

Interim report, January – September 2019

# Lime Technologies AB (publ)

## Third quarter

- Net sales MSEK 68.0 (55.4), rendering a net sales growth of 23% (23%)
- Organic net sales growth 18% (18%)
- Recurring revenue MSEK 42.5 (35.2)
- The quarter was impacted by one-off items affecting comparison, amounting to MSEK 0.0 (1.4), attributable to acquisitions, and in the third quarter 2018 to the listing of the company's shares on Nasdaq Stockholm
- EBITA MSEK 19.2 (14.2), rendering an EBITA margin of 28% (26%)
- Adjusted EBITA margin 28% (28%)
- Operating income, EBIT, MSEK 15.6 (10.8)
- Cash flow from current operations MSEK 14.6 (7.8)
- Net income MSEK 12.1 (8.1)
- Earnings per share SEK 0.91 (0.65) and diluted SEK 0.91 (0.61)

## The first nine months

- Net sales MSEK 207.9 (175.4), rendering a net sales growth of 19% (20%)
- Organic net sales growth 17% (15%)
- Recurring revenue MSEK 122.9 (101.3)
- The first nine months were impacted by one-off items affecting comparison, amounting to MSEK 0.9 (2.6), attributable to acquisitions and the listing of the company's shares on Nasdaq Stockholm
- EBITA MSEK 46.0 (36.1), rendering an EBITA margin of 22% (21%)
- Adjusted EBITA margin 23% (22%)
- Operating income, EBIT, MSEK 35.8 (26.4)
- Cash flow from current operations MSEK 45.1 (22.8)
- Net income MSEK 27.0 (20.1)
- Earnings per share SEK 2.03 (1.61) and diluted SEK 2.03 (1.51)
- Acquisition of 58% of More intenz AB and 30% of janjoo AB, with the purpose of broadening our offerings

## CEO's comments

# 23 percent growth and stronger profitability

I hope everyone has had a nice and relaxing summer. At Lime, we feel reinvigorated after our holidays and have since been focused on developing existing and finding new customers, integrating our recent business acquisitions – janjoo and More intenz – as well training some 40 new talented colleagues.

Growth during Q3 2019 reached 23%, of which organic growth was 18% compared to the same period last year. Organic growth is largely attributed to subscription sales with 22% growth in ARR. Sweden, which had a weaker second quarter, performed strongly in the third quarter and grew by 17% compared to the same period last year. One improvement factor was the stronger chargeability rate in Expert Services. The positive trend in the rest of the Nordic region continued with total growth of 54% and an increase in subscription revenue of 74%.

As mentioned, we have recruited more staff than previously. This investment has led to third quarter personnel expenses having increased more than originally forecasted. Despite this, we have been able to improve profitability, with EBITA reaching 28% compared to 26% for the same period last year.

Order intake have been strong during the first nine months, meaning we still have many business opportunities to work with during the coming quarters. Our overall assessment indicates that demand from our customers is the same as during the last few quarters. That being said, the changes we have made in recent years mean we are well prepared for possible market fluctuations, as we today have a significant proportion of recurring revenue, low customer concentration and four different focus verticals with varying degrees of cyclical sensitivity.

There is a strong correlation between our recruitment efforts today and our growth in two - three years. If and when we approach a weakening in the market, Lime sees this as an opportunity to utilise our profitability to recruit more talented staff. In such a situation, we will prioritise, as previously mentioned, growth over profitability in the short term.

Our strategy in the coming period is based on continued long-term profitable growth. Our focus remains the same: to become the leading CRM supplier in the Nordics. This means a continued focus on finding new customers and developing our existing customers within the Nordic countries. We see a large potential in selling the add-on modules acquired through our acquisitions, not least through the most recent acquisitions of More intenz and



Sweden performed strongly in the third quarter and grew by 17% compared to the same period last year. The positive trend in the rest of the Nordic region continued with total growth of 54% and an increase in subscription revenue of 74%.

**Erik Syrén, CEO**

janjoo, which were completed on July 1 this year. At the same time, we are continuing to look for new companies that can further strengthen our product portfolio.

Furthermore, we plan to establish the first office outside the Nordic region in 2020. A review will be initiated in the fourth quarter to look at where and how to proceed with the process. As earlier communicated, we are mainly looking at Germany, the Netherlands, Belgium, and the UK.

What is most exciting about running a rapid growth company is the constant development of things that help our customers grow, all our employees and the company at large. To make Lime even more scalable and to limit our vulnerability in the future, we have decided to promote our Head of Sales Nils Olsson to Chief Operating Officer (COO). Nils has been with Lime since 2006 and has progressed from being a skilled sales representative and Head of Sales to a leader who is involved in most of the company's operations. As COO, Nils will be responsible for sales, Expert Services and support. Nils will take up the new role at the start of the next year.

We are now in what is traditionally our best period of the year, the fourth quarter, with many new releases, deliveries to fulfil, and a number of new deals to close. We are looking forward to this. We are not done recruiting. We are constantly looking for new colleagues. Do you know of any skilled and driven developers, sales representatives, or project managers who would fit into our family-like company culture? Tell them to contact us. We still need more entrepreneurs and intrapreneurs in order to continue our long-term profitable growth.

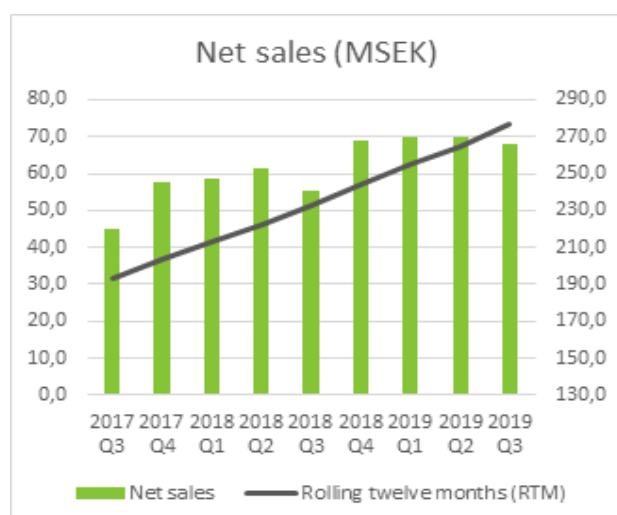
*/Erik Syrén, CEO & President, Lime Technologies AB (publ)*

# Lime in summary

	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3
Net sales (MSEK)	68,0	70,0	69,9	68,9	55,4	61,5	58,5	57,5	45,1
Recurring revenue (MSEK)	42,5	41,3	39,1	37,1	35,2	34,0	32,1	30,8	27,9
EBITDA (MSEK)	23,7	17,6	17,9	10,0	15,7	12,0	13,0	13,0	13,0
EBITDA (%)	35%	25%	26%	15%	28%	19%	22%	23%	29%
EBITA (MSEK)	19,2	13,3	13,5	8,6	14,2	10,4	11,5	12,1	11,8
EBITA (%)	28%	19%	19%	12%	26%	17%	20%	21%	26%
Adjusted EBITA	19,3	13,8	13,8	15,5	15,6	11,6	11,6	12,7	11,8
Adjusted EBITA (%)	28%	20%	20%	23%	28%	19%	20%	22%	26%
Operating income, EBIT (MSEK)	15,6	10,0	10,2	5,5	10,8	7,0	8,5	8,6	9,4
Operating income, EBIT (%)	23%	14%	15%	8%	20%	11%	15%	15%	21%
Earnings per share, basic (SEK)*	0,91	0,56	0,56	0,34	0,65	0,43	0,54	0,43	0,59
Earnings per share, diluted (SEK)*	0,91	0,56	0,56	0,32	0,61	0,40	0,50	0,41	0,56
Cash flow from current operations (MSEK)	14,6	21,2	9,4	15,9	7,8	14,9	0,1	19,5	1,6

\*) recalculated to the number of shares following the 1:250 share split in October 2018.

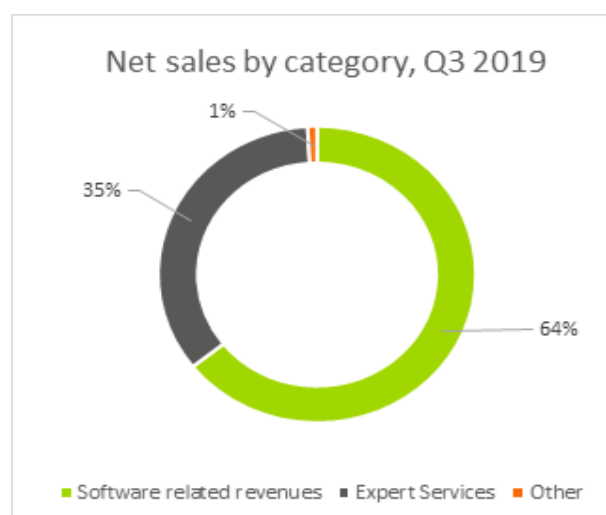
## Revenue



Net sales in the third quarter amounted to MSEK 68 (55), an increase of 23% (23). The Group's net sales in the third quarter include MSEK 2 (2) from companies acquired in the last 12 months.

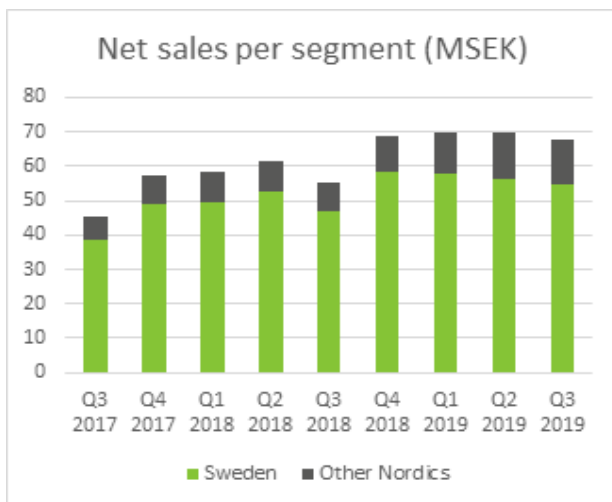
Net sales during the first nine months amounted to MSEK 208 (175), rendering an increase of 19% (20).

Business acquisitions during the last 12 months have contributed with net sales of MSEK 2 (7) during the first nine months of 2019.



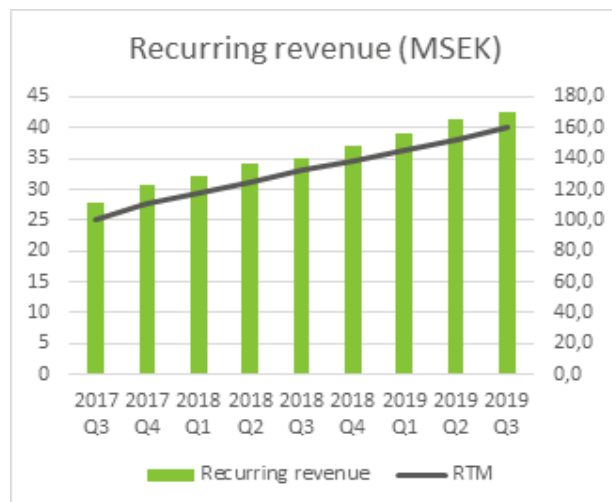
64% (67) of net sales in the third quarter 2019 relate to software revenue. 62% (61) of net sales in the first nine months 2019 relate to software revenue.

Software revenue increased by 17% (25) during the third quarter 2019 compared to the third quarter 2018. Software revenue increased by 20% (20) during the first nine months in 2019 compared to the same period last year.



Net sales in the third quarter in Sweden amounted to MSEK 55 (47) and MSEK 13 (9) in the rest of the Nordic countries. Net sales growth for the quarter was 17% in Sweden and 54% in the rest of the Nordic countries.

Net sales during the first nine months 2019 in Sweden amounted to MSEK 169 (149) and MSEK 39 (26) in the rest of the Nordic countries.



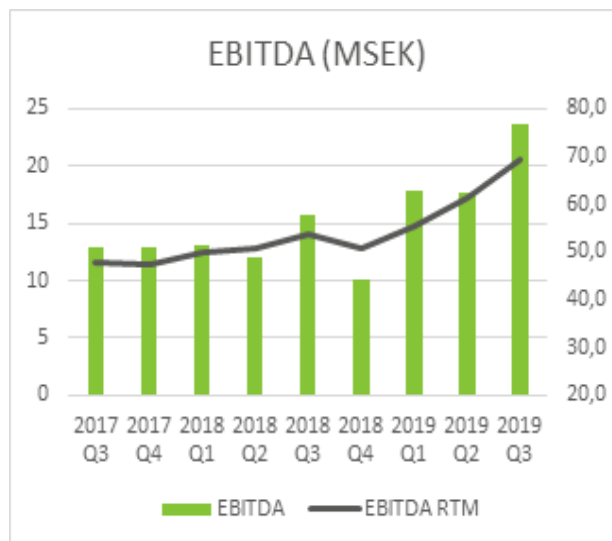
Recurring revenue amounted to MSEK 43 (35) during the third quarter 2019, an increase of 21% compared to the same period last year.

Recurring revenue amounted to MSEK 123 (101) during the first nine months in 2019, an increase of 21% (28) compared to the corresponding period last year.



The 12-month recalculated recurring revenue, annual recurring revenue (ARR), at the end of the third quarter 2019 was MSEK 173 (142). The 12-month recalculated recurring revenue increased by 22% compared to the corresponding period last year.

## Operating income



Operating income before depreciations during the third quarter – EBITDA – amounted to MSEK 24 (16) corresponding to an EBITDA margin of 35% (28). Adjusted EBITDA was MSEK 24 (17) in the quarter, corresponding to an EBITDA margin of 35% (31). The third quarter margin is normally higher than in other quarters due to staff taking holidays, which leads to lower reported personnel expenses.

The operating income in the third quarter has been impacted by costs, amounting to MSEK 0.0., relating

to the acquisition of Janjoo AB and Moreintenz AB.

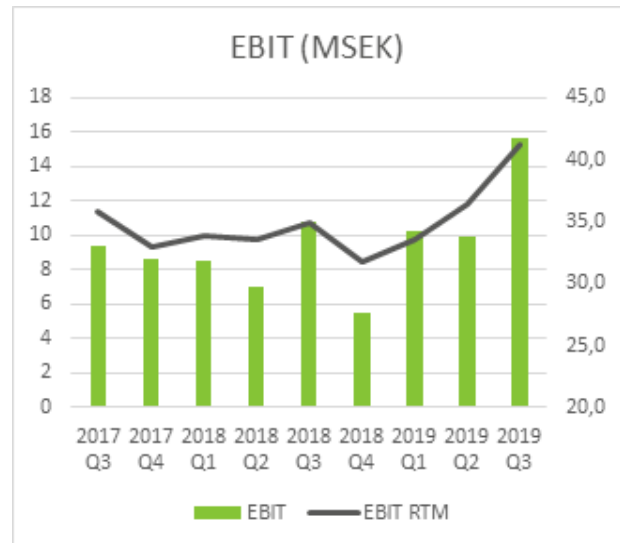
During the first nine months 2019 operating income before depreciation – EBITDA – amounted to MSEK 59 (41), corresponding to an EBITDA margin of 28% (23). Adjusted EBITDA was MSEK 60 (43) during the same period and the corresponding margin was 29% (25).

As of January 1, 2019, Lime applies IFRS 16 Leases. As from the time the standard came into effect, Lime applies the simplified transition method, meaning comparative information from previous periods has not been restated. The application of IFRS 16 has had a MSEK 2.4 positive impact on EBITDA during the third quarter and MSEK 7.0 during the first nine months. Had IFRS 16 not been applied, the third quarter 2019 EBITDA and EBITDA margin would have been MSEK 21.4 and 32%, respectively.



During the third quarter 2019 operating income, excluding amortisation on acquired immaterial assets – EBITA – amounted to MSEK 19 (14), corresponding to an EBITA margin of 28% (26). Adjusted EBITA for the third quarter amounted to MSEK 19 (16), corresponding to an adjusted EBITA margin of 28% (28).

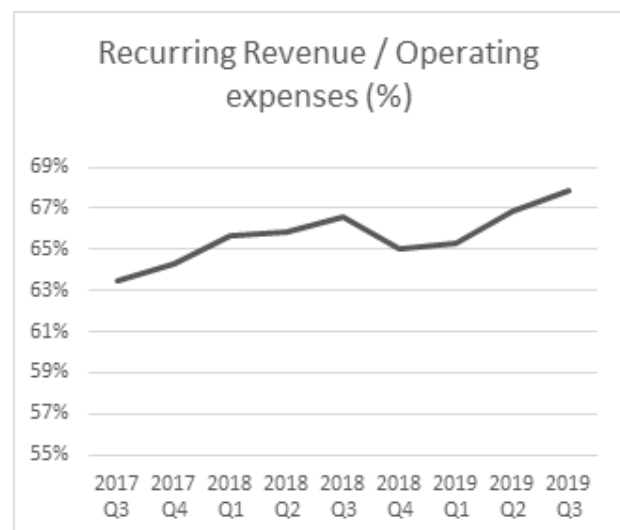
Adjusted EBITA during the first nine months 2019 amounted to MSEK 46 (36), corresponding to an EBITA margin of 22% (21).



Operating income during the third quarter – EBIT – amounted to MSEK 16 (11), corresponding to an EBIT margin of 23% (20). Adjusted EBIT during the third quarter amounted to MSEK 16 (12), corresponding to an adjusted EBIT margin of 23% (22).

Operating income during the first nine months – EBIT – amounted to MSEK 36 (26), corresponding to an EBIT margin of 17% (15).

Depreciations increased compared to the same period last year as a result of increased investments in capitalised development work done by Lime employees and depreciation of intangible non-current assets relating to business acquisitions. Further, as IFRS 16 come into effect, depreciation of MSEK 2.3 regarding right-to-use assets has been made in the third quarter and MSEK 6.8 during the first nine months 2019.



Last 12-months (LTM) recurring revenue amounted to 68% (67) of last 12 months total operating expenses at the end of the third quarter. The expenses include one-off items affecting comparison.

## Cash flow & investments

During the third quarter 2019 cash flow from current operations amounted to MSEK 14.6 (7.8).

During the first nine months 2019 cash flow from current operations amounted to MSEK 45.1 (22.8).

During the third quarter 2019 investments in tangible non-current assets amounted to MSEK 1.1 (0.0), including leased vehicles and right-to-use assets. Investments in intangible non-current assets amounted to MSEK 4.7 (4.7).

During the first nine months 2019 investments in tangible non-current assets amounted to MSEK 1.1 (0.2), including leased vehicles and right-to-use assets. Investments in intangible non-current assets amounted to MSEK 13.9 (12.8) during the same period.

Investments in other intangible assets consist of capitalisation of development costs relating to new technology platforms.

During the third quarter 2019 investments in subsidiaries amounted to MSEK 0.3.

In the third quarter 2019, depreciation of capitalised development costs amounted to MSEK 1.9 (1.3) and depreciation of right-to-use assets amounted to MSEK 2.3 (0.0).

Depreciation of capitalised development costs amounted to MSEK 5.7 (3.9) during the first nine months 2019 and depreciation of right-to-use assets amounted to MSEK 6.8 (0.0).

## Equity & liabilities

The Group's equity amounted to MSEK 57 (34).

At the Annual General Meeting on April 29, 2019, it was resolved to distribute dividend of SEK 1 per share, corresponding to a total amount of MSEK 13.3.

The stock options programs that expired in March 2019 were fully subscribed and a rights issue of MSEK 5.1, involving 783,481 shares, was implemented in March 2019.

The Group's interest-bearing liabilities amounted to MSEK 114.1 (113.5) at the end of the period, including leasing liabilities relating to right-to-use assets of MSEK 10.8 (0.0) and a liability relating to the acquisi-

tion of More intenz AB of MSEK 8.6 (0.0). A total of MSEK 9.5 (6.8) of the Group's interest-bearing liabilities have been repaid during the third quarter. Cash and cash equivalent amounted to MSEK 21.7 (16.3) at the end of the period. The Group's net debt amounted to MSEK 91.9 (96.6).

## Stock option programs

The company had two stock option programs at the beginning of the year. Both programs expired in March 2019 and 783,481 shares have been issued under the programs. Further details about the stock option plans can be found in the 2018 annual report.

## Lime Technologies AB's share

Lime Technologies AB (publ.) is listed on Nasdaq Stockholm Small Cap, the Technology sector.

Total number of shares issued was 13,283,481 at the end of the period. The company does not own any of its own shares. Historical key ratios have been restated to reflect the share split (1:250) implemented in October 2018.

## Financial goals

Lime's goal is to achieve annual organic net sales growth exceeding 15 percent, in the medium long term. Lime further aims to achieve an annual EBITA margin in excess of 23 percent in the medium long term. The objective of the capital structure is that net liabilities relative to EBITDA shall be less than 2.5. Lime intends to distribute available cash flow after consideration has been given to the company's indebtedness and future growth opportunities, including acquisitions. The target is to distribute at least 50 percent of the company's annual net income.

## Miscellaneous

### Employees

The Group had 250 (224) employees at the end of the reporting period. The average number of employees was 216 (189) during the period.

## The Parent Company

The Parent Company's activities are primarily focused on group management and financing. The company has no other employees apart from the Group CEO, CFO, and Head of IR. During the third quarter 2019 operating income in the Parent Company amounted to MSEK -0.2 (0.2). Operating income during the first nine months 2019 amounted to MSEK -1.4 (-1.2). Cash and cash equivalent amounted to MSEK 1.9 (3.2) and borrowings to MSEK 91.9 (110.5).

## Annual General Meeting 2019

At the Annual General Meeting on April 29, 2019, it was resolved to re-elect the following directors of the board: Peter Larsson as chairman, Anders Nilsson, Anders Fransson and Marlene Forsell. Martin Henricson and Malin Ruijsenaars were elected new directors of the board.

Other resolutions made at the Annual General Meeting;

- Resolution to distribute dividend of SEK 1 per share, corresponding to a total amount of MSEK 13.3.
- Resolution to adopt instruction for the nomination committee.
- Resolution to adopt guidelines for remuneration to the company's senior executives.
- It was resolved to authorise the board of directors to, at one or more occasions, until the 2020 Annual General Meeting, resolve to issue shares in exchange for cash payment, with provision for non-payment or set-off or otherwise with conditions, and thereby be able to deviate from the shareholders' preferential rights. The authorisation is limited to a maximum of 10% of the total number of shares in the company at the time of the resolution on authorisation.

## Nomination Committee

Based on guidelines resolved at the Annual General Meeting in April 2019, the following individuals have been appointed to Lime's Nomination Committee: Emil Hjalmarsson, Grenspecialisten Förvaltning AB, representing 8.4% of the shares, Thomas Bill, Monterro 1 AB, representing 19.1% of the shares, Marianne Flink, Swedbank Robur Fonder AB, representing 9.5% of the shares, and Peter Larsson, adjunct to the Nomination Committee, chairman of the board. The Nomination Committee will, at the 2020 Annual General Meeting, present a proposal for the election of the chairman of the Annual General Meeting, members of the board of directors, chairman of the board, remunerations to the board of directors, auditors, auditors' fees, the composition of the Nomination Committee and matters for the 2021 Annual General Meeting.

Syringa Capital AB, wholly-owned by Erik Syrén, Lime Technologies President and CEO, has declined participation in the Nomination Committee.

## Other events during & after the reporting period

At the beginning of the year, the company had two active stock option programs. Both programs expi-

red in March 2019, at which time 783,481 shares under the programs were issued.

On June 19, 2019, Lime entered into an agreement to acquire shares in the companies janjoo AB and More intenz AB. Both acquisitions were financed by a combination of cash and bank loans. The acquisition was completed on July 1, 2019.

As of July, 1st, 2019, Lime raised a bank loan of MSEK 8 to finance the acquisition of janjoo AB and More intenz AB. The loan is governed under the same terms and conditions and the same remaining tenor as the current bank loan.

### janjoo AB

On July 1, 2019 Lime acquired 30% of the share capital and the voting rights of janjoo AB. janjoo AB develops and sells e-services, including document management portals and cases 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 has significant influence, but not control, in janjoo, meaning it is classified as an associated company. The acquired shareholding is reported as shares in associated companies according to 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 janjoo have issued options entitling Lime to acquire the remaining 70 percent of the shares no later than December 31, 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 janjoo's recurring revenue, however no less than MSEK 7 and no more than MSEK 12.25.

### More intenz AB

On July 1, 2019, Lime acquired 58% of the share capital and the voting rights in More intenz AB. More 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. July 1, 2019. The pricing and terms, in general, render it most likely that the stock option will be called upon at the time of the redemption. Lime has disclosed an estimated exercise price liability in the balance sheet.

The acquisition creates 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, attributable to staff competence and advantages of integration. More Intenz AB has contributed MSEK 2.5 to the Group's net sales during the third quarter. The acquisition delivered EBIT, excluding acquisition costs, of MSEK 0.1 during the third quarter. If More Intenz would have been consolidated from January 1, 2019, the contribution to net sales would have been an additional MSEK 8.3 and to the group EBIT an additional MSEK 11.

The acquisition cost in the third quarter 2019 was MSEK 0.0 and during the first nine months 2019 MSEK 0.3.

The acquisition analysis is based on finalised valuations of identifiable intangible assets. 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
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 liability	-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>

## The company in brief

### Nordic CRM experts

Lime is one of the leading SaaS CRM players on the Nordic market. The company develops, sells, and implements user-friendly and flexible CRM systems. Lime's business model is based on the offering of subscription agreements (Software as a Service or "SaaS") as well as consultant services (Expert Services) for the implementation and continuous customisation of products in line with customers' demands and requests.

Lime has a comprehensive organisation for development and holistic offerings that facilitate effective and value-add CRM solutions for the customer. The head office is located in Lund. At the end of September 2019, the Group had 250 employees in six offices in Sweden, Norway, Denmark, and Finland.

### Mission & vision

Lime's mission is to "create customer magnets" that retain existing customers and attract new customers by having excellent customer care.

The company's vision is to "become the leading supplier of CRM systems in the Nordic region, by supplying systems that make the customers' work both easier and more fun".

## Strategies

### Continued structured market growth

Lime's main focus is on organic growth. A market report by Capgemini in May 2018, indicates a 12% average annual growth in the Nordic software market for CRM systems in 2017 – 2023.

### Geographic expansion

Lime intends to continue to strengthen its presence in current Nordic markets to meet the demand for CRM systems.

### Focus on identified verticals

Lime focuses on customised CRM solutions to four selected market verticals: energy, real estate, wholesale, and consulting companies, to which Lime offers local industry-specific expertise. Combined with pre-packaged solutions for each vertical, this gives customers benefits in terms of flexible solutions, as well as time and cost savings.

### Increased sales to existing customer base

Lime intends to maintain and increase sales to existing customers by actively offering add-on products and related expert services post-implementation. The company also has a dedicated customer success team that works actively to stay close to the customer in the long run, ensuring that customers stay with Lime, and to sell additional products and services.

### Continuous development of product platforms

Lime believes it is important to continue developing its product portfolio to strengthen its competitiveness and to attract new customers. With its strong market position, broad customer base and close contact with customers, Lime has a strong starting position for cross sales and add-on sales of new services and features aimed at increasing sales growth and broadening the use of services and solutions.

### Selective acquisition strategy

A critical component of Lime's strategy is to be active in assessing strategic acquisitions with the aim of strengthening the product portfolio, growing competencies and resources in the company, growing from a geographic perspective, and broadening the customer base.

## Forward-looking information

This report may contain forward-looking information based on management's current expectations.

Although management believes the expectations

expressed in such forward-looking information are reasonable, there are no assurances that these expectations will be correct.

Consequently, future outcomes may vary considerably compared to the forward-looking information due to, among other things, changed market conditions for Lime's products and more general changes to economic, market and competitive conditions, changes to regulatory requirements or other policy measures and exchange rate fluctuations.

## Financial calendar

- Year-end report 2019, presented February 13, 2020
- Annual report 2019, presented March 26, 2020
- Interim report Q1, 2020, presented April 28, 2020
- Annual General Meeting, April 28, 2020
- Interim report Q2, 2020, presented July 17, 2020
- Interim report Q3, 2020, presented October 22, 2020

Lund, Sweden October 25, 2019

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Erik Syrén

CEO, Lime Technologies AB (publ)

### Additional information can be obtained from:

CEO Erik Syrén, phone +46 46 270 48 23 or

CFO Magnus Hansson, phone +46 46 270 48 85

*The company's auditors have performed a high-level review of this report.*

*This information constituted insider information prior to publication. This is information that Lime Technologies AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The report has been published in both English and Swedish.*

*This is a translation of the Swedish interim report. Should there be any disparities between the Swedish and the English version, the Swedish version shall prevail.*

# Key ratios for the Group

	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
Net sales (MSEK)	68,0	55,4	207,9	175,4
Net sales growth (%)	23%	23%	19%	20%
Organic net sales growth (%)	18%	18%	17%	15%
Recurring revenue (MSEK)	42,5	35,2	122,9	101,3
Annual recurring revenue (MSEK)	173,3	142,5	173,3	142,5
EBITA (MSEK)	19,2	14,2	46,0	36,1
EBITA (%)	28%	26%	22%	21%
EBITDA (MSEK)	23,7	15,7	59,2	40,7
EBITDA (%)	35%	28%	28%	23%
Operating income, EBIT (MSEK)	15,6	10,8	35,8	26,4
Operating income, EBIT (%)	23%	20%	17%	15%
One-off items (MSEK)	0,0	-1,4	-0,9	-2,6
Depreciation right-to-use assets	-2,3	0,0	-6,8	0,0
Adjusted EBITA (MSEK)	19,3	15,6	46,9	38,8
Adjusted EBITA (%)	28%	28%	23%	22%
Adjusted EBITDA (MSEK)	23,7	17,1	60,1	43,3
Adjusted EBITDA (%)	35%	31%	29%	25%
Adjusted EBIT (MSEK)	15,7	12,3	36,7	29,0
Adjusted EBIT (%)	23%	22%	18%	17%
Earnings per share (SEK)**)	0,91	0,65	2,03	1,61
Earnings per share, diluted (SEK)**)	0,91	0,61	2,03	1,51
Net debt (MSEK)	91,9	96,6	91,9	96,6
Number of employees (average)*)	216	189	216	189
Net sales per employee* (MSEK)	1,3	1,2	1,3	1,2
Cash flow from current operations per share (SEK)**)	1,1	0,6	3,4	1,8
Outstanding shares (thousands)**)	13 283,5	12 500,0	13 283,5	12 500,0

\* Some key ratios have been recalculated to a trailing 12-month value. The adjusted numbers have been recalculated in order to facilitate comparison.

\*\* Numbers of shares have been restated following the 1:250 split in October 2018.

For definition of key ratios, see pages 24-27.

# Consolidated income statement in summary (TSEK)

	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
Net sales	67 982	55 354	207 910	175 390
Other revenue	123	235	263	398
<b>Gross income</b>	<b>68 105</b>	<b>55 588</b>	<b>208 173</b>	<b>175 787</b>
<i>Operating expenses</i>				
Compensation to employees	-36 277	-30 574	-123 412	-106 952
Capitalised development work done by own employees	4 681	4 522	13 889	12 545
Depreciation	-8 074	-4 877	-23 424	-14 323
Other expenses	-12 699	-13 843	-39 316	-40 695
Share in earnings of associated companies	-108	0	-108	0
<b>Total operating expenses</b>	<b>-52 477</b>	<b>-44 771</b>	<b>-172 371</b>	<b>-149 424</b>
<b>Operating income</b>	<b>15 628</b>	<b>10 817</b>	<b>35 802</b>	<b>26 363</b>
Financial net	-307	-506	-1 831	-1 584
<b>Income after financial net</b>	<b>15 321</b>	<b>10 311</b>	<b>33 971</b>	<b>24 779</b>
Taxes	-3 227	-2 220	-7 010	-4 662
<b>Net income</b>	<b>12 094</b>	<b>8 091</b>	<b>26 961</b>	<b>20 117</b>
<b>Net income attributed to:</b>				
Shareholders of the Parent Company	12 094	8 091	26 961	20 117
	<b>12 094</b>	<b>8 091</b>	<b>26 961</b>	<b>20 117</b>
<b>Other Information</b>				
Earnings per share, basic (SEK)	0,91	0,65	2,03	1,61
Earnings per share, diluted (SEK)	0,91	0,61	2,03	1,51

# Consolidated statement of other comprehensive income (TSEK)

	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
<b>Net income</b>	<b>12 094</b>	<b>8 091</b>	<b>26 961</b>	<b>20 117</b>
<b>Other comprehensive income</b>				
Items that may be reclassified to the income statement:				
Translation adjustments	-76	154	341	489
Other comprehensive income for the period	-76	154	341	489
<b>Other comprehensive income for the period</b>	<b>12 018</b>	<b>8 245</b>	<b>27 302</b>	<b>20 606</b>
<b>Other comprehensive income for the period, attributed to:</b>				
Shareholders of the Parent Company	12 018	8 245	27 302	20 606
	<b>12 018</b>	<b>8 245</b>	<b>27 302</b>	<b>20 606</b>

# Consolidated balance sheet in summary (TSEK)

	2019-09-30	2018-09-30	2018-12-31
<b>ASSETS</b>			
Goodwill	69 763	59 391	59 391
Other non-tangible non-current assets	133 287	130 290	128 988
Right-to-use assets	10 844	0	0
Tangible non-current assets	3 518	3 784	3 881
Associated company	2 845	0	0
Other financial non-current assets	554	553	538
Deferred tax asset	59	60	59
<b>Total non-current assets</b>	<b>220 870</b>	<b>194 078</b>	<b>192 857</b>
Trade receivables	45 765	45 571	51 573
Other current receivables	5 851	2 956	3 804
Cash and cash equivalent	21 659	16 327	21 152
<b>Total current assets</b>	<b>73 275</b>	<b>64 854</b>	<b>76 529</b>
<b>Total assets</b>	<b>294 145</b>	<b>258 932</b>	<b>269 386</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity</b>	<b>56 791</b>	<b>33 723</b>	<b>37 675</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing non-current liabilities	63 689	84 500	78 000
Non-current leasing liabilities	4 851	1 048	1 815
Other non-current liabilities	8 602	0	0
Deferred tax liabilities	24 904	24 521	23 005
<b>Total non-current liabilities</b>	<b>102 046</b>	<b>110 069</b>	<b>102 820</b>
<b>Current liabilities</b>			
Interest-bearing current liabilities	28 240	26 000	26 000
Current leasing liabilities	8 704	1 942	1 298
Trade payables	5 884	7 885	4 552
Other current liabilities	92 480	79 313	97 041
<b>Total current liabilities</b>	<b>135 308</b>	<b>115 140</b>	<b>128 891</b>
<b>Total equity and liabilities</b>	<b>294 145</b>	<b>258 932</b>	<b>269 386</b>

# Consolidated statement of changes in equity (TSEK)

## Attributable to the Parent Company's shareholders

	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total equity
<b>Opening balance January 1, 2018 according to adopted balance sheet</b>	<b>50</b>	<b>53 034</b>	<b>13</b>	<b>35 020</b>	<b>88 117</b>
Net income for the period				20 117	20 117
Other comprehensive income for the year			489		489
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>489</b>	<b>20 117</b>	<b>20 606</b>
<b>Transactions with owners</b>					
Bonus issue	450			-450	0
Dividend			0	-75 000	-75 000
<b>Total transactions with owners</b>	<b>450</b>	<b>0</b>	<b>0</b>	<b>-75 450</b>	<b>-75 000</b>
<b>Closing balance September 30, 2018</b>	<b>500</b>	<b>53 034</b>	<b>502</b>	<b>-20 312</b>	<b>33 723</b>
	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total equity
<b>Opening balance January 1, 2018 according to adopted balance sheet</b>	<b>50</b>	<b>53 034</b>	<b>13</b>	<b>35 020</b>	<b>88 117</b>
Net income for the period				24 306	24 306
Other comprehensive income for the year			252		252
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>252</b>	<b>24 306</b>	<b>24 558</b>
<b>Transactions with owners</b>					
Bonus issue	450			-450	0
Dividend				-75 000	-75 000
<b>Total transactions with owners</b>	<b>450</b>	<b>0</b>	<b>0</b>	<b>-75 450</b>	<b>-75 000</b>
<b>Closing balance December 31, 2018</b>	<b>500</b>	<b>53 034</b>	<b>265</b>	<b>-16 124</b>	<b>37 675</b>
<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 period				26 961	26 962
Other comprehensive income for the year			341		341
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>341</b>	<b>26 961</b>	<b>27 303</b>
<b>Transactions with owners</b>					
Share issue	31	5 066			5 096
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>-8 187</b>
<b>Closing balance September 30, 2019</b>	<b>531</b>	<b>58 100</b>	<b>606</b>	<b>-2 446</b>	<b>56 791</b>

# Consolidated cash flow analysis (TSEK)

	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
<b>Cash flow from current operations</b>				
Cash flow from operations	23 812	15 694	59 336	40 686
Changes in net working capital	-5 347	-5 629	-5 338	-13 147
Interest paid	-804	-506	-2 374	-1 586
Taxes paid	-3 085	-1 752	-6 476	-3 111
<b>Cash flow from current operations</b>	<b>14 575</b>	<b>7 807</b>	<b>45 148</b>	<b>22 842</b>
<b>Cash flow from investing activities</b>				
Investment in intangible non-current assets	-4 681	-4 745	-13 889	-12 768
Investment in tangible non-current assets	-1 056	0	-1 067	-223
Sales of tangible non-current assets	0	0	89	0
Acquisition of group companies	-312	0	-312	-2 435
Acquisition of associated companies	-2 952	0	-2 952	0
Investment in financial non-current assets	-1	-13	-15	-39
Interest received	7	33	72	33
<b>Cash flow from investing activities</b>	<b>-8 995</b>	<b>-4 725</b>	<b>-18 074</b>	<b>-15 432</b>
<b>Cash flow from financing activities</b>				
Dividend	0	0	-13 283	-75 000
Share issue	0	0	5 096	0
Proceeds from borrowings	8 204	0	8 204	130 000
Amortisation of borrowings	-9 460	-6 750	-27 256	-70 812
<b>Cash flow from financing activities</b>	<b>-1 256</b>	<b>-6 750</b>	<b>-27 239</b>	<b>-15 812</b>
<b>Net cash flow</b>	<b>4 324</b>	<b>-3 668</b>	<b>-165</b>	<b>-8 402</b>
<b>Net change in cash flow</b>				
Cash and cash equivalent, beginning of the period	17 057	19 759	21 152	24 249
Exchange rate changes on cash	278	236	673	480
<b>Cash and cash equivalent, end of period</b>	<b>21 659</b>	<b>16 327</b>	<b>21 659</b>	<b>16 327</b>



# Parent company income statement in summary (TSEK)

	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
Net sales	0	0	0	0
Other income	1 481	2 286	4 655	4 206
<b>Gross income</b>	<b>1 481</b>	<b>2 286</b>	<b>4 655</b>	<b>4 206</b>
<i>Operating expenses</i>				
Compensation to employees	-1 190	-1 041	-4 213	-3 151
Other expenses	-466	-1 084	-1 794	-2 294
<b>Total operating expenses</b>	<b>-1 656</b>	<b>-2 125</b>	<b>-6 007</b>	<b>-5 445</b>
<b>Operating income</b>	<b>-175</b>	<b>161</b>	<b>-1 351</b>	<b>-1 239</b>
Income from shareholdings in Group companies	0	59	0	1 085
Financial income	50	0	59	0
Financial expenses	-910	-548	-2 177	-1 497
<b>Income after financial items</b>	<b>-1 035</b>	<b>-328</b>	<b>-3 469</b>	<b>-1 651</b>
Taxes	188	-295	714	140
<b>Net income for the period</b>	<b>-847</b>	<b>-623</b>	<b>-2 755</b>	<b>-1 511</b>

The adjusted numbers have been recalculated in order to facilitate comparison.

# Parent company statement of other comprehensive income (TSEK)

	<b>Q3 2019</b>	<b>Q3 2018</b>	<b>Q1 - Q3 2019</b>	<b>Q1 - Q3 2018</b>
<b>Net income</b>	<b>-847</b>	<b>-623</b>	<b>-2 755</b>	<b>-1 511</b>
<b>Other comprehensive income</b>				
Items that may be reclassified to the income statement:				
Translation adjustments	0	0	0	0
Other comprehensive income for the period, net of tax	0	0	0	0
<b>Other comprehensive income for the period</b>	<b>-847</b>	<b>-623</b>	<b>-2 755</b>	<b>-1 511</b>
<b>Other comprehensive income for the period, attributed to:</b>				
The shareholders of the Parent Company	-847	-623	-2 755	-1 511
	<b>-847</b>	<b>-623</b>	<b>-2 755</b>	<b>-1 511</b>

# Parent company balance sheet in summary (TSEK)

	2019-09-30	2018-09-30	2018-12-31
<b>ASSETS</b>			
Shares in subsidiaries	133 360	133 360	133 360
<b>Total non-current assets</b>	<b>133 360</b>	<b>133 360</b>	<b>133 360</b>
Prepaid expenses and accrued revenue	274	218	206
Current receivables group companies	509	0	0
Other current assets	703	258	2 373
Cash and cash equivalent	1 912	3 158	997
<b>Total current assets</b>	<b>3 398</b>	<b>3 634</b>	<b>3 576</b>
<b>Total assets</b>	<b>136 758</b>	<b>136 994</b>	<b>136 936</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Restricted equity</i>			
Share capital	531	500	500
<i>Non-restricted equity</i>			
Share premium reserve	5 065	0	0
Retained earnings	3 769	1 555	1 555
Net income for the period	-2 755	-1 510	15 495
<b>Total equity</b>	<b>6 610</b>	<b>545</b>	<b>17 551</b>
<b>Liabilities</b>			
Non-current liabilities	63 689	84 500	78 000
Interest-bearing non-current liabilities	0	18 524	0
<b>Interest-bearing debt group companies</b>	<b>63 689</b>	<b>103 024</b>	<b>78 000</b>
<b>Total non-current liabilities</b>			
Current Interest-bearing liabilities	28 240	26 000	26 000
Account payables	43	19	645
Current tax liabilities	0	6 010	10 488
Current liabilities group companies	36 158	0	0
Other current liabilities	805	854	987
Accrued expenses and deferred income	1 213	542	3 265
<b>Total current liabilities</b>	<b>66 459</b>	<b>33 425</b>	<b>41 385</b>
<b>Total equity and liabilities</b>	<b>136 758</b>	<b>136 994</b>	<b>136 936</b>

# Notes

## 1. Accounting principles

Lime prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. With the exception of IFRS 16, described below, new accounting principles that came into effect on January 1, 2019 have not had any significant impact on the Group's reporting as of September 30, 2019. In addition to what is stated below, the Group applies the same accounting principles as in the 2018 annual report.

### Associated company

Associates are all companies over which the Group has significant influence, but not control over the financial and operational management. This generally involves shareholdings of between 20 and 50% of the voting rights. Investments in associated companies have been reported according to the equity method in the consolidated statements.

### New accounting principles applied from January 1, 2019

#### IFRS 16 Leases

IFRS 16 Leases comes into effect for annual periods beginning on or after January 1, 2019 and replaces the former standard IAS 17 Leases and interpretations related thereto. Lime has mapped out and evaluated the Group's lease agreement and assessed the effects of the transition to IFRS 16 during 2018.

As of the time the standard came into effect, Lime applies the simplified transition method, meaning comparative information from previous periods will not be restated. The leasing liability is the discounted remaining leasing fees as of January 1, 2019. The right-to-use asset is measured as the value of the leasing liability adjusted for any prepaid or accrued leasing fees. In cases in which the right-to-use asset has been recognised in the balance sheet already under application of IAS 17, the asset is recognised at remaining right-to-use value. The transition to IFRS 16 does not impact on equity.

Lime will apply the simplified approach in relation to leases in which the underlying asset has a low value, as well as for short-term leases, which also include leases ending during 2019. Leases with underlying assets of low value include, for example, office equipment.

Lime's more significant lease agreements are mainly agreements relating to office space, but other agreements exist to a limited extent, e.g. vehicles.

Following the application of IFRS 16, the Group's total assets have increased through the inclusion of the right-to-use assets and leasing liabilities. Leasing fees that, under IAS 17, were recognised as other external expenses in the income statement, have been replaced by depreciation on the right-to-use assets and recognised as an expense in the operating income, as well as interest on the lease liability, which is recognised as a financial expense.

The leasing fee is divided into amortisation of the leasing liability and interest paid.

During transitioning to IFRS 16, all remaining leasing fees have been discounted using Lime's marginal interest rate on borrowings. The average borrowing rate was 1.9% as of January 1, 2019.

As of January 1, 2019, the right-to-use asset has been estimated at MSEK 16.6 and the leasing liability at MSEK 16.6. The change in accounting principles will affect the balance sheet and income statement, and a number of key ratios. Considering the current leasing portfolio, Lime estimates that depreciations will increase in 2019 by MSEK 9.0, financial expenses will increase by MSEK 0.2 and net income after taxes will increase by MSEK 0.1. EBITDA is expected to increase by MSEK 9.4 during 2019 and EBITA is expected to increase by MSEK 0.3 during 2019.

#### Reconciliation between operating lease obligations according to IAS 17 and leasing liability according to IFRS 16

Operating lease obligations as per December 31, 2018	16 660
Extension options reasonably probable will be used	283
Effect of discounting as per January 1, 2019	-379
Leasing liabilities previously recognised in accordance with IAS 17	3 113
<b>Leasing liability January 1, 2019</b>	<b>19 677</b>
Extension options reasonably probable will be used	1 084
New leasing obligations	204
Amortisation	-7 410
<b>Leasing liability September 30, 2019</b>	<b>13 555</b>

### Other principles and applications

The Group applies the same accounting principles and valuation methods as in the latest annual report. The Parent Company prepares its financial statements according to RFR 2, Accounting for Legal Entities, as well as the Swedish Annual Reports Act, and applies the same accounting principles and valuation methods as in the most recent annual report.

Lime applies ESMA's guidelines for alternative performance measures (measurements not defined by IFRS). For definitions, see page 24 - 27.

### Critical accounting estimates and judgements

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. The impairment test carried out at year-end showed that there was no impairment loss.

### Capitalised development work by own employees

Operating expenses relating to development of own software have been reduced by MSEK 4.7 (4.5) during the third quarter 2019 and by MSEK 13.9 (12.5) during the first nine months of 2019.

## 2. Risks and uncertainties

The Lime Group is, through its operations, exposed to common business and financial risks. These risks are described in detail in the 2018 annual report. In addition to the disclosures in the annual report, no further significant risks have arisen.

## 3. Currency translations

Assets and liabilities in foreign exchange are translated at the closing rate on the date of the balance sheet. Transaction differences related to translation of operational assets and liabilities are recognised as Other revenue or Other expenses.

Transaction differences relating to other balance sheet items in foreign currency, such as cash and cash equivalent, are recognised under Financial net. Net sales and operating expenses are also impacted by transaction differences in foreign exchange.

These transaction differences are recognised under respective revenue and expense item.

Net sales for the quarter consists of 81% SEK, 8% EUR, and 11% other currencies. Operating expenses are made up of 82% SEK, 6% EUR, and 12% other currencies.

## 4. Acquisitions

The acquisition of More intenz AB in July 2019 has generated goodwill in the Group amounting to MSEK 17.2 before tax, whereof MSEK 6.4 is allocated to customer relations and MSEK 10.8 to goodwill. Estimated yearly depreciations of acquired goodwill values amount to MSEK 1.3. Depreciation of acquired goodwill of MSEK 0.3 is included in the third quarter results. Depreciation of acquired goodwill of MSEK 0.3 is included in the results for the first nine months. For more information, see page 8-9.

The acquisition of More intenz AB had a cash flow effect of MSEK 0.3 during the third quarter.

## 5. Transactions with related parties

Any transactions with related parties have been conducted on market terms.

## 6. Taxes

Tax expenses in the third quarter 2019 amounted to MSEK 3.2 (2.2) and to MSEK 7.0 (4.7) in the first nine months 2019. The tax expense has been estimated based on the current tax situation in the Group and the earnings trends in the subsidiaries.

## 9-quarter summary

<b>Sales per segment, TSEK</b>	<b>Q3 2019</b>	<b>Q2 2019</b>	<b>Q1 2019</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>
Sweden	54 838	56 241	57 788	58 427	46 835	52 473	49 778	49 094	38 555
Rest of Nordic countries	13 144	13 789	12 111	10 490	8 519	9 023	8 762	8 428	6 583
<b>Income statement in summary, TSEK</b>									
Net sales	67 982	70 030	69 899	68 917	55 354	61 496	58 540	57 522	45 138
EBITDA	23 702	17 625	17 900	10 006	15 694	11 955	13 037	12 986	12 961
EBITA	19 246	13 250	13 525	8 588	14 180	10 398	11 537	12 127	11 837
EBIT	15 628	9 950	10 225	5 464	10 817	7 011	8 535	8 638	9 429
Operating margin	23%	14%	15%	8%	20%	11%	15%	15%	21%
Income before tax	<b>15 321</b>	<b>9 313</b>	<b>9 338</b>	<b>5 290</b>	<b>10 311</b>	<b>6 353</b>	<b>8 115</b>	<b>8 237</b>	<b>9 110</b>

## Revenue from customer contracts (TSEK)

<b>Revenue by income stream, TSEK</b>	<b>Q3 2019</b>			<b>Q3 2018</b>		
	<b>Sweden</b>	<b>Rest of Nordic countries</b>	<b>Total</b>	<b>Sweden</b>	<b>Rest of Nordic countries</b>	<b>Total</b>
Subscription revenue	24 734	6 780	31 514	20 310	3 892	<b>24 202</b>
Licence revenue	1 104	82	1 186	1 802	362	<b>2 163</b>
Support agreements	9 756	1 275	11 031	9 757	1 210	<b>10 966</b>
Expert Services	18 621	4 982	23 603	14 231	3 046	<b>17 278</b>
Other	623	25	648	735	10	<b>745</b>
<b>Net sales</b>	<b>54 838</b>	<b>13 144</b>	<b>67 982</b>	<b>46 835</b>	<b>8 519</b>	<b>55 354</b>

<b>Revenue by income stream, TSEK</b>	<b>Q1-Q3 2019</b>			<b>Q1-Q3 2018</b>		
	<b>Sweden</b>	<b>Rest of Nordic countries</b>	<b>Total</b>	<b>Sweden</b>	<b>Rest of Nordic countries</b>	<b>Total</b>
Subscription revenue	71 158	18 229	89 387	57 602	10 467	<b>68 069</b>
Licence revenue	5 816	481	6 297	5 384	669	<b>6 052</b>
Support agreements	29 667	3 878	33 545	29 670	3 606	<b>33 275</b>
Expert Services	59 395	16 320	75 715	54 223	11 459	<b>65 682</b>
Other	2 831	135	2 966	2 207	105	<b>2 312</b>
<b>Net sales</b>	<b>168 867</b>	<b>39 044</b>	<b>207 910</b>	<b>149 086</b>	<b>26 305</b>	<b>175 390</b>

## Sales per quarter

<b>Sales, TSEK</b>	<b>Q3 2019</b>	<b>Q2 2019</b>	<b>Q1 2019</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>
Expert Services	23 603	25 230	26 882	28 058	17 277	24 772	23 633	22 440	14 171
Software related revenue	43 731	43 887	41 612	39 986	37 332	35 700	34 364	33 646	29 966
Other	649	913	1 404	874	744	1 025	542	1 436	1 000
<b>Sales, TSEK</b>	<b>67 982</b>	<b>70 030</b>	<b>69 899</b>	<b>68 918</b>	<b>55 354</b>	<b>61 496</b>	<b>58 540</b>	<b>57 522</b>	<b>45 138</b>
Whereof recurring revenue	42 545	41 335	39 052	37 115	35 169	34 048	32 128	30 774	27 931
Whereof recurring revenue (%)	63%	59%	56%	54%	64%	55%	55%	54%	62%
Growth net sales (%)	23%	14%	19%	20%	23%	19%	18%	23%	32%
Growth recurring revenue (%)	21%	21%	22%	21%	26%	26%	31%	50%	50%

\*) Software related revenue refers to subscription revenue, licence revenue and support agreements.

# Key ratios

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.

TSEK	Q3 2019	Q3 2018
Recurring revenue (quarter)	42 545	35 169
<b>Annual recurring revenue - ARR</b>	<b>173 293</b>	<b>142 479</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.

TSEK	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
Operating income	15 628	10 817	35 802	26 363
Depreciation of acquired intangible non-current assets	3 619	3 388	10 219	9 778
<b>EBITA</b>	<b>19 246</b>	<b>14 205</b>	<b>46 021</b>	<b>36 141</b>
Net sales	67 982	55 354	207 910	175 390
<b>EBITA (%)</b>	<b>28%</b>	<b>26%</b>	<b>22%</b>	<b>21%</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.

TSEK	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
Operating income	15 628	10 817	35 802	26 363
Depreciation	8 074	4 877	23 424	14 323
<b>EBITDA</b>	<b>23 702</b>	<b>15 694</b>	<b>59 226</b>	<b>40 686</b>
Net sales	67 982	55 354	207 910	175 390
<b>EBITDA (%)</b>	<b>35%</b>	<b>28%</b>	<b>28%</b>	<b>23%</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.

TSEK	2019-09-30	2018-09-30
Other financial non-current assets	554	553
Cash and cash equivalent	21 659	16 327
<b>Financial assets</b>	<b>22 213</b>	<b>16 880</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.

TSEK	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
EBIT	15 628	10 817	35 802	26 363
One-off items	40	1 435	917	2 624
<b>Adjusted EBIT</b>	<b>15 668</b>	<b>12 252</b>	<b>36 720</b>	<b>28 988</b>
Net sales	67 982	55 354	207 910	175 390
<b>Adjusted EBIT (%)</b>	<b>23%</b>	<b>22%</b>	<b>18%</b>	<b>17%</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	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
EBITA	19 246	14 205	46 021	36 141
One-off items	40	1 435	917	2 624
<b>Adjusted EBITA</b>	<b>19 286</b>	<b>15 640</b>	<b>46 939</b>	<b>38 766</b>
Net sales	67 982	55 354	207 910	175 390
<b>Adjusted EBITA (%)</b>	<b>28%</b>	<b>28%</b>	<b>23%</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	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
EBITDA	23 702	15 694	59 226	40 686
One-off items	40	1 435	917	2 624
<b>Adjusted EBITDA</b>	<b>23 742</b>	<b>17 130</b>	<b>60 144</b>	<b>43 311</b>
Net sales	67 982	55 354	207 910	175 390
<b>Adjusted EBITDA (%)</b>	<b>35%</b>	<b>31%</b>	<b>29%</b>	<b>25%</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	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
Expenses related to public listing of the Company's shares	0	-1 435	-293	-2 459
Acquisition related expenses	-40	0	-625	-165
<b>One-off items that distort comparisons</b>	<b>-40</b>	<b>-1 435</b>	<b>-917</b>	<b>-2 624</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	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
Cash flow from current operations	14 575	7 807	45 148	22 842
Number of share (thousands)	13 283	12 500	13 283	12 500
<b>Cash flow from current operations per share (SEK)</b>	<b>1,10</b>	<b>0,62</b>	<b>3,40</b>	<b>1,83</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	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
Net sales, the period	67 982	55 354	207 910	175 390
Net sales, same period previous year	55 354	45 138	175 390	146 378
<b>Growth in net sales</b>	<b>23%</b>	<b>23%</b>	<b>19%</b>	<b>20%</b>

### Net liabilities

Interest-bearing non-current and current liabilities less financial assets. The purpose is to show the real level of debt.

TSEK	2019-09-30	2018-09-30
Interest-bearing non-current liabilities	77 142	85 548
Interest-bearing current liabilities	36 944	27 942
Financial assets	-22 213	-16 880
<b>Net liabilities</b>	<b>91 873</b>	<b>96 610</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	Q4 2018 - Q3 2019	Q4 2017 - Q3 2018
Trailing 12-month net sales	276 828	232 912
Number of employees	216	189
<b>Net sales per employee</b>	<b>1 279</b>	<b>1 234</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	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
Net sales, period	67 982	55 354	207 910	175 390
Acquired net sales, last 12 months	-2 457	-2 239	-4 022	-6 995
<b>Organic net sales</b>	<b>65 525</b>	<b>53 115</b>	<b>203 889</b>	<b>168 395</b>
Organic net sales, same period last year	53 115	40 847	168 395	134 069
Adjusted for acquired net sales last 24 months	2 239	4 291	6 265	12 308
<b>Comparable organic net sales</b>	<b>55 354</b>	<b>45 138</b>	<b>174 660</b>	<b>146 378</b>
<b>Organic net sales growth (%)</b>	<b>18%</b>	<b>18%</b>	<b>17%</b>	<b>15%</b>

### Recurring revenue

Revenue of annual recurring nature is made up of support and maintenance revenues and subscription revenues.

TSEK	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
Subscription revenue	31 514	24 202	89 387	68 069
Support agreements	11 031	10 966	33 546	33 275
<b>Recurring revenue</b>	<b>42 545</b>	<b>35 169</b>	<b>122 932</b>	<b>101 345</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	Q3 2019	Q3 2018	Q1 - Q3 2019	Q1 - Q3 2018
Recurring revenue	42 545	35 169	122 932	101 345
Operating expenses	-52 477	-44 771	-172 371	-149 424
<b>Recurring revenue in relation to operating expenses</b>	<b>81%</b>	<b>79%</b>	<b>71%</b>	<b>68%</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. To readers of financial reports, the measure is an indicator of a company's earning ability.

<b>TSEK</b>	<b>Q3 2019</b>	<b>Q3 2018</b>	<b>Q1 - Q3 2019</b>	<b>Q1 - Q3 2018</b>
Operating income	15 628	10 817	35 802	26 363
Net sales	67 982	55 354	207 910	175 390
<b>Operating margin</b>	<b>23%</b>	<b>20%</b>	<b>17%</b>	<b>15%</b>

### Operating income, EBIT

Operating income according to the income statement.

# About Lime Technologies

Our 250 staff members and over 60 000 users make us one of the largest CRM suppliers in the Nordic region. With 30 years' experience in the industry, we can honestly say we know most things about CRM.

Our mission is to become the leading supplier of CRM systems in the Nordic region, by supplying systems that make our customers' work both easier and more fun.



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# Auditor's report



## Auditor's report

Lime Technologies AB (publ), 556853-2616

### Introduction

We have reviewed the condensed interim financial information (interim report) of Lime Technologies AB (publ) as of 30 September 2019 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm 25 October 2019

Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll  
Authorized Public Accountant