as personnel costs when paid. Prepaid contributions are reported as assets to the extent that repayment or reduction of future payments may be granted to the Group. For employees in Sweden, the ITP 2 plan's defined-benefit pension commitments for retirement and family pensions are secured through insurance with Alecta. According to a statement from the Financial Reporting Board, UFR 10 Reporting of the Pension Plan ITP 2, this is a defined benefit plan that includes several employers. For the 2020 or 2019 financial year, the company has not had access to information in order to be able to account for its proportional share of plan liabilities, plan assets and expenses, which meant it was not possible to recognize the plan as a defined benefit plan. The ITP 2 pension plan, secured by insurance with Alecta, is therefore recognized as a defined contribution plan. At the end of 2020, Alecta's surplus in the collective consolidation level was 148 percent (148).

### (b) Severance pay

Severance pay applies when an employment is terminated by the Group prior to normal retirement or when an employee accepts voluntary resignation in exchange for such compensation. The Group recog-

nizes severance pay at the earliest of the following: (a) the date the Group is no longer able to withdraw the offer of severance pay; and (b) when the company recognizes expenses in relation to restructuring within the scope of IAS 37, which involves payment of severance pay. In case the company has provided an offer to encourage voluntary resignation, the severance pay is calculated based on the number of employees estimated to accept the offer. Compensations due more than 12 months after the closing date are discounted at present value.

### (c) Bonus programs

The Group reports a liability and a cost for bonuses. The Group makes a provision when there is a legal obligation or an informal obligation due to past practice.

## 2.18 Stock options plans

At the end 2018, the Group had two share-based compensation plans in which the benefit was provided as stock (options). The employee paid a premium corresponding to the fair value of options at the awarding date. The premium was credited to Additional paid in capital. Received payments for the shares, after deduction of any directly attributable transaction costs, are credited to the share capital (nominal value) and Additional paid in capital when the options are exercised.

For all outstanding options, the contribution from the employees is based on market price, determined on the basis of the Black-Scholes valuation model. No benefit or compensation is paid to employees; hence no personnel costs are reported in the income statement, in accordance with IFRS 2.

## 2.19 Revenue recognition

The group develops and sells software. The major part of the group's revenues relates to sales of license rights, subscription revenue and consultant revenue.

IFRS 15 is, since 2018, the new standard for revenue recognition. IFRS 15 replaced IAS 18 Revenue and IAS 11 Construction Contracts and all related interpretations (IFRIC and SIC). Revenue shall be recognized when the customer assumes control over the sold goods or services, a principle that supersedes the former principle that revenue is recognized when the risks and rewards have passed to the buyer. The basic principle of IFRS 15 is that the group recognizes revenue in the manner that best reflects the transfer of control of the product and service sold to the customer. Revenue recognition is reported in the group based on a five-step model applied to all customer contracts:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations
- Recognize revenue as the performance obligations are fulfilled

Based on the above five-step model, the Group's customer contracts may include various performance obligations identified as License Revenue, Subscription Revenue (Software as a Service), Support Agreements and Service Revenue. Revenue is recognized once control over the sold service or product is deemed to have been transferred to the customer for each type of revenue/performance obligation.

Revenue is the fair value of what has been or will be received for goods and services sold in the Group's current operations. Revenues are recognized excluding VAT, returns and discounts, and after elimination of sales between Group companies.

Below are the accounting principles applied by the Group for these performance obligations.

#### IFRS 15 transitional implications

The Group has analyzed and evaluated IFRS 15 as a regulatory framework. The implementation of IFRS 15 has not led to any transitional implications for the Lime Group.

#### Subscription revenue (Software as a Service)

The Group sells software as a service, by providing access rights to the customers. This service – which includes license, support and maintenance and, in some cases, operations – is received by the customer continuously during the term of the contract. The corresponding revenue is recognized pro rata as control is transferred to the customer continuously during the term of the contract.

#### License revenue

The Group develops and sells software. The sale of license rights, right to use, is recognized upon delivery according to the contract and when the customer has assumed control over the purchased licenses and when no significant obligations remain outstanding after delivery date.

#### Support agreements

The Group sells Support Agreements in relation to the software. Such agreements are signed in connection with the sale of licenses. Revenue from Support Agreements is invoiced in advance and

recognized pro rata over the contract period as control is transferred to the customer continuously during the contract period.

#### Expert Services (consultant revenue)

The Group sells consultant and education services, mainly provided based on time used but, in a few cases, also at fixed price contracts. Revenue from time-based contracts is recognized according to contracted prices and as service hours are delivered.

Revenue relating to services from fixed price contracts is recognized progressively, based on percentage of completion in accordance with the same principles as described above. Revenue relating to services from fixed price contracts is commonly recognized during the period the services are delivered.

If any circumstances arise that affect the initial estimation of revenue, costs or percentage of completion, the estimation will be revised. Such revision may result in increased or decreased estimated revenues or expenses and affect revenue during the period when the circumstance that caused the change came to the management's knowledge.

#### 2.20 Interest income

Interest income is recognized over the tenor using the effective interest rate method.

#### 2.21 Dividend income

Dividend income is recognized when the right to receive payment has been determined.

#### 2.22 Leasing

From January 1, 2019, IFRS 16 Leases replaces IAS 17 Leases and thereto related interpretations. The new standard is described under note 15.1.

#### 2.23 Dividends

Dividends to the shareholders of the Parent company are reported as liabilities in the consolidated financial statements during the period when the dividend is approved by the Parent company's shareholders.

#### 2.24 Group contributions

The Parent company applies the main principle in RFR 2 IAS 27 regarding group contributions, meaning group contributions received from subsidiaries are reported as financial income.

#### 2.25 Consolidated statement of cash flow

The consolidated statement of cash flows is prepared in accordance with IAS 7, Statement of Cash Flows, according to the indirect method. The year's change in cash is divided into current operations, investing



activities and financing activities. The starting point of the indirect method is the operating profit adjusted for transactions that did not entail payments received or paid. Cash and cash equivalents include short-term investments with maturity within 3 months from the date of investment. All items included in cash and cash equivalents can be converted to cash relatively immediately.

### 3. Financial risk management

#### 3.1 Financial risk factors

The Group is exposed to a variety of financial risks through its operations: market risk (including currency risk, interest rate risk in fair value and interest rate risk in cash flow), credit risk and liquidity risk. The Group's overall risk management policy focuses on unpredictability in the financial markets and strives to minimize potential adverse effects on the Group's financial results.

Risk management is handled by a finance department according to policies established by the board of directors. Group Finance identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The board of directors establish, if necessary, written policies for the overall risk management as well as for specific areas.

#### (a) Market risk

##### (i) Currency risk

The Group operates internationally and is exposed to currency risks arising from different currency exposures, mainly in respect of Norwegian Krona (NOK), Danish Krona (DKK) and Euro (EUR). Currency risk arises from future business transactions, recognized assets and liabilities and net investments in foreign businesses operations.

Since the Group's Swedish operations largely have their currency flow in Swedish kronor, there is no need for currency hedging. The size of the other European operations has in 2020 and 2019 been of such volume that currency hedging has not been deemed necessary.

The Group has holdings in foreign operations whose net assets are exposed to currency risks.

If the Swedish Krona had weakened / strengthened by 10% relative to the EUR, with all other variables being constant, the recalculated income after taxes as of December 31, 2020 would have been MSEK 0.8 lower/higher, largely as a result of profits/losses on recalculation of current assets and liabilities.

According to the finance policy, Lime's holdings of cash and cash equivalents in other currencies than SEK, shall not exceed 15% of net sales in respective currency.

##### (ii) Interest risk relating to cash flows and fair value

The Group's interest rate risk arises from long-term borrowings. Loans with variable interest rate expose the Group to interest rate risk relating to cash flow, which is partly offset by cash invested at variable interest rates. In 2020 and 2019 the Group's borrowings at variable interest rates were in Swedish Kronor. For more information regarding Lime's borrowings see note 22.

At the end of the period, interest-bearing bank borrowings amounted to MSEK 57.1 (84.9) with a variable rate linked to STIBOR. A change of 10 bps in underlying reference rates would not impact on Net income and Equity as STIBOR would still be negative and the reference rate according to agreements is 0 as a minimum.

According to the finance policy, Lime shall minimize its interest risk exposure by, for example, fixing the interest margin over 1-5 years.

#### (b) Credit risk

Credit risk is managed at Group level. Each group company is responsible for assessing and analyzing the credit risk associated with each new customer before standard terms for payment and delivery are offered. Credit risk arises in cash and balances with banks and financial institutions, as well as in credit exposures to customers, including outstanding receivables and contracted transactions. If independent credit rating assessors rate customers, these assessments are used. In the absence of an independent credit assessment, a risk assessment of the customer's creditworthiness is conducted, taking into account the customer's financial position, as well as previous experiences and other factors. Credit exposure to customers is limited by the Group's low customer concentration.

#### (c) Liquidity risk

The Group manages the liquidity risk by maintaining a sufficient cash position. Cash flow projections are prepared at Group level. Management closely monitors rolling forecasts of the Group's cash reserves to ensure that the Group has sufficient cash to meet the needs of the daily operations.



The following table analyses the Group's financial liabilities, broken down by the time remaining until the contractual maturity date, as of the balance sheet date. The amounts stated in the table are the contractual, undiscounted cash flows.

According to the finance policy, Lime shall not use any surplus liquidity to trade in financial assets, and that cash and cash equivalent over time shall amount to at least 8 % of annual net sales.

### Liquidity risk - The Group

<b>As of December 31, 2020</b>	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>
Borrowings (excl. liabilities under leases)	7,410	22,027	28,839	0
Liabilities under leases	3,294	8,707	5,652	6,701
Deferred liability; excercise price share options in Lime Intenz and LimeTechnologies Gävle	1,869	0	3,001	12,801
Trade payables and other liabilities	2,777	-	-	-
<b>Total</b>	<b>15,350</b>	<b>30,734</b>	<b>37,492</b>	<b>19,502</b>

<b>As of December 31, 2019</b>	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>
Borrowings (excl. liabilities under financial leases)	7,474	22,222	29,159	28,622
Liabilities under financial leases	2,643	6,988	5,490	3,948
Deferred liability; excercise price share options in More Intenz	0	3,001	3,001	3,001
Trade payables and other liabilities	3,591	-	-	-
<b>Total</b>	<b>13,708</b>	<b>32,210</b>	<b>37,649</b>	<b>35,570</b>

### 3.2 Capital risk

Capital is defined as total equity. The Group's objective regarding the capital structure is to secure the Group's ability to continue its operations and to continue to generate returns to shareholders and benefit to other stakeholders, as well as to maintain an optimal capital structure to keep the cost of capital low.

In order to maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce liabilities.

As the Group's strategy is partly based on evaluating acquisition opportunities, indebtedness can fluctuate significantly from year to year.

The board of directors and management continuously assess future payment obligations and decide, from an overall perspective, how the Group's funds are to be managed.

The capital structure objective is to keep the net debt to EBITDA ratio below 2.5. Under the terms and conditions of Lime's bank loan agreement, the net debt to EBITA ratio shall be less than 2.0.

The Group	2020	2019
Interest-bearing non-current liabilities	-28,524	-56,617
Non-current leasing liabilities	-14,590	-9,232
Other non-current liabilities	-15,183	-8,642
Interest-bearing current liabilities	-30,404	-28,240
Current leasing liabilities	-9,303	-9,448
Financial assets	64,662	31,879
<b>Net debt</b>	<b>-33,342</b>	<b>-80,300</b>
EBITDA	121,574	83,659
<b>Net debt / EBITDA</b>	<b>0.3</b>	<b>1.0</b>

### 3.3 Refinancing risk

Lime has entered into a loan agreement of MSEK 130, with an outstanding amount at December 31, 2020 of MSEK 56.6. The refinancing risk is the risk that no further financing is available, or no financing at all is available, or if financing can only be obtained at a higher cost, if such need arises.

## 4. Operational risks

The group is exposed to various risks through its operations. The group's overall risk management policy aims at minimizing potential adverse effects on the group's financial results. Should any of the risks described below occur, the results and financial position may be adversely affected. The risks below are not the only risks the group is exposed to.

Risks associated with the spread of COVID-10 are described in further detail in the Directors' Report.

### 4.1 Competitive market

Lime is continuously working to ensure it has an attractive offering to customers. Lime's revenue model is largely based on subscription revenue, meaning the proportion of recurring revenue is high, which increases predictability. However, Lime operates its business on a highly competitive market in the presence with both global and local competitors. Some of Lime's competitors are thus large, efficient companies with significant financial, technical and marketing resources. Furthermore, competition may intensify if new CRM suppliers enter the market. The competitors' actions and potential success could have an adverse effect on Lime's operations, financial position or results.

### 4.2 Retaining and recruiting key personnel

There is fierce competition for highly qualified personnel for many of Lime's staff categories, including software developers. The group's operations and future success are to a large extent dependent of its ability to retain and recruit key personnel. Should the company have difficulties in recruiting competent personnel or if the cost of employing competent personnel should increase, this could have an adverse effect on Lime's operations, financial position or results.

### 4.3 Technical development

Lime is constantly working on further developing and updating its products to meet its customers' demands. However, the software industry is characterized by rapid development of both new products, services and technology, as well as customers' demands on products, services and technology. In the event that developments progress in a direction different from what Lime expects or is able to adapt to, this could have an adverse effect on Lime's operations, financial position or results.

#### 4.4 IT security

The group's ability to provide software to the customer relies on the security, integrity, reliability and operational performance of the systems, products and services offered. Disruptions in the IT environments of Lime or any of Lime's suppliers could have an adverse effect on Lime's operations, financial position or results.

#### 4.5 Compliance with laws and regulations

Lime's operations rely on a large number of legal frameworks and regulatory requirements. These laws and rules are complex and vary between different jurisdictions. In the event of geographical expansion, or in the event that Lime's regulatory compliance is deemed to be insufficient, this could have an adverse effect on Lime's operations, financial position or results.

### 5. Critical accounting estimates and judgements

Estimates and judgements are continuously evaluated and based on historical experience and other factors, including expectations of future events considered reasonable under prevailing conditions.

#### 5.1 Critical accounting assumptions and judgements

The Group makes assumptions and judgments about the future. The impact such assumptions have on how certain values are reported will, by definition, rarely correspond to the actual result. The estimates and assumptions that involve an important risk of significant adjustments in the reported values of assets and liabilities in the next fiscal year are discussed in broad terms below.

##### (a) Impairment testing of goodwill and trademarks

The Group impairment tests goodwill and trademarks annually, in accordance with the accounting principles described in note 2.6. Recoveries for cash-generating units have been determined by calculating the value in use. To make these calculations, some assumptions must be made (note 14). In addition, assessments and assumptions have been made in relation to valuation models, interest rates (weighted average cost of capital) and royalties ("relief from royalty").

##### (b) Software

The Group has assessed the useful life of software recognized in acquisition analysis, which affect the reported cost of depreciation in the income statement and the valuation of assets in the balance sheet. The Group has also made assessments and assumptions about valuation models, interest rates (weighted average cost of capital) and royalties ("relief from royalty").

##### (c) Capitalized expenses

Development expenses are capitalized on the basis described under "Intangible assets" in note 2. The Group has assessed useful life periods which impact reported depreciation costs in the income statement and the valuation of assets in the balance sheet.

##### (d) Deferred liability, share exercise price in More Intenz AB and Lime Technologies Gävle AB

The acquisition analysis in relation to More Intenz AB and Lime Technologies AB is based on final valuations of identifiable non-tangible assets. The deferred liability for outstanding options is, however, based on an assessment of future revenue.

##### (e) IFRS 16

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The majority of the extension options under leases of office space and vehicles have not been included in the leasing liability, as the Group can replace these assets without significant cost or business disruption.

The lease term is reassessed if an option is exercised (or not exercised), or if the Group is forced to exercise the option (or not exercise it). The assessment of reasonable certainty is only reconsidered if there is a material event or change in circumstances that affects this assessment and if the change is within the control of the lessee. During the current financial year, such reassessment of leasing terms resulted in an increase of leasing liabilities and right-to-use assets by MSEK 5.5 (7.3).

## 6. Segment information

Operating segments are reported in a manner that complies with the internal reporting submitted to the highest executive decision maker. The highest executive decision maker is the function responsible for allocating resources and assessing the operating segments' performances. In the Group, this function has been identified as the Group's CEO.

The highest executive decision maker assesses the operations based on a geographic perspective, Sweden and the Other Europe. In preparation for the establishment of the operation in the Netherlands, the Rest of the Nordic Region segment was renamed Rest of Europe. The segments have the same operations and business model, i.e. to sell and implement software, namely CRM systems. The Swedish segment manages development and administration.

Operating segments are assessed based on net sales and EBITDA. This measure is defined as operating income before depreciation, acquisition-related expenses and other one-off items that distort comparisons.

No significant changes in segment assets have occurred during the period.

### Revenue, per segment

Sales between segments are made on market terms. Revenue from external parties, which is reported to the highest decision-making executive, is recognized in the same way as in the income statement.

Revenue by income stream, TSEK	2020			2019		
	Sweden	Other European countries	Total	Sweden	Other Nordic countries	Total
Subscription revenue	119,518	31,476	150,994	97,097	25,523	<b>122,620</b>
Licence revenue	2,746	337	3,082	7,638	560	<b>8,199</b>
Support agreements	38,855	4,542	43,396	39,474	5,091	<b>44,565</b>
Expert Services	111,415	27,036	138,450	86,766	23,742	<b>110,508</b>
Other	2,428	339	2,767	3,615	189	<b>3,804</b>
<b>Net sales</b>	<b>274,961</b>	<b>63,728</b>	<b>338,689</b>	<b>234,591</b>	<b>55,105</b>	<b>289,696</b>

## Net income, per segment

January 1 to December 31, 2020	Sweden	Other European countries	Eliminations	The Group
Sales, external	276,704	63,743		340,447
Sales, internal	2,772	1,580	-4,352	0
<b>Total sales</b>	<b>279,476</b>	<b>65,323</b>	<b>-4,352</b>	<b>340,447</b>
Expenses, external	-188,131	-31,304		-219,435
Expenses, internal	-2,039	-2,313	4,352	0
<b>Total expenses</b>	<b>-190,170</b>	<b>-33,617</b>	<b>4,352</b>	<b>-219,435</b>
<b>EBITDA</b>	<b>89,306</b>	<b>31,706</b>	<b>0</b>	<b>121,012</b>
Result from associated companies				547
Depreciations				-38,359
<b>EBIT</b>				<b>83,200</b>
Financial net				-3,195
Tax				-17,294
<b>Net income for the year</b>				<b>62,711</b>
January 1 to December 31, 2019	Sweden	Other Nordic countries	Eliminations	The Group
Sales, external	234,922	55,350		290,272
Sales, internal	924	2,574	-3,498	0
<b>Total sales</b>	<b>235,846</b>	<b>57,924</b>	<b>-3,498</b>	<b>290,272</b>
Expenses, external	-169,428	-36,938		-206,366
Expenses, internal	-2,045	-1,453	3,498	0
<b>Total expenses</b>	<b>-171,473</b>	<b>-38,391</b>	<b>3,498</b>	<b>-206,366</b>
<b>EBITDA</b>	<b>64,373</b>	<b>19,533</b>	<b>0</b>	<b>83,906</b>
Result from associated companies				-247
Depreciations				-31,606
<b>EBIT</b>				<b>52,053</b>
Financial net				-2,188
Tax				-10,825
<b>Net income for the year</b>				<b>39,040</b>

### Assets and liabilities

Operating segments are not measured based on management of assets and liabilities, which instead are managed centrally by the finance department.

Breakdown of non-current assets and accrued tax:

	Dec 31, 2020	Dec 31, 2019
<i>Group</i>		
Capitalised development expenses	62,122	53,492
Software	38,403	28,556
Trademarks	33,478	33,478
Customer relationships	12,658	16,665
Goodwill	69,763	69,763
Associated companies	0	2,705
<i>Sweden</i>		
Vehicles	1,658	2,570
Machinery and equipment	427	537
Right-to-use assets	10,879	14,258
<i>Other Nordic countries</i>		
Machinery and equipment	220	54
Right-to-use assets	11,091	1,931
Financial non-current assets	706	537
Deferred tax assets	58	58
<b>Total non-current assets</b>	<b>241,463</b>	<b>224,604</b>



### Group-wide information

The breakdown of revenue from all products and services is found below.

	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
Analysis of revenue per income stream:		
- Expert Services	150,995	122,620
- Licence revenue	3,083	8,199
- Subscription revenue	43,396	44,565
- Support agreements	138,451	110,507
- Other	2,765	3,805
<b>Total</b>	<b>338,689</b>	<b>289,696</b>

Breakdown of external sales based on the location of the customer:

	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
Sweden	274,961	234,591
Rest of European countries	63,728	55,105
<b>Total</b>	<b>338,689</b>	<b>289,696</b>

## 7. Compensation to auditors

	The Group		The Parent Company	
	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
<b>Compensation to auditors</b>				
PwC				
- Audit *)	971	1,185	322	325
- Auditing advice other than statutory audit services	0	70	0	70
- Tax advice	0	0	-	-
- Other services	20	0	0	0
<b>Total</b>	<b>991</b>	<b>1,255</b>	<b>322</b>	<b>395</b>

\*) The expensed amount for 2019 includes TSEK 287 of costs relating to 2018 and the work performed by PwC Sweden in relation to the public listing of the company.

Audit refer to fees for the statutory audit, i.e. work required to deliver the audit report, and so-called auditing advice provide in connection with the audit assignment.

PwC Sweden: Statutory audit TSEK 682 (TSEK 879), Audit advice other than statutory audit serviced TSEK 0 (70), Tax advice TSEK 0 (0), and Other services TSEK 20 (0).

## 8. Compensation to employees etc.

## Salaries and other remuneration to all employees

	The Group		The Parent Company	
	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
Salaries, and other remunerations	133,620	116,726	4,569	4,294
Social security expenses	36,178	34,122	1,139	1,445
Pension costs / defined contribution plans	10,641	10,297	675	721
<b>Total compensations to employees</b>	<b>180,439</b>	<b>161,145</b>	<b>6,383</b>	<b>6,461</b>

## Remuneration to senior executives

January 1 - December 31, 2020	Base salary/fee	Variable pay	Pension cost	Other compensation	Total
Board members*)	297	-	-	-	297
CEO	1,804	300	463	70	2,637
Other executive managers	5,645	570	1,166	198	7,578
<b>Group total</b>	<b>7,746</b>	<b>870</b>	<b>1,629</b>	<b>267</b>	<b>10,512</b>

January 1 - December 31, 2019	Base salary/fee	Variable pay	Pension cost	Other compensation	Total
Board members	615	-	-	-	615
CEO	1,833	197	465	66	2,561
Other executive managers	7,255	706	1,227	241	9,429
<b>Group total</b>	<b>9,703</b>	<b>902</b>	<b>1,692</b>	<b>307</b>	<b>12,604</b>

\*) Refers to remuneration paid to members of the Board

Variable pay for 2020 will be paid in 2021 and variable pay for 2019 was paid in 2020.

## Average number of employees

	The Group		The Parent Company	
	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
Average number of employees	244	223	2	2
Whereof men	170	151	2	2
<b>Breakdown per country</b>				
Sweden	207	188	2	2
Norway	15	14	-	-
Finland	15	14	-	-
Denmark	7	7	-	-
The Netherlands	1	-	-	-
<b>Total</b>	<b>244</b>	<b>223</b>	<b>2</b>	<b>2</b>

## Gender balance in the Group (including subsidiaries for board members)

	The Group		The Parent Company	
	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
<b>Board members</b>				
Women	2	2	2	2
Men	3	4	3	4

<b>Boards in subsidiaries</b>	<b>Women 2020</b>	<b>Men 2020</b>	<b>Women 2019</b>	<b>Men 2019</b>
Lime Technologies Sweden AB	-	1	-	1
Lime Technologies Norway AS	-	2	-	2
Lime Technologies Finland OY	-	1	-	1
Lime Technologies Denmark A/S	-	3	-	3
Remotex Technologies AB	-	-	-	1
Netoptions Sweden AB	-	-	-	1
Hysminai AB	-	1	-	1
Lime Intenz AB	-	3	-	3
Lime Technologies Gävle AB	-	3	-	-
Lime Technologies Netherlands B.V.	-	2	-	-

	The Group		The Parent Company	
	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
<b>Executive management, CEO inc</b>				
Women	1	1	-	-
Men	6	9	2	3

### Guidelines for remuneration to senior executives

The annual general meeting approves remuneration to the board of directors and the guidelines for remuneration to senior executives. The decision by the annual general meeting is in accordance with previously applied remuneration principles.

The general meeting on 29 June 2020 resolved the guidelines for remuneration to senior executives. The board of directors approves remuneration to the Group's CEO and the principles for remuneration to other senior executives. All members of the board of directors constitute the remuneration committee until the annual general meeting on 27 April 2021 and has as such managed matters relating to remuneration and other terms of employment.

#### Senior executives

For the purposes of these guidelines, senior executives include the Chief Executive Officer and executives who report to the Chief Executive Officer and are members of the Group Management.

#### General remuneration principles

In short, the Company's business strategy is to be a comprehensive CRM expert that offers a powerful and flexible SaaS platform, which leads to a loyal customer base and a profitable business model, strong cash flow and profitable growth.

For more information, please refer to the Company's Annual Reports and the Company's website, <https://www.lime-technologies.se/>.

A prerequisite for implementing the Company's business strategy, safeguard its long-term interests, including sustainability, is that the Company can recruit and retain qualified employees. The Company should therefore offer conditions of employment, including remuneration, that enable attracting and retaining senior executives with the competence and experience required to achieve the Company's goals. The remuneration shall be based on terms that are competitive and in line with market terms.

When evaluating whether these guidelines and the limitations set out herein are reasonable, the Board of Directors (including the Remuneration Committee) has considered the total remuneration of all employees of the Company including the various components of their remuneration as well as the increase and growth rate over time.

### Principles for fixed and variable remuneration

The remuneration covered by these guidelines may consist of fixed basic salary, variable cash salary, pension and other benefits. In addition the general meeting may decide on, inter alia, long-term incentive programs.

#### Principles for fixed base salary

Each senior executive shall receive a fixed base salary. The fixed base salary shall be in line with market terms, be competitive and shall take into account the scope and responsibility associated with the position, as well as the skills, experience and performance of each senior executive.

Fixed base salary may not amount to more than eighty-five (85) per cent of the total remuneration, assuming that full variable cash salary, pension benefits and other benefits are paid (if there is no variable cash salary, pension benefits or other benefits, the fixed basic salary will constitute the entire remuneration).

#### Principles for variable remuneration

Variable remuneration shall be based on how well the Company meets its financial targets for organic growth and EBITDA. The variable remuneration shall reflect the key drivers for pursuing the Company's strategy, long-term interests and sustainable business practices. To which extent the criteria for awarding variable remuneration have been satisfied shall be determined when the relevant measurement period of the performance criteria has ended. The performance criteria shall be determined and documented on a yearly basis.

For each senior executive (except for senior executives whose main responsibility is own sales), variable remuneration may amount to a maximum of twenty-five (25) per cent of total remuneration if full variable remuneration, pension benefits and other benefits are paid. For senior executives whose main responsibility is own sales, the total remuneration may amount to a maximum of eighty (80) per cent of the total remuneration if full variable remuneration, pension benefits and other benefits are paid.

The Company has the right to recover variable remuneration if it turns out that the Company's accounts contain material errors.

### Pension

Senior executives shall have pension terms and pension levels that are in line with market terms. The pension benefits shall be premium based. Variable remuneration shall only constitute a basis for pension benefits if it follows from provisions in the applicable collective bargaining agreement. Unless applicable collective bargaining agreements state otherwise, pension benefits may amount to a maximum of thirty (30) per cent of the fixed salary for each senior executive and, if full variable remuneration, pension benefits and other benefits are paid, a maximum of twenty (20) per cent of the total remuneration.

### Other benefits

The Company offers other benefits to senior executives such as company car and health insurance. The benefits shall be in line with market terms and the costs of such benefits may, for each senior executive, amount to a maximum of eight (8) per cent of the fixed basic salary and, if full variable remuneration, pension benefits and other benefits are paid, a maximum of five (5) per cent of the total remuneration.

### Termination notice and severance pay

Employment agreements entered into between the Company and senior executives shall, as a principal rule, apply until further notice. If the Company terminates the employment of a senior executive, the notice period may not exceed twelve (12) months. Severance pay shall only be paid upon termination by the Company and shall not exceed the amount of the agreed fixed basic salary during the notice period. The notice period shall not exceed six (6) months and no severance shall be payable upon the senior executive's own termination of his or her employment.

### Decision-making process

The Board of Directors has appointed a Remuneration Committee to prepare the Board's proposal for guidelines. Based on the recommendation of the Remuneration Committee, the Board shall, when the

need arises for significant changes to the guidelines, at least every four years, prepare guideline proposals to be presented at the Annual General Meeting. The guidelines shall apply to each commitment of remuneration to senior executives, and to any change in such commitment, that is decided after the Annual General Meeting at which the guidelines were adopted. The guidelines thus have no effect on previously binding contractual obligations. Other General Meetings than the Annual General Meetings may amend the guidelines.

The Remuneration Committee shall also monitor and evaluate the application of these guidelines, ongoing and completed programs for variable remuneration to senior executives and the Company's remuneration structures and remuneration levels.

Within the scope and on the basis of these guidelines, the Board of Directors shall, based on the remuneration committee's preparation and recommendations, annually decide on the specific revised remuneration terms for each individual senior executive and also make other decisions on remuneration to senior executives that may be required. The Chief Executive Officer and the other senior executives do not participate in the Board of Directors' handling of and resolutions regarding remuneration-related matters if they are affected by such matters.

### Deviation from these guidelines

The Board of Directors may temporarily resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for such deviation and if the deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, it is part of the Remuneration Committee's tasks to prepare the Board's decision on remuneration matters. This includes decisions on deviations from the guidelines. Deviations shall be reported and justified annually in the remuneration report.

## 9. Financial income &amp; expenses

	The Group		The Parent Company	
	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
<b>Financial income:</b>				
– Interest income	20	99	-	-
– Interest income, group company	-	-	51	102
– Other financial items	212	0	-	-
– Exchange rate differences	469	423	467	33
<b>Financial income</b>	<b>701</b>	<b>522</b>	<b>518</b>	<b>135</b>

	The Group		The Parent Company	
	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
<b>Interest expenses:</b>				
– Interest expenses, bank loans	1,612	1,948	1,575	1,948
– Interest expenses, group companies	-	-	778	660
– Interest expenses, financial leasing	320	326	-	-
– Other interest expenses	552	155	58	80
– Other financial expenses	3	38	0	0
– Exchange rate differences	1,410	243	0	0
<b>Total financial expenses</b>	<b>3,896</b>	<b>2,710</b>	<b>2,410</b>	<b>2,688</b>
<b>Net financial items</b>	<b>-3,195</b>	<b>-2,188</b>	<b>-1,892</b>	<b>-2,552</b>



## 10. Income tax

	The Group		The Parent Company	
	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
Current income tax:				
Current income tax for the year	-18,837	-10,231	-17,389	-8,474
<b>Total current income tax</b>	<b>-18,837</b>	<b>-10,231</b>	<b>-17,389</b>	<b>-8,474</b>
Deferred tax (note 22)	1,543	-595	0	0
<b>Total deferred tax</b>	<b>1,543</b>	<b>-595</b>	<b>0</b>	<b>0</b>
<b>Income tax</b>	<b>-17,294</b>	<b>-10,825</b>	<b>-17,389</b>	<b>-8,474</b>

Income tax on the consolidated income before taxes, differs from the theoretical tax expense that would arise when applying a weighted average tax rate on the income from the consolidated companies according to the following:

	The Group		The Parent Company	
	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
<b>Income before tax</b>	<b>80,004</b>	<b>49,865</b>	<b>81,120</b>	<b>39,468</b>
Income tax calculated based on national tax rates applicable on income in respective country	-17,830	-9,541	-17,360	-8,446
Tax effect of:				
- Non-taxable income	0	0	-	-
- Non-deductible expenses	-693	-694	-29	-28
- Tax attributable to intangible non-current assets	0	-5	-	-
- Correction of previous year's taxation	824	-596	-	-
- Tax losses for which no deferred tax asset has been reported	406	10	0	0
<b>Income tax</b>	<b>-17,294</b>	<b>-10,825</b>	<b>-17,389</b>	<b>-8,474</b>

Weighted average tax rate was 22% (2019: 22%).

## 11. Exchange rate differences

The following exchange rates have been applied when preparing the consolidated financial statements and the annual report.

Exchange rates (against SEK)	Average Jan-Dec		Closing rate, Dec 31	
	2020	2019	2020	2019
DKK	1.42	1.42	1.37	1.41
NOK	0.99	1.08	0.97	1.05
EUR	10.58	10.63	10.23	10.57

	The Group		The Parent Company	
	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
Other income/expenses - net	46	-186	0	0
Financial net (note 8)	-941	180	467	33
<b>Total</b>	<b>-895</b>	<b>-6</b>	<b>467</b>	<b>33</b>

## 12. Earnings per share

### Basic

Basic "earnings per share" are calculated by dividing the income attributable to shareholders of the Parent company by a weighted average number of ordinary shares outstanding.

	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
<b>Basic</b>		
The Group's earnings attributable to shareholders of the Parent Company	62,711	39,040
Weighted average number of ordinary shares outstanding (thousands)	13,283	13,283
<b>Earnings per share</b>	<b>4.72</b>	<b>2.94</b>

### Diluted

To calculate "earnings per share, diluted", the weighted average number of ordinary shares outstanding is adjusted for the dilution effect of all potential ordinary shares.

	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
<b>Diluted</b>		
The Group's earnings attributable to shareholders of the Parent Company	62,711	39,040
Weighted average number of ordinary shares outstanding (thousands)	13,283	13,283
Weighted average number of ordinary shares outstanding (thousands)	13,283	13,283
<b>Earnings per share, diluted</b>	<b>4.72</b>	<b>2.94</b>

## 13. Dividend per share

A dividend of SEK 33,208,703 will be proposed at the annual general meeting on April 27, 2021, corresponding to SEK 2.50 per share, diluted. Remaining earnings will be carried forward.

## 14. Intangible assets

The Group	Goodwill	Trademarks	Software	Customer relations	Capitalised expenses	Total
<b>2020 Financial year</b>						
Opening balance	69,763	33,478	28,556	16,665	53,492	201,954
Acquired	-	-	23,347	-	1,357	24,704
Capitalised work	-	-	-	-	17,794	17,794
Depreciations	-	-	-13,500	-4,007	-10,476	-27,984
<b>Closing balance</b>	<b>69,763</b>	<b>33,478</b>	<b>38,403</b>	<b>12,657</b>	<b>62,167</b>	<b>216,468</b>
<b>As per December 31, 2020</b>						
Acquisition value	69,763	33,478	86,269	33,691	90,994	314,195
Accumulated depreciations	-	-	-47,867	-21,033	-28,872	-97,771
<b>Reported amount</b>	<b>69,763</b>	<b>33,478</b>	<b>38,403</b>	<b>12,658</b>	<b>62,122</b>	<b>216,424</b>
The Group	Goodwill	Trademarks	Software	Customer relations	Capitalised expenses	Total
<b>2019 Financial year</b>						
Opening balance	59,391	33,478	39,139	13,657	42,713	188,378
Acquired	10,372	-	-	6,377	-	16,749
Capitalised work	-	-	-	-	18,451	18,451
Depreciations	-	-	-10,583	-3,369	-7,672	-21,625
<b>Closing balance</b>	<b>69,763</b>	<b>33,478</b>	<b>28,556</b>	<b>16,665</b>	<b>53,492</b>	<b>201,954</b>
<b>As per December 31, 2019</b>						
Acquisition value	69,763	33,478	62,922	33,691	71,843	271,697
Accumulated depreciations	-	-	-34,366	-17,026	-18,351	-69,743
<b>Reported amount</b>	<b>69,763</b>	<b>33,478</b>	<b>28,556</b>	<b>16,665</b>	<b>53,492</b>	<b>201,954</b>

The Parent company has no intangible non-current assets.

Capitalised work relates to internally generated assets, while other intangible non-current assets are acquired.

### Impairment testing of goodwill, trademarks and the Group's intangible non-current assets

The Group's total value of goodwill and trademarks at year-end was MSEK 69.8 (69.8) and MSEK 33.5 (33.5), respectively. Goodwill and trademarks are not depreciated according to plan but are instead impairment tested annually. Goodwill and trademarks are monitored by the finance department.

When assessing impairment, assets are allocated in full to the Group since the goodwill relates to the acquisition of the Lime Technologies Sweden Group and More Intenz AB. Lime has determined that the Group is the lowest level where there are independent cash flows (cash-generating units).

Impairment testing of goodwill and customer relations is based on the value in use. The value in use is based on future cash flow projections, the DCF method, with the first 4 years being based on the business plan approved by the board of directors. The relief-from-royalty method is used for impairment testing of trademarks and software.

Critical variables, as well as the method of estimating these values for the five-year forecast period, are described below. All significant assumptions are based on senior executives' past experience.

### Forecast period and long-term growth

The forecast period is 5 years. Cash flow beyond that period has been attributed an annual net sales growth rate of 2 (2) percent, which is somewhat higher than expected general GDP growth, and is justified by the fact that Lime is operating in a growth industry, with continued outlook for high growth beyond the forecast period.

### Growth and margin

The net sales growth rate and cost trend during the first five years are based on management's experience and assessment of the Group's position in the market.

### Discount rate

The discount rate is calculated as the Group's weighted average cost of capital including a risk premium. The projected cash flows have been discounted, applying a discount rate of 8.5 (8.5) percent before tax.

### Sensitivity analysis

The recoverable value exceeds the carrying value for all cash-generating units. Management believes that a reasonable and possible change in the critical variables above would not have such an impact that they individually would reduce the recoverable value below the carrying value. Management has tested a change in the discount rate of 5 percentage points, a change in net sales growth of 2 percentage points and a change in the perpetual yearly growth rate of 1 percentage point, without the recovery value being reduced below the carrying value.

## 15. Tangible non-current assets

	Vehicles	Machinery and equipment	Right-to-use assets	Total
<b>2020 Financial year</b>				
Opening balance	2,570	591	16,189	19,350
Exchange rate differences	-	-1	0	-1
Purchases	317	393	15,326	16,036
Sales and disposals	-667	-113	0	-780
Depreciation	-562	-223	-9,545	-10,330
<b>Closing balance</b>	<b>1,658</b>	<b>647</b>	<b>21,970</b>	<b>24,275</b>
<b>As per December 31, 2020</b>				
Acquisition value or restated amount	3,879	2,910	38,980	45,769
Accumulated depreciations	-2,221	-2,263	-17,010	-21,494
<b>Carrying value</b>	<b>1,658</b>	<b>647</b>	<b>21,970</b>	<b>24,275</b>
<b>2019 Financial year</b>				
Opening balance	3,178	704	0	3,882
Exchange rate differences	-	1	0	1
Purchases	532	182	25,314	26,028
Sales and disposals	-489	-91	0	-580
Depreciation	-651	-205	-9,125	-9,981
<b>Closing balance</b>	<b>2,570</b>	<b>591</b>	<b>16,189</b>	<b>19,350</b>
<b>As per December 31, 2019</b>				
Acquisition value or restated amount	5,197	2,640	25,313	33,150
Accumulated depreciations	-2,627	-2,049	-9,124	-13,800
<b>Carrying value</b>	<b>2,570</b>	<b>591</b>	<b>16,189</b>	<b>19,350</b>

## 15.1 Leases

### (a) Amounts reported in the balance sheet

The balance sheet includes the following amounts in relation to leasing agreements:

<b>Right-to-use assets</b>	<b>Jan 1 - Dec 31, 2020</b>	<b>Jan 1 - Dec 31, 2019</b>
Office space*	21,970	16,189
Vehicles	1,658	2,570
<b>Closing balance</b>	<b>23,628</b>	<b>18,759</b>

<b>Leasing liabilities</b>	<b>Jan 1 - Dec 31, 2020</b>	<b>Jan 1 - Dec 31, 2019</b>
Current	9,319	9,232
Accrued expenses, current	69	79
Non-current	14,240	9,448
<b>Closing balance</b>	<b>23,628</b>	<b>18,759</b>

\*) In previous years, only leasing assets and leasing liabilities relating to financial leases were reported in accordance with IAS 17 Leases. The assets were reported as part of tangible non-current assets, and the liabilities as part of the group's borrowings. For adjustments accounted for at the transition to IFRS 16 on 1 January 2019, see note 21.

Rights of use added during the financial year amounted to SEK 8,235,000, and rights of use with extended agreements amounted to SEK 7,091,000.

Net cash flow from existing leases was TSEK -12,741 (-12,633) in 2020.

For a maturity analysis of contractual undiscounted payments of lease liabilities, see page 86.

### (b) Amounts reported in the income statement

The income statement includes the following amounts in relation to leasing agreements:

<b>Depreciation of right-to-use assets</b>	<b>2020-12-31</b>	<b>2019-12-31</b>
Office space	-9,545	-9,125
Vehicles	-562	-651
<b>Total depreciation</b>	<b>-10,107</b>	<b>-9,776</b>
Interest expenses (included in financial expenses)	-320	-327
Expenses related to leases for which the underlying asset is of low value (included in Other expenses)	-2,843	-1,803

Depreciation of right-to-use assets and leased vehicles – for the purpose of dividing their acquisition value, or restated value, as the estimated residual value across the estimated useful life – is done based on the straight-line method according to the following:

Vehicles	5 years
Office space	1-60 months



**(c) The Group's leasing activities and how they are accounted for**

The Group leases various office spaces, vehicles and equipment. Contracted leasing terms are normally fixed between 6 months and 5 years, with an option to extend the lease term. This is described in further detail below.

Agreements can include both lease and non-lease components. The Group separates payments under a lease agreement between lease and non-lease components based on their relative independence. Leasing fees for office space leased by the Group are, however, not separated between lease and non-lease components but instead accounted for as one combined lease component.

Terms are negotiated separately for each agreement and cover a variety of different contract terms and conditions. The leasing agreements do not cover any specific terms or restrictions except that the lessor retains the rights to pledged leased assets. Leased assets may not be used as collaterals under loans.

From 1 January 2019, leasing agreements are accounted for as right-to-use assets with a corresponding liability from the day the leased asset is available for use by the Group.

Assets and liabilities arising from leasing agreements are initially measured at present value. The leasing liabilities include the present value of the following leasing payments:

- fixed payments (including in-substance fixed payments), less any lease incentives received when signing the lease agreement
- variable lease payment that depend on an index or rate, initially assessed using an index or rate as at the commencement date of the lease
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise such option
- penalty payments for terminating the lease, if the lease term is such that the Group will exercise the option to terminate the lease agreement.

Lease payments that will be made under reasonably certain extension options, are also included when measuring the liability.

Lease payments are discounted using the implicit rate of the lease agreement. If this rate cannot be determined easily, which normally is the case for the Group's leasing agreements, then the lessee's incre-

mental borrowing rate shall be used, which is the rate the individual lessee would pay to borrow the necessary funds to buy an asset of comparable value to the right-to-use asset, in a similar economic environment at similar terms and conditions and securities.

The group is exposed to possible future increases in variable lease payments that depend on an index or rate, that are not included in the lease liability until they come into effect. The lease liability is remeasured and adjusted against the right-to-use asset once adjustments of lease payments that depend on an index or rate come into effect.

Lease payments are separated between amortisation of the liability and interest. The interest is accounted for in the income statement over the term of the lease, which means a fixed interest rate is applied to the lease liability reported in each reporting period.

The right-to-use assets are measured at acquisition value and include the following:

- the initial measurement of the lease liability
- lease payments paid at or prior to the commencement date, less any lease incentives received when signing the lease agreement
- initial direct payments
- expenses relating to restoring the asset to the conditions stated in the terms and conditions under the lease agreement

Right-to-use assets are normally depreciated on a straight-line basis over the shorter of the useful life and the leasing term. If the group is reasonably certain it will exercise a purchase option, then the right-of-use asset is depreciated over the underlying asset's useful life.

Payments under short-term agreements relating to equipment and vehicles and all low-value lease agreements, are expensed on a straight-line basis in the income statement. Short-term agreements are agreements with a lease term of 12 months or less. Low-value agreements include IT equipment and some office furniture.

Some of the Group's lease agreements relating to office space and vehicles include extension and termination options. The purpose of the terms is to maximise the flexibility when managing assets used in the Group's business operations. The majority of the options to extend or terminate an agreement can only be exercised by the Group, and not by the lessor.

The parent company has no leased assets.

## 16. Financial non-current assets

<b>Shares in subsidiaries</b>	<b>The Parent Company</b>	
	<b>2020</b>	<b>2019</b>
Opening acquisition value	133,360	133,360
<b>Carrying value</b>	<b>133,360</b>	<b>133,360</b>

<b>Shares in associated companies</b>	<b>Group</b>		<b>The Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Opening acquisition value	2,705	-	-	-
Acquisition	0	2,952	-	-
Income from shares in associated companies	547	-247	-	-
Sales and disposals	-3,252	-	-	-
<b>Carrying value</b>	<b>0</b>	<b>2,705</b>	<b>0</b>	<b>0</b>

<b>Other financial non-current assets</b>	<b>The Group</b>		<b>The Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Depositions	706	537	-	-
<b>Carrying value</b>	<b>706</b>	<b>537</b>	<b>0</b>	<b>0</b>

## 16.1 Subsidiaries

<b>Name</b>	<b>Country of incorporation and operation</b>	<b>Operation</b>	<b>Number of ordinary shares owned by the Parent Company (%)</b>	<b>Number of ordinary shares owned by the Group (%)</b>	<b>Equity (MSEK)</b>	<b>Net income (MSEK)</b>
Lime Technologies Sweden AB	Sweden	Head office	100%		19.5	1.3
Lime Technologies Norway AS	Norway	Sales	-	100%	6.7	0.3
Lime Technologies Finland OY	Finland	Sales	-	100%	5.6	0.8
Lime Technologies Denmark A/S	Denmark	Sales	-	100%	-4.1	-0.1
RemoteX Technologies AB	Sweden	-	-	-	-	-
Netoptions Sweden AB	Sweden	-	-	-	-	-
Hysminai AB	Sweden	-	-	100%	0.1	0.0
Lime Intenz AB	Sweden	Consultancy	-	58%	4.3	0.7
Lime Technologies Gävle AB	Sweden	Product-development	-	65%	0.2	-0.8
Lime Technologies Netherlands B.V.	Netherlands	Sales	-	100%	-1.3	-1.3

All subsidiaries are consolidated in the Group. The voting rights in the subsidiaries, directly owned by the Parent company, do not differ from the ownership of ordinary shares. Lime Intenz AB and Lime Technologies Gävle AB are consolidated to 100%. For more information see note 27. For business registration numbers see page 5.

The former wholly-owned subsidiaries, RemoteX Technologies AB and Netoptions Sweden AB, were divested for liquidation in 2020. Both companies were dormant.

## 16.2 Associated companies

Namn	Country of incorporation and operation	Operation	Number of ordinary shares owned by the Parent Company (%)	Number of ordinary shares owned by the Group (%)	Equity (MSEK)	Net income (MSEK)
Lime Technologies Gävle AB	Sweden	Development, Sales	-	-	-	-

## 16.3 Financial instruments per category

The credit rating of the borrowings and trade receivables cannot be estimated based on external credit ratings. Trade receivable losses have historically been very low. Cash and cash equivalents consist entirely of cash funds

The Group	Valued at accrued acquisition value	Valued at fair value through the income statement	Total
<b>December 31, 2020</b>			
<b>Balance sheet assets</b>			
Trade receivables and other receivables excluding interim claims	53,841	-	53,841
Cash and cash equivalents	64,662	-	64,662
<b>Total</b>	<b>118,503</b>	<b>0</b>	<b>118,503</b>
<b>Balance sheet liabilities</b>			
Borrowings	97,670	-	97,670
Trade payables and other liabilities excluding financial liabilities	36,203	-	36,203
<b>Total</b>	<b>133,873</b>	<b>0</b>	<b>133,873</b>
<b>The Group</b>	<b>Valued at accrued acquisition value</b>	<b>Valued at fair value through the income statement</b>	<b>Total</b>
<b>December 31, 2019</b>			
<b>Balance sheet assets</b>			
Trade receivables and other receivables excluding interim claims	53,829	-	53,829
Cash and cash equivalents	31,342	-	31,342
<b>Total</b>	<b>85,171</b>	<b>0</b>	<b>85,171</b>
<b>Balance sheet liabilities</b>			
Borrowings	112,180	-	112,180
Trade payables and other liabilities excluding financial liabilities	28,002	-	28,002
<b>Total</b>	<b>140,182</b>	<b>0</b>	<b>140,182</b>

## 17. Trade receivables

The Group has no non-current trade receivables. The fair value for current trade receivables corresponds to carrying value.

	The Group	
	2020	2019
Trade receivables	51,604	52,763
<b>Total</b>	<b>51,604</b>	<b>52,763</b>

Trade receivables as of the closing date	The Group	
	2020	2019
Not due	41,753	37,317
Less than 3 months	9,799	15,267
More than 3 months	52	179
<b>Total</b>	<b>51,604</b>	<b>52,763</b>

As of December 31, 2020, the Group has reserved MSEK 1.8 (1.4) for estimated losses in trade receivables. Other categories of trade receivable and other receivables do not include any assets for which impairment is required. Trade receivables are divided among MSEK 42.2 (41.8), MEUR 0.3 (0.4), MDKK 1.5 (1.5) and MNOK 4.0 (4.6).

## 18. Prepaid expenses and accrued revenue

	The Group		The Parent Company	
	2020	2019	2020	2019
Prepaid rent	356	313	-	-
Prepaid insurances	302	110	22	-
Accrued income	1,838	371	-	-
Other prepaid expenses	1,889	2,998	109	158
<b>Total</b>	<b>4,385</b>	<b>3,792</b>	<b>131</b>	<b>158</b>

## 19. Cash and cash equivalent

	The Group		The Parent Company	
	2020	2019	2020	2019
Cash and cash equivalent	64,662	31,342	717	782
<b>Total</b>	<b>64,662</b>	<b>31,342</b>	<b>717</b>	<b>782</b>

The Group's cash and cash equivalents are invested with Skandinaviska Enskilda Banken AB (publ). The bank has the highest credit rating, i.e. AAA, on Standard & Poor.

## 20. Share capital

	Number of shares
<b>As of December 31, 2019</b>	<b>13,283,481</b>
<b>As of December 31, 2020</b>	<b>13,283,481</b>

The total number of issued shares is 13,283,481 (13,283,481) units, each with a quota (par) value of SEK 0.04 (0.04). All issued shares are fully paid.

The company had two stock option programs at the beginning of 2019. Both stock option programs expired in March 2019 and all 783,482 shares under the programs were issued.

Lime does not own any of its own shares.

## 21. Additional paid in capital

### Share-based compensation

The company's employees were offered to acquire stock options in the company. 2,724 options in total were issued to employees in two series: 2014/2019 and 2015/2019. The number of shares which the

holders of the stock options were entitled to, as well as the exercise price, was restated based on dividend paid in 2016 and 2018. Furthermore, the number of shares which the holders of the stock options were entitled to was restated based on the share split (1:250) on 16 October 2018. The stock options entitled the holders to 783,481 shares in total. Each stock option of series 2014/2019 entitled the holder to subscribe to approximately 288 shares in the Company at a price of SEK 5.48 per share. Each stock option of series 2015/2019 entitled the holder to subscribe to approximately 288 shares in the Company at a price of SEK 21.08 per share. Both programs expired in March 2019 and all stock options were exercised and 783,481 shares were issued.

No options were awarded during the year. The weighted average fair value of options awarded during the period was determined using the Black-Scholes evaluation model. Important input data in the model were weighted average share price of SEK 4 663 on the awarding date (based on the number of shares prior to the share split), above mentioned exercise price, volatility of 29%, expected tenor for the options of 4-5 years, dilution 5.4% and yearly riskfree interest of -0.26%.

	2020		2019	
	Average exercise price SEK / share	Options (units)	Average exercise price SEK / share	Options (units)
As per January 1		-		7 2,724
+/- Restated after dividend		-	-	-
+/- Split		-	-	-
- Expired		-	-	-2,724
<b>Total</b>		-	-	-

## 22. Borrowings

<b>Non-current liability</b>	<b>The Group</b>		<b>The Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Borrowings	28,524	56,617	28,286	56,617
Liabilities related to leasing	14,240	9,232	-	-
Other non-current liabilities	15,183	8,643	-	-
<b>Total</b>	<b>57,947</b>	<b>74,492</b>	<b>28,286</b>	<b>56,617</b>

<b>Current liability</b>	<b>The Group</b>		<b>The Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Borrowings	28,535	28,240	28,286	28,240
Liabilities related to leasing	9,319	9,448	-	-
Other current liabilities	1,869	-	-	-
<b>Total</b>	<b>39,723</b>	<b>37,688</b>	<b>28,286</b>	<b>28,240</b>

**Bank loans**

The bank loans are reported by the Parent company and mature at the end of 2023. The bank loans carry an average interest rate of 1.9% per annum. An additional loan of MSEK 8, with the same terms and conditions and remaining credit period, was obtained in July 2019.

The loan agreement contains certain financial and other covenants, including a restriction of the highest permitted ratio between senior net debt and EBITDA on a group level of 2.0, and a requirement of the lowest permitted ratio between cash flow and interest and amortization on a group level of 1.0 (calculated as per the loan agreement). In addition, there are restrictions on further borrowings, guarantee commitments and pledges, significant changes to the business as well as on acquisitions, investments and divestments.

Collaterals for the bank loans consist of shares in subsidiaries.

The fair value of current borrowings equals the carrying value, as the discounted effect is insignificant. Fair values are based on discounted cash flows with an interest rate based on the borrowing rate of 1.9%.

**Liabilities relating to financial leasing**

Leasing liabilities are effectively hedged as the rights to the leased asset are reverted to the lessor in the event of payment default. For more information, see note 15.1.



### 23. Deferred income tax

Deferred tax assets and tax liabilities are offset when there is a legal right to offset current tax assets and tax liabilities, and when deferred taxes relate to one and the same tax authority. The Group is not reporting any offset tax assets and liabilities.

Deferred tax assets are reported for future tax deductions, to the extent that they are likely to be offset against taxable profits in a foreseeable future. The Group reports non-deferred tax assets of MSEK 2.7 (2.1) relating to losses of MSEK 13.0 (9.7), which can be offset against future taxable profits.

The reported deferred tax is attributable to:

	The Group	
	2020	2019
<b>Deferred tax asset</b>		
Other temporary differences	59	59
<b>Total</b>	<b>59</b>	<b>59</b>
	The Group	
	2020	2019
<b>Deferred tax liability</b>		
Untaxed reserves	0	719
Capitalised development expenses	12,398	10,938
Deferred tax related to customer relations	2,643	3,502
Deferred tax related to software	5,908	2,795
Deferred tax related to trademarks	7,010	7,010
<b>Total</b>	<b>27,959</b>	<b>24,964</b>

## 24. Other liabilities

	The Group		The Parent Company	
	2020	2019	2020	2019
VAT	10,675	8,853	190	551
Employee related liabilities (taxes and fees)	8,881	8,040	357	815
<b>Total</b>	<b>19,555</b>	<b>16,894</b>	<b>547</b>	<b>1,366</b>

## 25. Accrued expenses and prepaid revenue

	The Group		The Parent Company	
	2020	2019	2020	2019
Prepaid revenue (service agreements / subscriptions)	58,329	54,570	0	0
Leave loading	15,197	12,803	443	462
Social security expenses	4,336	3,721	139	145
Other accrued expenses	13,818	8,700	1,870	781
<b>Total</b>	<b>91,680</b>	<b>79,794</b>	<b>2,452</b>	<b>1,388</b>

## 26. Business acquisitions

### Lime Intenz AB (previously More Intenz AB)

On 1 July 2019, Lime acquired 58% of the shares and the voting rights in Lime Intenz AB. Lime Intenz AB sells and delivers services that help companies improve their sales and customer services activities.

The purchase price for the 58% share amounted to 7 MSEK to be paid in two tranches, and a customary adjustment of cash and liabilities in the company of MSEK 3. Preliminary purchase price for all shares amount to MSEK 19. The purchase price is financed by cash and through banks loans.

The second part of the acquisition consists of stock options relating to the remaining 42 percent of the shares. The stock options are expected to be called upon in three tranches over the coming three years (after the end of financial years 2020, 2021 and 2022). The purchase price of the shares, as called upon, will be based on the company's net sales for each financial year (amounting to between 16.67% and 25% of net sales).

The acquired company is included in Lime's consolidated income statement and balance sheet from the date the acquisition was completed, and control was gained, i.e. 1 July 2019. The pricing and terms, in general, render it most likely that the stock option will be exercised on the respective due dates. An estimated exercise price has been reported as deferred liability in the Group's balance sheet. The acquisition creates a preliminary surplus value in the Group, amounting to approximately MSEK 17, before deferred tax. The surplus value has been allocated to customer relations (MSEK 6) and goodwill (MSEK 11). The goodwill is, in large part, attributable to staff competence and advantages of integration.

Net sales of MSEK 5.6 and net income after tax of MSEK 0.3 from the acquired company have been consolidated in the Lime Group in 2019. Had More Intenz AB been consolidated from 1 January 2019, this would have added net sales and net income of MSEK 8.3 and MSEK 1.1 respectively to the Group.

The acquisition costs amounted to MSEK 0.3 in 2019.

The acquisition analysis is based on finalised valuations of identifiable intangible assets. The exercise price, which has been deferred as a liability, is based on future revenue and can thus not be firmly determined. The acquisition analysis is therefore deemed to be tentative in relation to this liability. According to the acquisition analysis, the purchase price and the acquired net assets amount to:

<b>Purchase price</b>	<b>MSEK</b>
Cash and cash equivalent	5
Accrued purchase price	2
Adjusted accrued purchase price	3
Deferred liability, exercise price	9
<b>Total preliminary purchase price</b>	<b>19</b>
<b>Assets and liabilities included following the acquisition</b>	
<i>Intangible non-current assets</i>	
Customer relations	6
Goodwill	11
Deferred tax liabilities	-1
Trade receivables and other receivables	2
Cash and cash equivalent	5
Trade payables and other liabilities	-4
<b>Total identifiable net assets</b>	<b>19</b>
<b>Acquired net assets</b>	<b>19</b>

### Lime Technologies Gävle AB (previously Janjoo AB)

On 1 July 2019, Lime acquired 30% of the share capital and the voting rights in Lime Technologies Gävle AB. Janjoo AB develops and sells e-services, including document management and case management portals, which simplify and streamline communications between energy and real estate companies and their customers. The purchase price amounted to MSEK 3 and was financed by cash and through bank loans.

Lime had a significant influence, but not control, in Lime Technologies Gävle AB, rendering it classified as an associated company. On December 31, 2019, the acquired company is reported as shares in associated companies in accordance with the equity method, from the date the acquisition was completed, and significant influence was gained. The carrying value amounted to MSEK 3 as per the acquisition date.

The owners of Lime Technologies Gävle AB issued options entitling Lime to acquire the remaining 70 percent of the shares no later than 31 December 2021. In the event the options are exercised, the purchase price for half of the shares, i.e. 35%, will be MSEK 7 and for the other half of the shares, i.e. 35%, the purchase price depends on Lime Technologies Gävle AB's recurring revenue, however no less than MSEK 7 and no more than MSEK 12.25.

Lime Technologies Gävle AB has shown strong progress, which strengthens our confidence that their products will boost our offerings to both new and existing customers. Therefore, Lime has exercised the option to acquire an additional 35% of the shares. The acquisition was completed on 13 January 2020.

From the date the acquisition was completed, and control was gained – on 13 January 2020 – the acquired company is consolidated fully into the Lime Group's income statement and balance sheet. The company was reported as shares in associated companies up till January 13, 2020. The pricing and terms for the remaining 35% option is such that Lime believes this option is highly likely to be exercised when due, hence an estimated exercise price has been reported as a liability in the Group as of January 13, 2020.

The acquisition generates a goodwill value before deferred taxes of MSEK 24 for the Group. The goodwill value is entirely allocated to software.

Acquisition costs in 2019 amounted to MSEK 0.2.

The acquisition analysis is based on final assessments of identifiable intangible assets. The exercise price, which has been reported as a liability, is based on future annual recurring revenue and can thus not be firmly determined. The acquisition analysis is therefore deemed to be tentative in relation to this liability. Following the analysis, the acquisition price and acquired net assets amount to:

<b>Purchase price</b>	<b>MSEK</b>
Cash and cash equivalent, 30%	3
Cash and cash equivalent, 35%	7
Effect on profit	0
Deferred liability, exercise price	9
<b>Total preliminary purchase price</b>	<b>20</b>
<b>Assets and liabilities included following the acquisition</b>	
<i>Intangible non-current assets</i>	
Software and capitalized expenses	25
Deferred tax liability	-5
Trade receivables and other receivables	1
Cash and cash equivalent	2
Non-current debt	-0
Trade payables and other liabilities	-2
<b>Total identifiable net assets</b>	<b>20</b>
<b>Acquired net assets</b>	<b>20</b>

## 27. Pledged collaterals and contingent liabilities

	The Group		The Parent Company	
	2020	2019	2020	2019
Pledged collaterals				
Shares in subsidiaries	26,677	28,269	133,360	133,360
Financially leased vehicles	1,658	2,570	0	0
	<b>28,335</b>	<b>30,839</b>	<b>133,360</b>	<b>133,360</b>

## 28. Related parties

Related parties refer to:

- Companies which, directly or indirectly, through one or more intermediaries, exercise a controlling influence over Lime.
- Individuals and individuals' close family members, who hold, directly or indirectly, such a proportion of the votes in Lime, that they have significant influence on the company.

The Lime Group has no transactions with related parties, as defined in IAS 24 disclosure of related parties (see above), to report in addition to those specified in note 8.

Transactions between companies within the Group are at arm's length.

In 2020, the Parent company has invoiced Group companies MSEK 5.6 (7.1) for services performed. Interest between Group companies is reported under note 9.

## 29. Events after the reporting period

In March 2021, Lime's Board of Directors appointed Nils Olsson as the new CEO and Managing Director of Lime.

Nils will take up the post on 1 May. The change of CEO is part of the Company's long-term planning, and, accordingly, has been well prepared. The present CEO, Erik Syrén, will place himself at the disposal of the Nominations Committee for a place on the Board, and remains as a major shareholder.

## 30. Cash flow from current operations

	The Group		The Parent Company	
	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020	Jan 1 - Dec 31, 2019
Net income before financial items for the period	83,200	52,053	-1,989	-1,480
Adjusted for:				
- depreciation on tangible non-current assets	10,330	9,981	-	-
- depreciation on intangible non-current assets	28,029	21,625	-	-
- other non-cash items	-1,621	168	-	-
Change in working capital				
- acquisition of subsidiaries	-5,787	-677	-	-
- trade receivables and other receivables	-605	-2,244	-27,438	219
- trade payables and other payables	22,150	8,388	5,265	-682
<b>Cash flow from operations</b>	<b>135,696</b>	<b>89,294</b>	<b>-24,161</b>	<b>-1,943</b>

### 31. Cash flow from financing activities

Below is a reconciliation of opening and closing balances of liabilities the cash flow of which is included in financing activities

#### The Group

	Non-cash flow items						Dec 31, 2020
	Jan 1, 2020	Cash flow items	Interest	Currency	Writtendown stock option liability	New leases	
Current bank loans	28,240	295					28,535
Non-current bank loans	56,617	-28,093					28,524
Financial leases	18,680	-11,498	-320		1,372	15,325	23,559
<b>Total</b>	<b>103,537</b>	<b>-39,296</b>	<b>-320</b>	<b>0</b>	<b>1,372</b>	<b>15,325</b>	<b>80,618</b>
Adjustment leases		623				-623	0
<b>Total cash flow analysis</b>	<b>103,537</b>	<b>-38,673</b>	<b>-320</b>	<b>0</b>	<b>1,372</b>	<b>14,702</b>	<b>80,618</b>
Cash and cash equivalent	21,152	44,500		-990			64,662
<b>Total</b>	<b>21,152</b>	<b>44,500</b>	<b>0</b>	<b>-990</b>	<b>0</b>	<b>0</b>	<b>64,662</b>

	Non-cash flow items						Dec 31, 2019
	Jan 1, 2019	Cash flow items	Interest	Currency	Writtendown stock option liability	New leases	
Current bank loans	26,000	2,240					28,240
Non-current bank loans	78,000	-21,383					56,617
Financial leases	3,113	-10,176	-327			26,070	18,680
<b>Total</b>	<b>107,113</b>	<b>-29,319</b>	<b>-327</b>	<b>0</b>	<b>0</b>	<b>26,070</b>	<b>103,537</b>
Adjustment leases		469				-469	0
<b>Total cash flow analysis</b>	<b>107,113</b>	<b>-28,850</b>	<b>-327</b>	<b>0</b>	<b>0</b>	<b>25,601</b>	<b>103,537</b>
Cash and cash equivalent	21,152	9,873		317			31,342
<b>Total</b>	<b>21,152</b>	<b>9,873</b>	<b>0</b>	<b>317</b>	<b>0</b>	<b>0</b>	<b>31,342</b>



## The Parent company

	Jan 1, 2020	Cash flow items	Dec 31, 2020
Current bank loans	28,240	46	28,286
Non-current bank loans	56,617	-28,331	28,286
<b>Total</b>	<b>84,857</b>	<b>-28,285</b>	<b>56,572</b>
<b>Total cash flow analysis</b>	<b>84,857</b>	<b>-28,285</b>	<b>56,572</b>
Cash and cash equivalent	782	-65	717
<b>Total</b>	<b>782</b>	<b>-65</b>	<b>717</b>

	Jan 1, 2019	Cash flow items	Dec 31, 2019
Current bank loans	26,000	2,240	28,240
Non-current bank loans	78,000	-21,383	56,617
<b>Total</b>	<b>104,000</b>	<b>-19,143</b>	<b>84,857</b>
<b>Total cash flow analysis</b>	<b>104,000</b>	<b>-19,143</b>	<b>84,857</b>
Cash and cash equivalent	997	-215	782
<b>Total</b>	<b>997</b>	<b>-215</b>	<b>782</b>

## 32. Definition of performance measures

The Group's key ratios are presented below. Some of these are defined in accordance with IFRS. Alternative performance measures (APM) have been identified that are believed to enhance investors' and Group management's evaluation of the company's performance as well as relevant trends. The APMs presented in this report may differ from similarly titled measures used by other companies. The APMs should therefore be seen as a supplement to the key ratios defined by IFRS.

### Annual recurring revenue

The recurring revenue, in the last month of the quarter, recalculated to a 12-month period. The measure indicates the value of recurring revenue during the coming 12 months based on revenue from existing customers at the end of the period. The measure is also important for industry comparisons.

### Number of shares outstanding

The number of registered shares less any repurchased shares at the balance sheet date. The measure is mainly used for calculation of key ratios, see below. The Group did not own any of its own shares during any of the reporting periods. The key ratios have, when applicable, been restated based on the share split (1:250) in October 2018.

### EBITA

Operating income before depreciation of acquired intangible non-current assets. The purpose is to assess the Group's operational activities. EBITA is a supplement to operating income as it is an indication of cash flow from operations.

### EBITDA

Operating income before depreciation on tangible and intangible non-current assets. The purpose is to assess the Group's operational activities. EBITDA is a supplement to operating income.

### Financial assets

Non-current and current financial assets, and cash and cash equivalent. The financial assets measure is used for the application of IFRS 9. The measure is used to calculate net liabilities.

### Adjusted EBIT

Operating income according to the income statement before one-off items. The measure is a supplement to operating income adjusted for one-off items affecting comparison. The purpose is to show the operating income excluding items that affect comparison with other periods.

### Adjusted EBITA

Adjusted EBITA shows EBITA adjusted for one-off items affecting comparison. The purpose is to show EBITA excluding items that affect comparison with other periods.

### Adjusted EBITDA

Adjusted EBITDA shows EBITDA adjusted for one-off items affecting comparison. The purpose is to show EBITDA excluding items that affect comparison with other periods.

### One-off items affecting comparison

Refers to items that are reported separately as they are of significant nature and affect comparison and are considered foreign ordinary core operations. Examples are acquisition-related expenses, expenses relating to public listing of shares or restructuring costs.

### Growth in net sales

The measure shows %-growth in net sales compared to the same period during previous year. The measure is a key ratio for a company within a growth industry.

### Net liabilities

Interest-bearing non-current and current liabilities less financial assets. The purpose is to show the group's real level of debt.

### Average number of employees

The average number of employees means the number of employees during the last 12-month period in relation to normal yearly working hours. The measure indicates how well one of the group's key processes – recruitment and development of staff – develops over time.

### Organic growth in net sales

The measure shows growth in net sales adjusted for acquisitions during the last 12 months. Acquired businesses are included in organic growth once they have been part of the Lime Group for four quarters. The measure is used to analyse underlying net sales growth.

### Recurring revenue

Revenue of annual recurring nature is made up of support and maintenance revenues and subscription revenues.

### Earnings per share

Defined in accordance with IFRS.

### Earnings per share, diluted

Defined in accordance with IFRS.

**Operating margin, EBIT (%)**

Operating income in relation to net sales. The measure is an indicator to readers of financial reports of a company's earning ability in relation to its net sales.

**Operating income, EBIT**

Operating income according to the income statement.

The consolidated income statement and balance sheet will be presented for adoption at the annual general meeting on April 27, 2021.

The board of directors declares that the consolidated financial statements have been prepared in accordance with international financial reporting standards (IFRS), as adopted by the EU, and provide a fair view of the consolidated financial position and results of operations. The annual report has been prepared in accordance with generally accepted accounting principles and provides a fair view of the parent company's financial position and results of operations.

The directors' report for the group and the parent company provides a fair view of the development of the group's and the parent company's operations, financial position and results of operations, and describes material risks and uncertainties facing the parent company and the companies included in the group..

Stockholm, Sweden, March 25, 2021

**Martin Henricson**  
Chairman of the board

**Erik Syrén**  
CEO

**Marlene Forsell**  
Board member

**Peter Larsson**  
Board member

**Malin Ruijsenaars**  
Board member

**Anders Fransson**  
Board member

Our audit report is submitted on March 25, 2021  
Öhrlings PricewaterhouseCoopers AB

**Ola Bjärehäll**  
Authorised Public Accountant

# Auditor's Report



## Auditor's Report

To the general meeting of the shareholders of Lime Technologies AB (publ), corporate identity number 556953-2616

### Report on the annual accounts and the consolidated financial statements

#### *Opinions*

We have audited the annual accounts and the consolidated financial statements of Lime Technologies AB (publ) for 2020. The annual accounts and consolidated accounts of the Company are included on pages 58-119 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory Administration Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

#### *Basis of Opinions*

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. The auditors' responsibility according to these standards is described in detail in the section Auditor's Responsibility. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden, and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

#### *Our audit approach*

##### ***Emphasis and scope of the audit***

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Based on this, we have established which entities are considered significant, as well as what audit work should be performed in these entities. The Lime Technologies Group consists of ten subsidiaries, of which four foreign companies and the rest in Sweden.



### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p><b>Correctness and allocation of revenue</b></p> <p>Revenue in Lime Technologies AB (publ) mainly comprises sales of licenses, subscription revenue and consultant revenue. It is of great importance that there are efficient processes and guidelines in place for a correct recognition of revenue in the right period.</p> <p>Revenue recognition includes estimates and assessments, mainly related to the allocation and correctness of the delivery and completing of the services, which is essential for the time of the revenue recognition.</p> <p>The Groups policy of revenue recognition is described in Note 2.19 and revenue allocation within the various revenue streams is presented in Note 6.</p>	<p>Our audit includes, but is not limited to, the following audit procedures:</p> <ul style="list-style-type: none"> <li>• audit of the Group's policies for revenue recognition in order to verify compliance with IFRS,</li> <li>• update of our understanding and evaluation of controls for IT systems and processes that support the revenue recognition,</li> <li>• data analytics of the Company's revenue transactions</li> <li>• analysis of revenue broken down into service and product offerings, geographical markets and accounting periods,</li> <li>• review of revenue being classified in the correct revenue stream,</li> <li>• samples made regarding the correct and timely recognition of revenue, and</li> <li>• evaluation of the information submitted regarding IFRS 15.</li> </ul>
<p><b>Measurement of goodwill and intangible assets with indefinite useful lives</b></p> <p>The Group's intangible assets with indefinite useful lives consist of goodwill and brand. The goodwill item amounts to SEK 69.8 million, and brand amounts to SEK 33.5 million, which, in total, comprise a significant part of the Groups assets.</p> <p>Company management tests, annually, carrying amounts of goodwill and brand, in order to perform an impairment test. These assessment for impairment are complex and require that management makes estimates and assessments in order to establish, for example, the Group's cash generating units, as well as assumptions regarding future growth, profit margins, working capital requirements and discount rates.</p> <p>The Group's policies for impairment tests are described in Notes 5.1 and 14. Therein, are described significant assumptions used by the</p>	<p>Our audit includes, but is not limited to, the following audit procedures:</p> <ul style="list-style-type: none"> <li>• evaluation of the Group's procedures to prepare impairment tests in accordance with IFRS,</li> <li>• evaluation of significant assumptions made by the Company management for impairment tests of cash generating units, as well as the evaluation of the senility of these significant assumptions,</li> <li>• audit of the models applied for present value computations of future cash flows as regards their mathematical correctness, and</li> <li>• audit of information submitted, mainly regarding the assumptions for which the results of the impairment test are most sensitive.</li> </ul>




---

Company management applied in the preparation of the Group's impairment test.

---

*Other information than the annual accounts and consolidated accounts*

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-36, 37-57 and 125-133. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

*Responsibilities of the Board of Directors and the Chief Executive Officer*

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

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

*Auditors' responsibility*

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

As a part of our audit according to ISA, we undertake professional judgments and have a professionally skeptical approach during the entire audit. In addition, we execute the following activities:

- we identify and assess the risk of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, design and execute audit measures based, amongst other things, on these risks and obtain audit evidence which is sufficient and appropriate to comprise the basis of our opinion. The risk for failing to identify material misstatements arising due to fraud is greater as regards a material misstatement due to error, as fraud can include engagement in collusion, forgery, intentional omission, incorrect information or disregard of internal control;
- we obtain an understanding of that portion of the Foundation's internal control having significance to my audit to design audit measures which are appropriate with regard to the circumstances but we do not express an opinion on the effectiveness of the internal control;
- we evaluate the appropriateness of the accounting policies applied and the reasonability of the Board of Director's estimations in the accounts and associated disclosures;
- we test the appropriateness of the Board and Director's application of the assumption of going concern in preparing the annual accounts and the consolidated accounts. We also test, based on the audit evidence obtained, whether there are significant factors of uncertainty referring to such events or circumstances that can lead to significant doubt as to the Company's capacity to continue its operations. Should we come to the

3 of 5



conclusion that there are significant factors of uncertainty, we are required to provide a statement in the Auditor's Report, noting that the disclosures in the annual accounts and the consolidated financial statements involve factors of uncertainty, provided that such information is insufficient, modifying my opinion regarding the annual accounts and the consolidated financial statements. Our conclusions are based on the auditor's evidence obtained up until the date of the Auditor's Report. However, future events or circumstances can imply that a company can no longer continue its operations.

we evaluate the overall presentation, structure and content of the annual accounts and the consolidated financial statements, including the disclosures, and if the annual and consolidated accounts and the consolidated financial statements reflect the underlying transactions and events in a manner providing a true and fair view.

we obtain adequate and appropriate audit evidence about the financial information of the entities or business activities in the Group in order to express an opinion regarding the consolidated financial statements. We are responsible for the management, monitoring and performing of the Group audit. We are solely responsible for our opinions.

We are required to inform the Board of Directors of, amongst other things, the planned scope of the audit and its focus, and the time schedule for the audit. We are also required to inform on any significant observations made during the audit, including identified significant deficiencies in the internal control.

Furthermore, we are obliged to provide the Board of Directors with a statement confirming that we have complied with relevant professional requirement regarding independence, and present all relations and other circumstances that might impact our independence and, if necessary, attributable counter-measures.

Of the areas communicated by the Board, we establish which have been the most significant for the audit of the annual accounts and the consolidated accounts, including the risks assessed to be the most significant as regards material misstatements which, therefore, comprise the key audit matters. Unless laws and other regulations prevent us from disclosure of the matter, these disclosures will be included in our Auditors' Report.

## **Report on other legal and regulatory requirements**

### *Opinions*

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Lime Technologies AB (publ) for the year 2020 and the proposed appropriations of the Company's profit or loss.

We recommend that the meeting of the General Meeting allocate the profit in accordance with the proposal in the Administration Report and grant the members of the Board and the Managing Director discharge from liability for the financial year.

### *Basis of Opinions*

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

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

### *Responsibilities of the Board of Directors and the Chief Executive Officer*

The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the Company's and the Group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the Company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the Company's and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.





### *Auditors' responsibility*

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

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

Our goal with the audit of the proposal of allocation of the Company's profit or loss, and therefore our opinion thereof is to, with reasonable assurance assess whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect acts and omissions which can give rise to liability to the Company, or that the proposed allocation of earnings or loss is not in accordance with the Companies Act.

As a part of our audit according to ISA, we undertake professional judgments and have a professionally skeptical approach during the entire audit. The examination of the administration is based primarily on the audit of the accounts. Additional audit procedures performed are based on my professional judgement with the starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the Company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion of discharge from liability. As a basis for our opinion of the Board's proposed allocation of earnings, we have reviewed whether the proposal is in accordance with the Companies' Act.

Öhrlings PricewaterhouseCoopers AB was appointed auditor Lime Technologies AB (publ) by the general meeting of the shareholders on 29th of June 2020 and has been the company's auditor since the 1st of June 2015.

Stockholm, 25 March 2021

Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll  
Authorised Public Accountant

# Multi year overview

	2020	2019	2018	2017	2016
Net sales (MSEK)	338.7	289.7	244.3	203.9	160.4
Net sales growth (%)	17%	19%	20%	27%	11%
Organic net sales growth (%)	14%	16%	16%	15%	11%
Recurring revenue (MSEK)	194.4	167.2	138.5	110.2	73.7
Annual recurring revenue (MSEK)	206.2	180.6	151.7	125.9	84.1
EBITA (MSEK)	100.6	65.9	44.7	43.3	35.9
EBITA (%)	30%	23%	18%	21%	22%
EBITDA (MSEK)	121.6	83.7	50.7	47.4	38.7
EBITDA (%)	36%	29%	21%	23%	24%
Operating income, EBIT (MSEK)	83.2	52.1	31.8	33.0	31.2
Operating income, EBIT (%)	25%	18%	13%	16%	19%
One-off items that distort comparisons (MSEK)	1.4	-0.9	-9.6	-2.0	0.0
Adjusted EBITA (MSEK)	99.3	66.8	54.3	45.3	35.9
Adjusted EBITA (%)	29%	23%	22%	22%	22%
Adjusted EBITDA (MSEK)	120.2	84.6	60.2	49.4	38.7
Adjusted EBITDA (%)	35%	29%	25%	24%	24%
Adjusted EBIT (MSEK)	81.8	53.0	41.4	35.0	31.2
Adjusted EBIT (%)	24%	18%	17%	17%	19%
Earnings per share, basic (SEK)*	4.72	2.94	1.94	1.90	1.84
Earnings per share, diluted (SEK)*	4.72	2.94	1.83	1.80	1.74
Net debt (MSEK)	32.3	80.3	85.4	29.2	25.3
Number of employees (average)	244	223	195	185	156
Net sales per employee (MSEK)	1.4	1.3	1.3	1.1	1.0
Cash flow from current operations (MSEK)	119.1	74.2	38.7	39.7	34.1

\*) recalculated to the number of shares following the 1:250 share split in October 2018.

# Multi-year overview, key ratio definitions

**The Group's key ratios are presented below. Some of these are defined in accordance with IFRS. Alternative performance measures (APM) have been identified that are believed to enhance investors' and Group management's evaluation of the company's performance as well as relevant trends. The APMs presented in this report may differ from similarly titled measures used by other companies. The APMs should therefore be seen as a supplement to the key ratios defined by IFRS.**

## Annual recurring revenue

The recurring revenue, in the last month of the quarter, recalculated to a 12-month period. The measure indicates the value of recurring revenue during the coming 12 months based on revenue from existing customers at the end of the period. The measure is also important for industry comparisons.

<b>TSEK</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Recurring revenue	194,391	167,185	138,460	110,245	73,728
<b>ARR</b>	<b>206,210</b>	<b>180,564</b>	<b>151,695</b>	<b>125,908</b>	<b>84,059</b>

## Number of shares outstanding

The number of registered shares less any repurchased shares at the balance sheet date. The measure is mainly used for calculation of key ratios, see below. The Group did not own any of its own shares during any of the reporting periods. The key ratios have, when applicable, been restated based on the share split (1:250) in October 2018.

## EBITA

Operating income before depreciation of acquired intangible non-current assets. The purpose is to assess the Group's operational activities. EBITA is a supplement to operating income as it is an indication of cash flow from operations.

<b>TSEK</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Operating income	83,200	52,053	31,827	33,023	31,187
Depreciation on acquired intangible non-current assets	17,434	13,838	12,903	10,318	4,733
<b>EBITA</b>	<b>100,634</b>	<b>65,891</b>	<b>44,730</b>	<b>43,341</b>	<b>35,920</b>
Net sales	338,689	289,696	244,307	203,900	160,416
<b>EBITA (%)</b>	<b>30%</b>	<b>23%</b>	<b>18%</b>	<b>21%</b>	<b>22%</b>

**EBITDA**

Operating income before depreciation on tangible and intangible non-current assets. The purpose is to assess the Group's operational activities. EBITDA is a supplement to operating income.

<b>TSEK</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Operating income	83,200	52,053	31,827	33,023	31,187
Depreciation	38,359	31,606	18,865	14,394	7,530
<b>EBITDA</b>	<b>121,559</b>	<b>83,659</b>	<b>50,692</b>	<b>47,417</b>	<b>38,717</b>
Net sales	338,689	289,696	244,307	203,900	160,416
<b>EBITDA (%)</b>	<b>36%</b>	<b>29%</b>	<b>21%</b>	<b>23%</b>	<b>24%</b>

**Financial assets**

Non-current and current financial assets, and cash and cash equivalent. The financial assets measure is used for the application of IFRS 9. The measure is used to calculate net liabilities.

<b>TSEK</b>	<b>2020-12-31</b>	<b>2019-12-31</b>	<b>2018-12-31</b>	<b>2017-12-31</b>	<b>2016-12-31</b>
Other financial non-current assets	706	537	538	514	512
Cash and cash equivalent	64,662	31,342	21,152	24,249	29,700
<b>Financial assets</b>	<b>65,368</b>	<b>31,879</b>	<b>21,690</b>	<b>24,763</b>	<b>30,212</b>

**Adjusted EBIT**

Operating income according to the income statement before one-off items. The measure is a supplement to operating income adjusted for one-off items affecting comparison. The purpose is to show the operating income excluding items that affect comparison with other periods.

<b>TSEK</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
EBIT	83,200	52,053	31,827	33,023	31,187
One-off items that distort comparisons	-1,372	918	9,553	1 993	0
<b>Adjusted EBIT</b>	<b>81,828</b>	<b>52,971</b>	<b>41,380</b>	<b>35,016</b>	<b>31,187</b>
Net sales	338,689	289,696	244,307	203,900	160,416
<b>Adjusted EBIT (%)</b>	<b>24%</b>	<b>18%</b>	<b>17%</b>	<b>17%</b>	<b>19%</b>

### Adjusted EBITA

Adjusted EBITA shows EBITA adjusted for one-off items affecting comparison. The purpose is to show EBITA excluding items that affect comparison with other periods.

TSEK	2020	2019	2018	2017	2016
EBITA	100,634	65,891	44,730	43,341	35,920
One-off items that distort comparisons	-1,372	918	9,553	1,993	0
<b>Adjusted EBITA</b>	<b>99,262</b>	<b>66,809</b>	<b>54,283</b>	<b>45,334</b>	<b>35,920</b>
Net sales	338,689	289,696	244,307	203,900	160,416
<b>Adjusted EBITA (%)</b>	<b>29%</b>	<b>23%</b>	<b>22%</b>	<b>22%</b>	<b>22%</b>

### Adjusted EBITDA

Adjusted EBITDA shows EBITDA adjusted for one-off items affecting comparison. The purpose is to show EBITDA excluding items that affect comparison with other periods.

TSEK	2020	2019	2018	2017	2016
EBITDA	121,559	83,659	50,692	47,417	38,717
One-off items that distort comparison	-1,372	918	9,553	1,993	0
<b>Adjusted EBITDA</b>	<b>120,187</b>	<b>84,577</b>	<b>60,245</b>	<b>49,410</b>	<b>38,717</b>
Net sales	338,689	289,696	244,307	203,900	160,416
<b>Adjusted EBITDA (%)</b>	<b>35%</b>	<b>29%</b>	<b>25%</b>	<b>24%</b>	<b>24%</b>

### One-off items affecting comparison

Refers to items that are reported separately as they are of a significant nature and affect comparison and are considered foreign to the Group's ordinary core operations. Examples are acquisition-related expenses, expenses relating to public listing of shares, and restructuring costs.

TSEK	2020	2019	2018	2017	2016
Expenses related to public listing of the Company's shares	0	-293	-9,388	0	0
Acquisition related expenses	0	-625	-165	-1,993	0
Writing-down share option liability	1,372	0	0	0	0
<b>One-off items that distort comparisons</b>	<b>1,372</b>	<b>-918</b>	<b>-9,553</b>	<b>-1,993</b>	<b>0</b>

### Cash flow from current operations per share

Cash flow from current operations divided by the average number of shares outstanding. Allows readers of financial reports to compare cash flow from current operations per share. The number of shares has been restated following the 1:250 share split in October 2018.

TSEK	2020	2019	2018	2017	2016
Cash flow from current operations	119,090	74 168	38 748	39 694	34 083
Number of shares (thousands)	13,283	13 283	12 500	12 500	12 500
<b>Cash flow from current operations per share (SEK)</b>	<b>8.97</b>	<b>5.58</b>	<b>3.10</b>	<b>3.18</b>	<b>2.73</b>

### Growth in net sales

The measure shows %-growth in net sales compared to the same period during previous year. The measure is a key ratio for a company within a growth industry.

TSEK	2020	2019	2018	2017	2016
Net sales, the period	338,689	289,696	244,307	203,900	160,416
Net sales, same period previous period	289,696	244,307	203,900	160,416	144,770
<b>Growth in net sales</b>	<b>17%</b>	<b>19%</b>	<b>20%</b>	<b>27%</b>	<b>11%</b>

### Net liabilities

Interest-bearing non-current and current liabilities less financial assets. The purpose is to show the real level of debt.

TSEK	2020-12-31	2019-12-31	2018-12-31	2017-12-31	2016-12-31
Interest-bearing non-current liabilities	28,524	56,617	78,000	29,786	38,500
Non-current leasing liabilities	14,240	9,232	1,815	950	1,681
Other non-current liabilities	15,183	8,642	0	0	0
Interest-bearing current liabilities	30,404	28,240	26,000	21,143	14,000
Kortfritiga leasingskulder	9,319	9,448	1,298	2,118	1,342
Financial assets	-65,368	-31,879	-21,690	-24,763	-30,212
<b>Net liabilities</b>	<b>32,302</b>	<b>80,300</b>	<b>85,423</b>	<b>29,234</b>	<b>25,311</b>

### Average number of employees

The average number of employees means the number of employees during the last 12-month period in relation to normal yearly working hours. The measure indicates how well one of the Group's key processes – recruitment and development of staff develops over time.

### Net sales per employee

Shows trailing 12-month net sales in relation to average number of employees during the last 12 months. The measure is a key ratio for industry comparisons.

TSEK	2020	2019	2018	2017	2016
Net sales	338,689	289,696	244,307	203,900	160,416
Number of employees	244	223	195	185	156
<b>Net sales per employee</b>	<b>1 388</b>	<b>1 299</b>	<b>1 253</b>	<b>1 102</b>	<b>1 028</b>

### Organic growth in net sales

The measure shows growth in net sales adjusted for acquisitions during the last 12 months. Acquired businesses are included in organic growth once they have been part of the Lime Group for four quarters. The measure is used to analyse underlying net sales growth.

TSEK	2020	2019	2018	2017	2016
Net sales, the period	338,689	289,696	244,307	203,900	160,416
Acquired net sales, last 12 months	-15,320	-7,919	-9,400	-18,944	0
<b>Organic net sales</b>	<b>323,369</b>	<b>281,777</b>	<b>234,907</b>	<b>184,956</b>	<b>160,416</b>
Organic net sales, same period last year	281,777	234,907	184,956	160,416	144,770
Adjusted for acquired net sales last 24 months	2,046	8,230	16,733	0	0
<b>Comparable organic net sales</b>	<b>283,823</b>	<b>243,137</b>	<b>201,689</b>	<b>160,416</b>	<b>144,770</b>
<b>Organic net sales growth (%)</b>	<b>14%</b>	<b>16%</b>	<b>16%</b>	<b>15%</b>	<b>11%</b>

### Recurring revenue

Revenue of annual recurring nature is made up of support and maintenance revenues and subscription revenues.

TSEK	2020	2019	2018	2017	2016
Subscription revenue	150,995	122,620	94,192	65,574	29,770
Support agreements	43,396	44,565	44,268	44,670	43,958
<b>Recurring revenue</b>	<b>194,391</b>	<b>167,185</b>	<b>138,460</b>	<b>110,245</b>	<b>73,728</b>



### Recurring revenue in relation to operating expenses

Revenues of annual recurring nature in relation to operating expenses. The measure is a key ratio for industry comparisons.

TSEK	2020	2019	2018	2017	2016
Recurring revenue	194,391	167,185	138,460	110,245	73,728
Operating expenses	-257,247	-238,219	-212,972	-171,477	-129,617
<b>Recurring revenue in relation to operating expenses</b>	<b>76%</b>	<b>70%</b>	<b>65%</b>	<b>64%</b>	<b>57%</b>

### Earnings per share

Defined in accordance with IFRS.

### Earnings per share, diluted

Defined in accordance with IFRS.

### Operating margin, EBIT (%)

Operating income in relation to net sales. The measure is an indicator to readers of financial reports of a company's earning ability.

TSEK	2020	2019	2018	2017	2016
Operating income	83,200	52,053	31,827	33,023	31,187
Net sales	338,689	289,696	244,307	203,900	160,416
<b>OPERATING MARGIN</b>	<b>25%</b>	<b>18%</b>	<b>13%</b>	<b>16%</b>	<b>19%</b>

### Operating income, EBIT

Operating income according to the income statement.





## Follow Lime

All reports, annual reports and, where applicable, presentations are published at [investors.lime-technologies.com](https://investors.lime-technologies.com), where it's also possible to subscribe to mailings of financial information.

<b>April 27, 2021</b>	Interim report (January – March 2021)
<b>April 27, 2021</b>	Annual General Meeting
<b>July 16, 2021</b>	Interim report (January – June 2021)
<b>October 21, 2021</b>	Interim report (January – September 2021)
<b>February, 2022</b>	Year-End report 2021

Lime Technologies AB (publ)

Sankt lars väg 46  
222 70 Lund, Sweden  
[www.lime-technologies.se](https://www.lime-technologies.se)