

# Interim report, January – September 2020

## Lime Technologies AB (publ)

### Third quarter

- Net sales MSEK 75.6 (68.0), rendering a sales growth of 11% (23%)
- Organic net sales growth 10% (18%)
- Recurring revenue MSEK 48.5 (42.5)
- The quarter was impacted by one-off items affecting comparison, amounting to MSEK 0.0 (0.0).
- EBITA MSEK 24.7 (19.2), rendering an EBITA margin of 33% (28%)
- Adjusted EBITA margin 33% (28%)
- Operating income, EBIT, MSEK 20.4 (15.6)
- Cash flow from current operations MSEK 14.2 (14.6)
- Net income MSEK 15.0 (12.1)
- Earnings per share SEK 1.13 (0.91) and diluted SEK 1.13 (0.91)

### The first nine months

- Net sales MSEK 245.6 (207.9), rendering a sales growth of 18% (19%)
- Organic net sales growth 14% (17%)
- Recurring revenue MSEK 143.9 (122.9)
- The quarter was impacted by one-off items affecting comparison, amounting to MSEK 0.0 (0.9). Comparison attributable to acquisitions and the listing of the company's shares on Nasdaq Stockholm
- EBITA MSEK 70.0 (46.0), rendering an EBITA margin of 29% (22%)
- Adjusted EBITA margin 29% (23%)
- Operating income, EBIT, MSEK 56.9 (35.8)
- Cash flow from current operations MSEK 72.7 (45.1)
- Net income MSEK 42.6 (27.0)
- Earnings per share SEK 3.20 (2.03) and diluted SEK 3.20 (2.03)
- Acquired an additional 35% of the shares in janjoo AB

## CEO's comments

# Investments and profitability improvements

**I can proudly say that we continue to deal with the crisis like a tiger. We have all put in a lot of effort during the third quarter and we have continued to invest in marketing, sales and product development. We have commenced our biggest trainee program ever and trained about 40 new colleagues after the summer holidays.**

We achieved 11% growth in the third quarter compared to the same quarter last year and we have reached 18% growth over the past 12 months. Operations in Sweden are still performing better than in Denmark, Finland and Norway, where the impact of the pandemic has been felt to a greater extent, due to more strict measures.

As we reported in the previous interim report, order intake from new customers was weak from mid-March to May as a direct result of Covid-19. As there is a certain lag, usually two to six months, from order to revenue, this had a negative effect on growth during the third quarter.

In the early stage of the pandemic, we decided to be a reasonable supplier and offered subscription suspensions to existing customers who were harshly impacted by the crisis. We also offered new customers a deferral of the first payment. This has resulted in lower than normal ARR growth.

As a team, we agreed to take holidays in July and then come back to work fully recharged early in August. At the same time, many companies and their employees decided to have extended holidays, making it tough for us to get up to speed in August.

In summary, we are in no way satisfied with the quarterly growth and continuously take actions to return to normal levels.

On a more positive note, we have seen stronger order intake from June until today compared to last year. We still believe our offerings are attractive to our target group and we have been able to successfully close deals, not least within our industry verticals Real Estate and Energy. We are thrilled to welcome companies like Veidekke, Ishavskraft AS, Götene Energi, Karlshamn Energi and Sölvesborgs Energi as new customers during the third quarter.

In parallel with signing deals with major companies within our industry verticals, we have also closed a significant number of deals with small and medium sized companies across the Nordic region. We have welcomed about 200 new customers of varied size during the quarter. In summary, I strongly feel the business climate is gradually improving and I am more optimistic today than I was in July.



EBITA increased by 28% compared to the same quarter last year, the EBITA margin reached 33%. My opinion and our strategy remain, we will continue to prioritise growth through investments in sales, marketing and product development.

Our profitability is also progressively improving. EBITA increased by 28% compared to the same quarter last year, the EBITA margin reached 33%. The improvement in profitability is largely explained by increased sales per employee, our subscription revenues cover a larger part of our fixed expenses. We have had somewhat lower other costs due to fewer business trips and conferences during the pandemic. Bad debts and lost customers are only marginally higher than normally and has no major impact on the results. We made promises – both in the first and second quarter – to invest in growth and to approach the situation as a tiger rather than a hedgehog. So, what have we done? Let's show our cards!

We commenced our biggest trainee program ever in August. About 40 new colleagues started their training as sales representatives, consultants or developers. Historically, there is a strong correlation between how well we recruit new staff and our growth 2 to 3 years later. My sentiment is strong this year. I'm really keen to follow the progress of this team.

We have also made investments in product development. More new products and other news, than ever before, will be announced in the fourth quarters. This includes the forthcoming launch of Lime e-signing, which allows our Lime CRM customers to sign their offers and contracts digitally using e.g. BankID. Lime BI is another new feature in Lime CRM, allowing deep data analysis with the results visualised in reports and graphs. We are also about to launch a significant new release of Lime Go. The product has undergone a thorough improvement and is now even more user-friendly.

We continue to look for new acquisitions. In line with our acquisition strategy, the companies we look for should have a software that works as an add-on module to our Lime Go or Lime CRM platforms. The aim is to strengthen our product portfolio for new and existing customers. We are also looking into the possibility of acquiring CRM companies to be utilised as a platform on new markets. So far, no suitable match has been found, but our search continues.

It is still hard to predict how Covid-19 will impact our operations in the coming quarters. My opinion and our strategy remain, we will continue to prioritise growth through investments in sales, marketing and product development. I'm convinced that we, at the end of the crisis, will stand stronger than ever. For now, however, our focus is on the fourth quarter.

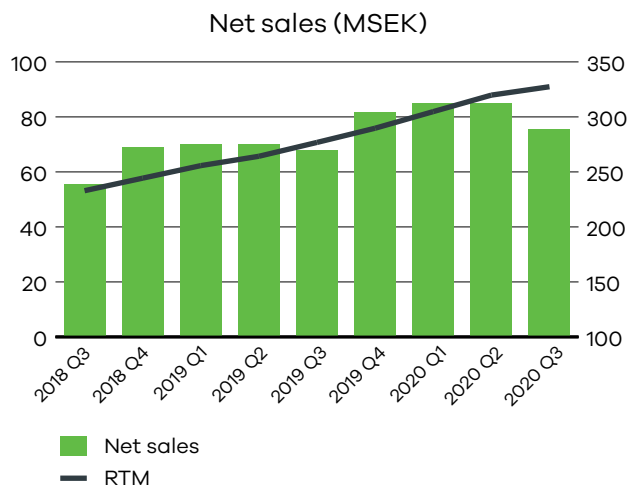
*/Erik Syrén, CEO of Lime Technologies*

# Lime in summary

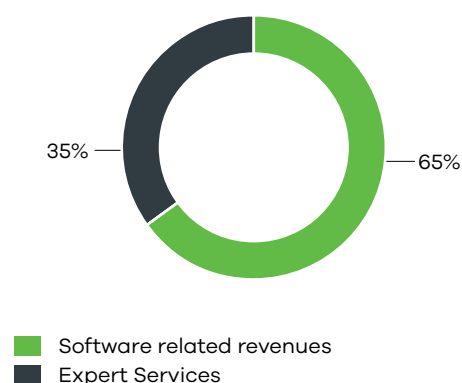
	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3
Net sales (MSEK)	75.6	85.0	85.0	81.8	68.0	70.0	69.9	68.9	55.4
Recurring revenue (MSEK)	48.5	48.5	46.9	44.3	42.5	41.3	39.1	37.1	35.2
EBITDA (MSEK)	29.8	27.0	28.7	24.4	23.7	17.6	17.9	10.0	15.7
EBITDA (%)	39%	32%	34%	30%	35%	25%	26%	15%	28%
EBITA (MSEK)	24.7	21.8	23.5	19.9	19.2	13.3	13.5	8.6	14.2
EBITA (%)	33%	26%	28%	24%	28%	19%	19%	12%	26%
Adjusted EBITA	24.7	21.8	23.5	19.9	19.3	13.8	13.8	15.5	15.6
Adjusted EBITA (%)	33%	26%	28%	24%	28%	20%	20%	23%	28%
Operating income, EBIT (MSEK)	20.4	17.5	19.1	16.3	15.6	10.0	10.2	5.5	10.8
Operating income, EBIT (%)	27%	21%	22%	20%	23%	14%	15%	8%	20%
Earnings per share, basic (SEK) <sup>*)</sup>	1.13	1.00	1.07	0.91	0.91	0.56	0.56	0.34	0.65
Earnings per share, diluted (SEK) <sup>*)</sup>	1.13	1.00	1.07	0.91	0.91	0.56	0.56	0.32	0.61
Cash flow from current operations (MSEK)	14.2	33.1	25.3	29.0	14.6	21.2	9.4	15.9	7.8

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

## Revenue



Net sales by category, Q3 2020



Net sales in the third quarter 2020 amounted to MSEK 76 (68), an increase of 11% (23). The Group's net sales in the third quarter include MSEK 1 (2) from companies acquired in the last 12 months.

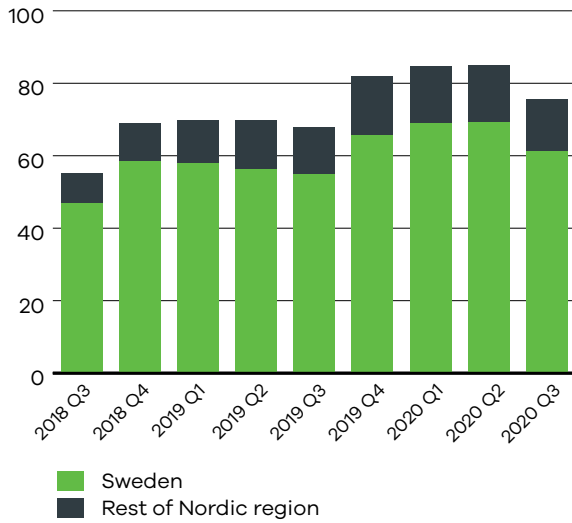
Net sales during the first 9 months 2020 amounted to MSEK 246 (208), rendering an increase of 18% (19).

Business acquisitions during the last 12 months have contributed with net sales of MSEK 3 (2) during the first nine months of 2020.

65% (64) of net sales in the third quarter 2020 relate to software revenue. 59% (62) of net sales in the first nine months 2020 relate to software revenue.

Software revenue increased by 12% (17) during the third quarter 2020 compared to the third quarter 2019. Software revenue increased by 14% (20) during the first nine months in 2020 compared to the same period last year.

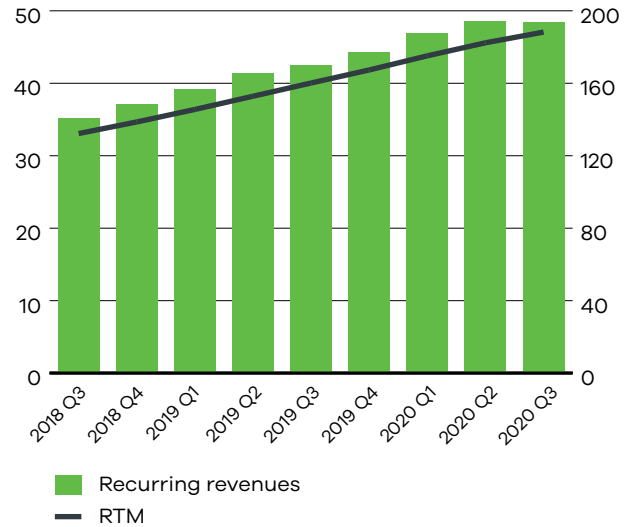
### Net sales per segment (MSEK)



Net sales in the third quarter 2020 in Sweden amounted to MSEK 61 (55) and MSEK 15 (13) in the rest of the Nordic countries. Net sales growth for the quarter was 11% (17) in Sweden and 10% (54) in the rest of the Nordic countries.

Net sales during the first nine months 2020 in Sweden amounted to MSEK 199 (169) and MSEK 46 (39) in the rest of the Nordic countries.

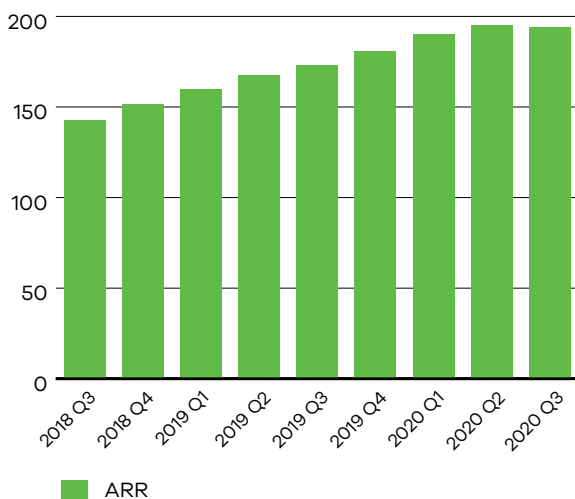
### Recurring revenue (MSEK)



Recurring revenue amounted to MSEK 48 (43) during the third quarter 2020, an increase of 14% (21) compared to the same period last year.

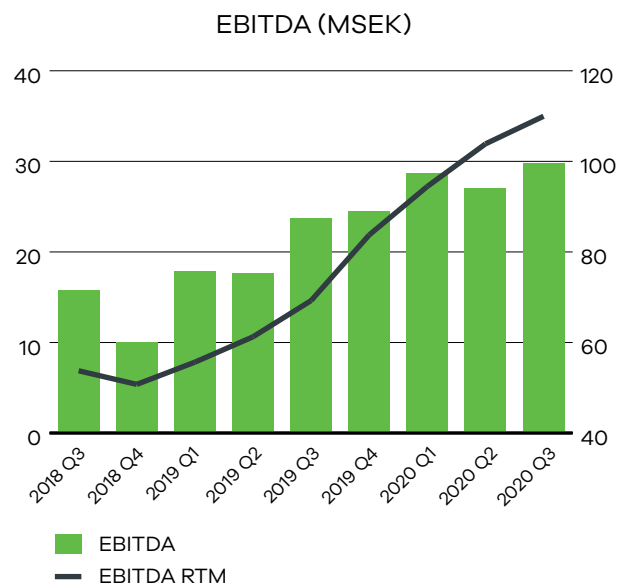
Recurring revenue amounted to MSEK 144 (123) during the first nine months in 2020, in increase of 17% (21) compared to the corresponding period last year,

### Annual Recurring Revenue (MSEK)



The 12-month recalculated recurring revenue, annual recurring revenue (ARR), at the end of the third quarter 2020 was MSEK 194 (173). The 12-month recalculated recurring revenue increased by 12% (22) compared to the corresponding period last year.

### Operating income

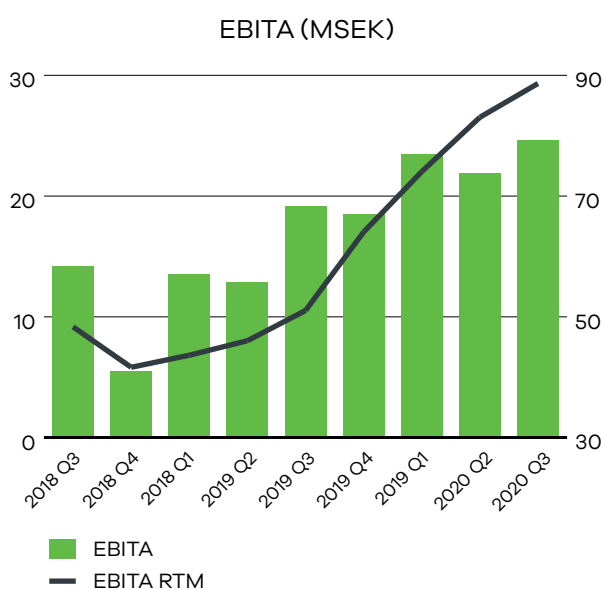


Operating income before depreciations during the third quarter – EBITDA – amounted to MSEK 30 (24) corresponding to an EBITDA margin of 39% (35). Adjusted EBITDA was MSEK 30 (24) in the quarter, corresponding to an EBITDA margin of 39% (35).

The many political measures that have been implemented since late March to lessen the spread of the COVID-19 virus have limited business travel and other face-to-face sales activities. These restrictions have led to reduced costs for Lime during the first nine months of 2020.

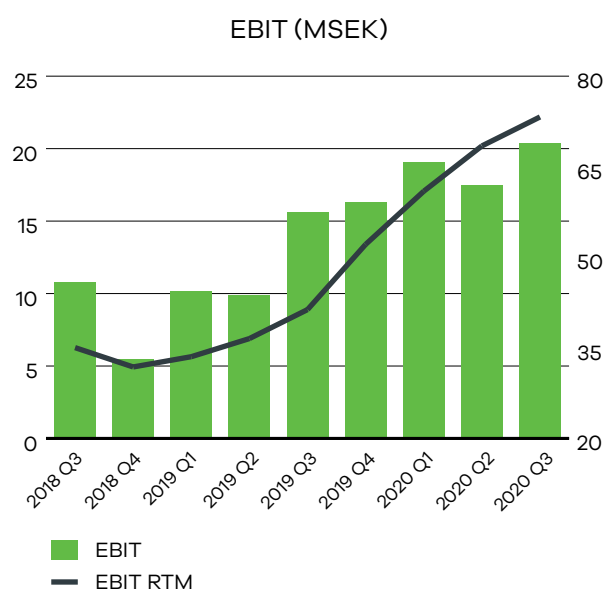
During the first nine months 2020 operating income before depreciation – EBITDA – amounted to MSEK 86 (59), corresponding to an EBITDA margin of 35% (28). Adjusted EBITDA was MSEK 86 (60) during the same period and the corresponding margin was 35% (29).

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 periods before 1 January 2019 has not been restated.



During the third quarter 2020 operating income, excluding amortisation on acquired immaterial assets – EBITA – amounted to MSEK 25 (19), corresponding to an EBITA margin of 33% (28). Adjusted EBITA for the third quarter amounted to MSEK 25 (19), corresponding to an adjusted EBITA margin of 33% (28).

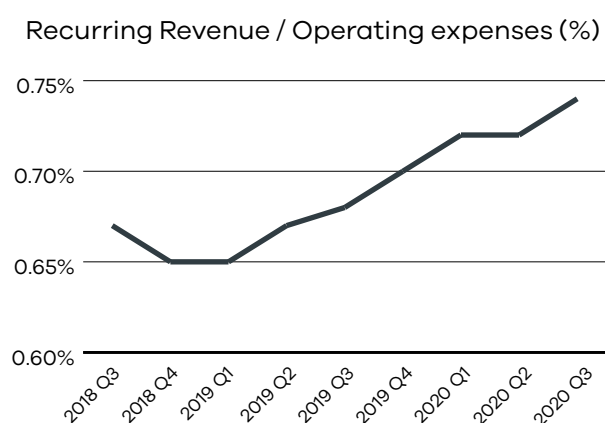
Adjusted EBITA during the first nine months 2020 amounted to MSEK 70 (46), corresponding to an EBITA margin of 29% (22).



Operating income during the third quarter – EBIT – amounted to MSEK 20 (16), corresponding to an EBIT margin of 27% (23). Adjusted EBIT during the third quarter amounted to MSEK 20 (16), corresponding to an adjusted EBIT margin of 27% (23).

Operating income during the first nine months – EBIT – amounted to MSEK 57 (36), corresponding to an EBIT margin of 23% (17).

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.



Last 12-months (LTM) recurring revenue amounted to 74% (68) of last 12 months total operating expenses at the end of the third quarter. The expenses include one-off items affecting comparison.

Other expenses have, during the third quarter, been slightly lower than normal as a consequence of restrictions related to the Covid-19 pandemic.

## Cash flow & investments

During the third quarter 2020 cash flow from current operations amounted to MSEK 14.2 (14.6).

During the first nine months 2020 cash flow from current operations amounted to MSEK 72.7 (45.1). The cash flow from operations improvement is in large related to the improved profitability during the year.

During the third quarter 2020 investments in tangible non-current assets amounted to MSEK 0.2 (0.3), excluding leased vehicles and right-to-use assets. Investments in intangible non-current assets amounted to MSEK 4.6 (4.7) and consist of capitalisation of development costs relating to new technology platforms.

During the first nine months 2020 investments in tangible non-current assets amounted to MSEK 0.2 (0.3), excluding leased vehicles and right-to-use assets. Investments in intangible non-current assets amounted to MSEK 13.1 (13.9) during the same period.

In addition, assets are reported as software in accordance with the acquisition analysis for janjoo AB. During the first nine months 2020 investments in subsidiaries (janjoo AB) amounted to MSEK -8.3 (-0.3).

In the third quarter 2020, depreciation of capitalised development costs amounted to MSEK 2.6 (1.9) and depreciation of right-to-use assets amounted to MSEK 2.2 (2.3).

Depreciation of capitalised development costs amounted to MSEK 7.7 (5.7) during the first nine months 2020 and depreciation of right-to-use assets amounted to MSEK 7.0 (6.8).

## Equity & liabilities

The Group's equity amounted to MSEK 91 (57).

At the Annual General Meeting on 29 June 2020, it was resolved to distribute dividends of SEK 1.50 per share, corresponding to a total amount of MSEK 19.9. The record date was 1 July and the dividend was paid out on 6 July.

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 106.8 (114.1) at the end of the period, including leasing liabilities relating to right-to-use assets of MSEK 22.2 (10.8) and a liability of MSEK 18.3 (8.6) relating to the acquisition of More Intenz AB and janjoo AB. A total of MSEK 9.5 (9.5) of the Group's interest-bearing liabilities have been repaid during the quarter. Cash and cash equivalent amounted to MSEK 33.5 (21.7) at the end of the period. The Group's net debt amounted to MSEK 72.5 (91.9).

Available bank overdrafts amount to MSEK 25. The overdraft credit agreement expires on 31 December 2020. The Group has a total amount of MSEK 58.8 (21.7) available in cash and cash equivalents.

## Stock option plans

The company had two stock option programs at the beginning of 2019. 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 2019 annual report.

## Lime Technologies AB's share

Lime Technologies AB (publ.) is listed on Nasdaq Stockholm OMX 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, excluding leasing debt, 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 288 (250) employees at the end of the reporting period. The average number of employees was 238 (216) 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 and CFO at the end of the

period. During the third quarter 2020 operating income in the Parent Company amounted to MSEK -0.3 (-0.2). Operating income during the first nine months 2020 amounted to -1.0 (-1.4). Cash and cash equivalent amounted to MSEK 1.7 (1.9) and borrowings to MSEK 63.6 (91.9).

## Annual General Meeting 2020

At the Annual General Meeting on June 29, 2020, it was resolved to re-elect the following directors of the board: Peter Larsson, Anders Fransson, Martin Henricson, Malin Ruijsenaars and Marlene Forsell. Martin Henricson was elected chairman of the board.

Other resolutions made at the Annual General Meeting;

- Resolution to distribute dividend of SEK 1.50 per share, corresponding to a total amount of MSEK 19.9. 1 July was the record date for dividend and the payment date was 6 July.
- 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 2021 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 June 2020, the following persons have been appointed to be part of Lime's Nomination Committee: Thomas Bill, as chairman, Syringa Capital AB (owned by Erik Syrén) representing 10.1% of the shares, Emil



Hjalmarsson, Grenspecialisten AB, representing 10.0% of the shares, Marianne Flink, Swedbank Robur Fonder AB, representing 9.3% of the shares and Martin Henricsson, adjunct to the Nomination Committee, chairman of the board. The Nomination Committee will prepare proposals to the 2021 Annual General Meeting regarding chairman of the meeting, board members, chairman of the board, remuneration to the board members, auditors, auditors' fees, the composition of the Nomination Committee and its duties in preparation for the 2022 Annual General Meeting.

Shareholders wishing to submit proposals to the Nomination Committee can do so via e-mail to [valberedning@lime.tech](mailto:valberedning@lime.tech). March 16, 2021 (six weeks prior to the Annual General Meeting on 27 April, 2021) is the last day to submit proposals to the Nomination Committee for consideration at the 2021 Annual General Meeting.

## Other events during or after the reporting period

A widespread crisis has arisen due to the COVID-19 pandemic and is affecting economic trends and developments. The severity and extent of the crisis is still difficult to foresee. Lime's new sales has to some extent, since the outbreak of the pandemic, been affected by delayed or defaulted procurements. Furthermore, customer payments have been delayed and reserves for expected customer losses have increased. As a result of our strategy, the impact on result and financial position has been limited in the third quarter 2020.

Lime is affected by the political measures that have been taken against the spread of the virus, and the impact this has on economic trends. What is more, new political measures taken in the region can have an impact on Lime.

Lime has implemented a number of safety measures to monitor and prevent the impact of COVID-19, including safety and health precautions for our employees, and actions to secure delivery of our services.

The combination of, on one hand, Lime's focused subscription sales with a high percentage of recurring revenue, and on the other hand, its large customer base, means Lime is fairly well equipped to face a recession.

An agreement was signed with SEB in the second quarter, relating to a bank overdraft of MSEK 25 for the purpose of minimising liquidity risks as a result of the COVID-19 pandemic. The agreement expires on 31 December 2020. No amounts have been drawn down under the overdraft.

Additional shares, corresponding to 35% of the shares in janjoo, were acquired on January 13, 2020.

### 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 had a significant influence, but not control, in janjoo, meaning it is classified as an associated company. On 31 December 2019, the acquired company was 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 owners of janjoo have issued options entitling Lime to acquire the remaining 70 percent of the shares no later than December 31, 2021.

janjoo AB has shown strong progress which strengthens our confidence that their products will boost our offerings to both new and existing customers. Therefore, Lime exercised the option to acquire an additional 35% of the shares. The purchase price amounted to MSEK 7 and the acquisition was completed on January 13, 2020. 100% of 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. 13 January 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 has resulted in capital gains of MSEK 0.5 in the first quarter 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
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	25
Deferred tax liability	-5
Trade receivables and other receivables	1
Cash and cash equivalent	2
Long-term 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>

## 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 2020, the Group had 288 employees in eight offices in Sweden, Norway, Denmark, Finland and the Netherlands.

### 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.

The setting up of business operations in the Netherlands is proceeding according to plan.

### 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.

## Upcoming reporting dates

- Year-end report 2020, presented February 16, 2021
- Annual report 2020, presented March 25, 2021
- Interim report Q1, 2021, presented April 27, 2021
- Annual General Meeting, April 27, 2021
- Interim report Q2, 2021, presented July 16, 2021
- Interim report Q3, 2021, presented October 21, 2021

Lund, October 22, 2020

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 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
Net sales (MSEK)	75.6	68.0	245.6	207.9
Net sales growth (%)	11%	23%	18%	19%
Organic net sales growth (%)	10%	18%	14%	17%
Recurring revenue (MSEK)	48.5	42.5	143.9	122.9
Annual recurring revenue (MSEK)	194.1	173.3	194.1	173.3
EBITA (MSEK)	24.7	19.2	70.0	46.0
EBITA (%)	33%	28%	29%	22%
EBITDA (MSEK)	29.8	23.7	85.5	59.2
EBITDA (%)	39%	35%	35%	28%
Operating income, EBIT (MSEK)	20.4	15.6	56.9	35.8
Operating income, EBIT (%)	27%	23%	23%	17%
One-off items (MSEK)	0.0	0.0	0.0	-0.9
Depreciation right-to-use assets (MSEK)	-2.2	-2.3	-7.0	-6.8
Adjusted EBITA (MSEK)	24.7	19.3	70.0	46.9
Adjusted EBITA (%)	33%	28%	29%	23%
Adjusted EBITDA (MSEK)	29.8	23.7	85.5	60.1
Adjusted EBITDA (%)	39%	35%	35%	29%
Adjusted EBIT (MSEK)	20.4	15.7	56.9	36.7
Adjusted EBIT (%)	27%	23%	23%	18%
Earnings per share (SEK)	1.13	0.91	3.20	2.03
Earnings per share, diluted (SEK)	1.13	0.91	3.20	2.03
Net debt (MSEK)	72.5	91.9	72.5	91.9
Number of employees (average)	238	216	238	216
Net sales per employee (MSEK)	1.4	1.3	1.4	1.3
Cash flow from current operations per share (SEK)	1.1	1.1	5.5	3.4
Average number of outstanding shares (thousands)	13,283.5	13,283.5	13,283.5	13,283.5

For definition of key ratios, see pages 25-28.

# Consolidated income statement in summary (TSEK)

	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
Net sales	75,603	67,982	245,630	207,910
Other revenue	30	123	283	263
<b>Gross income</b>	<b>75,633</b>	<b>68,105</b>	<b>245,913</b>	<b>208,173</b>
<i>Operating expenses</i>				
Compensation to employees	-40,012	-36,277	-135,987	-123,412
Capitalised development work done by own employees	4,596	4,681	13,051	13,889
Depreciation	-9,447	-8,074	-28,567	-23,424
Other expenses	-10,414	-12,699	-38,032	-39,316
Share in earnings of associated companies	0	-108	547	-108
<b>Total operating expenses</b>	<b>-55,277</b>	<b>-52,477</b>	<b>-188,988</b>	<b>-172,371</b>
<b>Operating income</b>	<b>20,355</b>	<b>15,628</b>	<b>56,925</b>	<b>35,802</b>
Financial net	-938	-307	-2,678	-1,831
<b>Income after financial net</b>	<b>19,417</b>	<b>15,321</b>	<b>54,247</b>	<b>33,971</b>
Taxes	-4,389	-3,227	-11,681	-7,010
<b>Net income</b>	<b>15,029</b>	<b>12,094</b>	<b>42,566</b>	<b>26,961</b>
<b>Net income attributed to:</b>				
Shareholders of the Parent Company	15,029	12,094	42,566	26,961
	<b>15,029</b>	<b>12,094</b>	<b>42,566</b>	<b>26,961</b>
<b>Other Information</b>				
Earnings per share, basic (SEK)	1.13	0.91	3.20	2.03
Earnings per share, diluted (SEK)	1.13	0.91	3.20	2.03

# Consolidated statement of other comprehensive income (TSEK)

	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
<b>Net income</b>	<b>15,029</b>	<b>12,094</b>	<b>42,566</b>	<b>26,961</b>
<b>Other comprehensive income</b>				
Items that may be reclassified to the income statement:				
Translation adjustments	42	-76	-426	341
Other comprehensive income for the period	42	-76	-426	341
<b>Other comprehensive income for the period</b>	<b>15,071</b>	<b>12,018</b>	<b>42,140</b>	<b>27,302</b>
<b>Other comprehensive income for the period, attributed to:</b>				
Shareholders of the Parent Company	15,071	12,018	42,140	27,302
	<b>15,071</b>	<b>12,018</b>	<b>42,140</b>	<b>27,302</b>

# Consolidated balance sheet in summary (TSEK)

	2020-09-30	2019-09-30	2019-12-31
<b>ASSETS</b>			
Goodwill	69,763	69,763	69,763
Other non-tangible non-current assets	148,924	133,287	132,191
Right-to-use assets	22,163	10,844	16,189
Tangible non-current assets	2,627	3,518	3,161
Associated company	0	2,845	2,705
Other financial non-current assets	717	554	537
Deferred tax asset	60	59	58
<b>Total non-current assets</b>	<b>244,254</b>	<b>220,870</b>	<b>224,604</b>
Trade receivables	50,045	45,765	52,763
Other current receivables	8,785	5,851	4,858
Cash and cash equivalent	33,517	21,659	31,342
<b>Total current assets</b>	<b>92,347</b>	<b>73,275</b>	<b>88,963</b>
<b>Total assets</b>	<b>336,601</b>	<b>294,145</b>	<b>313,567</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity</b>	<b>90,842</b>	<b>56,791</b>	<b>68,627</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing non-current liabilities	35,709	63,689	56,617
Non-current leasing liabilities	14,400	4,851	9,232
Other non-current liabilities	18,338	8,602	8,642
Deferred tax liabilities	28,824	24,904	24,964
<b>Total non-current liabilities</b>	<b>97,271</b>	<b>102,046</b>	<b>99,455</b>
<b>Current liabilities</b>			
Interest-bearing current liabilities	28,489	28,240	28,240
Current leasing liabilities	9,828	8,704	9,448
Trade payables	3,705	5,884	3,591
Other current liabilities	106,466	92,480	104,206
<b>Total current liabilities</b>	<b>148,488</b>	<b>135,308</b>	<b>145,485</b>
<b>Total equity and liabilities</b>	<b>336,601</b>	<b>294,145</b>	<b>313,567</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, 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	26,961
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>27,302</b>
<b>Transactions with owners</b>					
Bonus issue	31	5,065			5,096
Dividend				-13,283	-13,283
<b>Total transactions with owners</b>	<b>31</b>	<b>5,065</b>	<b>0</b>	<b>-13,283</b>	<b>-8,187</b>
<b>Closing balance September 30, 2019</b>	<b>531</b>	<b>58,099</b>	<b>606</b>	<b>-2,446</b>	<b>56,791</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				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>					
Bonus issue	31	5,066			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 period				42,566	42,566
Other comprehensive income for the year			-426		-426
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-426</b>	<b>42,566</b>	<b>42,140</b>
<b>Transactions with owners</b>					
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 September 30, 2020</b>	<b>531</b>	<b>58,100</b>	<b>-63</b>	<b>32,274</b>	<b>90,842</b>



# Consolidated cash flow analysis (TSEK)

	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
<b>Cash flow from current operations</b>				
Cash flow from operations	29,802	23,812	85,243	59,336
Changes in net working capital *)	-10,314	-6,204	3,693	523
Interest paid	-784	-804	-2,524	-2,374
Taxes paid *)	-4,514	-2,228	-13,760	-12,337
<b>Cash flow from current operations</b>	<b>14,191</b>	<b>14,575</b>	<b>72,652</b>	<b>45,148</b>
<b>Cash flow from investing activities</b>				
Investment in intangible non-current assets	-4,596	-4,681	-13,051	-13,889
Investment in tangible non-current assets	-161	-289	-161	-300
Sales of tangible non-current assets	0	0	525	89
Acquisition of group companies	0	-312	-8,338	-312
Acquisition of associated companies	0	-2,952	0	-2,952
Investment in financial non-current assets	-196	-1	-179	-15
Interest received	20	7	62	72
<b>Cash flow from investing activities</b>	<b>-4,933</b>	<b>-8,228</b>	<b>-21,142</b>	<b>-17,307</b>
<b>Cash flow from financing activities</b>				
Dividend	-19,925	0	-19,925	-13,283
Share issue	0	0	0	5,096
Proceeds from borrowings	86	8,000	213	8,000
Amortisation of borrowings	-9,547	-10,023	-29,052	-27,820
<b>Cash flow from financing activities</b>	<b>-29,386</b>	<b>-2,023</b>	<b>-48,764</b>	<b>-28,007</b>
<b>Net cash flow</b>	<b>-20,129</b>	<b>4,324</b>	<b>2,746</b>	<b>-166</b>
<b>Net change in cash flow</b>				
Cash and cash equivalent, beginning of the period	53,819	17,057	31,342	21,152
Exchange rate changes on cash	-174	278	-571	673
<b>Cash and cash equivalent, end of period</b>	<b>33,517</b>	<b>21,659</b>	<b>33,517</b>	<b>21,659</b>

\*) Comparative numbers have been restated to facilitate comparisons

# Parent company income statement in summary (TSEK)

	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
Net sales	0	0	0	0
Other income	1,201	1,481	4,127	4,655
<b>Gross income</b>	<b>1,201</b>	<b>1,481</b>	<b>4,127</b>	<b>4,655</b>
<i>Operating expenses</i>				
Compensation to employees	-1,322	-1,190	-4,705	-4,213
Other expenses	-154	-466	-443	-1,794
<b>Total operating expenses</b>	<b>-1,476</b>	<b>-1,656</b>	<b>-5,148</b>	<b>-6,007</b>
<b>Operating income</b>	<b>-275</b>	<b>-175</b>	<b>-1,021</b>	<b>-1,351</b>
Financial income	23	50	370	59
Financial expenses	-650	-910	-1,753	-2,177
<b>Income after financial items</b>	<b>-902</b>	<b>-1,035</b>	<b>-2,404</b>	<b>-3,469</b>
Transfers to / from untaxed reserves	0	0	0	0
Taxes	198	188	510	714
<b>Net income for the period</b>	<b>-704</b>	<b>-847</b>	<b>-1,894</b>	<b>-2,755</b>

# Parent company statement of other comprehensive income (TSEK)

	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
<b>Net income</b>	<b>-704</b>	<b>-847</b>	<b>-1,894</b>	<b>-2,755</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>-704</b>	<b>-847</b>	<b>-1,894</b>	<b>-2,755</b>
<b>Other comprehensive income for the period, attributed to:</b>				
The shareholders of the Parent Company	-704	-847	-1,894	-2,755
	<b>-704</b>	<b>-847</b>	<b>-1,894</b>	<b>-2,755</b>

# Parent company balance sheet in summary (TSEK)

	2020-09-30	2019-09-30	2019-12-31
<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	206	274	158
Current receivables group companies	521	509	2,123
Other current assets	2,800	703	79
Cash and cash equivalent	1,698	1,912	782
<b>Total current assets</b>	<b>5,225</b>	<b>3,398</b>	<b>3,142</b>
<b>Total assets</b>	<b>138,585</b>	<b>136,758</b>	<b>136,502</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Restricted equity</i>			
Share capital	531	531	531
<i>Non-restricted equity</i>			
Share premium reserve	5,065	5,065	5,065
Retained earnings	14,836	3,769	3,769
Net income for the period	-1,895	-2,755	30,993
<b>Total equity</b>	<b>18,537</b>	<b>6,610</b>	<b>40,358</b>
<b>Liabilities</b>			
<b>Interest-bearing non-current liabilities</b>			
Interest-bearing debt group companies	35,403	63,689	56,617
<b>Total non-current liabilities</b>	<b>35,403</b>	<b>63,689</b>	<b>56,617</b>
<b>Current interest-bearing liabilities</b>			
Account payables	28,240	28,240	28,240
Current tax liabilities	64	43	16
Current liabilities group companies	0	0	7,072
Other current liabilities	54,166	36,158	1,445
Accrued expenses and deferred income	696	805	1,366
Total current liabilities	1,479	1,213	1,388
<b>Total equity and liabilities</b>	<b>84,645</b>	<b>66,459</b>	<b>39,527</b>
<b>Summa eget kapital och skulder</b>	<b>138,585</b>	<b>136,758</b>	<b>136,502</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. New accounting principles that came into effect on January 1, 2020 have not had any significant impact on the Group's reporting as of September 30, 2020. The Group applies the same accounting principles as in the 2019 annual report.

### 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 25-28.

### 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 4.6 (4.7) during the third quarter 2020.

Operating expenses relating to development of own software have been reduced by MSEK 13.1 (13.9) during the first 9 months 2020.

## 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 2019 annual report.

### COVID-19

As mentioned under the section entitled "Other events during or after the reporting period", the outbreak of the COVID-19 pandemic, and the measures taken by various governments to stem the spread of the virus, will affect our business. In addition to the already known effects, macroeconomic uncertainties cause decline in economic trends and it is not currently possible to say what the long-term effects will be, although the possibility of negative consequences cannot be excluded.

The most critical risks arising from the current uncertain COVID-19 situation are:

**Revenue:** The macroeconomic uncertainties may lead to delays in customers' procurements, to prolonged sales processes towards new customers, and to existing customers terminating their contracts. Lime has implemented a number of measures to counteract the aforementioned, including intensified sales activities. Furthermore, the political measures implemented by various governments restrict our ability to perform certain services. Lime has implemented actions to partly offset such restrictions, including running training and workshops online.

**Profitability:** We see an increased risk of doubtful customer accounts as a consequence of COVID-19. Lime's risk exposure to customer accounts is limited due to low customer concentration. Actions have been implemented to ensure fast and effective monitoring of receivables. Actions are also taken to limit expenditures deemed non-business critical in

the short term. Management is continuously assessing the need for and the possibility of adjusting the cost base.

**Funding and liquidity:** Management is closely monitoring the group's cash flow projections and reserves, to ensure there are sufficient cash available to meet the needs of current operations. Cash flow has been in line with management's expectations in the third quarter.

A bank overdraft of MSEK 25 was negotiated and secured during the second quarter for the purpose of minimising liquidity risks as a result of the COVID-19 pandemic. No amounts have been drawn down under the overdraft during the reporting period.

### 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 84% SEK, 5% EUR, and 11% other currencies.

### 4. Acquisitions

The acquisition of Janjoo AB AB in January 2020 has generated non-current intangible assets in the Group amounting to MSEK 24 before tax, whereof MSEK 24 is allocated to software. Estimated yearly depreciations of acquired software amount to MSEK 2.9. Depreciation of acquired software of MSEK 0.7 is included in the third quarter results and MSEK 2.2 during the first nine months. For more information, see page 9-10.

The acquisition of Janjoo AB had a cash flow effect of MSEK -8.3 during the first quarter 2020.

### 5. Transactions with related parties

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

### 6. Taxes

Tax expenses in the third quarter 2020 amounted to MSEK 4.6 (3.2). Tax expenses during the first nine months 2020 amounted to MSEK 11.7 (7.0). 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

Sales per segment, TSEK	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Sweden	61,120	69,205	68,942	65,724	54,838	56,241	57,788	58,427	46,835
Rest of Nordic region	14,483	15,832	16,048	16,062	13,144	13,789	12,111	10,490	8,519
Income statement in summary, TSEK									
Net sales	75,603	85,037	84,990	81,786	67,982	70,030	69,899	68,917	55,354
EBITDA	29,802	27,013	28,677	24,433	23,702	17,625	17,900	10,006	15,694
EBITA	24,704	21,810	23,496	19,870	19,246	13,250	13,525	8,588	14,205
EBIT	20,355	17,462	19,108	16,251	15,628	9,950	10,225	5,464	10,817
Operating margin	27%	21%	22%	20%	23%	14%	15%	8%	20%
Income before tax	<b>19,417</b>	<b>16,912</b>	<b>17,918</b>	<b>15,894</b>	<b>15,321</b>	<b>9,313</b>	<b>9,338</b>	<b>5,290</b>	<b>10,311</b>

## Revenue from customer contracts (TSEK)

Revenue by income stream, TSEK	Q3 2020			Q3 2019		
	Sweden	Rest of Nordic region	Total	Sweden	Rest of Nordic region	Total
Subscription revenue	29,909	7,799	37,708	24,734	6,780	<b>31,514</b>
Licence revenue	447	43	490	1,104	82	<b>1,186</b>
Support agreements	9,654	1,106	10,760	9,756	1,275	<b>11,031</b>
Expert Services	20,859	5,354	26,213	18,621	4,982	<b>23,603</b>
Other	251	181	432	623	25	<b>648</b>
<b>Net sales</b>	<b>61,120</b>	<b>14,483</b>	<b>75,603</b>	<b>54,838</b>	<b>13,144</b>	<b>67,982</b>

Revenue by income stream, TSEK	Q1 - Q3 2020			Q1 - Q3 2019		
	Sweden	Rest of Nordic region	Total	Sweden	Rest of Nordic region	Total
Subscription revenue	87,722	23,414	111,136	71,158	18,229	<b>89,387</b>
Licence revenue	2,055	141	2,195	5,816	481	<b>6,297</b>
Support agreements	29,282	3,439	32,720	29,667	3,878	<b>33,545</b>
Expert Services	78,642	19,036	97,677	59,395	16,320	<b>75,715</b>
Other	1,567	335	1,902	2,831	135	<b>2,966</b>
<b>Net sales</b>	<b>199,267</b>	<b>46,363</b>	<b>245,630</b>	<b>168,867</b>	<b>39,044</b>	<b>207,910</b>

## Sales per quarter

Sales, TSEK	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Expert Services	26,213	34,839	36,625	34,793	23,603	25,230	26,882	28,058	17,277
Software related revenue*	48,959	49,713	47,380	46,155	43,731	43,887	41,612	39,986	37,332
Other	431	485	985	838	649	913	1,404	874	744
<b>Sales, TSEK</b>	<b>75,603</b>	<b>85,037</b>	<b>84,990</b>	<b>81,786</b>	<b>67,982</b>	<b>70,030</b>	<b>69,899</b>	<b>68,918</b>	<b>55,354</b>
Whereof recurring revenue	48,468	48,520	46,868	44,253	42,545	41,335	39,052	37,115	35,169
Whereof recurring revenue (%)	64%	57%	55%	54%	63%	59%	56%	54%	64%
Growth net sales (%)	11%	21%	22%	19%	23%	14%	19%	20%	23%
Growth recurring revenue (%)	14%	17%	20%	19%	21%	21%	22%	21%	26%

\*) 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 2020	Q3 2019
Recurring revenue (quarter)	48,468	42,545
<b>Annual recurring revenue - ARR</b>	<b>194,113</b>	<b>173,293</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 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
Operating income	20,355	15,628	56,925	35,802
Depreciation of acquired intangible non-current assets	4,349	3,619	13,085	10,219
<b>EBITA</b>	<b>24,704</b>	<b>19,246</b>	<b>70,010</b>	<b>46,021</b>
Net sales	75,603	67,982	245,630	207,910
<b>EBITA (%)</b>	<b>33%</b>	<b>28%</b>	<b>29%</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.

TSEK	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
Operating income	20,355	15,628	56,925	35,802
Depreciation	9,447	8,074	28,567	23,424
<b>EBITDA</b>	<b>29,802</b>	<b>23,702</b>	<b>85,492</b>	<b>59,226</b>
Net sales	75,603	67,982	245,630	207,910
<b>EBITDA (%)</b>	<b>39%</b>	<b>35%</b>	<b>35%</b>	<b>28%</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	2020-09-30	2019-09-30	2019-12-31
Other financial non-current assets	717	554	537
Cash and cash equivalent	33,517	21,659	31,342
<b>Financial assets</b>	<b>34,234</b>	<b>22,213</b>	<b>31,879</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 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
EBIT	20,355	15,628	56,925	35,802
One-off items	0	40	0	918
<b>Adjusted EBIT</b>	<b>20,355</b>	<b>15,668</b>	<b>56,925</b>	<b>36,720</b>
Net sales	75,603	67,982	245,630	207,910
<b>Adjusted EBIT (%)</b>	<b>27%</b>	<b>23%</b>	<b>23%</b>	<b>18%</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 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
EBITA	24,704	19,246	70,010	46,021
One-off items	0	40	0	917
<b>Adjusted EBITA</b>	<b>24,704</b>	<b>19,287</b>	<b>70,010</b>	<b>46,939</b>
Net sales	75,603	67,982	245,630	207,910
<b>Adjusted EBITA (%)</b>	<b>33%</b>	<b>28%</b>	<b>29%</b>	<b>23%</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 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
EBITDA	29,802	23,702	85,492	59,226
One-off items	0	40	0	917
<b>Adjusted EBITDA</b>	<b>29,802</b>	<b>23,742</b>	<b>85,492</b>	<b>60,144</b>
Net sales	75,603	67,982	245,630	207,910
<b>Adjusted EBITDA (%)</b>	<b>39%</b>	<b>35%</b>	<b>35%</b>	<b>29%</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 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
Expenses related to public listing of the Company's shares	0	0	0	-293
Acquisition related expenses	0	-40	0	-625
<b>One-off items that distort comparisons</b>	<b>0</b>	<b>-40</b>	<b>0</b>	<b>-918</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 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
Cash flow from current operations	14,191	14,575	72,652	45,148
Number of share (thousands)	13,283	13,283	13,283	13,283
<b>Cash flow from current operations per share (SEK)</b>	<b>1.07</b>	<b>1.10</b>	<b>5.47</b>	<b>3.40</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 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
Net sales, the period	75,603	67,982	245,630	207,910
Net sales, same period previous year	67,982	55,354	207,910	175,390
<b>Growth in net sales</b>	<b>11%</b>	<b>23%</b>	<b>18%</b>	<b>19%</b>

## Net liabilities

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

TSEK	2020-09-30	2019-09-30	2019-12-31
Interest-bearing non-current liabilities	35,709	63,689	56,617
Non-current leasing liabilities	14,400	4,851	9,232
Other non-current liabilities	18,338	8,602	8,642
Interest-bearing current liabilities	28,489	28,240	28,240
Current leasing liabilities	9,828	8,704	9,448
Financial assets	-34,234	-22,213	-31,879
<b>Net liabilities</b>	<b>72,530</b>	<b>91,873</b>	<b>80,300</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 2019 - Q3 2020	Q4 2018 - Q3 2019
Trailing 12-month net sales	327,416	276,828
Number of employees	238	216
<b>Net sales per employee</b>	<b>1,376</b>	<b>1,279</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 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
Net sales, period	75,603	67,982	245,630	207,910
Acquired net sales, last 12 months	-666	-2,457	-10,779	-4,022
<b>Organic net sales</b>	<b>74,937</b>	<b>65,525</b>	<b>234,851</b>	<b>203,888</b>
Organic net sales, same period last year	65,525	53,115	203,888	168,395
Adjusted for acquired net sales last 24 months	2,457	2,239	1,565	6,265
<b>Comparable organic net sales</b>	<b>67,982</b>	<b>55,354</b>	<b>205,454</b>	<b>174,660</b>
<b>Organic net sales growth (%)</b>	<b>10%</b>	<b>18%</b>	<b>14%</b>	<b>17%</b>

## Recurring revenue

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

TSEK	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
Subscription revenue	37,709	31,514	111,137	89,387
Support agreements	10,759	11,031	32,720	33,546
<b>Recurring revenue</b>	<b>48,468</b>	<b>42,545</b>	<b>143,857</b>	<b>122,932</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 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
Recurring revenue	48,468	42,545	143,857	122,932
Operating expenses	-55,277	-52,477	-188,988	-172,371
<b>Recurring revenue in relation to operating expenses</b>	<b>88%</b>	<b>81%</b>	<b>76%</b>	<b>71%</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.

TSEK	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019
Operating income	20,355	15,628	56,925	35,802
Net sales	75,603	67,982	245,630	207,910
<b>Operating margin</b>	<b>27%</b>	<b>23%</b>	<b>23%</b>	<b>17%</b>

## Operating income, EBIT

Operating income according to the income statement.

# About Lime Technologies

Our 290 staff members and over 70 000 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.

In short – we turn companies into customer magnets.



**Lime Technologies AB (publ)**

Corporate identity no: 556953-2616

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## Auditor's report

Lime Technologies AB (publ), 556853-2616

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### **Introduction**

We have reviewed the condensed interim financial information (interim report) of Lime Technologies AB (publ) as of 30 September 2020 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, 22 October 2020

Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll  
Authorized Public Accountant