

Annual Report 2018

# Lime Technologies AB (publ)



limeD

# This is Lime

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

Lime's organisation is comprehensive and covers development, sales, implementation and support, allowing for a turnkey offering facilitating efficient and value-creating CRM solutions for the customer. The head office is located in Lund and in addition to this we have five offices in Sweden, Norway, Denmark and Finland. Lime was founded in 1990 and has demonstrated an average growth rate of 19 percent since the year 2000.

## Our products



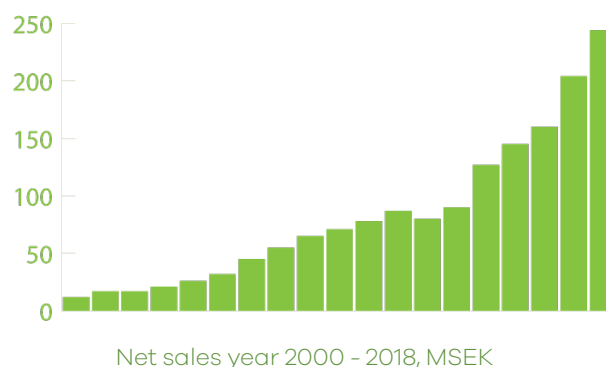
Lime CRM is a flexible and powerful SaaS CRM platform. One of the strengths of Lime CRM lies in the combination of the company's expert services and the flexibility of the software. In a very short time, the customer can have a solution with automated flows, support for key demands and a clear overview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



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

## Lime in numbers

**~60 000 users**  
**~4 500 customers**  
**220 employees**  
**1990 founded**  
**4 countries**

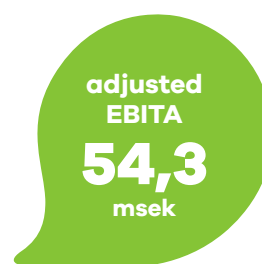


# Content

2	CEO's comments
5	The Lime share
8	Lime's business
18	<i>Strategy &amp; financial targets</i>
20	<i>Market strategy</i>
26	<i>Sustainability</i>
30	<i>Glossary</i>
32	Corporate Governance
	<i>A word from the Chairman</i>
32	<i>of the Board</i>
34	<i>Corporate Governance Report</i>
	<i>The auditors' examination of the</i>
46	<i>corporate governance report</i>
	<i>Board of Directors, senior executives</i>
47	<i>&amp; auditor</i>
54	Financial reports
55	<i>Index</i>
56	<i>Directors' report</i>
72	<i>Notes</i>
111	<i>Boards' affirmation</i>
112	<i>Auditor's Report</i>
117	Multi-year overview
125	Notice to the Annual General Meeting

## 2018 in brief

- Net sales amounted to MSEK 244.3 (203.9), rendering a net sales growth of 20% (27%)
- Organic net sales growth was 16% (15%)
- Recurring revenue amounted to MSEK 138.5 (110.2)
- Hysminai AB was acquired on March 23, 2018, adding a long-sought addition of expertise within the field of gamification, as well as an improved product offering to new and existing customers
- Lime Technologies AB (publ) was listed on Nasdaq Stockholm on December 6, 2018. The offer price for the share was SEK 72, corresponding to a total market capitalisation of MSEK 900



### Key figures

	2018	2017
Net sales (MSEK)	244,3	203,9
Net sales growth (%)	20%	27%
Organic net sales growth (%)	16%	15%
Recurring revenue (MSEK)	138,5	110,2
Adjusted EBITA (MSEK)	54,3	45,3
Adjusted EBITA (%)	22,2%	22,2%
Operating income, EBIT (MSEK)	31,8	33,0
Operating income, EBIT (%)	13%	16%
Earnings per share, basic (SEK)	1,94	1,90
Earnings per share, diluted (SEK)	1,83	1,80
Cash flow from current operations (MSEK)	38,7	39,7
Average number of employees	195	185

*N.B. This is an unaudited translation of the Swedish annual report. Should there be any disparities between the Swedish and the English version, the Swedish version shall prevail.*

CEO's comments

# Recurring revenue drives continued growth

**In 2018, Lime continued to create profitable growth, thereby extending our long trend of years of profitable growth. Growth was 20% compared to 2017 and adjusted EBITA margin was 22.2%. Once again, the driver behind the growth was our important recurring revenue. ARR grew by 21% during 2018. Today, recurring revenue accounts for approximately 60% of Lime's net sales, which provides some predictability in our revenues and a continued reduced risk moving forward.**

Our mission is to "create customer magnets", meaning we will assist our customers to become amazingly talented in sales and customer care. In doing so, our customers continue to use our software and we maintain our recurring revenue.

2018 has been an eventful year. In the first quarter, the company name was changed from Lundalogik to Lime Technologies. The name change had been in the making for a long time and was the last step in the company's transformation to become an international SaaS company.

During the second quarter 2018, we completed our third business acquisition since 2017, Hysminai AB (Sparta). Sparta develops a cloud-based software for gamification. By introducing elements of competition, behavioural change is promoted with an eye toward improving the customer's performance and results. The integration of this company and its product has progressed according to plan and we now see new and existing customers realising the extra value this add-on module creates.

In the second part of the year, our management worked diligently with the preparations for our IPO. These efforts culminated with us ringing the bell to open Nasdaq Stockholm for trade on December 6. We feel very proud to have successfully completed the IPO during a time of turbulent markets, all while we continue to create high growth and good profitability.

Looking ahead, Lime's vision is to "become the leading CRM supplier in the Nordics". The initiative is still in an early stage in Norway, Finland and Denmark. Nevertheless, we sense that we are getting great responses on the markets, not least within our focus verticals Utility, Real Estate, Consultancy and Wholesales. We have secured important sizable deals within Utility and Real Estate in Norway during 2018 and several large transactions within Wholesales in Finland.

In a market report by Capgemini, the CRM market in the Nordic region is expected to grow by 12% annually, from SEK 4 billion to SEK 7 billion, until 2023. The key growth drivers are digitalisation and GDPR. As 60% of Nordic companies with more than 10 employees today lack





We feel very proud to have successfully completed the IPO during a time of turbulent markets, all while we continue to create high growth and good profitability.

**Erik Syrén, CEO Lime**

a CRM system, there is a great need to create structure in the handling of prospects and customers in order to comply with GDPR.

In 2018 we continued to invest significantly in our platforms Lime Go and Lime CRM, and the add-on modules Lime Newsletter, Lime Field and Lime Engage. Such investments are made to further strengthen our competitiveness.

Organic growth, combined with our subscription-based model, in which customers pay for the software in advance, creates positive cash flow which allows us to invest in recruitments and business acquisitions.

The acquisitions we make shall strengthen our product portfolio for both new and existing customers. To respond to customers' demand in an increasing number of areas, we are actively looking at acquisitions as an opportunity. Some of the areas that are in demand are services for developing sales and customer service processes, software for document management and support for reporting and decision making.

Recruitment will continue to be a high priority focus area to continue to create high organic growth. We are primarily looking for developers, consultants and sales representatives who can be involved in creating value for our customers and thereby be a part of preparing Lime for the future. We are a value-based organisation in which the employees are an important part of our unique position of being the Nordic CRM expert that successfully implements CRM systems. That's what makes it particularly exciting to know that 20% of the shares in Lime are held by its staff.

I want to take this opportunity to thank our customers, employees and shareholders for an excellent 2018. We are now confidently looking forward to 2019. Let us jointly continue to create long-term profitable growth.

/Erik Syrén, CEO Lime Technologies



# The Lime share

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

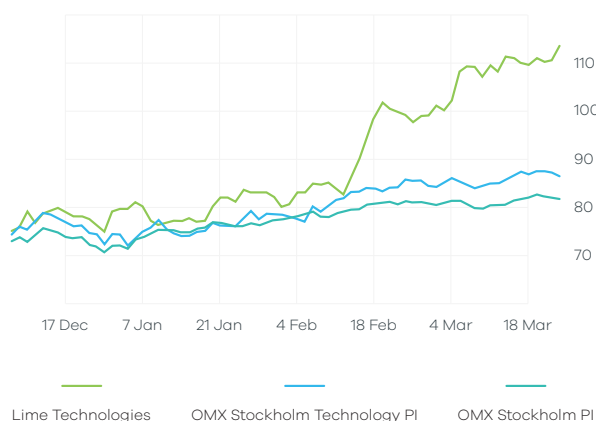
## Turnover and share price performance

Total turnover in 2018 was 567 447 shares (0) with a total value of MSEK 431 (0). The average daily turnover amounted to 40,532 shares (0), corresponding to a daily value MSEK 31 (0). At the end of the year the share price was SEK 79.0 (0), representing a total market capitalisation for Lime Technologies of MSEK 987.5 (0). The highest paid price during the year was SEK 81.48 (December 17) and the lowest price was SEK 72 (December 6). To follow the current share price performance, go to [www.investors.lime-technologies.com](http://www.investors.lime-technologies.com).

## Share capital

On December 31, 2018 Lime Technologies' share capital amounted to SEK 500,000 (50,000). The number of shares amounted to 12,500,000 (50,000), whereof none are owned by the company. The quota (par) value per share was SEK 0.04. Each share entitles the holder to one vote. All shares carry equal rights to dividend and to the company's assets. Lime Technologies does not own any of its own shares and has not owned any of its own shares during the 2018 financial year.

## Share price development since the listing



## Ownership structure

As of December 31, 2018, the company had a total of 557 (11) shareholders. The total share capital was owned to 72,7 percent (80) by Swedish and foreign institutions, to 17,4 percent (17,6) by the company's management and to 9,9 percent (2,4) by others, including employees. At the end of the period, 83,7 percent (100,0) and percent 16,3 (0,0) of the total share capital was owned by Swedish and foreign shareholders respectively.

### The largest shareholders as of December 31, 2018

		Shares	%
1	Monterro 1 AB	3 751 250	30,01%
2	Syringa Capital AB	1 347 222	10,78%
3	Swedbank Robur	1 154 416	9,24%
4	Grenspecialisten Förvaltning AB	935 504	7,48%
5	Roosgruppen AB	425 000	3,40%
6	LMK	425 000	3,40%
7	C World Wide	347 222	2,78%
8	SEB Life International	285 000	2,28%
9	Fidelity	275 000	2,20%
10	Strawberry Capital AS	250 000	2,00%
	<b>Total</b>	<b>9 195 614</b>	<b>73,56%</b>

## Dividend policy

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

### Ordinary policy

Lime Technologies' board of directors proposes a dividend of SEK 1.0 per share diluted (6.0), corresponding to MSEK 13.2 and 55% of the net profit for year 2018.



## Share capital development

Date	Event	Change in number of shares	Total number of shares	Change in share capital (SEK)	Share capital (SEK)	Quota (par) value (SEK)
Dec 10, 2013	Incorporation	-	50 000	-	50 000	1
Mar 23, 2018	Bonus issue	-	50 000	450 000	500 000	10
Oct 16, 2018	Split 250:1	12 450 000	12 500 000	-	500 000	0,04

## Incentive programs

As of December 31, 2018, Lime Technologies had issued a total of 2,724 stock options, in two separate series – 2014/2019 and 2015/2019 – to certain key personnel in the group.

During March 2019, all warrants were exercised, whereby 783 481 new shares were issued. Following the exercise, there are no further warrants outstanding.

## Investor Relations (IR) at Lime Technologies

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

## Analysts

SEB – Victor Höglund

Carnegie – Staffan Åberg

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

Management can be reached at:

Phone: +46 46 270 48 00

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

## Shareholder contacts

Erik Syrén, CEO, Magnus Hansson, CFO, and Johan Holmqvist, Head of Investor Relations, at Lime Technologies.

Lime Technologies' management has an explicit target to keep an ongoing dialog with the media and the capital market.





# Lime's business

## Overview

Lime is a leading SaaS CRM supplier in the Nordic market.<sup>1)</sup> The company develops, sells and implements user-friendly and flexible CRM systems. Lime's business model is primarily based on long-term subscription agreements (Software as a Service or SaaS), and consultancy services (Expert Services) for the implementation and continuous adaptation of the company's products to customer-specific needs and demands. Lime's organisation is comprehensive and covers development, sales, implementation and support, creating a complete offering that enables efficient and value-creating CRM solutions for the customer. The company's headquarters are located in Lund and as of December 31, 2018, the company had 219 employees in six offices in Sweden, Norway, Denmark and Finland. Founded in 1990, the company has since grown with profitability.

The company has a strong local presence in Sweden, which in 2018 accounted for 85 percent of net sales, with rapid sales growth in other Nordic countries. Today, the company has a customer base of over 4,500 companies with approximately 60,000 users.

Lime has implemented more than 6,000 CRM systems implementations for Nordic companies. Lime has built specific expertise in four focus verticals: Utility, Real Estate, Wholesale and Consultancy, within which the company supplies industry-specific CRM solutions mainly to large local companies. CRM systems offered by Lime to SMEs are commonly of a more standardised nature.

Year 2018, net sales amounted to MSEK 244,3 representing an average annual growth of 20 percent. During the same period, the adjusted EBITA margin was on average 22,2 percent. At the end of 2018, Annual Recurring Revenue ("**ARR**")<sup>3)</sup> amounted to MSEK 151.7, corresponding to an annual growth of 20 percent, in comparison with the previous year.

## Mission and vision

Lime's mission is to "Create customer magnets".

Lime's vision is to "Become the leading supplier of CRM in the Nordics, by making our users' working day easier and more fun".

## Strengths and competitive advantages

### A large market with high growth expectations driven by strong trends

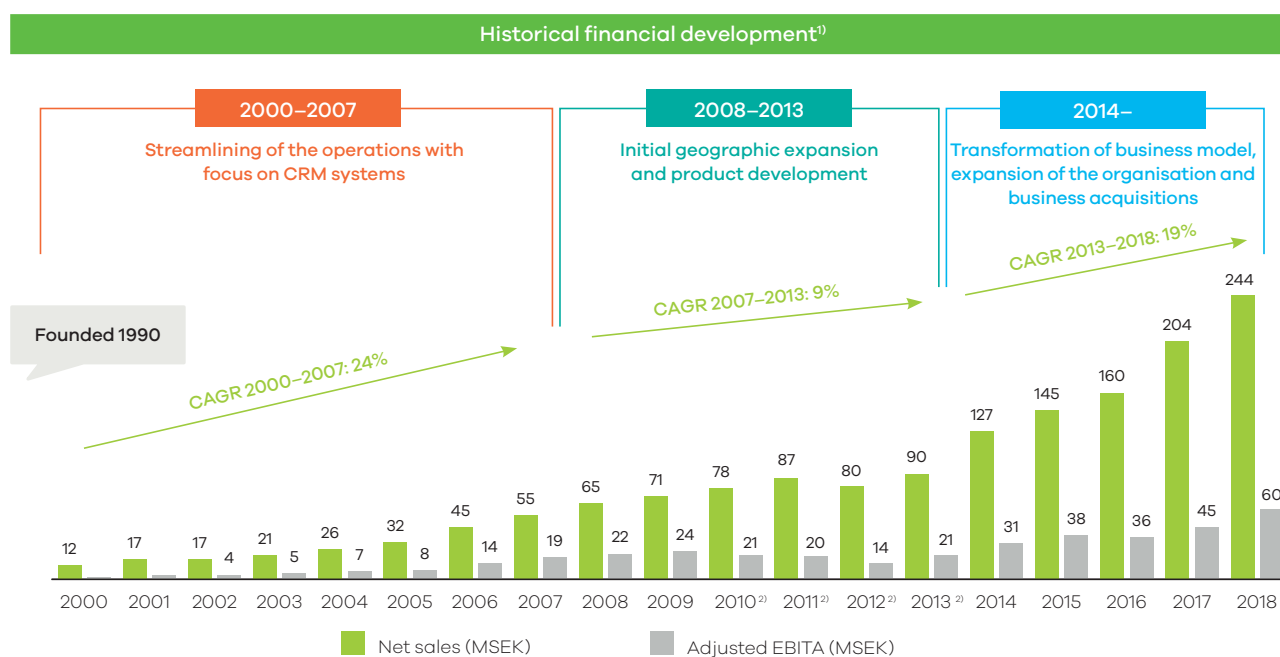
Lime is active on the Nordic software market for CRM systems. Capgemini estimates that Lime's addressable market in 2017 amounted to MSEK 3,597 in the Nordic region.<sup>1)</sup> Growth on Lime's addressable market was 10 percent annually during 2014–2017 and is expected to increase to 12 percent annually during 2017–2023. In 2017, Lime's addressable market amounted to MSEK 1,421 in Sweden, MSEK 890 in Denmark, MSEK 723 in Finland and MSEK 562 in Norway. All countries are expected to grow by more than 10 percent annually between 2017–2023.

The total use of CRM systems among Nordic companies with more than 10 employees amounted to approximately 36 percent on average in 2017, according to the Market Report. Further, approximately

two-thirds of the use is believed to be On-premise (local installation) and one-third SaaS CRM (cloud-based delivery). Capgemini believes there is great potential for new first-time customer implementations, as approximately 60–65 percent of all Nordic companies do not currently use a CRM system.

The market for CRM systems is expected to grow strongly in coming years, mainly due to five key drivers: digitalisation, transition from On-premise systems to SaaS solutions, regulations, automation and streamlining of workflows, as well as improved end-user experience and simplified system integrations.

Lime believes it has the capabilities required to take advantage of the expected market growth as the company offers both pre-configured and standardised SaaS CRM systems, and specific customisations that meet customers' particular needs.



1) Net sales financial years 2000–2013 is taken from Lundalogik AB's (Lime Technologies Sweden AB) audited financial reports for these years. Net sales for the financial years 2014–2017 is taken from the company's audited consolidated financial reports.

2) During the period 2010–2013, when the company was owned by Bisnode, the company conducted its Finnish and Norwegian operations through other companies in the Bisnode group. Sales and EBITA from the Finnish and Norwegian operations have consequently not been included in the historical financial development.

1) Based on the Market Report from Capgemini, May 2018.

### Strong position with SMEs and a comprehensive CRM offering

Lime has 30 years of experience in developing, selling and implementing CRM systems for Nordic companies. Through its long experience, the company has developed valuable insights and knowledge of specific customer needs in implementations and use of CRM system. Lime is the only Nordic turnkey supplier of CRM systems that develops, sells, implements, and manages support for its own products. Global actors active in the Nordic market are mainly suppliers who largely use various partners to sell, implement and support CRM systems. Lime delivers an attractive value proposition to its customers and believes its ability to address the complete customer relationship is a major competitive advantage compared to other players who are only involved in the development of CRM systems. Lime's comprehensive offering allows for solid and close customer relationships, which leads to in-depth understanding of customer needs and enables Lime to offer efficient implementation of CRM systems, prompt and relevant response to customer requests, and effective customisation of software and other add-on services.

### Powerful and scalable SaaS platform with high percentage of recurring revenue

Lime offers SaaS CRM platforms through the two products Lime CRM and Lime Go. The products are designed to meet the needs of different customers, where Lime CRM is aimed at customers seeking a comprehensive CRM system with ample opportunities of customisation aligned to industry or customer-specific processes. Lime Go is aimed at customers seeking a web-based, smart solution, including e.g. contact information for Nordic companies integrated in the product, which facilitates more efficient sales. Lime Go is mainly used by SMEs, while Lime CRM is more widely used by large Nordic companies within any of Lime's four focus verticals, but also by SMEs in the Nordic region. Both Lime CRM and Lime Go are sold with a number of basic features and a wide range of modules that can be integrated into CRM systems based on customer-specific demands.

In order to meet customer-specific demands for customisations and to ensure successful implementations, Lime offers Expert Services, which is a critical part of Lime's total offering and contributes significant added value to the customer. Lime focuses on customised CRM solutions to four selected verticals

on the market: Utility Real Estate, Wholesale and Consultancy, offering local industry-specific expertise. Lime believes the company has a particularly strong position within these verticals, due to extensive experience of industry-specific implementations that provide added value to customers compared to other CRM suppliers.

Lime has a highly diversified customer base of over 4,500 customers and approximately 60,000 users. The ten largest customers and the largest customer accounted for approximately 10 percent and 2 percent respectively of net sales during 2018. Thus, the company is not dependent on only a few customers. During 2018, Lime had, in addition to a low customer concentration, also a positive net churn rate.

Lime has an attractive business model characterised by a high percentage of recurring revenue, primarily from the sale of software subscriptions and support agreements. The percentage of recurring revenues of total net sales during 2018 amounted to 57 percent.<sup>1)</sup> In addition, a large part of net sales come from consulting services from existing customers and during 2018 70 percent was of a recurring nature.<sup>2)</sup> Furthermore, Lime has shown strong customer retention abilities over time.

### Scalable and profitable business model with high cash generation

Lime initiated a transition of its revenue model from one-off sales of license rights to subscription sales in January 2015. The company has been successful in transforming its revenue model and has increased its recurring revenues from 37 percent of net sales in 2015 to 57 percent of net sales in 2018. ARR has increased from MSEK 62 in 2015 to MSEK 152 at the end of 2018.

Lime has an interesting business model with minimal tied-up capital, low financial risk and a scalable platform. The scalability enables Lime to increase revenues with a limited increase in costs and thereby an ability to maintain strong cash flow. High cash generation enables the company to invest in the organisation and its platform, both organically and through acquisitions, thereby improving its offering to both existing and new potential customers. During 2018, recurring revenue as a percentage of total operating expenses amounted to 65 percent. The subscription

1) Revenue of annual recurring nature refers to support and maintenance income and subscription revenues.

2) Not included in the performance measure *recurring revenue*.

model enables high cash generation due to recurring revenues and a favourable working capital profile through advance payments.

### Competent organisation and a strong corporate culture

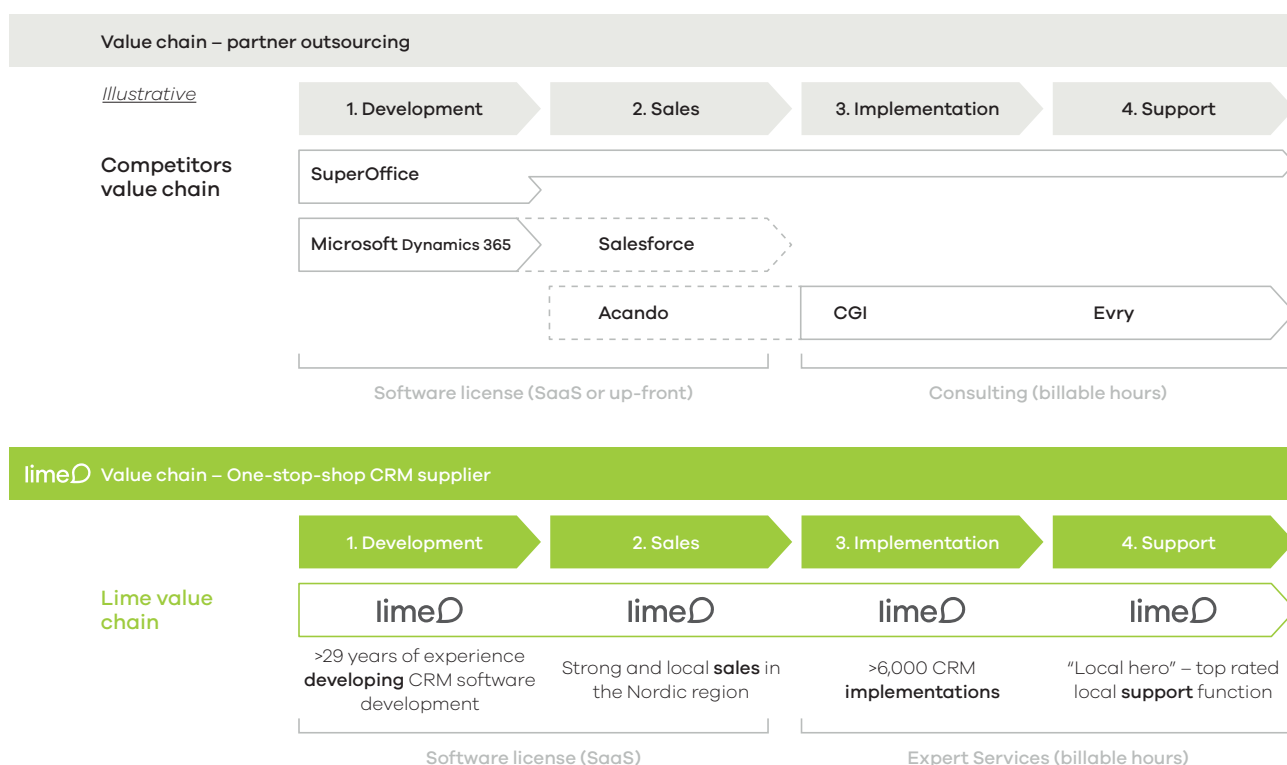
Lime works actively to develop and maintain a strong corporate culture. The corporate culture permeates the entire organisation and contributes to Lime's ability to attract employees, especially university graduates. In 2018, more than 3,500 applications were received to approximately 50 vacancies. The company has developed a well-functioning process

to quickly and efficiently introduce new employees to the business, as well as establishing clear long-term development plans for staff. About 90 percent of the employees have an academic degree.

Lime's management is experienced and highly motivated with long experience and significant ownership in the company. Erik Syrén, CEO since 2013, has worked in the company since 2001 and the average length of employment in the management team is 10 years. Lime believes its management's overall industry knowledge and leadership competence confirms the company's ability to continue to successfully drive the company's growth strategy.

## Lime's position in the value chain

According to Lime, the value chain in the Nordic CRM market consists of primarily four different phases: development, sales, implementation and software support. Today, Lime has a comprehensive offer including local development, sales, consultant services and project management during implementation, as well as a support function. Unlike Lime's main competitors, where for example Microsoft's and Salesforce's sales occur through both direct and indirect channels, Lime only sells its products directly and thus covers all parts of the value chain, which, according to the company, brings a competitive advantage based on a superior relationship with its customers. The figure below illustrates Lime's view of the value chain for the CRM market in the Nordic region, where Lime has a comprehensive offer.





## Lime's product offerings

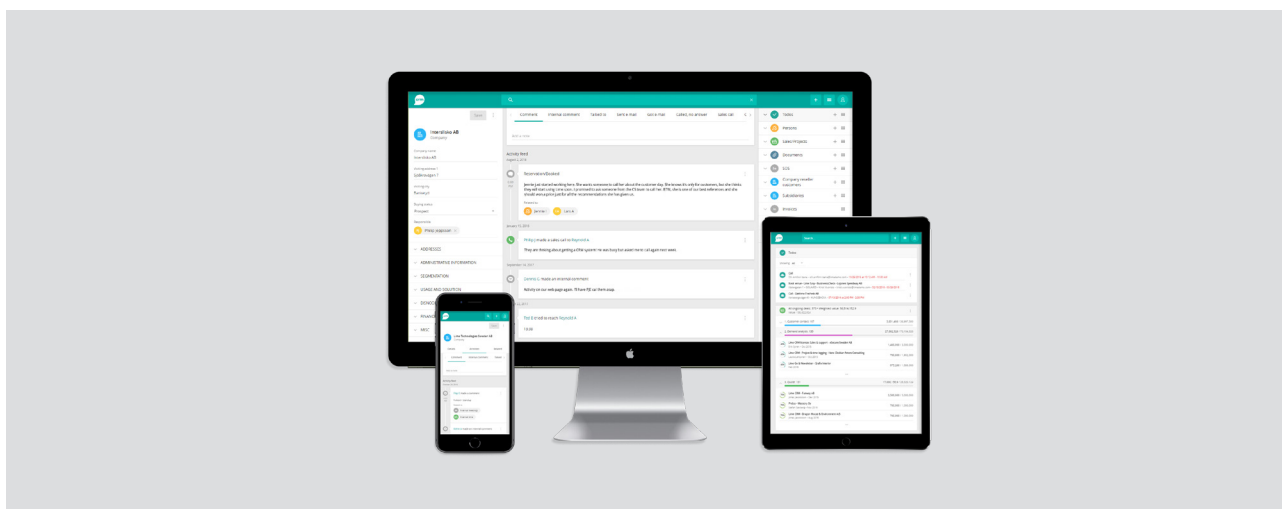
Lime currently offers two different CRM platforms: Lime CRM and Lime Go with associated add-on modules, e.g. Lime Engage, Lime Field and Lime Newsletter. In addition, Lime has the product platform Lime Easy that no longer is actively offered to new customers. During 2018 Lime CRM, Lime Go, Lime Easy and add-on modules represented approximately 77, 5, 7 respectively 10 percent of the total net sales.

### Lime CRM

Lime CRM is a flexible and powerful SaaS CRM platform based on a number of standard and reusable components targeted primarily at companies with 20–500 users. Lime CRM is either cloud-based or installed locally in the customer hardware (On-premise) and can be delivered as a webclient or installed PC-client. The components are linked using APIs to communicate with Lime in a standardised

manner, enabling Lime to deliver both pre-packaged expert solutions and flexible customisations, depending on customers' different needs. In addition to basic features such as contacts, history, to-do tasks, case management, business and marketing activities, Lime CRM is highly customisable, user-friendly and has great integration capabilities with other IT systems. For example, customers can easily add member management, education course handling, asset management, or create inventory records.

One of the strengths of Lime CRM lies in the combination of the company's expert service and the flexibility of the software. In a very short time, the customer can have a solution with automated flows, support for key demands and a clear overview of the entire business. Combined with integrated auxiliary systems, an ecosystem is created, providing significant customer benefits. Lime CRM is delivered as a SaaS service, either cloud-based or installed on the customer's hardware.



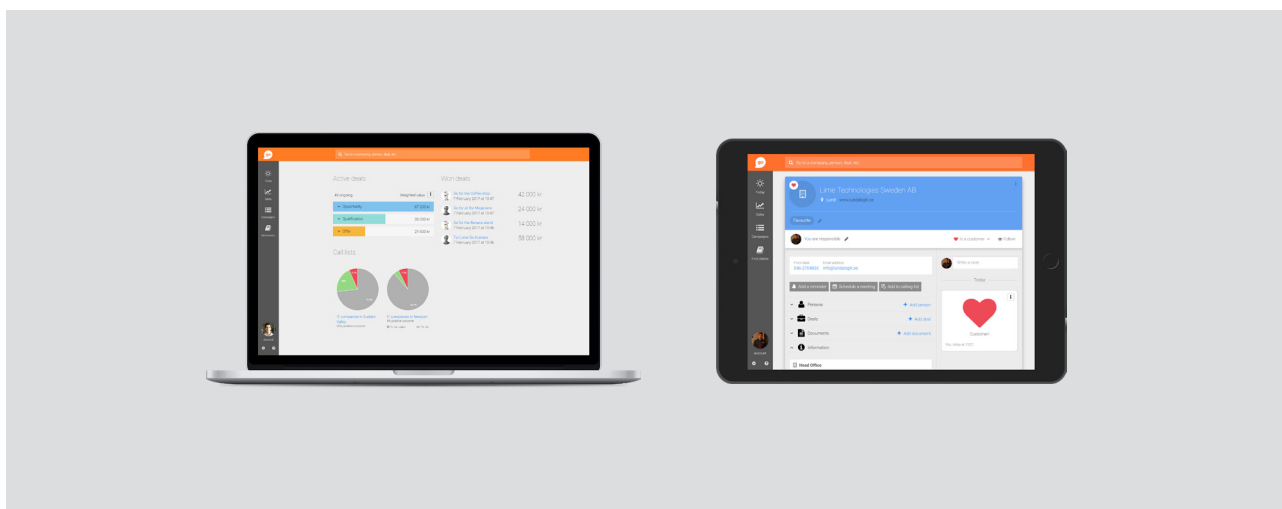
### Lime Go

Lime Go has been developed to maximise sales in, primarily, companies with 3–20 users. The typical Lime Go-customer has a great need for new business opportunities and a constant flow of new customers. The software can be described as being streamlined with good management over upcoming business, which is an important characteristic as the customer group is often highly data-driven.

Lime Go is a cloud-based SaaS service that comes with a large library of company and contact information for nearly all companies in the Nordic region. Having access to such information is of great benefit to the users, commonly people in sales departments, who can focus on their sales efforts instead of spending time on administration, such as gathering information about customers and individuals. In other words, Lime Go is time efficient for users as it removes administrative work. The information included is also a tool in the sales process, allowing users to easily follow potential customers' development. Growth, sales volumes and number of employees

can be found in the same interface as the sales representative's own needs analysis for potential customers. In summary, access to information about potential new customers simplifies the sales process by providing the user with knowledge about the customer's organisation in an efficient manner.

Lime Go is an innovative platform that uses machine learning to provide the user with predictive suggestions about new potential customers, by identifying the patterns of how the user applies the software, using a large amount of data. For example, Lime Go learns which decision makers sales representatives usually contact, and can then suggest relevant persons to contact. Lime Go can also predict which customers sales representatives have the greatest opportunity to sell their product or service to, based on how the relevant company matches other customers of the user. Further, the software can interpret different types of purchase signals through, for example, visits to websites or requests that help the user understand which potential customers are more relevant and qualified than others.



### Add-on modules

Lime provides a number of add-on modules in Lime CRM and Lime Go. Descriptions of three of Lime's own add-on modules can be found below.

### Lime Engage

Lime Engage is a gamification platform that helps businesses engage their employees by increasing the focus on and the use of CRM and thus improving performances. Lime Engage is linked to Lime CRM and enables companies to create internal competitions based on data from the CRM system. This could include customer case management, booking of meetings, making phone calls, submitting quotes or closing deals.

Participants are rewarded when performing certain activities. The results are synchronised in real time from Lime CRM to Lime Engage and results are displayed in web browsers, on mobile devices through iOS and Android applications, or on TV screens.

### Lime Field

Lime Field is a mobile case management system (Field Service Management System or FSM). Lime Field helps both field technicians and managers in the office to perform their tasks, send invoices and to communicate with customers. Together with Lime CRM, Lime Field provides a comprehensive solution for customer service.

The tool helps companies to receive and manage cases, by planning and organising scheduled maintenance and ensuring they provide the relevant competence for each work order. Lime Field allows the company to have direct reporting back from the field and the ability to manage subcontractors, time reports, discount agreements and price lists in the one and same system.

### Lime Newsletter

Lime Newsletter helps companies manage their mailings, to communicate with their prospects and to strengthen customer relationships. Lime Newsletter makes it easy to create relevant marketing campaigns based on data from the CRM system.

The tool allows companies to, for example, create professional e-mailings, manage attendance lists before and after events, and to boost their campaigns with SMS mailings. Creating segmented recipient lists is easy thanks to the link to Lime CRM and all results from completed campaigns are gathered directly in the CRM system.

## Lime's service offering (Expert Services)

The company's delivery organisation to customers is called Expert Services and consists of consultants and consultancy management. Lime's goal is to deliver high quality projects customised to their customers' needs based on the company's expertise and industry-specific requirements. Proximity to customers requires local presence, which is why the company's 77 consultants are spread out over six offices in the Nordic region for the delivery of hundreds of projects annually.

The Expert Services organisation consists of project managers and application consultants. Project managers deliver simplified customisation, project management, workshops, training and assist with requirements management. Application consultants develop integrations, perform migrations and imports, and customise solutions to streamline, automate and maximise customer value.

Lime sells Expert Services to either new customers, when the service primarily concerns implementation, or to existing customers, when the service mainly involves the implementation of add-on modules or adaptation of existing products.

## Sales and marketing

Lime has a regional and vertical based sales team consisting of 48 sales representatives as of December 31, 2018. The team has system technical experience in CRM systems and within Lime's focus verticals. The sales representatives maintain a continuous dialogue with customers and have deep insights into a typical customer's demands and requirements on CRM software. Lime mainly sells products, Lime CRM and Lime Go, as well as Expert Services in connection with implementations and operations.

Lime also has its own in-house agency for marketing, consisting of 8 people. The marketing team primarily focus on lead-generating, digital marketing.

## Customers

Lime focuses on selling CRM systems to companies that need to strengthen their customer relationships and/or to streamline internal processes. The company has customers in a wide range of industries, but a clear focus on and specific skills within four industry verticals: Utility, Real Estate, Wholesale and Consultancy. Lime believes the company has a particularly strong position and growth potential within these verticals, which is a result of years of industry-specific implementations that provide its customers with added advantages, compared to other CRM suppliers. The industry knowledge, in combination with pre-packaged solutions for each vertical, gives customers benefits in terms of flexible solutions as well as time and cost savings. In 2018, sales to the four industry verticals amounted to approximately 40 percent of total net sales.

Lime has extensive experience in increasing sales to existing customers. Typically, customers make initial purchases of CRM systems along with implementation services. As the CRM system is utilised more frequently in the customer's business, the number of users and the need for customisations increase, leading to improved subscription revenue and Expert Services revenue. Customer needs may also change over time, with the customer purchasing additional modules, resulting in increased revenue.

During 2018, Lime had a positive net churn rate for software revenues, amounting to 0.1 percent. Net churn during the period consists of the net of upgrades and downgrades as well as terminations for existing customers. Lime's customers often continue to purchase Expert Services and during 2018, 70 percent of Expert Services revenue came from existing customers.



Lime's license agreements with customers typically run for 12 months, with an automatic 12-month extension. The percentage of recurring revenues of total net sales during 2018 amounted to 57 percent. Lime's customer base is diversified and during 2018, the largest customer accounted for 2 percent of total sales, while the ten largest customers accounted for 10 percent.

## Organisation, employees and corporate culture

### Corporate culture

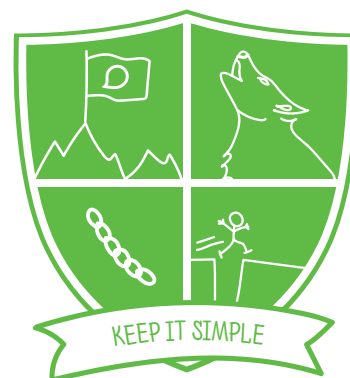
The employees are the key to the company's growth and continued success. Lime is driven by culture and business, with clear core values shared by the entire organisation. The company is fundamentally characterised by a desire to keep things simple, which is intended to permeate software, materials and communications. Lime's core values are summarised in the company's coat of arms. All employees are recruited in light of the core values that govern everyday work.

### Employees

As of December 31, 2018, the company had 219 employees (204), spread out over six offices: Lund (head office), Stockholm, Gothenburg, Copenhagen, Oslo, and Helsinki.

### Core values

- **Keep it simple**  
Try to communicate and act in a simple and easily understood manner.
- **Just do it**  
Don't wait for someone else to solve the issue. Fix it!
- **Don't break the chain**  
We are one company, not a number of silos.
- **Spend wisely**  
Act as if it is your own money.
- **Make a mark**  
Don't accept status quo. Make a difference!



The table below shows the number of FTEs per office on December 31, 2018, 2017, 2016 and 2015.

Office	2018	2017	2016	2015
Lund (head office)	89	89	84	68
Stockholm	48	42	25	25
Gothenburg	25	22	21	15
Oslo	11	11	10	6
Helsinki	14	13	10	8
Copenhagen	8	8	6	2
<b>Total</b>	<b>195</b>	<b>185</b>	<b>156</b>	<b>124</b>

The table below shows the number of FTEs per function on December 31, 2018, 2017, 2016 and 2015.

Function	2018	2017	2016	2015
Development	32	28	21	18
Product and marketing	13	10	10	7
Sales	48	49	43	33
Expert Services	79	74	62	50
Customer Support	13	15	12	10
Finance, IT and management	10	9	8	4
<b>Total</b>	<b>195</b>	<b>185</b>	<b>156</b>	<b>124</b>

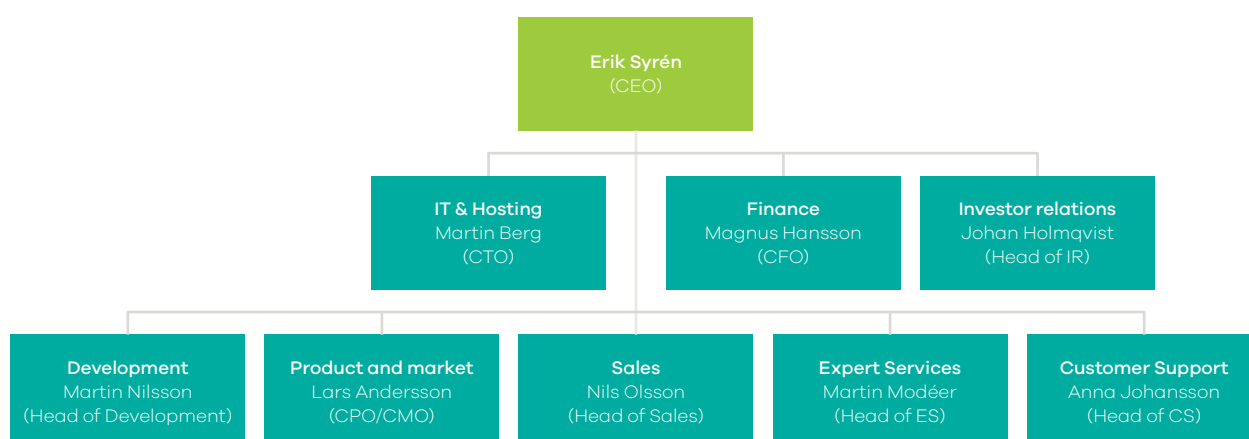
The proportion of female employees at Lime during 2018 amounted to 28% (29%).

Since 2015, the number of employees has increased at a faster pace than net sales. This is to support the implementation of the company's strategy and build an organisation for future growth. During the same period, the number of employees in offices outside Sweden has increased to allow growth in these markets.

The company is proactive and innovative in its recruitment efforts, with the aim of finding and attracting new talent. Lime has been active for many years with its trainee program. By gradually strengthening the Lime brand at selected universities, the number of applicants has steadily increased. During 2018, the company had more than 3,500 applications with approximately 65 applicants being employed. Among these, 20 persons started in January, 2019. In parallel with the trainee program, the company is working intensively with training of staff, recruitment of senior experts and progressing employees to become experts within CRM, sales and the verticals, areas that all require a high level of competence. Experts, together with young, competent and committed staff, create a highly balanced team. Staff at Lime are very satisfied and proud of their workplace and are happy to recommend their employer, proven by a Net Promotor Score ("NPS") of 37 in December 2018, on a scale from -100 to 100.

## Organisation

The company's organisational structure and management is shown below.





# Strategy & financial targets

## Strategy

### Organic growth

Lime's main focus is on organic growth. Based on trends described above, Capgemini<sup>1)</sup> estimates that growth in the Nordic software market for CRM systems will increase in the future. From an average annual growth rate of 10 percent during 2014–2017, Capgemini expects the market to grow by an average of 12 percent per year during 2017–2023. Lime has a track record of growing faster than the market and in 2015–2017, when the market grew by an annual average of 11 percent, Lime's software-related revenue grew by an average of 22 percent per year.

### Geographic expansion

Lime intends to continue to strengthen its presence on existing markets in the Nordic region to meet the demand for CRM systems. Lime's sales growth in Sweden and Nordic countries outside Sweden was 18 percent and 32 percent respectively between 2017–2018. The company believes there are good opportunities to continue developing the current organisation within and outside Sweden in order to maintain strong growth.

In addition to the Nordic countries, there are opportunities for Lime to establish itself in countries outside the Nordic region, either through acquisitions or through organic expansion. The company continuously evaluates potential new markets where the use of CRM systems is similar to that in the Nordic region and where the market is showing high growth rate.

### Focus on selected verticals

Lime offers pre-packaged CRM solutions to customers in selected verticals. Lime's industry-specific expertise in combination with pre-packaged solutions for each vertical give customers advantages in terms of industry-specific products, as well as time and cost savings. For example, Lime offers real estate companies a pre-packaged solution that provides full control over customers, properties, contracts and case management, a module for managing vacancies and expired contracts, and a system that makes it easy to reach out to new potential tenants.

As industry-specific knowledge increases within Lime, the company is able to be more proactive in its sales of CRM solutions, particularly based on know-

ledge of which customisations each vertical requires. The company intends to further develop its four focus verticals but may also expand the number of verticals with customised solutions to further acceleration of growth.

### Grow sales from existing customers

A majority of Lime's sales come from the company's existing customer base. Lime intends to maintain and increase sales to existing customers by actively offering add-on products and related Expert Services during the period following implementation. Further, the company has a dedicated customer success team that works actively to be close to the customer long-term in order to safeguard customer retention and to secure sales of additional products and services.

Lime believes there is potential to increase sales to existing customers by getting customers to add more users over time, by increasing sales of add-on product modules that add value to the customer, and by offering consulting services to customise the product based on specific requests and new regulations, such as GDPR.

The company sees great opportunities to drive more sales of its add-on products, such as Lime Newsletter (formerly BizWizard), which helps customers automate marketing, Lime Engage (former Sparta), which aims to promote behavioural change in primarily customer service and sales organisations through, for example, gamification, and Lime Field (former RemoteX), which offers mobile case management solutions.

### Continued development of product platforms

In recent years, Lime has continuously made significant investments in the development and upgrading of its CRM systems. In addition to offering two different products for different customer needs, the offer has been expanded through additional modules and functions. Lime believes there is potential to continue developing the product portfolio to strengthen its competitiveness and to attract new customers. With its strong market position, broad customer base and close relationship with its customers, Lime has a strong starting position for cross-selling and add-on sales of new services and features aimed at increasing sales growth and widening existing customers' use of Lime's services and solutions.

1) Based on a market report by Capgemini May, 2018.

### Selective business acquisitions

An important part of Lime's strategy is to proactively evaluate strategic acquisitions to strengthen the product offering, expand competencies and resources in the company, expand geographically and broaden the customer base to enable cross-selling. The company has a good track-record of integrating strategic acquisitions of related products that strengthens Lime's CRM platform and value proposition to existing and new customers. As an example, in 2017 Lime acquired RemoteX Technologies AB (now Lime Field), which offers a cloud-based mobile case management tool, and Netoptions Sweden AB (formerly BizWizard, now Lime Newsletter), which develops and sells a solution for marketing automation. In 2018, Lime acquired Hysminai AB (now Lime Engage), which develops and sells the Sparta software and aims to promote behavioural change, particularly in customer service and sales organisations through various types of competitions, such as gamification.

Lime intends to continue evaluating potential acquisitions. The focus is primarily on product companies that complement Lime's offering. The acquisition criteria include B2B solutions, satisfied customers, similar corporate culture, satisfied employees, and net sales in the acquired company to amount to a maximum of 25 percent of Lime's net sales.

### Financial targets

Lime aims to, in the medium term, achieve organic annual net sales growth exceeding 15 percent and an annual EBITA margin exceeding 23 percent. The capital structure target is that net debt relative to EBITDA shall be less than 2.5. Lime intends to distribute available cash flow after consideration of the company's indebtedness and future growth opportunities, including acquisitions. Dividend is expected to correspond to at least 50 percent of net profit.

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

# Market strategy

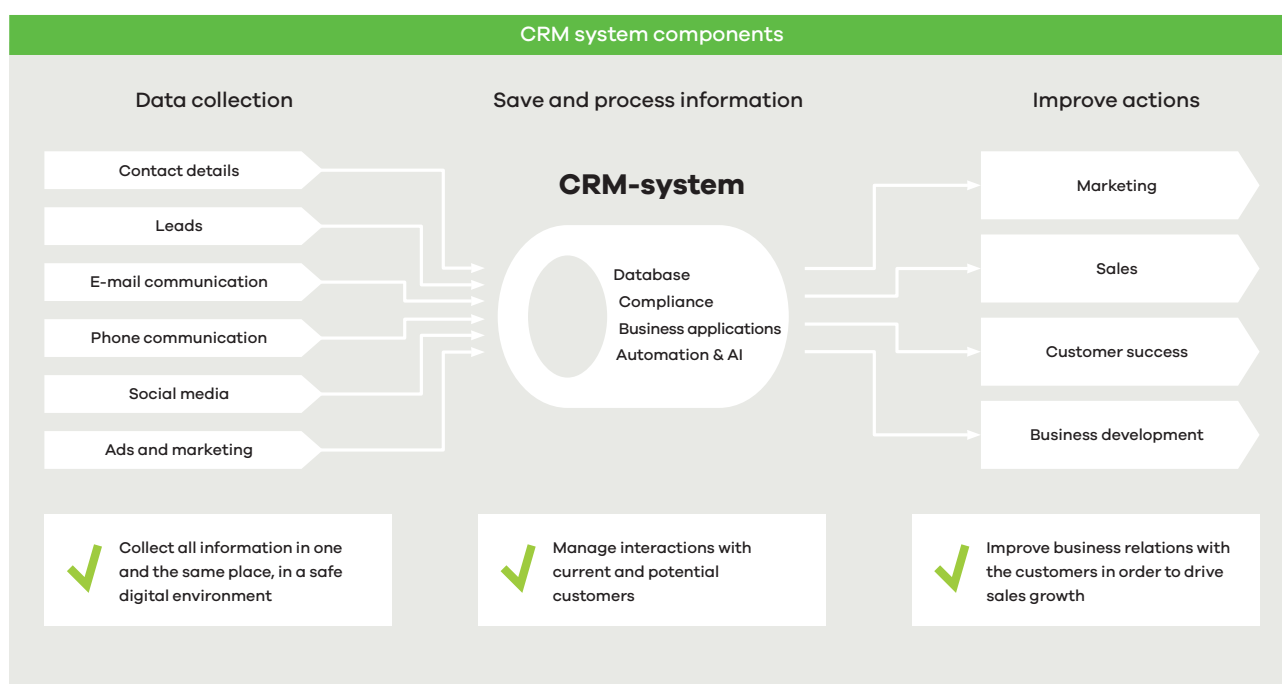
*This section contains information concerning Lime's markets. Unless otherwise stated, the information is based on the company's own analysis and assessments, and the Market Report commissioned and paid for by Lime. Forecasts and forward-looking statements in this section are no guarantee for future results and actual events and circumstances may differ significantly from current expectations.*

## Introduction to the Customer Relationship Management market

Lime develops, sells and implements user-friendly and flexible CRM systems. The company has long experience in the industry and primarily addresses the markets in Sweden and other Nordic countries. CRM systems consist, in their simplest form, of a database with customer information for existing and potential new customers, and a number of applications for management of customer information. CRM systems are centralised systems that enable a company to store all customer information, including contact information, sales opportunities, email and phone correspondence, social media and marketing activities. In addition, a CRM system can be linked to business processes and other IT systems to make advanced workflows more efficient. CRM systems

can be delivered either as a locally installed system ("**On-premise**") or as cloud-based software ("**Software as a Service**" or "**SaaS**").

Lime's customers purchase and use CRM systems to improve their customer relationships and/or to streamline their internal processes. The CRM system follows the activities the user has with its customers in areas such as marketing, sales, customer satisfaction and business development. This way, the user gains a better overview of their interactions with current and prospective customers and can improve the relationship with the purpose of increasing sales. The components of a CRM system and its process of improving and streamlining a company's marketing, sales, customer satisfaction, and business development can be described according to the process map below.



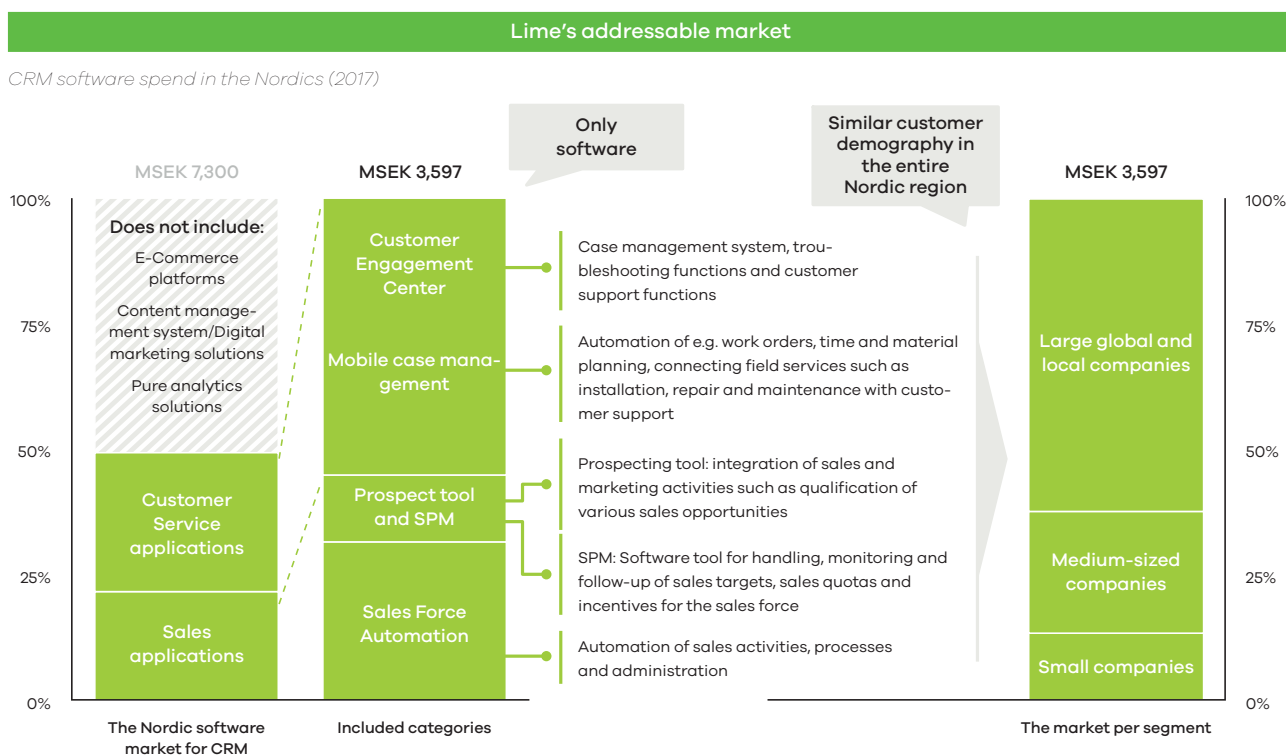
Based on customer demands, Lime provides both On-premise and SaaS CRM systems. Lime also offers consulting services ("**Expert Services**"), to meet customer-specific customisations and to ensure successful implementations of the CRM systems. Expert Services are an important part of Lime's total offering and bring added value to the customer. Consulting services are not included in the software market for CRM systems presented in this section.

According to Capgemini the software market for CRM systems consists of the following product categories:

- Sales applications
- Customer services applications
- E-Commerce platforms
- Content management systems
- Digital marketing solutions
- Analytical tools

The Nordic software market for CRM systems amounted to approximately MSEK 7,300 in 2017, of which the company estimates that Lime's addressable market amounts to MSEK 3,597<sup>1)</sup>. Lime's addressable market consists of the product categories sales applications, amounting to MSEK 1,583 in 2017 and customer services applications, amounting to MSEK 2,014 in 2017. In addition to primarily addressing sales applications and customer service applications, Lime also, to some extent, offers products for digital marketing solutions.

Based on the number of employees and business areas, companies that invest in CRM systems can, according to Capgemini, be divided into small, medium-sized, large global and local companies. According to Capgemini, the distribution is similar in all Nordic countries, whereof small companies account for MSEK 482, medium-sized companies for MSEK 876 and large global and local companies for MSEK 2,239.



Source: The Market Report / The company's assessment.

1) Lime's addressable market in the Nordic software market for CRM systems may hereinafter be referred to as "**Lime's addressable market**". The size of Lime's addressable market is based on the Market Report.

### Sales applications

Sales applications are primarily used by companies' sales departments and include Prospecting tools, Sales Performance Management and Sales Automation.

The prospecting tool integrates sales and marketing activities, such as qualification of different sales opportunities. Prospecting tools are primarily used in transactional based sales, when there is a need for wide analysis of the target market, but it can also be used for more complex sales activities focused on a target group. For example, a prospecting campaign towards companies within a specific industry could be conducted with the aim of learning more about the target group.

Sales Performance Management is a software tool for managing, monitoring and following up on sales targets, sales quotas and sales incentives for salespeople. Sales performance management tools are primarily used by B2B customers (business-to-business, i.e. sales between businesses). Sales Performance management results are often visualised through reports, dashboards, or social media flows.

Sales Automation includes automation of sales activities, processes and administration. An example is automatic emailing to customers, triggered by certain specified factors. Emailings can be pre-packaged material that is automatically sent to the customer when requested by the customer, for example via the company's website. Sales Automation may also include the tracking of visitors on a webpage matched to IP numbers. In this way behavioural patterns can be detected and provide increased understanding of the customers' needs and their status in a purchasing process. Sales Automation is only used by B2B customers.

### Customer services applications

Customer service applications consist of Customer engagement centre and mobile case management. Customer engagement centre includes case management systems, troubleshooting and customer support features. This service is used by both B2B and B2C customers (business-to-consumer, i.e. direct sales to consumers). Mobile case management automates work orders, time and material planning, and connects field services, such as installation, repair and maintenance with customer support. This service is used by both B2B and B2C customers.

### Lime's addressable market

#### Market size, historical growth and future outlook

Capgemini estimates the company's addressable market within the Nordic software market for CRM systems to be worth MSEK 3,597 in 2017, whereof MSEK 1,421 in Sweden, MSEK 890 in Denmark, MSEK 723 in Finland and MSEK 562 in Norway. Growth in Lime's addressable market was 10 percent annually between 2014 and 2017. The early use of cloud-based software services was, during this period and to some extent, the driver of growth in the percentage of companies that bought CRM systems, primarily among small and medium sized enterprises ("**SMEs**") in the Nordic region. Lime's addressable market is expected to grow by 12 percent annually during 2017–2023 and by more than 10 percent annually in each region. The growth rate is expected to be somewhat lower in Denmark and Finland relative to Sweden and Norway, based on the fact that these countries had a higher growth rate in 2014–2017. The use of SaaS CRM is expected to increase to a greater extent and contribute to increased use of CRM systems in the Nordic region during 2017–2023.



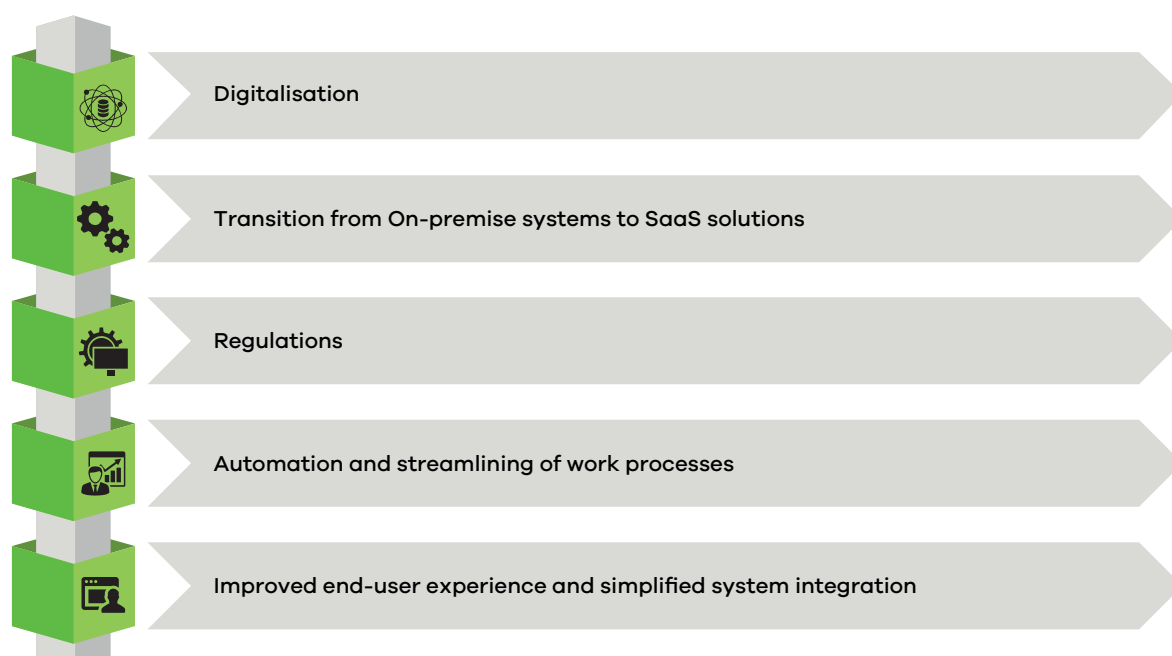
### Opportunities for both system upgrades and new customers

% of companies who buy CRM and SaaS CRM (2017)



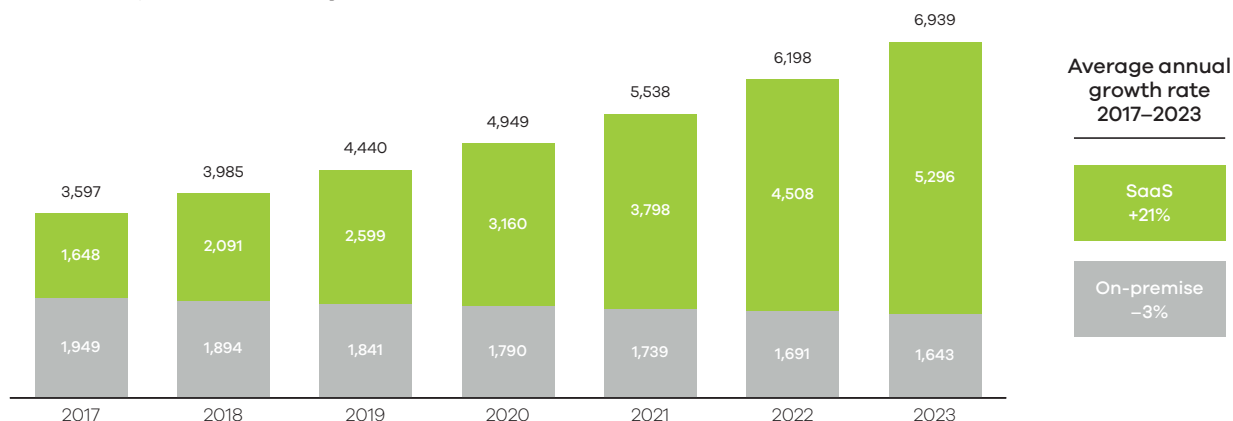
### Key drivers to increased market size and use of CRM systems in the Nordic region

Lime's addressable market within the Nordic software market for CRM systems is expected to grow strongly in coming years. This is explained by the following five key drivers.



## Evolution of SaaS and On-premise 2017–2023

CRM software spend in the Nordic region, addressable market (MSEK)



## Competitive position

## Competitors

Lime's addressable market is relatively consolidated, and the six largest players jointly have approximately 65 percent of the market.<sup>1)</sup> Based on software-related revenue, a large part of the Nordic market, about 55 percent, is held by major global players like Microsoft, Salesforce, SAP and Oracle.

An important aspect is that Lime's competitors largely focus on large companies and use various external partners to sell, implement and support the CRM system, or a combination of external partners and their own involvement. Lime is a specialised player within CRM in the Nordic region, utilising a direct sales model with in-house sales, implementation and support. The company believes this is an important competitive advantage, as Lime builds better and stronger customer relationships than the






larger global players who are active in the Nordic CRM market.

In Capgemini's view, a significant difference between the six largest players in the Nordic CRM market is their focus on different customer categories. The market can be divided into the following customer segments: small businesses with 3–20 users, medium sized companies with 20–200 users and major local and global companies with over 200 users. Global players focus primarily on global and large Nordic companies, while SuperOffice focuses on SMEs.

Lime focuses on SMEs and large Nordic companies within the company's four focus verticals. Lime and SuperOffice both have strong positions in the Nordic region. Lime has a local presence in all Nordic countries with six offices in total, compared to SuperOffice, which lacks a presence in Finland and has a total of four offices in the Nordic region.

1) Based on the Market Report.

## Positioning

	Customer focus	Local presence <sup>1)</sup>	Only CRM	Direct sales	Nordic development	Nordic implement.	Nordic support	Delivery model		Functionality <sup>2)</sup>				
								SaaS	On-premise	Sales automation	Sales performance management	Customer service applications	Mobile case management	Prospecting
<b>limeD</b>	Small to large local companies		✓	100%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>SuperOffice</b>	Small and medium sized companies		✓	~70–90%	✓	✓	✓	✓	✓	✓	✓	✓		✓
<b>Microsoft Dynamics 365</b>	Medium sized to large global companies			0%				✓	✓	✓	✓	✓	✓	✓
<b>Salesforce</b>	Medium sized to large global companies		✓	~70–90%				✓		✓	✓	✓	✓	✓
<b>SAP CRM</b>	Large global companies			~10%				✓	✓	✓	✓	✓	✓	✓
<b>Oracle</b>	Large global companies			~10%					✓	✓	✓	✓	✓	✓

1) Grey flag indicates limited or emerging presence.

2) Limited or emerging focus. ✓

# Lime & sustainability

*Lime strives to attract highly educated staff and to further develop existing personnel. Lime aims to have healthy and satisfied employees. The company works with clear and sound values to encourage sustainable, ethical and socially responsible conduct.*

It is critical for Lime to have healthy and committed employees, who conduct themselves in line with the company's core values and sustainability goals. Employees who agree with Lime's values, and believe the values are aligned to their own, will contribute to better and more sustainable business relationships.

Lime's ambition to create good and sustainable business opportunities concurs with its mission to 'create customer magnets'. Lime shall create conditions for good customer care within their customers' businesses, so they in turn can take good care of their end-customers.

Striving for sustainability in accordance with the company's focus areas is thus not only good for the planet and society, it is also good for our personnel, our shareholders and, above all, for our customers.

## Briefly about Lime and our values

Lime Technologies is a young, fast-growing Nordic company with operations in four countries. In total, the company has 219 employees in four countries, made up of almost 20 different nationalities.

The company's culture is built on five core values, which are summarised in the company's coat of arms. All personnel are trained and continuously reminded of Lime's values and the goals the company lives by.

### ● Keep it simple

Try to communicate and act in a simple and easily understood manner.

### ● Just do it

Don't wait for someone else to solve the issue. Fix it!

### ● Don't break the chain

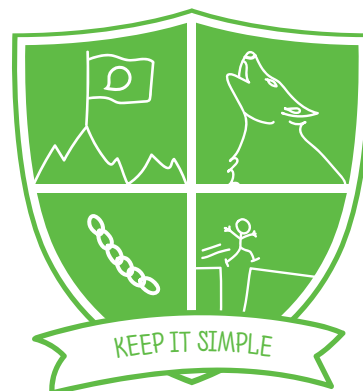
We are one company, not a number of silos.

### ● Spend wisely

Act as if it is your own money.

### ● Make a mark

Don't accept status quo. Make a difference!



## Sustainability report

This sustainability report relates to Lime's 2018 financial year. The report covers the parent company Lime Technologies AB (publ) and all entities consolidated in Lime Technologies AB (publ)'s consolidated statements for the same period.

There are no legal demands on Lime to provide a sustainability report. It is provided with the purpose of showing Lime's views on sustainability and the importance of sustainability in our operations.

### Improved reporting

In 2019 Lime will work holistically to develop its sustainability work, to make the work measurable, and to set goals for the respective focus areas. The overall objective is to be able to see the effects of the company's sustainability work, both internally within Lime and on society as a whole.

## Focus areas

The company's sustainability work is based on the UN's global sustainability goals, while also modified and partly broadened to align with Lime's business and its views about how it best contributes to the development of society, better business practices, and satisfied customers.

Lime's management has selected four sustainability areas of particular importance in achieving sustainable business operations and the foundation for how Lime actively contributes to the development of society.

To achieve sustainable business operations, extra emphasis is placed on the following areas:





### Good health and wellbeing

Lime focuses on good work/life balance to ensure that its staff stays healthy and happy. Besides the health positive effects it has on the company, this approach to health and exercise also results in many job applicants being attracted to the company.

#### Position

- Lime strives to build creative work environments that feel like a second home.
- Lime shall have clear goals and core values that create the right conditions for its personnel, which in turn leads to reduced stress.
- Lime shall encourage a healthy lifestyle with focus on wellbeing.
- Lime shall provide a generous subsidy for personal health care so everyone can afford training and exercise activities.
- The company and its employees shall act responsibly both socially and ethically. It must be satisfying to work for and conduct business with, Lime.
- Lime shall carry out systematic occupational health work, including injury preventive activities as well as workplace adjustments and rehabilitations.
- Staff turnover, sick leave and work injuries shall be recorded in order to take actions, when needed, to improve satisfaction and safety at Lime.
- Lime shall systematically plan, lead and control its operations in a manner that ensures compliance with the Work Environment Act and its regulations.

#### Actions

- Lime regularly measures employee satisfaction.
- Lime has established a Wellness group with representatives from all offices. The group's work will aim at placing extra focus on areas or activities that can noticeably improve wellbeing among Lime's employees.
- Each office has scheduled activities throughout the year, aiming at promoting both physical and mental wellbeing.
- Wellbeing is a separate topic discussed during each individual's performance review meeting.

#### 2019 year's health and wellbeing objectives:

- At least 80% of the employees shall take part in the wellbeing surveys on a regular basis.
- All departments shall strive to achieve an average wellness level of at least 7.0 (scale 0 - 10) during the year (in 2018, the average wellness level was 6.59).

### Quality education

Lime's most important asset is its employees. To have highly educated staff is absolutely essential to the company. Being a fast-growing company, it's critical to have access to highly educated staff.

Lime is actively looking for staff within several areas of resource shortage, not least developers. Lime shall work in accordance with a long-term plan with the goal of securing good educational quality in society as a whole, but with a specific focus on the shortage areas that are of significance to the company.

#### Position

- Lime shall work with a long-term focus to ensure access to highly educated personnel.
- Lime shall actively contribute with various initiatives that promote society in terms of education.
- The company shall arrange activities that attract more women to technology-oriented jobs.
- The company shall facilitate its employees' involvement in encouraging children's interests in programming.

#### Actions

- Management shall establish a long-term plan to ensure access to personnel with the right skills. Such plan shall be developed to create value both inside and outside the company.
- Lime has employed a People & Culture Manager who is responsible for training and education within the company.

#### 2019 year's quality training objectives:

- Lime shall support Ung Företagsamhet (Young Entrepreneurs) and Venture Cup to promote and assist mainly young entrepreneurs within sales and entrepreneurship.
- Lime shall deliver lectures at schools and universities as often as possible.
- Lime shall have an active role in debates relating to educational topics, for example through opinions in the press or social media channels. This has been successful in previous years.

### Equality

Lime is convinced that an inclusive society and inclusive business create the right conditions for better business practices and sustainable business transactions. The company works actively to make the company more equal, as well as to include both women and men regardless of ethnicity, religion, or sexual orientation.

- The company's management team is made up of nine men and one woman. The company is fully committed to overcome this distortion over time.
- Women make up 30% of the company's employees, a relatively high proportion of women for a company within the IT industry.
- 25% of the company's managers are women.
- The company's employees are made up of almost 20 nationalities and the company searches both locally and internationally to find new talent.
- The board of directors consists of 40% women.

#### Position

Each staff member shall have the knowledge and skills to consistently reject discrimination, harassment, and offensive behaviour.

- Each staff member is and is perceived to be recognised and respected for who they are.
- Each staff member is treated equally.
- Each staff member is treated with respect and trust.
- There is zero tolerance for discrimination and abusive treatment. All employees are prohibited from discriminating against or exposing another person to offensive behaviour.
- The company strives to have an equal balance among staff in general, and among managers in particular.

#### Actions

- Management works to promote equal rights.
- Lime shall build a company culture and workplace environment that clarifies the meaning of equal treatment, offensive treatment, discrimination, and harassment.
- Investigate and take action against breaches of the guidelines in Lime's work environment policy.

#### 2019 year's equality objectives:

- Lime's goal is that no staff member will feel discriminated against or treated with inequality!
- Our ambition is to have at least the same proportion of men and women in senior executive roles as in the company as a whole. As a first step, Lime shall strive to increase the proportion of female group managers from 25 to 30 percent.

#### Responsible production and consumption

Lime has an overall ambition to reduce the climate impact of the company's operations. Being a service-producing company, its focus will be directed to how Lime consumes, and how the company imposes demands on its suppliers.

There is a strong desire from both management and staff within Lime to promote sustainable business practices – practices that Lime and its employees are committed to and identify with.

#### Position

- Lime strives for climate neutrality
- Lime strives for sustainable travel and sustainable consumption
- Lime must work and contribute to a sustainable society

#### Actions

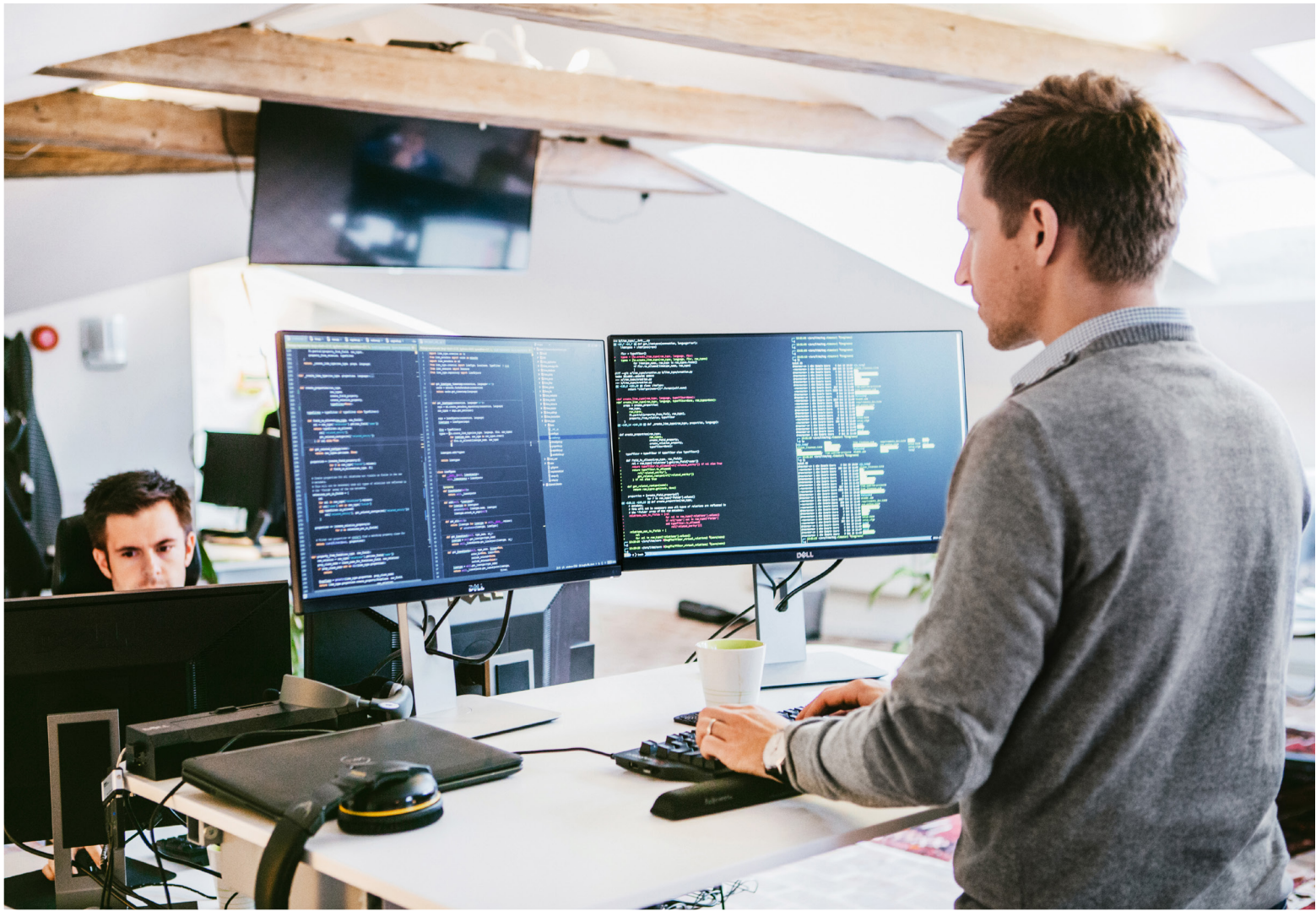
- Lime shall create a working group that acts as a forum for issues relating to service production and consumption
- The working group shall investigate how the company can minimise its climate footprint. The investigation shall result in an action plan to reduce the company's climate footprint.
- The company shall compile a report showing a measurable view of the company's climate impact.
- Lime intends to invest in climate-smart electricity production.

#### 2019 year's objectives relating to responsible production and consumption:

- Lime has a goal to, as far as possible, reduce/eliminate disposable items from all its offices
- The company shall gradually replace packaged soft drinks and water with beverages on tap
- All offices shall responsibly sort their waste no later than by the end of 2019
- Lime's goal is to only offer organic fruit at all its offices
- Lime's goal is to fully offset any climate impact the company has in 2019.

# Glossary

AI	Artificial intelligence.
API	Application programming interface.
B2B	Business-to-business, i.e. sales from business to business.
B2C	Business-to-consumer, i.e. sales directly to the consumer.
Capgemini	Consultancy firm Capgemini Consulting, which has prepared the Market Report in May 2018, which has been used by the company to describe the company's markets.
CRM	Customer Relationship Management.
Expert Services	The company's delivery organisation vis-à-vis its customers, consisting of consultants and consultancy management, which is a critical part of Lime's turnkey offering.
Gamification	To create elements of competition in other activities, for example to increase participants' motivation.
Lime, the company or the Group	Refers to, depending on the circumstance, Lime Technologies AB (publ), its subsidiaries or the Group in which Lime Technologies AB (publ) is parent company.
Lime CRM	Lime's product intended for customers who need a comprehensive CRM system with possibilities to be customised in line with industry- and customer-specific processes.
Lime Go	Lime's product intended for customers who need a web-based, smart solution that has contact information to Nordic companies incorporated into the product and thus allows for more efficient sales achievements.
The Market Report	Refers to the external market report from May 2018, commissioned by the company from consulting firm Capgemini Consulting.
Net promoter score	A score (on a scale between -100 and 100) measuring the likelihood a specific company will be recommended by e.g. a customer or an employee.
On-premise	Lime's product is delivered by means of local installation for the customer.
Open-source	Open source code or open software.
SaaS	<i>Software as a Service</i> , i.e. software delivered via the cloud with no need for local installation.
SMEs	Small and medium sized enterprises.
Annual average growth rate	Refers to annual average growth rate over a certain period of time (CAGR).



## Corporate Governance

# A word from the chairman of the board

Since the 1990s, Lime has developed CRM systems that aim to make our customers' work easier and more fun. With our 219 employees and more than 60,000 users, Lime is one of the largest CRM suppliers in the Nordic region. As digital technology significantly impacts all type of business operations, Lime is well-positioned to deliver the solutions of the future in an increasingly connected world. A properly implemented CRM system leads to increased competitiveness and more efficient use of resources. We strongly believe that the demand for Lime's products will increase, and growth in 2018 demonstrates how well Lime is equipped to face the future.

To ensure future development and innovation, approximately 40 of Lime's employees are involved in product development and investments in new technology, which will strengthen the competitiveness and set the foundation for long-term growth.

During the year, Lime has effectively integrated the operations from the companies acquired in 2017 and 2018 and demonstrated an ability to grow both organically and through acquisitions.

Lime's shares were listed on Nasdaq Stockholm on December 6, 2018. Lime and its board of directors have had a strong determination in their work over the past couple of years to ensure a successful IPO. Being a listed company places high demands on the composition of the board of directors and their working methods.

As part of the work involved in the IPO process, the board of directors has been composed of members who complement each other very well. All members hold or have held senior executive positions and have excellent insight into and understanding of the challenges facing management. Furthermore, they have valuable experience from leading positions in areas such as the software industry, share market, company acquisitions, consulting, and marketing. This creates a particularly valuable and exciting dynamic in our strategic discussions – in which all the senior executives from the company management participate.

The board of directors holds a critical role in any growth company in a fast-growing industry. The board must actively support management in strategic matters, ensuring that the strategies are





A properly implemented CRM system leads to increased competitiveness and more efficient use of resources. We strongly believe that the demand for Lime's products will increase, and growth in 2018 demonstrates how well Lime is equipped to face the future.

**Peter Larsson, chairman of the board**

formulated properly and followed-up on regularly, and that risks are monitored closely. The work of the board follows a fixed annual cycle with scheduled meetings and a documented workorder laid down in the rules of procedure.

The work of the board of directors will be evaluated in a more systematic manner, starting from the statutory board meeting on April 29, 2019. The chairman of the board compiles and provides the evaluation to the board of directors and the nomination committee. The evaluation will be of great importance to ensure effective board work and also be a guideline to achieve proper composition and competence among the board of directors. This year's summary demonstrates highly efficient work practices within the board of directors.

During the past year, the entire board of directors also constituted the audit and remuneration committees.

Challenges for the board of directors moving forward involve assisting and supporting management in a number of strategic focus areas. It is critical to ensure Lime's long-term growth and competitiveness on a constantly changing and growing market, by having the right focus on product development, market expansions, customer orientation, and competence resourcing. In short, to continue to develop Lime for the future.

/Peter Larsson, chairman of the board of directors

# Corporate Governance Report

## Introduction

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

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

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

The board of directors and management aim for the company to comply with requirements set on the company by Nasdaq Stockholm, shareholders and other stakeholders. Further, the board of directors follows the general debate on the subject and recommendations issued by various bodies.

Lime's corporate governance is mainly based on Swedish law, primarily the Swedish Companies Act (Sw. *aktiebolagslagen*), Lime's articles of association, and internal policies and instructions. Lime further complies with rules under the Code and the Nasdaq Stockholm rulebook for issuers.

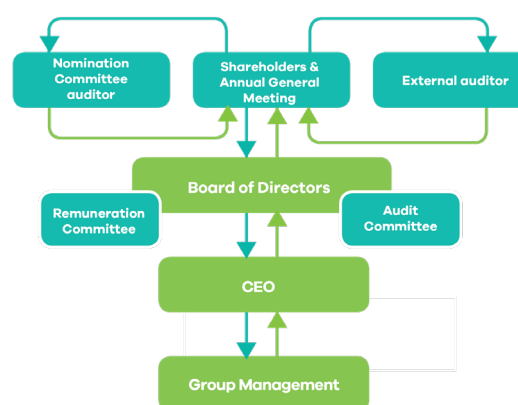
Corporate governance within Lime is primarily exercised through the annual general meeting and the board of directors. In a wider perspective, it also includes management, its responsibilities and the control and reporting functions within the Group.

## Governance structure

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

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

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



## Shareholders & general meeting

### General

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

The annual general meeting must be held within six months from the end of the financial year. In addition

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

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

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

### Right to participate in general meetings

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

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

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

### Shareholder initiatives

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

## 2018 annual general meeting

The annual general meeting was held on March 19, 2018, at the company's office in Lund. All shareholders were represented at the meeting, corresponding to 100% of the shares and voting rights. The chairman of the board Peter Larsson and board members Anders Fransson and Anders Nilsson were present at the meeting.

Decisions by the shareholders at the annual general meeting included:

- payment of dividend of SEK 6.00 per share before the share split (1:250). Payment of dividend amounted to a total of MSEK 75.
- the board of directors shall consist of five members and no deputy members.
- re-election of Peter Larsson as chairman of the board.
- re-election of members of the board of directors Anders Nilsson, Anders Fransson and Maria Wasing
- election of new member of the board of directors Marlene Forsell
- approval of board of directors' fees until the next annual general meeting of SEK 125,000 per each board member who is not an employee of Monterro
- election of Öhrlings PricewaterhouseCoopers AB (PwC) as auditor, with Lisa Albertsson as the auditor in charge (auditor in charge has subsequently been changed to Ola Bjrehäll)
- approval of amendment of articles of association; change of business structure from private to public limited company, increased limits for the share capital and introduction of a central securities depository.
- increase the share capital to SEK 500,000 through a bonus issue with no additional shares being issued

### Extraordinary general meeting on October 16, 2018

An extraordinary general meeting was held on October 16, 2018, at the company's office in Lund. All shareholders were represented at the meeting, corresponding to 100% of the shares and voting rights. The chairman of the board Peter Larsson and board members Anders Fransson and Anders Nilsson were present at the meeting.

Decisions by the shareholders at the general meeting included:

- guidelines for salary and other compensations to the CEO and senior executives
- instructions for the appointment of a nomination committee
- amendment of the articles of association with the purpose to enable a split of Lime's shares
- resolution to split the company's shares (split 250:1)
- removal of the pre-emptive clause regarding the company's shares

## Nomination committee

At an extraordinary general meeting held October 16, 2018, it was resolved to establish a nomination committee, which was appointed in early 2019. Lime had no nomination committee during 2018, and since the nomination committee was appointed at the beginning of 2019, the names of the members of the nomination committee were not published six months before the annual general meeting in 2019, which is a deviation under the Code. The reason for the deviation is that the nomination committee shall be appointed taking into account the ownership structure after the listing of Lime's shares for trading on Nasdaq Stockholm.

The extraordinary general meeting resolved that the nomination committee, ahead of the 2019 annual general meeting, shall be composed as follows:

The chairman of the board of directors shall contact the three largest shareholders, in terms of voting rights, listed in the shareholders' register maintained by Euroclear Sweden AB as of the last business day in December 2018. The three largest shareholders shall each be offered an opportunity to appoint a member who, together with one of the board members who is independent in relation to Lime's management, will constitute the nomination committee for the term that extends until such time that a new nomination committee has been appointed. Should any of these shareholders decline to exercise their right to appoint a member, the right will be extended to the next largest shareholder. The chairman of the nomination committee shall be the member representing the largest shareholder in terms of voting rights, unless the members unanimously agree on another chairman. However, the chairman of the nomination committee may not be a director of the board. The majority of the members of the nomination committee shall be independent in relation to Lime and its management. Neither the CEO nor any other member of the company's management may be a member of the nomination

committee. At least one of the members of the nomination committee must be independent in relation to Lime's largest shareholder in terms of voting rights, or group of shareholders who cooperates in terms of Lime's management. The board of directors must not represent a majority of the members of the nomination committee. If more than one member of the board of directors is a member of the nomination committee, only one of them may be dependent in relation to Lime's largest shareholder. The members of the nomination committee shall receive no fee. If necessary, Lime shall cover reasonable costs for the retention of external consultants to enable the nomination committee to perform its duties. The composition of the nomination committee shall be announced by separate press release as soon as the nomination committee has been appointed and no later than six months before the annual general meeting. The information shall also be available on Lime's website, where it shall also be explained how shareholders may submit proposals to the nomination committee. A member of the nomination committee shall step down if the shareholder by whom they were appointed is no longer one of the three largest shareholders, after which a new shareholder in size order shall be offered the opportunity to appoint a member. Such offer only needs to be extended to the next ten shareholders in size order. In the absence of special reasons, however, no changes shall be made to the composition of the nomination committee if only minor changes in voting numbers have occurred or if the changes occur later than three months before the annual general meeting. In the event a member resigns from the nomination committee before its work is completed, such shareholder who appointed the member shall be entitled to appoint a new member to the nomination committee, provided the shareholder is still one of the three largest shareholders in terms of voting rights who are represented in the nomination committee. The nomination committee is entitled, if it is deemed appropriate, to adjunct a member who is appointed by a shareholder who, after the constitution of the nomination committee, has become one of Lime's three largest shareholders and who is not already represented in the nomination committee. Such adjunct member does not take part in decisions made by the nomination committee.

The nomination committee considers Lime's diversity policy in its proposal regarding the election of board members to the board of directors.

The annual general meeting resolves how to appoint the nomination committee. The purpose of the nomination committee is to make proposals in respect of candidates for election to the board of directors, including a proposed chairman of the board, remuneration

neration to the chairman and each of the directors until the next annual general meeting. The nomination committee also evaluates the board's work, primarily on the basis of the report submitted to the nomination committee by the chairman of the board.

The nomination committee shall also propose candidates for election of and remuneration to external auditor.

In addition to Monterro 1 AB and Syringa Capital AB, which represent 30.01% and 10.78% respectively of the votes, there are no further shareholders representing more than 10% of the votes.

### Nomination committee ahead of the 2019 annual general meeting

Name/representing	Percentage of voting rights, December 31, 2018
Thomas Bill, Monterro 1 AB	30,01%
Jens Ismunden, Grenspecialisten Förvaltning AB	7,48%
Marianne Flink, Swedbank Robur Fonder	9,24%
Adjunct, Peter Larsson, chairman of the board	

## External auditor

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

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

During the 2018 financial year, the total fees paid to the company's auditor amounted to TSEK 1,831 (whereof TSEK 873 related to the parent company). TSEK 1,172 related to the listing of Lime's shares on Nasdaq Stockholm and TSEK 474 related to audit services (whereof TSEK 51 related to the parent company).

## The board of directors

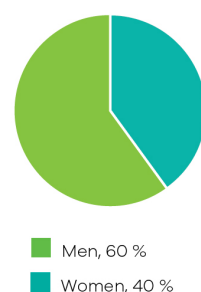
### Composition of the board of directors

Members of the board of directors are normally

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

According to the Code, the chairman of the board of directors shall be elected at the annual general meeting.

Not more than one of the members of the board of directors – insofar as elected by the general meeting – shall be a member of Lime's management or its subsidiaries' management. The majority of the board of directors – insofar as elected by the general meeting – shall be independent of Lime and its management. At least two of the members of the board of directors who are independent in relation to Lime and its management shall also be independent in relation to Lime's major shareholders. For more information about the members of Lime's board of directors, and a description of their independence in relation to the company and its management, as well as in relation to Lime's largest shareholders, see section "Board of directors, senior executives and auditor" in the annual report published on Lime's website.



Gender distribution , board of directors

### Work and responsibilities of the board of directors

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

Under the Code, the board of directors is responsible for, among other things, setting the company's



targets and strategies, appointing, evaluating and, if necessary, removing the CEO, defining appropriate guidelines to govern the company's conduct in society, with the aim of ensuring the company's long-term capability for value creation, ensuring there are appropriate systems in place for follow-up and control of the company's operations and for the risks to which the company and its operations are associated, ensuring there are satisfactory controls in place of the company's compliance with laws and other regulations applicable to the company's operation, as well as the company's compliance with internal guidelines, and ensuring that the company's disclosure of information is characterised by transparency and is accurate, relevant, and reliable. Should responsibilities be delegated to one or more of the board's members or to others, the board of directors shall, in compliance with the Swedish Companies Act, act responsibly and continuously ensure that the delegation is maintained. The chairman of the board shall ensure that the work of the board of directors is effective and that the board of directors complies with its obligations.

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

### Remuneration committee

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

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

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

### Attendance remuneration committee

Member	Attendance (out of 2)
Peter Larsson	2
Marlene Forsell	1
Maria Wasing	1
Anders Fransson	2
Anders Nilsson	2

### Audit committee

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

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

### Attendance remuneration committee

Member	Attendance (out of 5)
Peter Larsson	5
Marlene Forsell	4
Maria Wasing	4
Anders Fransson	5
Anders Nilsson	5

### Remuneration to the board of directors

At the 2018 annual general meeting, it was resolved that fees to be paid to directors, until the end of the 2019 annual general meeting, would amount to SEK 500,000, divided among the directors according to the table below.

Name	Function	Board Fee (SEK)
Peter Larsson	Chairman	0*
Maria Wasing	Board member	125 000
Anders Fransson	Board member	125 000
Anders Nilsson	Board member	125 000
Marlene Forsell	Board member	125 000
<b>Total</b>		<b>500 000</b>

\* The Group has since February 2017 had a management agreement in place with the main shareholder Monterro 1 AB, under which Monterro 1 AB has provided the Group with services, for which Monterro 1 AB has received compensation. Peter Larsson's function on the board is a part of such agreement and Peter Larsson has received compensation directly from Monterro 1 AB. The management agreement with Monterro 1 AB discontinued in connection with the listing of the company's shares on Nasdaq Stockholm.

### The chairman of the board

The board's rule of procedure states, among other things, that the chairman of the board shall ensure the work of the board is performed in an efficient manner and that the board of directors fulfils its obligations. This involves organising and leading the work of the board of directors and creating the best possible conditions for its work. In addition, the chairman of the board shall ensure the members of the board of directors continuously update and deepen their knowledge about the company and that new members receive appropriate induction and education. The chairman shall be available as an advisor and discussion partner to the CEO, but also evaluate the CEO's work and report the evaluation to the board of directors. Further, it is the chairman of the

board's responsibility to ensure the board of directors' work is evaluated annually and to provide such evaluation to the nomination committee. Peter Larsson was elected chairman of the board at the annual general meeting on March 19, 2018. The chairman does not participate in the operational management of the company.

### The work of the board of directors 2018

Since the annual general meeting on March 19, 2018, and until the adoption of this annual report, the board of directors has conducted 14 minuted meetings. At the board meetings, Lime's CEO participates and reports on business matters and Lime's CFO participate and takes the minutes of the meeting. At the meetings, the board of directors addressed standard business issues that, as stated in the board's rule of procedure, were presented at each board meeting. These include the business environment, budget, interim reports and annual accounts. Otherwise, work was focused on further development of the previously developed market and acquisition strategies.

In addition to the scheduled meetings, the board's work is made up of ongoing financial reviews, strategic product development, recommendations regarding remuneration levels, acquisition matters, and issues relating to accounting and auditing.

Since listing of Lime Technologies AB (publ) on Nasdaq Stockholm took place in December 2018, during the current board's term of office, a systematic evaluation of the board's work has not been carried out. The board's work will be evaluated in a more systematic manner starting from the statutory board meeting on April 29, 2019. This year's schematic summary demonstrated highly efficient work practices within the board of directors.

### Attendance board meetings

Member	Attendance (out of 14)
Peter Larsson	14
Marlene Forsell	13
Maria Wasing	13
Anders Fransson	14
Anders Nilsson	14

## The CEO and other senior executives

### The senior executives' work and responsibilities

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

The CEO leads the work in the Group's management and makes decisions after consultation with its members. The CEO is also responsible for the

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

The CEO and other senior executives are presented in section "Board of directors, senior executives & auditor" in the annual report published on Lime's website.

### Remuneration to senior executives

The table below shows the remuneration received from the company and its subsidiaries by the CEO and other senior executives during the 2018 financial year.

January 1 – December 31, 2018 (TSEK)	Base salary	Variable remuneration	Pension costs	Other benefits	Total
CEO	1 657	-	366	-	2 023
Other senior executives	6 650	686	1 180	-	8 516
<b>Group total</b>	<b>8 307</b>	<b>686</b>	<b>1 546</b>	<b>-</b>	<b>10 539</b>

### Incentive program to senior executives

At the extraordinary general meeting held on April 25, 2014, it was resolved to establish an incentive program under which certain employees and key personnel in the Group were offered to acquire stock options of series 2014/2019 and at the extraordinary general meeting held on October 23, 2015, it was resolved to establish an incentive program under which the company's CFO, Magnus Hansson, was offered to acquire stock options of series 2015/2019. In total there were 2,545 stock options of series 2014/2019 and 179 stock options of series 2015/2019. Each stock option of series 2014/2019 entitled the holder to subscribe to approximately 288 shares in the company at a price of SEK 5.48 per share from March 1, 2019, to March 31, 2019. Each stock option of series 2015/2019 entitled the holder to subscribe to approximately 288 shares in the company at a price of SEK 21.08 per share from March 1, 2019, to March 31, 2019. During March 2019, all outstanding stock options of series 2014/2019 and 2015/2019 were fully exercised, and thus 783,481 new shares in the company were subscribed (corresponding to approximately 6.27 percent of all shares in the company after full dilution).

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

#### Remuneration and pensions

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

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

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

#### Termination and severance pay

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

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

Senior executive Johan Holmqvist (Head of Investor Relations) is employed under a general temporary employment during the period August 31, 2018 – December 6, 2019, corresponding to a normal 50% part-time position (i.e. approximately 20 hours per week). However, according to the employment contract, the employee is expected to work overtime to the extent that the position and the company's operations so require. The company can terminate the temporary employment agreement early, by giving one month's notice. Otherwise, the temporary employment will automatically be terminated on December 6, 2019 (without prior notice).

### Guidelines for remuneration to senior executives

The extraordinary general meeting on October 16, 2018, resolved on the following guidelines for remuneration to senior executives until the end of the 2019 annual general meeting.

In these guidelines, senior executives means the CEO and the management of the company and the Group.

The purpose of these guidelines is to ensure the company can attract, inspire and retain senior executives with the competence and experience required to achieve the company's goals. The remuneration shall be on terms which are competitive and at the same time in line with shareholders' interests. Remuneration to senior executives consists of a fixed and, for some senior executives, variable remuneration and potential incentive programs. The company's senior executives are also entitled to pension benefits in accordance with ITP1 and the company makes pension provisions for the senior executives. These components are intended to ensure a balanced remuneration package, which reflects individual competence, responsibilities and performance, both in the short and long term, and the company's overall results.

#### Fixed remuneration

The senior executives' fixed remuneration shall be competitive and based on the individual senior executive's competence, responsibility and performance. A revision of the fixed remuneration shall be performed on an annual basis every calendar year.

#### Variable remuneration

Senior executives can receive variable remuneration in addition to the fixed remuneration.

The yearly variable remuneration shall be cash based and be based on predetermined and measurable performance criteria for each respective senior executive which aim to promote the company's long-term value creation. The performance criteria shall be determined and documented on a yearly basis. The yearly variable remuneration varies depending on the performance, from no variable remuneration to a remuneration equivalent to four month's salary (applies to all senior executives except one senior executive whose main role is individually generated sales subject to sales commission of up to ten months' salary as set out in the contract of employment). Fixed remuneration refers to fixed cash salary earned during the year, excluding pensions, benefits and similar.

The company is entitled to recover variable remuneration, should the accounts contain material errors.

#### Incentive programs

The general meeting can resolve to implement long-term share and share price related incentive programs directed to, among others, senior executives. Such incentive programs shall be designed to promote common interests between the participants and the company's shareholders, and further to promote individual shareholdings in the company.

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

#### Other benefits

The company provides other benefits to senior executives. Such benefits may include health subsidies, mobile phones, company cars and travel allowances.

#### Termination and severance pay

The maximum notice period for senior executives during which salary is paid is nine months. No severance pay applies.

#### Deviations from the guidelines

The board of directors can decide to deviate from these guidelines, subject to specific reasons and in exceptional cases. The reasons for such deviations shall be presented at the next annual general meeting.

## The board of directors' report on internal control

### General

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

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

In order to provide the board of directors with a basis for determining the level of internal governance and control, Lime continued its review of existing internal controls in 2018, in accordance with established guidelines. The work results in an evaluation and verification of the governing documents and guidelines that form the basis of the Group's operational control.

### Control environment

Lime's control environment is based on the distribution of work among the board of directors, the committees and the CEO, and the corporate values on which the board of directors and the Group management communicate and base their work. The control environment is based on an organisation with clear decision paths in which responsibilities and powers are defined in clear instructions, as well

as a corporate culture with shared values and the individual's awareness of their responsibilities in maintaining good internal control. The Group's ambition is that its corporate values will permeate the organisation.

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

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

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

### Risk assessment

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

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





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

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

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

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

### Control activities

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

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

purpose of assessing returns and potential depreciation requirements.

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

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

As a step forward in the work to quality assure the financial reporting, the board of directors has established an audit committee consisting of the entire board of directors, until the annual general meeting on April 29, 2019. Issues examined by the committee include critical accounting matters and monitoring of the effectiveness of the internal control and risk management related to financial reporting.

### Information and communication

Internal communication to employees is carried out through newsletters and formal policies and instructions are communicated to management and employees through a compliance portal, through which it is possible to monitor that all employees receive and acknowledge the policies and instructions relevant to their particular role within Lime.

Such policies include, inter alia, the policies established by Lime for the purpose of informing employees

and other persons within Lime of the laws and regulations applicable to the company's distribution of information and the specific requirements imposed on persons active in a listed company regarding, for example, insider information. In view of this, Lime has also established procedures for effective management and restriction of distribution of information not yet available to the public. The board of directors has delegated to the CEO the overall responsibility for dealing with matters relating to insider information and the board of directors has appointed Lime's CFO as the person responsible for the handling of insider lists.

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

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

Financial information provided are:

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

### Monitoring and follow-up

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

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

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

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

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

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

The audit committee monitors the financial reporting and receives the audit report, which includes observations and recommendations, from the company auditor. The effectiveness of the internal control activities is regularly monitored at different levels within the Group and findings are reported back to the board of directors.

Based on the scope of the operations and existing control activities, the board of directors has decided there is currently no need to establish a special audit function (internal audit function).

It is the opinion of the board of directors that the company complies with the Swedish Corporate

Governance Code, except in relation to:

- Internal audit,
- The composition of members of the nomination committee,
- Evaluation of the board's work

Reasons for these deviations are stated in this Corporate Governance Report.

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**Lund, Sweden, March 29, 2019**

Peter Larsson   Maria Wasing

Anders Nilsson   Marlene Forsell

Anders Fransson

## The auditors' examination of the corporate governance report



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

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

#### **Engagement and responsibility**

The Board of Directors is responsible for the Corporate Governance Report for the year 2018 on pages 34-45 of the printed version of this document having been prepared in accordance with the Annual Accounts Act.

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

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

#### **Opinions**

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

Stockholm, March 29, 2019

Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll  
Authorized public accountant  
Auditor in charge

# Board of directors, senior executives & auditor

*According to the company's articles of association, the board of directors shall consist of three to eight members. The board of directors currently consists of five members, appointed by the annual general meeting held on March 19, 2018, for the period until the close of the annual general meeting on April 29, 2019.*



*Executive Management team at Lime*

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



### Peter Larsson

*Chairman since 2014.*

**Born:** 1964.

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

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

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

**Shareholding in the company:** Monterro 1 AB (where Peter Larsson is a co-owner and chairman of the board of directors) owns 4 034 555 shares in the company.

**Independence:** Independent in relation to the company and its management. Not independent of the company's major shareholder as he is a co-owner and chairman of the board of directors in major shareholder Monterro 1 AB.



### Maria Wasing

*Board member since 2017.*

**Born:** 1970.

**Education:** Bachelor of Marketing and Management at University of Arkansas, Little Rock.

**Other ongoing assignments:** Chairman of the board of directors of I.A.R. Systems Group AB. Deputy board member and CEO of Majorsvägen Invest AB. Deputy board member of Axiell Services AB. COO/EVP of Axiell Group AB. Board member of Front IT AB and Bibliotekscentrum Sverige AB.

**Previous assignments (last five years):** Board member of Axiell Group AB. Deputy board member of Run Isle Tech AB. Chief Marketing Officer of EPiServer AB.

**Shareholding in the company:** 1400 shares.

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





### Anders Fransson

*Board member since 2014.*

**Born:** 1967.

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

**Other ongoing assignments:** Chairman of the board of directors of Billmate AB, Grade AB and Invoice Finance AB. Board member of Aivo Aktiebolag, Logisk Resurs-utveckling (i Malmö) AB and Mashie FoodTech Solutions AB.

**Previous assignments (last five years):** Chairman of the board of directors of Aivo Aktiebolag and Mashie Food-Tech Solutions AB. Board member of Hypergene AB, Nordic Family Group Aktiebolag and Outpost 24 AB.

**Shareholding in the company:** 200,000 shares.

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



### Anders Nilsson

*Board member since 2015.*

**Born:** 1951.

**Education:** Master of science in electrical engineering at the Royal Institute of Technology, Business administration at Stockholm University.

**Other ongoing assignments:** Chairman of the board of directors of Adviceu AB (and several subsidiaries), Mästarna Vision AB, NP3 Fastigheter AB, Specialistläkarhuset i Sundsvall AB and SSG Standard Solutions Group AB. Board member of ABEA Invest AB, Bergövalen Invest AB, BKN Invest AB, Castanum Förvaltning AB (and several subsidiaries), Eurocon Consulting AB, Eurocon Engineering AB, Frontit AB, Implementeringssystem i Sundsvall AB, InCoax Networks AB, Investvänner AB, Polskenet Holding AB (and several subsidiaries) and Softronic Aktiebolag. Deputy board member of Fiberstaden AB.

**Previous assignments (last five years):** Chairman of the board of directors of Almi Invest Mitt AB, Castanum Förvaltning AB (and several subsidiaries), Ecrú Consulting AB and NP3 Vänner i Sundsvall AB. Board member of Aven Forsa Aktiebolag, Idea2Innovation Sweden AB, Nacksta Mark i Sundsvall AB, Revres Holding AB (and several subsidiaries) and To Ankero Aktiebolag.

**Shareholding in the company:** 100,000 shares (via Implementeringssystem i Sundsvall AB).

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



**Marlene Forsell**

*Board member since 2018.*

**Born:** 1976.

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

**Other ongoing assignments:** Board member of Kambi Group plc.

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

**Shareholding in the company:** 3 150 shares.

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

## Individual information about the company's senior executives



### Erik Syrén

*CEO since 2013.*

**Born:** 1978.

**Year of employment:** 2001

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

**Other ongoing assignments:** Board member of Syringa Capital AB, Wiraya Solutions AB and Syringa Consulting AB. CEO and deputy board member of Remotex Technologies AB, Hysminai AB and Netoptions Sweden AB.

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

**Shareholding in the company:** 1,347,222 shares via own company.



### Johan Holmqvist

*Head of IR since 2018.*

**Born:** 1972.

**Year of employment:** 2018

**Education:** Master of Science in Business and Strategic Brand Management at Lund University.

**Other ongoing assignments:** –

**Previous assignments (last five years):** Head of Investor Relations and Corporate Communications of Boozt AB (publ). Vice President Corporate Communications of ReadSoft AB (publ). Vice President Corporate Communications of ReadSoft AB, from Lexmark.

**Shareholding in the company:** 490 shares.



### Magnus Hansson

*CFO since 2015.*

**Born:** 1973.

**Year of employment:** 2015

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

**Other ongoing assignments:** Board member of European House of Beds Sweden AB (and several companies within the Group), Remotex Technologies AB, Hysminai AB, Netoptions Sweden AB and Östersjövägen Invest AB.

**Previous assignments (last five years):** Board member and CEO of European House of Beds AB. Board member of Ingenius Aktiebolag. Deputy board member of Air Ionic Products AB. CEO of Wondland AS Norge Filial. Finance manager of Ekovent AB.

**Shareholding in the company:** 75,894 shares.



### Nils Olsson

*Sales Director since 2012.*

**Born:** 1983.

**Year of employment:** 2006

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

**Other ongoing assignments:** –

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

**Shareholding in the company:** 206,951 shares.



**Lars Andersson**

*CMO since 2002.*

*CPO since 2013.*

**Born:** 1972.

**Year of employment:** 1999.

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

**Other ongoing assignments:** Board member of AdRapid AB and Swedma AB.

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

**Shareholding in the company:** 214,560 shares.



**Martin Berg**

*CTO since 2016.*

**Born:** 1980.

**Year of employment:** 2008.

**Education:** Master of science in computer engineering at The Institute of Technology at Linköping University.

**Other ongoing assignments:** –

**Previous assignments (last five years):** Deputy board member of Bostadsrättsföreningen Bjäre.

**Shareholding in the company:** 103,010 shares.



**Martin Nilsson**

*Head of Development since 2017.*

**Born:** 1973.

**Year of employment:** 2017.

**Education:** Master of science in Computer Science at Gothenburg University.

**Other ongoing assignments:** –

**Previous assignments (last five years):** Board member of Vassbäcks Fibernät ek. för, CTO at Benify AB.

**Shareholding in the company:** 13,888 shares.



**Anna Johansson**

*Head of Support since 2006.*

**Born:** 1976.

**Year of employment:** 1999.

**Education:** –

**Other ongoing assignments:** Deputy board member of Stig Johansson Utveckling AB.

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

**Shareholding in the company:** 102,800 shares.



### Svante Holm

*Head of Utility sedan 2014.*

**Born:** 1968.

**Year of employment:** 2003.

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

**Other ongoing assignments:** –

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

**Shareholding in the company:** 125,000 shares.



### Martin Modéer

*Head of Expert Services sedan 2011.*

**Born:** 1977.

**Year of employment:** 2003.

**Education:** Merchant Marine Officer at Chalmers University of Technology, Bachelor of Science in Informatics at Lund University.

**Other ongoing assignments:** –

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

**Shareholding in the company:** 62,500 shares.

### Auditor

At the annual general meeting held on March 19, 2018 Öhrlings PricewaterhouseCoopers AB, reg.no. 556029-6740, ("PwC") was re-elected as the company's auditor until the closing of the next annual general meeting. Since May 2018, Ola Bjärehäll has been auditor-in-charge for the company. Ola Bjärehäll is an authorised public accountant and member of FAR (the Swedish industry organisation for accounting consultants, auditors and advisors). PwC was also the company's auditor during financial years 2015–2017, but with Lisa Albertsson as auditor-in-charge. Lisa Albertsson is also an authorised public accountant and member of FAR. PwC's address is Box 2138, 220 02 Lund, Sweden.



# Financial reports





# Index

56	Directors' report	85	Note 6 Segment information
57	Sustainability	88	Note 7 Compensation to auditors
57	Events during the year	88	Note 8 Compensation to employees etc.
60	Significant risks and uncertainties	93	Note 9 Financial income and expenses
61	The board's proposal for guidelines for remuneration to senior executives	94	Note 10 Income tax
62	Forward-looking statement	95	Note 11 Exchange rate differences
62	Financial objectives	95	Note 12 Earnings per share
62	Corporate governance report	96	Note 13 Dividend per share
63	Proposed disposition of earnings	97	Note 14 Intangible assets
		99	Note 15 Tangible non-current assets
64	The Group	100	Note 16 Financial non-current assets
64	Consolidated income statement	102	Note 17 Trade receivables
64	Consolidated statement of other comprehensive income	103	Note 18 Prepaid expenses and accrued revenue
65	Consolidated balance sheet	103	Note 19 Cash and cash equivalent
65	Consolidated statement of changes in equity	103	Note 20 Share capital
68	Consolidated statement of cash flows	104	Note 21 Additional paid in capital
		104	Note 22 Borrowings
69	Parent company	105	Note 23 Deferred income tax
69	Parent company income statement	105	Note 24 Other liabilities
69	Parent company statement of other comprehensive income	106	Note 25 Accrued expenses and prepaid revenue
70	Parent company balance sheet	106	Note 26 Contractual obligations
71	Parent company statement of changes in equity	106	Note 27 Business acquisitions
72	Parent company statement of cash flows	107	Note 28 Pledged collaterals and contingent liabilities
		107	Note 29 Related parties
73	Notes	107	Note 30 Events after the reporting period
73	Note 1 General information	107	Note 31 Cash flow from current operations
73	Note 2 Summary of significant accounting principles	108	Note 32 Cash flow from financing activities
81	Note 3 Financial risk management	110	Note 33 Definition of performance measures
83	Note 4 Operational risks		
84	Note 5 Critical accounting estimates and judgements	111	Board's affirmation
		112	Auditor's report

# Directors' report

*The board of directors and the CEO of Lime Technologies AB (publ), org.nr. 556953-2616, hereby presents its Directors' report for the 2018 financial year.*

## Group structure

Lime Technologies AB (publ) is the Parent company in a Group with one wholly owned subsidiary: Lime Technologies Sweden AB, org no. 556397-0465, Lund, which in turn has six wholly owned subsidiaries: Lundalogik AS, org no. 989 711 393, Oslo, Norway, Lundalogik A/S, org no. 360 532 91, Copenhagen, Denmark, Lundalogik OY, org no. 232 081 11, Helsinki, Finland, Remotex Technologies AB, org no. 556571-4127, Stockholm, Netoptions Sweden AB, org no. 556634-2530, Gothenburg and Hysminai AB, org no. 556948-5831, Stockholm. The Group, in which Lime Technologies AB (publ) is the Parent company, is hereinafter referred to as Lime.

Lime Technologies AB (publ) is listed on Nasdaq Stockholm, Small Cap. Monterro 1 AB is the main shareholder.

## About Lime

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

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

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

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

## Products

Lime sells the following products:

### Lime CRM

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

### Lime Go

Lime Go is a unique sales and exploration tool. The product contains essential functionality required to best support and serve a sales representative and sales manager. The product is preloaded with all companies and decision makers in the relevant market. The product is sold in Sweden, Norway and Denmark.

### Lime Easy

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

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

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

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

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

## Business model

The Group's business model is based on signing long-term licensing and maintenance agreements, as well as assisting customers in implementing and adapting the Group's software to the customer's specific needs. A growing part of Lime's revenue comes from the sale of so-called SaaS services, reported as subscription fees, meaning the customer pays a periodic fee covering both the license right and the maintenance agreement. Lime reports its revenue in four categories: subscription revenue, license rights, support and maintenance revenue, and consulting services. The subscription fee is paid annually or quarterly in advance. The license, which is paid by the customer upon signing of the contract,

and the maintenance agreement, which entitles the customer to upgrades and software support, are both paid annually in advance. Consultant revenue is reported on a continuous basis throughout the progression of the project.

The Lime Group has the majority of its customers in the private sector, with a primary focus on B2B customers. Naturally, there are also large and important customers in other segments.

## Financial Year 2018

100 % of the shares in Hysminai AB were acquired in April 2018.

On December 6, 2018, Lime's shares were listed on Nasdaq Stockholm, Small Cap. The 2018 Operating income has been impacted by MSEK 9.4 in expenses relating to the listing.

Net sales growth during the 2018 financial year was 20 % compared to last year. Growth in sales of subscriptions and consulting services were the prime contributors to the positive result. SaaS revenue is thus continuing to develop positively. The Group continues to upgrade existing Lime Easy customers to Lime CRM.

Recruitment of competent personnel is a critical process within Lime and 2018 saw 45 successful recruitments into the sales, consulting, and development departments, in particular.

A great deal of time and resources have been invested into continued development of our four verticals: Energy, Real Estate, Consulting, and Wholesale. The four verticals are over-represented in our customer base, and Lime has resolved to create pre-designed industry solutions incorporating our collected knowledge. This enables Lime to easier reach these industries via its marketing, to present reference cases in a more streamlined fashion, as well as to deliver Lime's products and services to customers more efficiently. In the longer term, these industries form the basis for product development and future, without compromising on the flexibility that is the strength of Lime's products.

Moreover, development of the sales and prospecting tool Lime Go continues.

Development work on the web-based Lime CRM platform has continued during 2018. The platform launched in 2017.

## Sweden

85% of revenue within the Group comes from the Swedish operations, which thus, largely, mirrors the Group's overall business.

## Other Nordic countries

Operations in the other Nordic countries continue to progress according to plan, with focus on continuous development of the local organisations and managements.

The Group's net sales in the other Nordic countries amounted to MSEK 37 in 2018, a growth of 32 % compared to 2017.

## The Market

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

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

## Sustainability

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

## Significant events during the year

Lime entered into a new loan agreement with SEB in February 2018. The new loan of MSEK 130 and with a 5-year tenor, replaced existing loans. The loan is governed by largely the same terms and conditions as the previous loans.

Hysminai AB was acquired in April 2018. The company develops and sells software that aims at increasing employee engagement and promoting change.

On December 6, 2018 Lime's shares were listed on Nasdaq Stockholm, Small Cap.

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

	2018	2017	2016	2015
Net sales	244,3	203,9	160,4	144,8
Repetitiva intäkter	138,5	110,2	73,7	54,0
Adjusted EBITA	54,3	45,3	35,9	38,0
Balansomslutning	269,4	257,5	217,2	206,4
Average number of employees	195	185	156	124

## Comments on the income statement

### Revenue

Net sales for the period amounted to MSEK 244.3 (203.9), rendering a growth of 20 percent. Growth is primarily related to increased revenues from subscriptions and Expert Services.

Organic net sales growth in 2018 reached 16 (15) percent.

Subscription revenue increased by 44 percent from the previous year and amounted to MSEK 94.1 (65.5). Lime's business model is focused on SaaS since 2015.

Revenue from Expert Services increased by 25 percent from the previous year and amounted to MSEK 93.7 (75.2). The major part of Expert Service revenues come from existing customers. As the customer base expands, growth is generated in the Expert Service revenues.

Total recurring revenue for the period increased by 26 percent from the previous year and amounted to MSEK 138.5 (110.2), corresponding to 57 percent of total net sales.

### Annual Recurring Revenue

The trailing twelve-month value of recurring revenue, Annual Recurring Revenue, amounted to MSEK 152 (126) at the end of 2018. The Annual Recurring Revenue increased by 20 percent from the previous year.

### Expenses

Operating expenses for the year increased by 25 percent from the previous year and amounted to MSEK 230.0 (184.7). The increase in expenses during 2018 is mainly related to an increase in the number of employees, but also to the listing on Nasdaq Stockholm in December 2018.

In 2018, Operating income has been impacted by MSEK 9.4 in expenses relating to the listing of Lime's shares on Nasdaq Stockholm, Small Cap. Acquisition-related expenses for the year amounted to MSEK 0.2 (2.0). Acquisition-related expenses and expenses relating to the listing are regarded as one-off expenses affecting comparison.

The major part of the Group's operating expenses relates to personnel, and personnel expenses for the year amounted to MSEK 149.0 (123.7), rendering an increase of 20 percent. The number of employees at the end of the year was 219 (204) and the average number of employees for the year was 195 (185). Staff distribution and salaries and compensations are shown in note 7.

Other expenses amounted to MSEK 62.5 (46.6). Other expenses include expenses related to the listing on Nasdaq Stockholm, explaining the major part of the increase compared to 2017.

Capitalised development work of own account amounted to MSEK 17.3 (13.3).

Depreciation amounted to MSEK 18.9 (14.4) during the year.

Financial net amounted to MSEK -1.8 (-1.4) and consists mainly of interest expenses.

Taxes for the year amounted to MSEK 5.8 (7.9). The new tax rate in Sweden applicable from 2019 has resulted in a reduction of the accrued tax liability. The reduction has been reported as tax income.

### Income

Operating income before depreciation and one-off items affecting comparison (Adjusted EBITDA) for the year amounted to MSEK 60.2 (49.4), rendering an EBITDA margin of 25 (24) percent. See note 33 for definitions of performance measures.

Operating income before depreciation of acquired intangible non-current assets and one-off items affecting comparison (Adjusted EBITA), amounted to MSEK 54.3 (45.3) for the year, rendering an EBITA margin of 22 (22) percent. See note 33 for definitions of performance measures.

Operating income amounted to MSEK 31.8 (33.0) for the year, rendering an EBIT margin of 13 (16) percent. Income before tax amounted to MSEK 30.1 (31.6), rendering a margin of 12 (16) percent.

Net income for the year amounted to MSEK 24.3 (23.7), rendering a profit margin of 10 (12) percent and divided per share according to the table below.

### The Parent company

Income after financial items for the Parent company amounted to MSEK 19.9 (32.4). The income includes income from subsidiaries of MSEK 27.2 (33.8).

## Earnings per share

	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
<b>Basic</b>		
The Group's earnings attributable to shareholders of the Parent company	24 306	23 742
Weighted average number of ordinary shares outstanding (thousands)*)	12 500	12 500
<b>Earnings per share</b>	<b>1,94</b>	<b>1,90</b>
	2018-01-01- 2018-12-31	2017-01-01- 2017-12-31
<b>Diluted</b>		
The Group's earnings attributable to shareholders of the Parent company	24 306	23 742
Weighted average number of ordinary shares outstanding (thousands)*)	12 500	12 500
Adjustments for stock options		
- stock options 2014-2019*)	783	720
Weighted average number of ordinary shares outstanding (thousands)*)	13 283	13 720
<b>Earnings per share, diluted</b>	<b>1,83</b>	<b>1,80</b>

\*) To allow for easy comparison, the number of shares in 2017 have been restated based to the share split in 2018.

## Comments on the balance sheet

### Investments and acquisitions

Total investments for the January – December period amounted to MSEK 20.4 (43.8), including intangible non-current assets.

### Intangible assets

The Lime Group continuously invests resources in the development of new and existing applications and platforms. A total of MSEK 17.3 (13.3) was invested in capitalised development expenses during the year.

### Tangible assets

Investments in tangible assets amounted to MSEK 1.2 (1.9) and mainly related to vehicles and computer equipment.

## Financial position & liquidity

### Cash and cash equivalent

Cash and cash equivalent amounted to MSEK 21.2 (24.2) at the end of the year. At the end of the year the Lime Group had interest-bearing liabilities of MSEK 107.1 (54.0), meaning the Group's net debt amounted to MSEK -85.4 (-29.2).

The Group's cash flow is strong, and management does not currently see any need for further external financing of current operations. Strong negative impact on orders booked can affect cash flow from operations, meaning a short-term financing need should never be ruled out. However, management believes that no such need will occur in the foreseeable future.

### Deferred tax asset

The Group's deferred tax asset relating to accumulated tax losses carried forward amounted to MSEK 0.0 (0.0) at the end of the year. The Group has not yet utilised accumulated tax losses carried forward of MEK 9.2 (5.6) at the end of the year.

### Equity

Equity at the end of the year amounted to MSEK 37.7 (88.1), corresponding to SEK 3.01 (7.05) per outstanding share (to allow for comparison, the number of shares in 2017 have been restated based to the share split in 2018).

### Interest-bearing liabilities

In February 2018, Lime Technologies AB entered into an interest-bearing loan of MSEK 130.0 with a tenor of 5 years. At the end of the year, the Group's interest-bearing liabilities amounted to MSEK 107.1 (54.0), including liabilities to leasing companies.

### Comments on the consolidated cash flow analysis

Cash flow from current operations amounted to MSEK 38.7 (39.7).

Cash flow from investment activities amounted to MSEK -20.4 (-43.8), investment in intangible assets amounted to MSEK -17.6 (-14.1) and investments in tangible assets amounted to MSEK -1.2 (-1.9).

Cash flow from financing activities amounted to MSEK -21.9 (-1.5) and consists of repayment of interest-bearing borrowings MSEK -76.9 (-14.0), dividend MSEK 75.0 (0.0) and proceeds from borrowings MSEK 130.0 (12.5).

The Group's net cash flow for the year amounted to MSEK -3.5 (-5.6). Amounts for 2017 have been restated to allow for comparison.

### Significant risks & uncertainties

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

The Group's net sales of MSEK 244.3 (203.9) comprised of recurring revenue to 57 (54) percent. Recurring revenue is growing fast and provides a stable and safe base in the Group's revenue generation. Remaining revenue comes from new sales of licenses and consulting services and is subject to greater uncertainty as they are affected by customers' demand and changes to market conditions. Consulting services relate to Lime's own product portfolio and mainly to existing customers, meaning the risk in this type of consulting business is deemed to be low.

The Group established operations in Finland and Norway in early 2010. Development in these two countries has progressed according to plan, in both

2017 and 2018. Lime established operations in Denmark in the summer of 2014, and has focused on new business deals in 2017 and 2018. The cost of establishing Lime in a new market is relatively low compared to Lime's projected operating income in the new markets, thus the establishment risk for the company is deemed to be low.

Human capital is critical to the Lime Group and access to competent personnel is a critical success factor. The Group meets this challenge by offering employees competitive and market-aligned compensation packages. The Group carries out annual trainee programs to secure the growth and availability of competent personnel. Over time, the access to personnel with the right skills varies, however, which can lead to cost increases for the Group.

The sensitivity analysis below highlights the effect on the Lime Group's income before tax in 2018, which amounted to MSEK 30.1, of changes to a number of conditions:

Sensitivity analysis	Change	Income on income before tax (MSEK)
Demand for licenses / subscriptions	+/- 5 %	+/- 5,2 (3,9)
Demand for Expert Services	+/- 5 %	+/- 4,7 (3,3)
Personnel expenses	+/- 5 %	-/+ 7,4 (6,1)
STIBOR*	+/- 10 bps	-/+ 0,1 (0,1)
EUR/SEK*	+/- 10%	+/- 0,1 (0,2)

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

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



## Research & development

The Lime Group develops software for sales and customer management. This work involves surveying, program development and testing. During the year, a total of MSEK 17.3 (13.3) was invested in capitalised development expenses. The capitalisation principle is described in note 2.6 to the accounts.

Development is under way of a brand-new product that helps companies to streamline their prospecting and sales. Developing the product requires development of advanced recommendation algorithms. The Group also develops web-based services for existing products.

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

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

The board of directors proposes that the below guidelines for remuneration to senior executives be applied up to the 2020 annual general meeting.

### General principles for remuneration and other terms and conditions

In these guidelines, "senior executives" refers to the CEO and the management of the company and the group. Information about management composition can be found on [www.lime-technologies.com](http://www.lime-technologies.com).

The purpose of these guidelines is to ensure that the company can attract, inspire and retain senior executives with the competence and experience required to achieve the company's goals. The remuneration shall be on terms which are competitive and at the same time in line with shareholders' interests. Remuneration to senior executives consists of a fixed and, for some senior executives, variable remuneration and potential incentive programs. The company's senior executives are also entitled to pension benefits in accordance with ITP1 and the company makes pension provisions for the senior executives. These components are intended to ensure a balanced remuneration package, which reflects individual competence, responsibilities and performance, both in the short and long term, and the company's overall results.

### Fixed remuneration

Senior executives' fixed remuneration shall be competitive and based on the individual senior executive's competence, responsibility and perfor-

mance. A revision of the fixed remuneration shall be performed on an annual basis every calendar year.

### Variable remuneration

Senior executives shall receive variable remuneration in addition to the fixed remuneration.

The yearly variable remuneration shall be cash based and be based on predetermined and measurable performance criteria for each respective senior executive, with the aim of promoting the company's long-term value creation. The performance criteria shall be determined and documented on a yearly basis. The yearly variable remuneration varies depending on the performance, from no variable remuneration to a remuneration equivalent to four months' salary (applies to all senior executives except one senior executive whose main role is individually generated sales subject to sales commission of up to ten months' salary as set out in the contract of employment). Fixed remuneration refers to fixed cash salary earned during the year, excluding pensions, benefits and similar.

The company is entitled to recover variable remuneration, should the accounts contain material errors.

### Incentive programs

The general meeting can resolve to implement long-term share and share price related incentive programs directed to, among others, senior executives. Such incentive programs shall be designed to promote common interests between the participants and the company's shareholders, and further to promote individual shareholdings in the company.

### Other benefits

The company provides other benefits to senior executives. Such benefits may include health subsidies, mobile phones, company cars and travel allowances.

### Termination and severance pay

The maximum notice period for senior executives during which salary is paid is nine months. No severance pay applies.

### Deviations from the guidelines

The board of directors can decide to deviate from these guidelines, subject to specific reasons and in exceptional cases. The reasons for such deviations shall be presented at the next annual general meeting.

For adopted guidelines, see note 8.

## Forward-looking statement

Demand is expected to remain stable in 2019. Measures taken in other Nordic countries have had desired outcomes and are expected to continue to progress in the right direction.

The Lime Group will continue to develop its operations for profitable growth in 2019. Projects to be implemented include:

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

## Financial objectives

Lime has a medium-term objective to achieve organic annual net sales growth exceeding 15 percent and an annual EBITA margin exceeding 23 percent.

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

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

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

## Share structure

At the end of 2018, the share capital of Lime Technologies AB (publ) amounted to SEK 500,000.00 kronor divided on 12 500 000 shares. The general meeting resolved on October 16, 2018 to authorise a 250:1 share split. The annual general meeting resolved on March 19, 2018 to authorise a bonus issue of SEK 450,000.00.

As of December 31, 2018, Lime Technologies AB had 2,724 stock options registered, which entitle the holders to a total of 783,482 shares. The stock options have been restated after dividends in 2016 and 2018, as well as after the share split in 2018.

The stock options increase the number of shares and voting rights in the company by 6.3 percent. At year-end, Lime Technologies AB had two stock options plans outstanding. The rights issue in connection with the exercise of the stock options plan leads to an increase of the share capital by SEK 31,339 and 783,481 shares. All stock options were exercised in March 2019.

Lime Technologies AB did not own any of its own shares at the end of 2018.

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

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

## Corporate Governance Report

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

## Proposed disposition of earnings

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

Retained earnings	1 555 575
Net income for the year	15 495 611
<b>Total</b>	<b>17 051 186</b>

The board proposes:

dividend to be paid	13 283 481
to be retained	3 767 705
<b>Total</b>	<b>17 051 186</b>

The board proposes a dividend of SEK 13,283,481 and retained earnings of SEK 3,767,705.

At the end of the year, consolidated equity amounted to MSEK 37.7 (88.1) and net assets/liabilities amounted to MSEK -85.4 (-29.2).

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

The 2018 annual report shows the company's and the group's financial position as at December 31, 2018. On December 31, 2018 restricted equity in the parent company totalled SEK 500,000 and non-restricted equity totalled SEK 17,051,186. On the same date, the group's total equity totalled SEK 37,675,062.

The proposed dividend reduces the group's solidity from 14 percent to 9 percent.

The nature and scope of the group's business are described in the articles of association and the annual report. The business in which the group engages involves no other risks than those associated with or which may be assumed to be associated with the industry or the risks normally associated with business operations. The board has taken into account the company's and the group's consolidation needs by making a general assessment of the company's and the group's financial position and expectations to meet its obligations in both the short and the long term. It is the board's opinion that the proposed dividend does not affect the company's and the group's ability to meet known as well as unforeseen payment obligations or jeopardise investments that may be deemed necessary or investments in the group's continued development. The group's financial position does not give rise to any other assessment than that the group can continue its operations and that the company can be expected to fulfil its obligations in the short and long term.

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

# Consolidated income statement

	Note	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
Net sales	6	244 307	203 900
Other revenue	11	492	600
<b>Gross income</b>		<b>244 799</b>	<b>204 500</b>
<i>Operating expenses</i>			
Compensation to employees	8	-148 984	-123 742
Capitalised development work done by own employees		17 334	13 255
Depreciation		-18 865	-14 394
Other expenses	7, 11	-62 457	-46 596
<b>Total operating expenses</b>		<b>-212 972</b>	<b>-171 479</b>
<b>Operating income</b>	6	<b>31 827</b>	<b>33 021</b>
Financial income	9	511	15
Financial expenses	9	-2 269	-1 435
<b>Income after financial net</b>		<b>30 069</b>	<b>31 601</b>
Taxes	10	-5 763	-7 859
<b>Net income</b>		<b>24 306</b>	<b>23 742</b>
<b>Income attributable to:</b>			
Shareholders of the Parent company		24 306	23 742
<b>Consolidated statement of other comprehensive income</b>			
<b>Other comprehensive income</b>			
Items that may be reclassified to the income statement:			
Translation adjustments		252	-166
Other comprehensive income for the period, net of tax		252	-166
<b>Total income for the year</b>		<b>24 558</b>	<b>23 576</b>
<b>Other comprehensive income for the year, attributable to:</b>			
Shareholders of the Parent company		24 558	23 576
		<b>24 558</b>	<b>23 576</b>
<b>Earnings per share, based on income attributed to shareholders of the Parent company during the year (SEK / share)</b>	12		
<b>Earnings per share</b>			
- basic		1,94	1,90
- diluted		1,83	1,80
Average number of shares, basic		12 500 000	12 500 000
Average number of shares, diluted		13 283 481	13 219 750

\*) To allow for easy comparison, the number of shares in 2017 have been restated based to the share split in 2018.

\*\*) To allow for comparison, expenses for 2017 have been restated in relation to previously reported one-off items that affect comparison.

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

# Consolidated balance sheet

	Note	Dec 31, 2018	Dec 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
	14		
Capitalised development expenses		42 713	30 418
Software		39 139	43 151
Trademarks		33 478	33 478
Customer relationships		13 657	16 388
Goodwill		59 391	59 391
<b>Total intangible assets</b>		<b>188 378</b>	<b>182 826</b>
<b>Tangible non-current assets</b>			
	15		
Vehicles		3 178	3 118
Machinery and equipment		704	810
<b>Total tangible non-current assets</b>		<b>3 882</b>	<b>3 928</b>
<b>Financial non-current assets</b>			
Other financial non-current assets	16	538	514
<b>Total financial non-current assets</b>		<b>538</b>	<b>514</b>
Deferred tax asset	23	59	56
<b>Total non-current assets</b>		<b>192 857</b>	<b>187 324</b>
<b>Current assets</b>			
Trade receivables	17	51 573	39 965
Current tax assets		0	1 842
Other current receivables		1 080	24
Prepaid expenses and accrued revenue	18	2 724	4 063
<b>Total current assets</b>		<b>55 377</b>	<b>45 894</b>
Cash and cash equivalent	19	21 152	24 249
<b>Total current assets</b>		<b>76 529</b>	<b>70 143</b>
<b>Total assets</b>		<b>269 386</b>	<b>257 467</b>

# Consolidated balance sheet

	Note	Dec 31, 2018	Dec 31, 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the Parent Company's shareholders</b>			
Share capital	20	500	50
Additional paid in capital	21	53 034	53 034
Reserves		264	14
Retained earnings including net income for the year		-16 124	35 020
<b>Total equity</b>		<b>37 675</b>	<b>88 118</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	22	79 815	30 736
Deferred tax liabilities	23	23 005	22 915
<b>Total non-current liabilities</b>		<b>102 820</b>	<b>53 651</b>
<b>Current liabilities</b>			
Borrowings	22	27 298	23 261
Trade payables		4 552	8 893
Current tax liabilities		9 702	11 472
Other liabilities	24	13 424	10 314
Accrued expenses and prepaid revenue	25	73 915	61 758
<b>Total current liabilities</b>		<b>128 891</b>	<b>115 698</b>
<b>Total liabilities</b>		<b>231 711</b>	<b>169 349</b>
<b>Total equity and liabilities</b>		<b>269 386</b>	<b>257 467</b>

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



# Consolidated statement of changes in equity

	Attributable to the parent company's shareholders					
	Note	Share capital	Additional paid in capital	Reserves	Retained earnings	Total equity
Opening balance January 1, 2017 according to adopted balance sheet		50	53 034	180	11 277	64 541
Net income for the year					23 743	23 743
Other comprehensive income for the year				-166		-166
Total other comprehensive income		50	53 034	14	23 743	23 577
Transactions with owners						
-						0
Total transactions with owners		0	0	0	0	0
Closing balance December 31, 2017		50	53 034	14	35 020	88 118
Opening balance January 1, 2018 according to adopted balance sheet		50	53 034	14	35 020	88 118
Net income for the year					24 306	24 306
Other comprehensive income for the year				252		252
Total other comprehensive income		0	0	252	24 306	24 558
Transactions with owners						
Bonus issue		450			-450	-0
Dividend					-75 000	-75 000
Total transactions with owners		450	0	0	-75 450	-75 000
Closing balance December 31, 2018		500	53 034	266	-16 124	37 675

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

# Consolidated statement of cash flows

	Note	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
<b>Cash flow from current operations</b>			
Cash flow from operating activities	31	46 691	48 256
Interest paid		-2 269	-1 435
Income taxes paid		-5 674	-7 127
<b>Cash flow from current operations</b>		<b>38 748</b>	<b>39 694</b>
<b>Cash flow from investing activities</b>			
Investment in intangible assets	14	-17 633	-14 116
Investment in tangible non-current assets	15	-1 244	-1 880
Sales of tangible non-current assets		463	1 873
Acquisition of subsidiaries		-2 435	-29 667
Investment in financial non-current assets	16	-24	-2
Interest received		511	15
<b>Cash flow from investing activities</b>		<b>-20 362</b>	<b>-43 777</b>
<b>Cash flow from financing activities</b>			
Dividend paid	32	-75 000	0
Proceeds from borrowings		130 000	12 500
Repayment of borrowings		-76 884	-14 026
<b>Cash flow from financing activities</b>		<b>-21 884</b>	<b>-1 526</b>
<b>Net cash flow</b>		<b>-3 498</b>	<b>-5 609</b>
<b>Net change in cash flow</b>			
Cash and cash equivalent, beginning of year	19	24 249	29 700
Exchange rate differences in cash		401	158
<b>Cash and cash equivalent, end of year</b>	19	<b>21 152</b>	<b>24 249</b>

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

# Parent company income statement

	Note	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
Net sales		0	0
Other income		6 196	0
<b>Gross income</b>		<b>6 196</b>	<b>0</b>
<i>Operating expenses</i>			
Compensation to employees		-5 016	-298
Other expenses		-6 665	-141
<b>Total operating expenses</b>		<b>-11 681</b>	<b>-439</b>
<b>Operating income</b>		<b>-5 485</b>	<b>-439</b>
Income from shareholdings in group companies	9	27 239	33 821
Financial income	9	178	0
Financial expenses	9	-2 041	-992
<b>Income after financial items</b>		<b>19 891</b>	<b>32 390</b>
Taxes	10	-4 396	-6 151
<b>Net income for the year</b>		<b>15 495</b>	<b>26 239</b>

## Parent company statement of other comprehensive income

### Other comprehensive income

Items that may be reclassified to the income statement:

-	0	0
Other comprehensive income for the period, net of tax	0	0
<b>Other comprehensive income for the year</b>	<b>15 495</b>	<b>26 239</b>

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

# Parent company balance sheet

<b>ASSETS</b>	<b>Note</b>	<b>Dec 31, 2018</b>	<b>Dec 31, 2017</b>
<b>Financial non-current assets</b>			
Shares in subsidiaries	16	133 360	133 360
<b>Total financial non-current assets</b>		<b>133 360</b>	<b>133 360</b>
<b>Current assets</b>			
Other receivables		2 373	8
Prepaid expenses and accrued revenues	18	206	91
<b>Total current assets</b>		<b>2 579</b>	<b>99</b>
Cash and cash equivalent	19	997	127
<b>Total current assets</b>		<b>3 576</b>	<b>226</b>
<b>Total assets</b>		<b>136 936</b>	<b>133 586</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted equity			
Share capital	20	500	50
<i>Shareholders' surplus</i>			
Retained earnings		1 555	50 766
Net income for the year		15 495	26 240
<b>Total equity</b>		<b>17 551</b>	<b>77 056</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	22	78 000	28 000
Interest-bearing liabilities to group companies		0	2 511
<b>Total non-current liabilities</b>		<b>78 000</b>	<b>30 511</b>
<b>Current liabilities</b>			
Borrowings	22	26 000	14 000
Trade payables		645	0
Current tax liabilities		10 488	11 134
Other liabilities		987	157
Accrued expenses and prepaid revenue	25	3 265	728
<b>Total current liabilities</b>		<b>41 385</b>	<b>26 019</b>
<b>Total liabilities</b>		<b>119 385</b>	<b>56 530</b>
<b>Total equity and liabilities</b>		<b>136 936</b>	<b>133 586</b>

# Parent company statement of change in equity

	Note	Share capital	Retained earnings	Net income for the year	Total equity
<b>Opening balance January 1, 2017 according to adopted balance sheet</b>		<b>50</b>	<b>33 097</b>	<b>17 669</b>	<b>50 816</b>
Results brought forward		0	17 669	-17 669	0
Net income for the year				26 239	26 239
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>26 239</b>	<b>26 239</b>
<b>Transactions with owners</b>					
-			0		0
<b>Total transactions with owners</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing balance December 31, 2017</b>		<b>50</b>	<b>50 766</b>	<b>26 239</b>	<b>77 055</b>
<b>Opening balance January 1, 2018 according to adopted balance sheet</b>		<b>50</b>	<b>50 766</b>	<b>26 239</b>	<b>77 055</b>
Results brought forward			26 239	-26 239	0
Net income for the year				15 495	15 495
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>15 495</b>	<b>15 495</b>
<b>Transactions with owners</b>					
Bonus issue		450	-450		
Dividend			-75 000		-75 000
<b>Total transactions with owners</b>		<b>450</b>	<b>-75 450</b>	<b>0</b>	<b>-75 000</b>
<b>Closing balance December 31, 2018</b>		<b>500</b>	<b>1 555</b>	<b>15 495</b>	<b>17 551</b>

# Parent company statement of cash flow

	Note	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
<b>Cash flow from current operations</b>			
Cash flow from operating activities	31	-4 599	1 050
Interest paid		-2 302	-2 671
Income taxes paid		-4 396	-6 151
<b>Cash flow from current operations</b>		<b>-11 297</b>	<b>-7 772</b>
<b>Cash flow from investing activities</b>			
Dividend / group contributions received		27 500	35 500
Interest received		178	0
<b>Cash flow from investing activities</b>		<b>27 678</b>	<b>35 500</b>
<b>Cash flow from financing activities</b>			
Dividend		-75 000	0
Proceeds from options		130 000	0
Proceeds from borrowings		-70 511	-27 781
<b>Repayment of borrowings</b>	32	<b>-15 511</b>	<b>-27 781</b>
Cash flow from financing activities			
		<b>870</b>	<b>-53</b>
Net cash flow			
Net change in cash	19	127	180
<b>Cash and cash equivalent, beginning of year</b>	<b>19</b>	<b>997</b>	<b>127</b>
<b>Cash and cash equivalent, end of year</b>			



# Notes

## 1. General information

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

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

On March 29, 2019, the board of directors approved these consolidated financial statements for publication.

## 2. Summary of significant accounting principles

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

### 2.1 Basis for preparation

#### The Group

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

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

#### Parent company

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

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

#### Investments in subsidiaries

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

#### Financial instruments

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

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

A number of new standards and interpretations came into effect for financial years starting on or after January 1, 2019 and have not been applied in the preparation of this financial reports. These new standards and interpretations are expected to impact on the Group's future financial reports.

#### IFRS 16 Leases

As of January 1, 2019, IFRS 16 Leases replaces the current standard IAS 17 Leases and thereto related interpretations. In 2018 Lime has mapped out and evaluated the group's leasing agreements and assessed the effects of the transition to IFRS 16.

When the standard comes into effect, Lime will apply 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 when 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 has no impact on equity.

Lime will apply the simplified approach in relation to leases where the underlying asset has a low value, as well as for short-term leases, which 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 will increase through the inclusion of the right-to-use assets and leasing liabilities. Leasing fees that, under IAS 17, have been recognised as other external expenses in the income statement, are 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. Non-leasing components are excluded for the calculation.

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 to MSEK 19.7 and the leasing liability to MSEK 19.7. Due to uncertainties relating to the extension of the office space lease in Lund, the value of the right-to-use assets and leasing liabilities may change during the second part of 2019. The transition to IFRS 16 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 by MSEK 9.0 in 2019, financial expenses will increase by MSEK 0.2 and net income after taxes will increase by MSEK 0.1. In 2019, EBITDA and EBITA are expected to increase by MSEK 9.4 and MSEK 0.3, respective.

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

Operating lease obligations as per December 31, 2018	16 660
Extension options that 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>

No other IFRS or IFRIC interpretations which have not yet come into effect are expected to have any significant impact on the group.

## 2.2 Consolidation of the Group

### (a) Subsidiaries

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

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

Transaction costs attributable to the acquisition are expensed as incurred.

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

## 2.3 Segment reporting

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

## 2.4 Foreign currency transactions

### (a) Functional currency and presentation currency

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

### (b) Transactions and balances

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

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

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

### (c) Group companies

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

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

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

## 2.5 Tangible non-current assets

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

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

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

Vehicles	5 years
Machinery and equipment	3–8 years

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

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

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

## 2.6 Intangible assets

### (a) Goodwill

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

acquired company is eliminated in the acquisition analysis.

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

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

#### (b) Trademarks

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

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

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

#### (c) Software

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

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

#### (d) Customer relations

Customer relations acquired through a business acquisition are recognised at fair value on the

acquisition date. Customer relations recognised as assets are depreciated over their estimated useful life, 10 years.

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

#### (e) Capitalised development expenses

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

- it is technically possible to complete the software so that it can be used,
- the company intends to complete the software and to use or sell it,
- prerequisites for using or selling the software exist,
- it can be shown how the software is likely to generate future economic benefits,
- adequate technical, financial and other resources to complete the development and use or sale of the software are available, and
- the expenses related to the software during its development can be calculated reliably.

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

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

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

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

### 2.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets that are not ready for use are not subject to depreciation but are tested annually for any impairment loss. Written-off assets are assessed for impairment whenever events or changes in circumstances indicate that the reported value may not be recoverable. An impairment loss is made by the amount at which the asset's carrying value exceeds its recoverable value. The recoverable value is the higher of the asset's fair value less costs to sell, and its value in use. When assessing impairment

requirements, assets are grouped at the lowest levels where there are essentially independent cash flows (cash-generating units). For assets (other than goodwill) that have previously been written down, a test is made on each balance sheet date as to whether reversals should be made.

## 2.8 Financial instruments

The group applies IFRS 9 Financial Instruments as of January 1, 2018. IFRS 9 deals with the classification, measuring, and recognition of financial assets and liabilities and introduces new regulations for hedge accounting. IFRS 9 replaces the sections of IAS 39 that deal with the classification and measuring of financial instruments and introduces a new loss impairment model. The full version of IFRS 9 was issued in July 2014 and is applicable for financial years commencing on or after January 1, 2018. The standard is adopted by the EU.

The application of IFRS 9 has not had any significant impact on the classification and measuring of the Group's financial assets and liabilities in 2018.

### 2.8.1 Classifications

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

#### *Loans and trade receivables*

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

### 2.8.2 Reporting and valuation

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

## 2.9 Impairment of financial assets

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

At each balance sheet date, the Group assesses whether there is objective evidence that a financial asset, or a group of financial assets, are impaired. A financial asset, or group of financial assets, requires impairment only if there is objective evidence of impairment as a consequence of one or several events occurring after the asset was first recorded (a "loss event") and that this event (or events) has an impact on the estimated future cash flow of the

financial asset or group of financial assets that can be estimated as reliable.

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

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

If the impairment loss is recovered in a subsequent period and the recovery can objectively be attributed to an event that occurred after the impairment was reported (such as an improvement in the debtor's creditworthiness), the reversal of the previously reported impairment loss is reported in the Consolidated Income Statement.

## 2.10 Derivatives and hedges

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

### 2.11 Trade receivables

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

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

### 2.12 Cash and cash equivalent

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

## 2.13 Share capital

Ordinary shares are classified as equity.

## 2.14 Trade payables

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

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

## 2.15 Borrowings

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

## 2.16 Current and deferred income tax

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

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

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

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

Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available,

against which the temporary differences can be utilised.

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

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

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

## 2.17 Compensation to employees

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

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

### (a) Pension obligations

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

For defined-contribution plans, the Group pays contributions to publicly or privately managed pension plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the fees have been paid. The contributions are reported as personnel costs when



paid. Prepaid contributions are reported as assets to the extent that repayment or reduction of future payments may be granted to the Group.

For employees in Sweden, the ITP 2 plan's defined-benefit pension commitments for retirement and family pensions are secured through insurance with Alecta. According to a statement from the Financial Reporting Board, UFR 10 Reporting of the Pension Plan ITP 2, this is a defined benefit plan that includes several employers. For the 2018 or 2017 financial year, the company has not had access to information in order to be able to account for its proportional share of plan liabilities, plan assets and expenses, which meant it was not possible to recognise the plan as a defined benefit plan. The ITP 2 pension plan, secured by insurance with Alecta, is therefore recognised as a defined contribution plan. At the end of 2018, Alecta's surplus in the collective consolidation level was 142 percent (154).

#### (b) Severance pay

Severance pay applies when an employment is terminated by the Group prior to normal retirement or when an employee accepts voluntary resignation in exchange for such compensation. The Group recognises severance pay at the earliest of the following: (a) the date the Group is no longer able to withdraw the offer of severance pay; and (b) when the company recognises expenses in relation to restructuring within the scope of IAS 37, which involves payment of severance pay. In case the company has provided an offer to encourage voluntary resignation, the severance pay is calculated based on the number of employees estimated to accept the offer. Compensations due more than 12 months after the closing date are discounted at present value.

#### (c) Bonus programs

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

### 2.18 Stock options plans

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

For all outstanding options, the contribution from the

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

### 2.19 Revenue recognition

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

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

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

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

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

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

### IFRS 15 transitional implications

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

### Subscription revenue (Software as a Service)

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

### License revenue

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

### Support agreements

The Group sells Support Agreements in relation to the software. Such agreements are signed in connection with the sale of licenses. Revenue from Support Agreements is invoiced in advance and recognised pro rata over the contract period as control is transferred to the customer continuously during the contract period.

### Expert Services (consultant revenue)

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

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

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

### 2.20 Interest income

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

### 2.21 Dividend income

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

### 2.22 Leasing

Leases in which a substantial part of the risks and rewards of ownership are retained by the lessor are classified as operational leasing. Payments made during the lease term (after deduction of any incentives from the lessor) are expensed in the income statement on a straight-line basis over the term of the lease.

The Group leases some tangible non-current assets. Leasing of non-current assets under leases on terms in which the Group assumes substantially all the economic risks and rewards of ownership are classified as finance leases. Upon initial recognition on the balance sheet, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Each lease payment is split between amortisation and financial expenses. Corresponding payment obligations, after deduction of financial expenses, are included in the balance sheet items Non-current liabilities and Current liabilities. The interest component of the financial expenses is reported in the income statement over the lease term so that each accounting period is charged with an amount corresponding to a fixed interest rate for the liability reported during each respective period. Non-current assets held under financial leases are amortised over the period of the useful life of the asset.

### 2.23 Dividends

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

### 2.24 Group contributions

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

### 2.25 Consolidated statement of cash flow

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

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

### 3. Financial risk management

#### 3.1 Financial risk factors

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

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

#### (a) Market risk

##### (i) Currency risk

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

Since the Group's Swedish operations largely have their currency flow in Swedish kronor, there is no need for currency hedging. The size of the other Nordic operations has in 2017 and 2018 been of such volume that currency hedging has not been deemed necessary.

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

If the Swedish Krona had weakened / strengthened by 10% relative to the EUR, with all other variables being constant, the recalculated income after taxes as of December 31, 2018 would have been MSEK 0.1 lower/higher, largely as a result of profits/losses on recalculation of current assets and liabilities.

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

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

The Group's interest rate risk arises from long-term borrowings. Loans with variable interest rate expose the Group to interest rate risk relating to cash flow, which is partly offset by cash invested at variable interest rates. In 2017 and 2018 the Group's borrowings at variable interest rates were in Swedish Kronor. For more information regarding Lime's borrowings see note 22.

At the end of the period, interest-bearing borrowings amounted to MSEK 107.1 (54.0) with a variable rate linked to STIBOR. A change of 10 bps in underlying reference rates would not impact on Net income and Equity as STIBOR would still be negative and the reference rate according to agreements is 0 as a minimum.

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

#### (b) Credit risk

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

#### (c) Liquidity risk

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

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

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

## Liquidity risk - The Group

<b>As of December 31, 2018</b>	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>
Borrowings (excl. liabilities under financial leases)	6 994	20 797	27 297	53 112
Liabilities under financial leases	239	1 576	795	458
Trade payables and other liabilities	4 552	-	-	-
<b>Total</b>	<b>11 785</b>	<b>22 373</b>	<b>28 092</b>	<b>53 570</b>

<b>As of December 31, 2018</b>	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>
Borrowings (excl. liabilities under financial leases)	5 528	16 432	16 227	14 166
Liabilities under financial leases	372	1 746	524	426
Trade payables and other liabilities	8 893	-	-	-
<b>Total</b>	<b>14 793</b>	<b>18 178</b>	<b>16 751</b>	<b>14 592</b>

Figures for 2017 have been restated to allow for comparison.

### 3.2 Capital risk

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

In order to maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce liabilities. As the Group's strategy is partly based on evaluating acquisition opportunities, indebtedness can fluctuate significantly from year to year.

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

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

<b>The Group</b>	<b>2018</b>	<b>2017</b>
Interest-bearing non-current liabilities	-79 815	-30 736
Interest-bearing current liabilities	-27 298	-23 261
Financial assets	21 690	24 763
<b>Net debt</b>	<b>-85 423</b>	<b>-29 234</b>
EBITDA	50 692	47 415
<b>Net debt / EBITDA</b>	<b>1,7</b>	<b>0,6</b>

### 3.3 Refinancing risk

Lime has entered into a loan agreement of MSEK 130, with an outstanding amount at December 31, 2018 of MSEK 104. The refinancing risk is the risk that no further financing is available, or no financing at all is available, or if financing can only be obtained at a higher cost, if such need arises.

## 4. Operational risks

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

### 4.1 Competitive market

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

### 4.2 Retaining and recruiting key personnel

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

### 4.3 Technical development

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

### 4.4 IT security

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

#### 4.5 Compliance with laws and regulations

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

### 5. Critical accounting estimates and judgements

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

#### 5.1 Critical accounting assumptions and judgements

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

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

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

#### (b) Software

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

#### (c) Capitalised expenses

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



## 6. Segment information

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

The highest executive decision maker assesses the operations based on a geographic perspective, Sweden and the Other Nordic countries. The segments have the same operations and business model, i.e. to sell and implement software, namely CRM systems. The Swedish segment manages development and administration.

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

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

### Revenue, per segment

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

Revenue by income stream, TSEK	2018			2017		
	Sweden	Other Nordic countries	Total	Sweden	Other Nordic countries	Total
Subscription revenue	79 325	14 866	94 191	57 602	7 973	<b>65 575</b>
Licence revenue	7 918	1 005	8 923	11 406	1 667	<b>13 073</b>
Support agreements	39 419	4 849	44 268	40 213	4 458	<b>44 671</b>
Expert Services	77 788	15 952	93 740	61 605	13 586	<b>75 190</b>
Other	3 063	123	3 186	5 183	210	<b>5 392</b>
<b>Net sales</b>	<b>207 512</b>	<b>36 794</b>	<b>244 307</b>	<b>176 008</b>	<b>27 892</b>	<b>203 900</b>

## Net income, per segment

January 1 to December 31, 2018	Sweden	Other Nordic countries	Eliminations	The Group
Sales, external	207 702	37 097		244 799
Sales, internal	559	3 721	-4 280	0
<b>Total sales</b>	<b>208 261</b>	<b>40 818</b>	<b>-4 280</b>	<b>244 799</b>
Expenses, external	-160 079	-34 028		-194 107
Expenses, internal	-3 721	-559	4 280	0
<b>Total expenses</b>	<b>-163 800</b>	<b>-34 587</b>	<b>4 280</b>	<b>-194 107</b>
<b>EBITDA</b>	<b>44 461</b>	<b>6 231</b>	<b>0</b>	<b>50 692</b>
Depreciations				-18 865
<b>EBIT</b>				<b>31 827</b>
Financial net				-1 758
Tax				-5 763
<b>Net income for the year</b>				<b>24 306</b>

January 1 to December 31, 2017	Sweden	Other Nordic countries	Eliminations	The Group
Sales, external	176 237	28 263		204 500
Sales, internal	1 826	7 471	-9 297	0
<b>Total sales</b>	<b>178 063</b>	<b>35 734</b>	<b>-9 297</b>	<b>204 500</b>
Expenses, external	-125 788	-31 297		-157 085
Expenses, internal	-7 471	-1 826	9 297	0
<b>Total expenses</b>	<b>-133 259</b>	<b>-33 123</b>	<b>9 297</b>	<b>-157 085</b>
<b>EBITDA</b>	<b>44 804</b>	<b>2 611</b>	<b>0</b>	<b>47 415</b>
Depreciations				-14 394
<b>EBIT</b>				<b>33 021</b>
Financial net				-1 420
Tax				-7 859
<b>Net income for the year</b>				<b>23 742</b>

Figures for 2017 have been restated to allow for comparison.

### Assets and liabilities

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

Breakdown of non-current assets and accrued tax:

	Dec 31, 2018	Dec 31, 2017
<i>The Group</i>		
Capitalised development expenses	42 713	30 418
Software	39 139	43 151
Trademarks	33 478	33 478
Customer relationships	13 657	16 388
Goodwill	59 391	59 391
<i>Sweden</i>		
Vehicles	3 178	3 118
Machinery and equipment	624	705
<i>Other Nordic countries</i>		
Machinery and equipment	80	105
Financial non-current assets	538	514
Deferred tax assets	59	56
<b>Total non-current assets</b>	<b>192 857</b>	<b>187 324</b>

### Group-wide information

The breakdown of revenue from all products and services is found below. To allow for comparisons, revenues for 2017 have been restated in accordance with the definition in IFRS 15.

	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
Analysis of revenue per income stream:		
- Subscriber revenue	94 191	65 574
- Licence revenue	8 922	13 072
- Service agreements	44 268	44 670
- Expert Services	93 740	75 190
- Other	3 186	5 392
<b>Total</b>	<b>244 307</b>	<b>203 900</b>

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

	<b>Jan 1 - Dec 31, 2018</b>	<b>Jan 1 - Dec 31, 2017</b>
Sweden	207 512	176 008
Rest of Nordic region	36 794	27 892
<b>Total</b>	<b>244 307</b>	<b>203 900</b>

Figures for 2017 have been restated to allow for comparison.

## 7. Compensation to auditors

	<b>The Group</b>		<b>The Parent company</b>	
	<b>Jan 1 - Dec 31, 2018</b>	<b>Jan 1 - Dec 31, 2017</b>	<b>Jan 1 - Dec 31, 2018</b>	<b>Jan 1 - Dec 31, 2017</b>
PwC				
– Audit				
– Tax advice	474	413	51	92
– Expenses relating to listing of the company's shares	73	79	-	-
– Other services	1 284	92	822	10
<b>Total</b>	<b>1 831</b>	<b>584</b>	<b>873</b>	<b>102</b>

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

Other services 2018 include costs relating to the listing of Lime's shares of TSEK 1,172 for the Group and TSEK 822 for the Parent company.

## 8. Compensation to employees etc.

### Salaries and other remuneration to all employees

	<b>The Group</b>		<b>The Parent company</b>	
	<b>Jan 1 - Dec 31, 2018</b>	<b>Jan 1 - Dec 31, 2017</b>	<b>Jan 1 - Dec 31, 2018</b>	<b>Jan 1 - Dec 31, 2017</b>
Salaries, and other remunerations	104 554	86 719	3 261	224
Social security expenses	29 050	23 209	1 116	64
Pension costs / defined contribution plans	9 026	6 868	501	-
<b>Total compensations to employees</b>	<b>142 630</b>	<b>116 795</b>	<b>4 878</b>	<b>288</b>

## Remuneration to senior executives

<b>January 1 - December 31, 2018</b>	<b>Base salary/ fee</b>	<b>Variable pay</b>	<b>Pension cost</b>	<b>Other</b>	<b>Total</b>
Board members	395	-	-	-	395
CEO	1 657	-	366	48	2 071
Other executive managers	6 650	686	1 180	218	8 733
<b>Group total</b>	<b>8 701</b>	<b>686</b>	<b>1 546</b>	<b>266</b>	<b>10 934</b>

<b>January 1 - December 31, 2017</b>	<b>Base salary/ fee</b>	<b>Variable pay</b>	<b>Pension cost</b>	<b>Other</b>	<b>Total</b>
Board members	375	-	-	-	375
CEO	1 553	-	368	48	1 969
Other executive managers	5 759	662	1 013	218	8 733
<b>Group total</b>	<b>7 687</b>	<b>662</b>	<b>1 381</b>	<b>266</b>	<b>11 199</b>

Figures for 2017 have been restated to allow for comparison. Variable pay for 2018 will be paid in 2019 and variable pay for 2017 was paid in 2018.

## Average number of employees

	<b>The Group</b>		<b>The Parent company</b>	
	<b>Jan 1 - Dec 31, 2018</b>	<b>Jan 1 - Dec 31, 2017</b>	<b>Jan 1 - Dec 31, 2018</b>	<b>Jan 1 - Dec 31, 2017</b>
Average number of employees	195	185	2	0
Whereof men	141	131	2	0
<b>Breakdown per country</b>				
Sweden	162	153	2	0
Norway	11	11	-	-
Finland	14	13	-	-
Denmark	8	8	-	-
<b>Total</b>	<b>195</b>	<b>185</b>	<b>2</b>	<b>0</b>

\*) The CEO and the CFO are employed by the Parent company from December 2017.

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

	The Group		The Parent company	
	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
<b>Board members</b>				
Women	2	1	2	1
Men	3	4	3	4

<b>Boards in subsidiaries</b>	<b>Kvinnor 2018</b>	<b>Män 2018</b>	<b>Kvinnor 2017</b>	<b>Män 2017</b>
Lime Technologies Sweden AB	-	1	1	4
Lime Technologies Norway AS	-	2	-	3
Lime Technologies Finland OY	-	1	-	3
Lime Technologies Denmark A/S	-	1	-	3
Remotex Technologies AB	-	1	-	1
Netoptions Sweden AB	-	1	-	1
Hysminai AB	-	1	-	1

	The Group		The Parent company	
	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
<b>Executive management incl, CEO</b>				
Women	1	1	-	-
Men	9	8	3	1



## Guidelines for remuneration to senior executives

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

The extraordinary general meeting on October 16, 2018 resolved on the following guidelines for remuneration to senior executives. The board of directors approve remuneration to the group's CEO and the principles for remuneration to other senior executives. The board of directors constitutes, in its entirety, the remuneration committee until the annual general meeting on April 29, 2019 and has as such managed matters relating to remuneration and other terms of employment.

In these guidelines, senior executives means the CEO and the management of the company and the group. Information about management composition can be found on [www.lime-technologies.com](http://www.lime-technologies.com). The CEO, the Head of IR and the CFO are all employed by Lime Technologies AB (publ). Other senior executives are employed by Lime Technologies Sweden AB.

The purpose of these guidelines is to ensure the company can attract, inspire and retain senior executives with the competence and experience required to achieve the company's goals. The remuneration shall be on terms which are competitive and at the same time in line with shareholders' interests. Remuneration to senior executives consists of a fixed and, for some senior executives, variable remuneration and potential incentive programs. The company's senior executives are also entitled to pension benefits and the company makes pension provisions for the senior executives. These components are intended to ensure a balanced remuneration package, which reflects individual competence, responsibilities and performance, in both the short and long term, and the company's overall results.

### Fixed remuneration

The senior executives' fixed remuneration shall be competitive and based on the individual senior executive's competence, responsibility and performance. A revision of the fixed remuneration shall be performed on an annual basis every calendar year.

### Variable remuneration

Senior executives shall receive variable remuneration in addition to the fixed remuneration.

The yearly variable remuneration shall be cash based and be based on predetermined and measurable performance criteria for each respective senior executive which aim to promote the company's long-term value creation. The performance criteria shall be determined and documented on a yearly basis. The yearly variable remuneration varies depending on the performance, from no variable remuneration to a remuneration equivalent to four month's salary (applies to all senior executives except one senior executive whose main role is individually generated sales subject to sales commission of up to ten months' salary as set out in the contract of employment). Fixed remuneration refers to fixed cash salary earned during the year, excluding pensions, benefits and similar. All variable remuneration plans have defined maximum award and vesting limits.

The company is entitled to recover variable remuneration, should the accounts contain material errors.

### Incentive programs

The general meeting can resolve to implement long-term share and share price related incentive programs directed to, among others, senior executives. Such incentive programs shall be designed to promote common interests between the participants and the company's shareholders, and further to promote individual shareholdings in the company.

At general meetings in 2014 and 2015, the company resolved to introduce incentive programs by issuing stock options to certain employees, including senior executives. The programs expired in March 2019; all stock options were exercised during this period. See further note 20 and 21.

### Other benefits

The company provides other benefits to senior executives. Such benefits may include health subsidies, mobile phones, company cars and travel allowances.

### Termination and severance pay

The maximum notice period for senior executives during which salary is paid is nine months. No severance pay applies.

### Deviations from the guidelines

The board of directors can decide to deviate from these guidelines, subject to specific reasons and in exceptional cases. The reasons for such deviations shall be presented at the next annual general meeting.

## CEO

In addition to fixed remuneration, the CEO also receives performance-based remuneration. The performance-based remuneration relates to the achievement of financial objectives set by the group's board of directors. The performance-based remuneration is capped at 4 months' salary. In 2018, the financial objectives were not met, and no variable remuneration was paid to the CEO. The CEO does not receive any board fee.

## Remuneration to the board of directors

Remuneration to the board of directors amounts to TSEK 125 (125) per member and year from one annual general meeting to the next. Lime has since February 2017 had a management agreement in place with Monterro 1 AB, under which Monterro 1 AB provides certain services. Peter Larsson's board assignment is part of this agreement.

The members of board of directors in subsidiaries have not receive any compensation during 2017 or 2018. There are no pension obligations to the benefit of the board of directors. There are also no obligations to pay severance pay or variable remunerations.

## Variable remuneration

Variable remuneration attributable to 2018 has been provided for in the annual report and will be paid close to the annual general meeting 2019. Variable remuneration during 2018 amounted to 8 % (9 %) of fixed remuneration.

## Pensions

The CEO's retirement age is 65 years. Pension plans for the CEO and other senior executives correspond to the ITP2 plan.

## Severance pay

In the event of termination of the CEO on the part of the company, a 9-month notice period applies. Other income paid to the CEO during the period when severance pay is paid is offset against the severance pay. In case of termination on the part of the CEO a 6-month notice period applies. 3-6 months' mutual notice period applies between the company and other senior executives.

## Share related compensations

Other senior executive held a total of 259 stock options at the end of 2018. The stock options have been exercised in March 2019.

## 9. Financial income &amp; expenses

	The Parent company	
	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2016
<b>Earnings from shares in group companies</b>		
- Dividend	0	4 500
- Group contribution received	27 500	31 000
- Interest expenses, group companies	-260	-1 679
<b>Financial income</b>	<b>27 240</b>	<b>33 821</b>

	The Group		The Parent company	
	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
<b>Financial income:</b>				
- Interest income	190	15	-	-
- Other financial items	0	0	-	-
- Exchange rate differences	321	-	178	-
<b>Financial income</b>	<b>511</b>	<b>15</b>	<b>178</b>	<b>0</b>

	The Group		The Parent company	
	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
<b>Interest expenses:</b>				
- Interest expenses, bank loans	2 047	1 247	1 969	925
- Interest expenses, financial leasing	65	50	-	-
- Other interest expenses	84	70	69	68
- Other financial expenses	73	67	3	
- Exchange rate differences	0	0	0	0
<b>Total financial expenses</b>	<b>2 269</b>	<b>1 435</b>	<b>2 041</b>	<b>992</b>
<b>Net financial items</b>	<b>-1 758</b>	<b>-1 419</b>	<b>25 377</b>	<b>32 829</b>

## 10. Income tax

	The Group		The Parent company	
	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
Current income tax:				
Current income tax for the year	-5 674	-7 127	-4 396	-6 151
<b>Total current income tax</b>	<b>-5 674</b>	<b>-7 127</b>	<b>-4 396</b>	<b>-6 151</b>
Deferred tax (note 22)	-89	-732		
<b>Total deferred tax</b>	<b>-89</b>	<b>-732</b>	<b>0</b>	<b>0</b>
<b>Income tax</b>	<b>-5 763</b>	<b>-7 859</b>	<b>-4 396</b>	<b>-6 151</b>

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

	The Group		The Parent company	
	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
<b>Income before tax</b>	<b>30 069</b>	<b>31 601</b>	<b>19 892</b>	<b>32 390</b>
Income tax calculated based on national tax rates applicable on income in respective country	-5 291	-7 564	-4 376	-7 126
Tax effect of:				
- Non-taxable income	0	1	-	990
- Non-deductible expenses	-341	-199	-20	-15
- Tax attributable to intangible non-current assets	-42	-	-	-
- Correction of previous year's taxation	-1 652	-986	-	-
- Tax rate change in Sweden	1 152		-	-
- Tax attributable to untaxed reserves	0	660	-	-
- Tax losses for which no deferred tax asset has been reported	411	229	0	0
<b>Income tax</b>	<b>-5 763</b>	<b>-7 859</b>	<b>-4 396</b>	<b>-6 151</b>

Weighted average tax rate was 19% (2017: 25%).

## 11. Exchange rate differences

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

Exchange rates (against SEK)	Average Jan-Dec		Closing rate, Dec 31	
	2018	2017	2018	2017
DKK	1,39	1,30	1,39	1,34
NOK	1,08	1,04	1,07	1,01
EUR	10,32	9,64	10,40	9,97

	The Group		The Parent company	
	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
Other income/expenses - net	-184	-56	0	0
Financial net (note 8)	0	0	178	0
<b>Total</b>	<b>-184</b>	<b>-56</b>	<b>178</b>	<b>0</b>

## 12. Earnings per share

### Basic

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

Basic	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
The Group's earnings attributable to shareholders of the Parent company	24 306	23 742
Weighted average number of ordinary shares outstanding (thousands)*	12 500	12 500
<b>Earnings per share</b>	<b>1,94</b>	<b>1,90</b>

\*) To facilitate comparison, the number of shares in 2017 have been restated based to the share split in 2018.

**Diluted**

To calculate "earnings per share, diluted", the weighted average number of ordinary shares outstanding is adjusted for the dilution effect of all potential ordinary shares. The Parent company has a category of potential ordinary shares with dilution effect: stock options. For stock options, a calculation is made of the number of shares that could have been purchased at fair value, for an amount equal to the monetary value of the options rights attached to outstanding stock options. The number of shares calculated according to the above is compared with the number of shares that would have been issued assuming the share options were exercised.

<b>Diluted</b>	<b>Jan 1 - Dec 31, 2018</b>	<b>Jan 1 - Dec 31, 2017</b>
The Group's earnings attributable to shareholders of the Parent company	24 306	23 742
Weighted average number of ordinary shares outstanding (thousands)*)	12 500	12 500
Adjustments for stock options		
- stock options 2014-2019*)	783	720
Weighted average number of ordinary shares outstanding (thousands)*)	13 283	13 220
<b>Earnings per share, diluted</b>	<b>1,83</b>	<b>1,80</b>

\*) To facilitate comparison, the number of shares in 2017 have been restated based to the share split in 2018.

**13. Dividend per share**

A dividend of SEK 13 283 481 will be proposed at the annual general meeting on April 29, 2019, corresponding to SEK 1 per share, diluted. Remaining earnings will be carried forward.



## 14. Intangible assets

The Group	Goodwill	Trademarks	Software	Customer relations	Capitalised expenses	Total
<b>2018 Financial year</b>						
Opening balance	59 391	33 478	43 151	16 389	30 417	182 826
Acquired			6 254	-		6 254
Capitalised work	-	-	-	-	17 334	17 334
Depreciations	-	-	-10 266	-2 732	-5 038	-18 036
<b>Closing balance</b>	<b>59 391</b>	<b>33 478</b>	<b>39 139</b>	<b>13 657</b>	<b>42 713</b>	<b>188 378</b>
<b>As per December 31, 2018</b>						
Acquisition value	59 391	33 478	62 922	27 314	53 392	236 497
Accumulated depreciations	-	-	-23 783	-13 657	-10 679	-48 119
<b>Reported amount</b>	<b>59 391</b>	<b>33 478</b>	<b>39 139</b>	<b>13 657</b>	<b>42 713</b>	<b>188 378</b>
The Group	Goodwill	Trademarks	Software	Customer relations	Capitalised expenses	Total
<b>2017 Financial year</b>						
Opening balance	59 391	33 478	14 014	19 120	20 420	146 423
Acquired			36 724	-		36 724
Capitalised work	-	-	-	-	13 255	13 255
Depreciations	-	-	-7 587	-2 731	-3 258	-13 576
<b>Closing balance</b>	<b>59 391</b>	<b>33 478</b>	<b>43 151</b>	<b>16 389</b>	<b>30 417</b>	<b>182 826</b>
<b>As per December 31, 2017</b>						
Acquisition value	59 391	33 478	56 743	27 314	36 057	212 983
Accumulated depreciations	-	-	-13 592	-10 925	-5 640	-30 157
<b>Reported amount</b>	<b>59 391</b>	<b>33 478</b>	<b>43 151</b>	<b>16 389</b>	<b>30 417</b>	<b>182 826</b>

The Parent company has no intangible non-current assets.

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

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

The Group's total value of goodwill and trademarks at year-end was MSEK 59.4 (59.4) and MSEK 33.5 (33.5), respectively. Goodwill and trademarks are not depreciated according to plan but are instead impairment tested annually. Goodwill and trademarks are monitored by the finance department. When assessing impairment, assets are allocated in full to the Group since the goodwill relates to the acquisition of the Lime Technologies Sweden Group. Lime has determined that the Group is the lowest level where there are independent cash flows (cash-generating units).

Impairment testing of goodwill and customer relations is based on the value in use. The value in use is based on future cash flow projections, the DCF method, with the first 4 years being based on the business plan approved by the board of directors.

The relief-from-royalty method is used for impairment testing of trademarks and software.

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

### Forecast period and long-term growth

The forecast period is 5 years. Cash flow beyond that period has been attributed an annual net sales

growth rate of 2 (2) percent, which is somewhat higher than expected general GDP growth, and is justified by the fact that Lime is operating in a growth industry, with continued outlook for high growth beyond the forecast period.

### Growth and margin

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

### Discount rate

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

### Sensitivity analysis

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

## 15. Tangible non-current assets

	The Group		
	Vehicles	Machinery & equipment	Total
<b>2018 Financial year</b>			
Opening balance	3 118	806	3 924
Exchange rate differences	-	4	4
Purchases	1 029	215	1 244
Sales and disposals	-347	-116	-463
Depreciation	-623	-206	-828
<b>Closing balance</b>	<b>3 178</b>	<b>704</b>	<b>3 881</b>
<b>As per December 31, 2018</b>			
Acquisition value or restated amount	5 372	2 543	7 915
Accumulated depreciations	-2 194	-1 839	-4 033
<b>Carrying value</b>	<b>3 178</b>	<b>704</b>	<b>3 882</b>
<b>2017 Financial year</b>			
Opening balance	3 071	280	3 351
Exchange rate differences	-	6	6
Purchases	1 152	728	1 880
Sales and disposals	-492	0	-492
Depreciation	-613	-204	-817
<b>Closing balance</b>	<b>3 118</b>	<b>810</b>	<b>3 928</b>
<b>As per December 31, 2017</b>			
Acquisition value or restated amount	4 997	2 439	7 436
Accumulated depreciations	-1 879	-1 629	-3 508
<b>Carrying value</b>	<b>3 118</b>	<b>810</b>	<b>3 928</b>

Item Vehicles include leasing objects possessed by the Group under financial leases with the following amount:

	<b>The Group</b>	
	<b>2018</b>	<b>2017</b>
Acquisition value -capitalised financial leases	5 372	4 997
Accumulated depreciations	-2 194	-1 879
<b>Carrying value</b>	<b>3 178</b>	<b>3 118</b>

The Group leases a number of vehicles under non-cancellable leases. The leasing periods are normally 3 years. The Parent company does not lease any non-current assets.

## 16. Financial non-current assets

<b>Shares in subsidiaries</b>	<b>The Parent company</b>	
	<b>2018</b>	<b>2017</b>
Opening acquisition value	133 360	133 360
<b>Carrying value</b>	<b>133 360</b>	<b>133 360</b>

	<b>The Group</b>		<b>The Parent company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Other financial non-current assets				
Depositions	538	514	-	-
<b>Carrying value</b>	<b>538</b>	<b>514</b>	<b>0</b>	<b>0</b>

## 16.1 Subsidiaries

Name	Country of incorporation and operation	Operation	Number of ordinary shares owned by the Parent company (%)	Number of ordinary shares owned by the Group (%)	Equity (MSEK)	Net income (MSEK)
Lime Technologies Sweden AB	Sweden	Head office	100%		16,0	1,6
Lime Technologies Norway AS	Norway	Sales	-	100%	6,5	-0,2
Lime Technologies Finland OY	Finland	Sales	-	100%	4,3	0,3
Lime Technologies Denmark A/S	Denmark	Sales	-	100%	-4,4	0,0
RemoteX Technologies AB	Sweden	-	-	100%	0,1	0,0
Netoptions Sweden AB	Sweden	-	-	100%	0,9	-0,0
Hysminai AB	Sweden	-	-	100%	2,9	2,3

All subsidiaries are consolidated in the Group. The voting rights in the subsidiaries, directly owned by the Parent company, do not differ from the ownership of ordinary shares. For business registration numbers see page 5.

## 16.2 Financial instruments per category

The credit rating of the borrowings and trade receivables cannot be estimated based on external credit ratings. Trade receivable losses have historically been very low. Cash and cash equivalents consist entirely of cash funds

The Group	Valued at accrued acquisition value	Valued at fair value through the income statement	Total
<b>December 31, 2018</b>			
<b>Balance sheet assets</b>			
Trade receivables and other receivables excluding interim claims	52 653	-	52 653
Cash and cash equivalents	21 152	-	21 152
<b>Total</b>	<b>73 805</b>	<b>0</b>	<b>73 805</b>
<b>Balance sheet liabilities</b>			
Borrowings	107 113	-	107 113
Trade payables and other liabilities excluding financial liabilities	27 678	-	27 678
<b>Total</b>	<b>134 791</b>	<b>0</b>	<b>134 791</b>

The Group	Valued at accrued acquisition value	Valued at fair value through the income statement	Total
<b>December 31, 2017</b>			
<b>Balance sheet assets</b>			
Trade receivables and other receivables excluding interim claims	39 989	-	39 989
Cash and cash equivalents	24 249	-	24 249
<b>Total</b>	<b>64 238</b>	<b>0</b>	<b>64 238</b>
<b>Balance sheet liabilities</b>			
Borrowings	53 997	-	53 997
Trade payables and other liabilities excluding financial liabilities	30 679	-	30 679
<b>Total</b>	<b>84 676</b>	<b>0</b>	<b>84 676</b>

## 17. Trade receivables

The Group has no non-current trade receivables. The fair value for current trade receivables corresponds to carrying value.

	The Group	
	2018	2017
Trade receivables	51 573	39 965
<b>Total</b>	<b>51 573</b>	<b>39 965</b>

Overdue trade receivables as of the closing date	The Group	
	2018	2017
Not overdue	31 979	24 485
Less than 3 months	19 479	15 035
More than 3 months	115	445
<b>Total</b>	<b>51 573</b>	<b>39 965</b>

As of December 31, 2018, the Group has reserved MSEK 0.5 (0.4) for estimated losses in trade receivables. Other categories of trade receivable and other receivables do not include any assets for which impairment is required. Trade receivables are divided among MSEK 43.7, MEUR 0.3, MDKK 1.0 and MNOK 3.0.



## 18. Prepaid expenses and accrued revenue

	The Group		The Parent company	
	2018	2017	2018	2017
Prepaid rent	246	1 960	-	-
Prepaid insurances	292	232	-	-
Other prepaid expenses	2 185	1 871	206	91
<b>Total</b>	<b>2 724</b>	<b>4 063</b>	<b>206</b>	<b>91</b>

## 19. Cash and cash equivalent

	The Group		The Parent company	
	2018	2017	2018	2017
Cash and cash equivalent	21 152	24 249	997	127
<b>Total</b>	<b>21 152</b>	<b>24 249</b>	<b>997</b>	<b>127</b>

The Group's cash and cash equivalents are invested with Skandinaviska Enskilda Banken AB (publ). The bank has the highest credit rating, i.e. AAA, on Standard & Poor.

## 20. Share capital

	Number of shares
<b>As of December 31, 2017</b>	<b>50 000</b>
<b>As of December 31, 2018</b>	<b>12 500 000</b>

The total number of issued shares is 12 500 000 (50 000) units, each with a quota (par) value of SEK 0.04 (1). All issued shares are fully paid. The general meeting resolved on October 16, 2018 to authorise a 250:1 share split. Lime does not own any of its own shares.

## 21. Additional paid in capital

### Share-based compensation

The company has offered its employees to acquire stock options in the company. In total 2,724 options have been issued to employees, in two series: 2014/2019 and 2015/2019. The number of shares which the holders of the stock options are entitled to, as well as the exercise price, has been restated based on dividend paid in 2016 and 2018. Furthermore, the number of shares which the holders of the stock options are entitled to has been restated based on the share split (1:250) on October 16, 2018.

Outstanding stock options entitle the holders to 783,481 shares. Each stock option of series 2014/2019 entitles the holder to subscribe to approximately 288 shares in the company at a price of SEK 5.48 per share during March 2019. Each stock option of series 2015/2019 entitles the holder to subscribe to approximately 288 shares in the company at a price of SEK 21.08 per share during March 2019. The stock options in series 2014/2019 and series 2015/2019 have a contractual tenors of five and four years, respectively. The group has no legal or informal obligation to repurchase or settle the options in cash.

	2018		2017	
	Average exercise price SEK / share	Options (units)	Average exercise price SEK / share	Options (units)
As per January 1	1 769	2 724	1 769	2 724
+ Awarded	-	-	-	-
+/- Restated after dividend	-266	-	-	-
+/- Split	-1 496	-	-	-
- Exercised	-	-	-	-
- Expired	-	-	-	-
<b>Total</b>	<b>7</b>	<b>2 724</b>	<b>1 769</b>	<b>2 724</b>

Figures for 2017 have been restated to allow for comparison.

No options were awarded during the year. The weighted average fair value of options awarded during the period was determined using the Black-Scholes evaluation model. Important input data in the model were: weighted average share price of SEK 4 663 on the awarding date (based on the number of shares prior to the share split), above mentioned exercise price, volatility of 29%, expected tenor for the options of 4-5 years, dilution 5.4% and yearly risk-free interest of -0.26%.

All stock options were exercised in March 2019.

## 22. Borrowings

Non-current liability	The Group		The Parent company	
	2018	2017	2018	2017
Borrowings	78 000	29 786	78 000	28 000
Liabilities related to financial leasing	1 815	950	-	-
<b>Total</b>	<b>79 815</b>	<b>30 736</b>	<b>78 000</b>	<b>28 000</b>

Current liability	The Group		The Parent company	
	2018	2017	2018	2017
Borrowings	26 000	21 143	26 000	14 000
Liabilities related to financial leasing	1 298	2 118	-	-
<b>Total</b>	<b>27 298</b>	<b>23 261</b>	<b>26 000</b>	<b>14 000</b>

### Bank loans

The bank loans are reported by the Parent company and mature at the end of 2023. The bank loans carry an average interest rate of 1.9% per annum.

The loan agreement contains certain financial and other covenants, including a restriction of the highest permitted ratio between senior net debt and EBITDA on a group level of 2.0, and a requirement of the lowest permitted ratio between cash flow and interest and amortisations on a group level of 1.0 (calculated as per the loan agreement). In addition, there are restrictions on further borrowings, guarantee commitments and pledges, significant changes to the business as well as on acquisitions, investments and divestments.

Collaterals for the bank loans consist of shares in subsidiaries.

The fair value of current borrowings equals the carrying value, as the discounted effect is insignificant. Fair values are based on discounted cash flows with an interest rate based on the borrowing rate of 1.9%.

### Liabilities relating to financial leasing

Leasing liabilities are effectively hedged, as the rights to the leased asset are reverted to the lessor in the event of payment default. The minimum leasing fees are shown in note 26.

## 23. Deferred income tax

Deferred tax assets and tax liabilities are offset when there is a legal right to offset current tax assets and tax liabilities, and when deferred taxes relate to one and the same tax authority. The Group is not reporting any offset tax assets and liabilities.

Deferred tax assets are reported for future tax deductions, to the extent that they are likely to be offset against taxable profits in a foreseeable future. The Group reports non-deferred tax assets of MSEK 2.1(1.3) relating to losses of MSEK 9.2 (5.6), which can be offset against future taxable profits.

The reported deferred tax is attributable to:

	The Group	
	2018	2017
<b>Deferred tax asset</b>		
Other temporary differences	59	56
<b>Total</b>	<b>59</b>	<b>56</b>

	The Group	
	2018	2017
<b>Deferred tax liability</b>		
Untaxed reserves	719	719
Capitalised development expenses	8 757	6 692
Deferred tax related to customer relations	2 923	3 606
Deferred tax related to software	3 710	4 532
Deferred tax related to trademarks	6 896	7 366
<b>Total</b>	<b>23 005</b>	<b>22 915</b>

## 24. Other liabilities

	The Group		The Parent company	
	2018	2017	2018	2017
VAT	6 647	4 790	65	0
Employee related liabilities (taxes and fees)	6 777	5 524	640	157
Other liabilities	0	0	282	0
<b>Total</b>	<b>13 424</b>	<b>10 314</b>	<b>987</b>	<b>157</b>

## 25. Accrued expenses and prepaid revenue

	The Group		The Parent company	
	2018	2017	2018	2017
Prepaid revenue (service agreements / subscriptions)	50 103	41 606	0	0
Leave loading	10 497	10 404	446	319
Social security expenses	3 131	3 238	140	100
Other accrued expenses	10 183	6 506	2 678	309
<b>Total</b>	<b>73 915</b>	<b>61 754</b>	<b>3 264</b>	<b>728</b>

## 26. Contractual obligations

### Contractual obligations relating to operational leasing – where a Group company is the lessee

The Group leases a number of office premises operating under non-cancellable leases. The leasing periods vary between 1 and 5 years and most lease agreements may be extended at the end of the lease at market rates. The lease costs for the year were MSEK 10.1 (7.5) in the Group. The comparative figure has been restated and includes rent for premises. The costs relate entirely to minimum leasing fees, as there are no variable fees or subleasing. Contractual future lease and rental agreements expire for payment as shown below.

	The Group	
	2018	2017
Leases within 1 year	8 147	6 422
Leases between 1 and 5 years	8 095	9 983
Leases beyond 5 years	0	0
	<b>16 242</b>	<b>16 405</b>

## 27. Business acquisitions

### Hysminai AB

On April 3, 2018 Lime Technologies Sweden AB acquired 100 percent of the share capital in Hysminai AB for MSEK 2.9, thereby gaining control over the

company. No further additional amounts will arise according to the acquisition agreement. The purchase price was paid in cash.

Acquisition-related one-off costs amount to MSEK 0.2.

No goodwill arose through the acquisition.

The table below summarises the purchase price paid for Hysminai AB and the fair value of assets acquired and liabilities assumed.

Fair value acquired assets and liabilities	TSEK
Non-current assets	93
Working capital	-3 207
Software	6 014
Deferred tax liability	0
<b>Total</b>	<b>2 900</b>

No provision for deferred tax on identified assets has been made as Hysminai AB is reporting a tax loss.

Acquired net sales in 2018 amounts to TSEK 1,299, of which TSEK 135 relate to the period the company has been part of the Lime Group and is thus included in the group's net sales. Net income after tax in 2018 amounts to TSEK 1,987, of which TSEK -93 relate to the period the company has been part of the Lime Group and is thus included in the group's net income.

## 28. Pledged collaterals and contingent liabilities

	The Group		The Parent company	
	2018	2017	2018	2017
Pledged collaterals				
Shares in subsidiaries	20 124	11 062	133 360	133 360
Financially leased vehicles	3 178	3 118	0	0
	<b>23 302</b>	<b>14 180</b>	<b>133 360</b>	<b>133 360</b>

## 29. Related parties

Related parties refer to:

- Companies which, directly or indirectly, through one or more intermediaries, exercise a controlling influence over Lime.
- Individuals and individuals' close family members, who hold, directly or indirectly, such a proportion of the votes in Lime, that they have significant influence on the company.

The Lime Group has no transactions with related parties, as defined in IAS 24 disclosure of related parties (see above), to report in addition to those specified in note 8.

Transactions between companies within the Group are at arm's length.

The Parent company reports no sales or purchases from Group companies in 2017. In 2018, the Parent company has involved Group companies MSEK 6.2 for services performed. Interest between Group companies is reported under note 9.

## 30. Events after the reporting period

All stock option holders exercised their stock options in March 2019 and subscribed to 783 481 shares.

## 31. Cash flow from current operations

	The Group		The Parent company	
	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017
Net income before financial items for the period	31 827	33 021	-5 485	-438
Adjusted for:				
- depreciation on tangible non-current assets	828	817	-	-
- depreciation on intangible non-current assets	18 036	13 576	-	-
- other non-cash items	-163	-54	-	-
Change in working capital				
- acquisition of subsidiaries	-3 510	-6195	-	-
- trade receivables and other receivables	-9 483	-8 757	-2 480	21
- trade payables and other payables	9 156	15 848	3 366	1 467
<b>Cash flow from operations</b>	<b>46 691</b>	<b>48 256</b>	<b>-4 599</b>	<b>1050</b>

Amounts for the comparison period have been restated to be consistent with the 2018 annual report.

## 32. Cash flow from financing activities

Below is a reconciliation of opening and closing balances of liabilities the cash flow of which is included in financing activities.

### The Group

	Jan 1, 2018	Cash flow items	Non-cash flow items			Dec 31, 2018
			Interest	Currency	New leases	
Current bank loans	21 143	4 857				26 000
Non-current bank loans	29 786	48 214				78 000
Financial leases	3 068	-919	-65		1 029	3 113
<b>Total</b>	<b>53 997</b>	<b>52 152</b>	<b>-65</b>	<b>0</b>	<b>1 029</b>	<b>107 113</b>
Adjustment leases		1 029			-1 029	0
<b>Total cash flow analysis</b>	<b>53 997</b>	<b>53 181</b>	<b>-65</b>	<b>0</b>	<b>0</b>	<b>107 113</b>
Cash and cash equivalent	24 249	-3 498		401		21 152
<b>Total</b>	<b>24 249</b>	<b>-3 498</b>	<b>0</b>	<b>401</b>	<b>0</b>	<b>21 152</b>

	Jan 1, 2017	Cash flow items	Non-cash flow items			Dec 31, 2017
			Interest	Currency	New leases	
Current bank loans	14 026	7 117				21 143
Non-current bank loans	38 500	-8 714				29 786
Financial leases	2 997	-1 031	-50		1 152	3 068
<b>Total</b>	<b>55 523</b>	<b>-2 628</b>	<b>-50</b>	<b>0</b>	<b>1 152</b>	<b>53 997</b>
Adjustment leases		1 152			-1 152	0
<b>Total cash flow analysis</b>	<b>55 523</b>	<b>-1 476</b>	<b>-50</b>	<b>0</b>	<b>0</b>	<b>53 997</b>
Cash and cash equivalent	29 700	-5 609		158		24 249
<b>Total</b>	<b>29 700</b>	<b>-5 609</b>	<b>0</b>	<b>158</b>	<b>0</b>	<b>24 249</b>

## The Parent company

	Jan 1, 2018	Cash flow items	Dec 31, 2018
Current bank loans	14 000	12 000	26 000
Non-current bank loans	28 000	50 000	78 000
Interest bearing debt group companies	2 511	-2 511	0
<b>Total</b>	<b>44 511</b>	<b>59 489</b>	<b>104 000</b>
<b>Total cash flow analysis</b>	<b>44 511</b>	<b>59 489</b>	<b>104 000</b>
Cash and cash equivalent	127	870	997
<b>Total</b>	<b>127</b>	<b>870</b>	<b>997</b>

	Jan 1, 2017	Cash flow items	Dec 31, 2017
Current bank loans	14 000	0	14 000
Non-current bank loans	38 500	-10 500	28 000
Interest bearing debt group companies	19 792	-17 281	2 511
<b>Total</b>	<b>72 292</b>	<b>-27 781</b>	<b>44 511</b>
<b>Total cash flow analysis</b>	<b>72 292</b>	<b>-27 781</b>	<b>44 511</b>
Cash and cash equivalent	180	-53	127
<b>Total</b>	<b>180</b>	<b>-53</b>	<b>127</b>



### 33. Definition of performance measures

The Group's key ratios are presented below. Some of these are defined in accordance with IFRS.

Alternative performance measures (APM) have been identified that are believed to enhance investors' and Group management's evaluation of the company's performance as well as relevant trends. The APMs presented in this report may differ from similarly titled measures used by other companies. The APMs should therefore be seen as a supplement to the key ratios defined by IFRS.

#### Annual recurring revenue

The recurring revenue, in the last month of the quarter, recalculated to a 12-month period. The measure indicates the value of recurring revenue during the coming 12 months based on revenue from existing customers at the end of the period. The measure is also important for industry comparisons.

#### Number of shares outstanding

The number of registered shares less any repurchased shares at the balance sheet date. The measure is mainly used for calculation of key ratios, see below. The Group did not own any of its own shares during any of the reporting periods. The key ratios have, when applicable, been restated based on the share split (1:250) in October 2018.

#### EBITA

Operating income before depreciation of acquired intangible non-current assets. The purpose is to assess the Group's operational activities. EBITA is a supplement to operating income as it is an indication of cash flow from operations.

#### EBITDA

Operating income before depreciation on tangible and intangible non-current assets. The purpose is to assess the Group's operational activities. EBITDA is a supplement to operating income.

#### Financial assets

Non-current and current financial assets, and cash and cash equivalent. The financial assets measure is used for the application of IFRS 9. The measure is used to calculate net liabilities.

#### Adjusted EBIT

Operating income according to the income statement before one-off items. The measure is a supplement to operating income adjusted for one-off items affecting comparison. The purpose is to show the operating income excluding items that affect comparison with other periods.

#### Adjusted EBITA

Adjusted EBITA shows EBITA adjusted for one-off items affecting comparison. The purpose is to show EBITA excluding items that affect comparison with other periods.

#### Adjusted EBITDA

Adjusted EBITDA shows EBITDA adjusted for one-off items affecting comparison. The purpose is to show EBITDA excluding items that affect comparison with other periods.

#### One-off items affecting comparison

Refers to items that are reported separately as they are of significant nature and affect comparison and are considered foreign ordinary core operations. Examples are acquisition-related expenses, expenses relating to public listing of shares or restructuring costs.

#### Growth in net sales

The measure shows %-growth in net sales compared to the same period during previous year. The measure is a key ratio for a company within a growth industry.

#### Net liabilities

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

#### Average number of employees

The average number of employees means the number of employees during the last 12-month period in relation to normal yearly working hours. The measure indicates how well one of the group's key processes – recruitment and development of staff – develops over time.

#### Organic growth in net sales

The measure shows growth in net sales adjusted for acquisitions during the last 12 months. Acquired businesses are included in organic growth once they have been part of the Lime Group for four quarters. The measure is used to analyse underlying net sales growth.

#### Recurring revenue

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

#### Earnings per share

Defined in accordance with IFRS.

#### Earnings per share, diluted

Defined in accordance with IFRS.

**Operating margin, EBIT (%)**

Operating income in relation to net sales. The measure is an indicator to readers of financial reports of a company's earning ability in relation to its net sales.

**Operating income, EBIT**

Operating income according to the income statement.

The consolidated income statement and balance sheet will be presented for adoption at the annual general meeting on April 29, 2019.

The board of directors declares that the consolidated financial statements have been prepared in accordance with international financial reporting standards (IFRS), as adopted by the EU, and provide a fair view of the consolidated financial position and results of operations. The annual report has been prepared in accordance with generally accepted accounting principles and provides a fair view of the parent company's financial position and results of operations.

The directors' report for the group and the parent company provides a fair view of the development of the group's and the parent company's operations, financial position and results of operations, and describes material risks and uncertainties facing the parent company and the companies included in the group.

Stockholm, Sweden, March 29, 2019

**Peter Larsson**  
Chairman of the board

**Anders Fransson**  
Board member

**Maria Wasing**  
Board member

**Anders Nilsson**  
Board member

**Marlene Forsell**  
Board member

**Erik Syrén**  
CEO

Our audit report is submitted on March 29, 2019  
Öhrlings PricewaterhouseCoopers AB

**Ola Bjärehäll**  
Authorised Public Accountant

# Auditor's Report



## Auditor's Report

To the general meeting of the shareholders of Lime Technologies AB (publ), corporate identity number 556753-2616

## Report on the annual accounts and the consolidated financial statements

### Opinions

We have audited the annual accounts and the consolidated financial statements of Lime Technologies AB (publ) for 2018. The annual accounts and consolidated accounts of the Company are included on pages 55-110 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2018 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory Administration Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

### Basis of Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. The auditors' responsibility according to these standards is described in detail in the section Auditor's Responsibility. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden, and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### Our audit approach

#### Emphasis and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Based on this, we have established which entities are considered significant, as well as what audit work should be performed in these entities. The Lime Group consists of seven companies, of which three Nordic companies and



the rest in Sweden. Those entities in the Group not considered to be significant, have been audited by the Group team by way of an overall analysis and data analytics.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p><b>Correctness and allocation of revenue</b></p> <p>Revenue in Lime Technologies AB (publ) mainly comprises sales of licenses, subscription revenue and consultant revenue. It is of great importance that there are efficient processes and guidelines in place for a correct recognition of revenue in the right period.</p> <p>Revenue recognition includes a number of critical estimates and assessments, mainly related to the fact the Company's license revenue is complex as regards allocation and correctness of the delivery and completing of the services, which is essential for the time of the revenue recognition.</p> <p>The Groups policy of revenue recognition is described in Note 2.19 and revenue allocation within the various revenue streams is presented in Note 6.</p>	<p>Our audit includes, but is not limited to, the following audit procedures:</p> <ul style="list-style-type: none"> <li>• audit of the Group's policies for revenue recognition in order to verify compliance with IFRS,</li> <li>• evaluation and test of controls for IT systems and processes that support the revenue recognition,</li> <li>• data analytics of the Company's revenue transactions</li> <li>• analysis of revenue broken down into service and product offerings, geographical markets and accounting periods,</li> <li>• review of revenue being classified in the correct revenue stream,</li> <li>• samples of customer contracts,</li> <li>• samples made regarding the correct and timely recognition of revenue, and</li> <li>• evaluation of effects and information submitted regarding the new standard of revenue recognition, IFRS 15, valid from the 1 January 2018.</li> </ul>
<p><b>Measurement of goodwill and intangible assets with indefinite useful lives</b></p> <p>The Group's intangible assets with indefinite useful lives consist of goodwill and brand. The goodwill item amounts to SEK 59.4 million, and brand amounts to SEK 33.5 million, which, in total, comprise a significant part of the Groups assets.</p> <p>Company management tests, annually, carrying amounts of goodwill and brand, in order to perform an impairment test. These assessment for impairment are complex and require that management makes estimates and assessments in order to establish, for example, the Group's cash generating units, as well as assumptions</p>	<p>Our audit includes, but is not limited to, the following audit procedures:</p> <ul style="list-style-type: none"> <li>• evaluation of the Group's procedures to prepare impairment tests in accordance with IFRS,</li> <li>• evaluation of significant assumptions made by the Company management for impairment tests of cash generating units, as well as the evaluation of the sensitivity of these significant assumptions,</li> <li>• audit of the models applied for present value computations of future cash flows as regards their mathematical correctness, and</li> <li>• audit of information submitted, mainly regarding the assumptions for which the results of the impairment test are most sensitive.</li> </ul>

2 of 5



The Group's policies for impairment tests are described in Notes 5.1 and 14. Therein, are described significant assumptions used by the Company management applied in the preparation of the Group's impairment test.

#### *Other information than the annual accounts and consolidated accounts*

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-33, 46-54 and 116-125. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

#### *Responsibilities of the Board of Directors and the Chief Executive Officer*

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

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

#### *Auditors' responsibility*

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

As a part of our audit according to ISA, we undertake professional judgments and have a professionally skeptical approach during the entire audit. In addition, we execute the following activities:

- we identify and assess the risk of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, design and execute audit measures based, amongst other things, on these risks and obtain audit evidence which is sufficient and appropriate to comprise the basis of our opinion. The risk for failing to identify material misstatements arising due to fraud is greater as regards a material misstatement due to error, as fraud can include engagement in collusion, forgery, intentional omission, incorrect information or disregard of internal control;
- we obtain an understanding of that portion of the Foundation's internal control having significance to my audit to design audit measures which are appropriate with regard to the circumstances but we do not express an opinion on the effectiveness of the internal control;
- we evaluate the appropriateness of the accounting policies applied and the reasonability of the Board of Director's estimations in the accounts and associated disclosures;



- we evaluate the appropriateness of the accounting policies applied and the reasonability of the Board of Director's estimations in the accounts and associated disclosures;
- we test the appropriateness of the Board and Director's application of the assumption of going concern in preparing the annual accounts and the consolidated accounts. We also test, based on the audit evidence obtained, whether there are significant factors of uncertainty referring to such events or circumstances that can lead to significant doubt as to the Company's capacity to continue its operations. Should we come to the conclusion that there are significant factors of uncertainty, we are required to provide a statement in the Auditor's Report, noting that the disclosures in the annual accounts and the consolidated financial statements involve factors of uncertainty, provided that such information is insufficient, modifying my opinion regarding the annual accounts and the consolidated financial statements. Our conclusions are based on the auditor's evidence obtained up until the date of the Auditor's Report. However, future events or circumstances can imply that a company can no longer continue its operations.
- we evaluate the overall presentation, structure and content of the annual accounts and the consolidated financial statements, including the disclosures, and if the annual and consolidated accounts and the consolidated financial statements reflect the underlying transactions and events in a manner providing a true and fair view.
- we obtain adequate and appropriate audit evidence about the financial information of the entities or business activities in the Group in order to express an opinion regarding the consolidated financial statements. We are responsible for the management, monitoring and performing of the Group audit. We are solely responsible for our opinions.

We are required to inform the Board of Directors of, amongst other things, the planned scope of the audit and its focus, and the time schedule for the audit. We are also required to inform on any significant observations made during the audit, including identified significant deficiencies in the internal control.

Furthermore, we are obliged to provide the Board of Directors with a statement confirming that we have complied with relevant professional requirement regarding independence, and present all relations and other circumstances that might impact our independence and, if necessary, attributable counter-measures.

Of the areas communicated by the Board, we establish which have been the most significant for the audit of the annual accounts and the consolidated accounts, including the risks assessed to be the most significant as regards material misstatements which, therefore, comprise the key audit matters. Unless laws and other regulations prevent us from disclosure of the matter, these disclosures will be included in our Auditors' Report.

## Report on other legal and regulatory requirements

### *Opinions*

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Lime Technologies AB (publ) for the year 2018 and the proposed appropriations of the Company's profit or loss.

We recommend that the meeting of the General Meeting allocate the profit in accordance with the proposal in the Administration Report and grant the members of the Board and the Managing Director discharge from liability for the financial year.

### *Basis of Opinions*

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

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

### *Responsibilities of the Board of Directors and the Chief Executive Officer*

The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the Company's and the Group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.



and the company's financial affairs otherwise are controlled in a reassessing manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassessing manner.

#### *Auditors' responsibility*

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

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

Our goal with the audit of the proposal of allocation of the Company's profit or loss, and therefore our opinion thereof is to, with reasonable assurance assess whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect acts and omissions which can give rise to liability to the Company, or that the proposed allocation of earnings or loss is not in accordance with the Companies Act.

As a part of our audit according to ISA, we undertake professional judgments and have a professionally skeptical approach during the entire audit. The examination of the administration is based primarily on the audit of the accounts. Additional audit procedures performed are based on *our* professional judgement with the starting point in risk and materiality. This means that we focus the examination on such actions, assets and relationships that are material for the operations and where deviations and violations would have particular importance for the Company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion of discharge from liability. As a basis for our opinion of the Board's proposed allocation of earnings, we have reviewed whether the proposal is in accordance with the Companies' Act.

Ölning's PricewaterhouseCoopers AB was appointed auditors Lime Technologies AB (publ) by the general meeting of the shareholders on the 19 March 2018 and has been the company's auditors since the 1 June 2015.

Stockholm, 29 March 2019

Ölning's PricewaterhouseCoopers AB

Ola Hjelmåll  
Authorised Public Accountant



# Multi-year overview

	2018	2017	2016	2015	2014
Net sales (MSEK)	244,3	203,9	160,4	144,8	126,8
Net sales growth (%)	20%	27%	11%	14%	n/a
Organic net sales growth (%)	16%	15%	11%	14%	n/a
Recurring revenue (MSEK)	138,5	110,2	73,7	54,0	39,6
Annual recurring revenue (MSEK)	151,7	125,9	84,1	62,4	42,6
EBITA (MSEK)	44,7	43,3	35,9	37,7	29,2
EBITA (%)	18%	21%	22%	26%	23%
EBITDA (MSEK)	50,7	47,4	38,7	39,0	29,9
EBITDA (%)	21%	23%	24%	27%	24%
Operating income, EBIT (MSEK)	31,8	33,0	31,2	32,9	24,5
Operating income, EBIT (%)	13%	16%	19%	23%	19%
One-off items that distort comparisons (MSEK)	-9,6	-2,0	0,0	-0,3	-2,2
Adjusted EBITA (MSEK)	54,3	45,3	35,9	38,0	31,4
Adjusted EBITA (%)	22%	22%	22%	26%	25%
Adjusted EBITDA (MSEK)	60,2	49,4	38,7	39,3	32,1
Adjusted EBITDA (%)	25%	24%	24%	27%	25%
Adjusted EBIT (MSEK)	41,4	35,0	31,2	33,3	26,7
Adjusted EBIT (%)	17%	17%	19%	23%	21%
Earnings per share, basic (SEK)*)	1,94	1,90	1,84	1,97	1,28
Earnings per share, diluted (SEK)*)	1,83	1,80	1,74	1,87	1,22
Net debt (MSEK)	85,4	29,2	25,3	-2,7	17,6
Number of employees (average)	195	185	156	124	115
Net sales per employee (MSEK)	1,3	1,1	1,0	1,2	1,1
Cash flow from current operations (MSEK)	38,7	39,7	34,1	30,1	60,7

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

# Multi-year overview, key ratio definitions

The Group's key ratios are presented below. Some of these are defined in accordance with IFRS. Alternative performance measures (APM) have been identified that are believed to enhance investors' and Group management's evaluation of the company's performance as well as relevant trends. The APMs presented in this report may differ from similarly titled measures used by other companies. The APMs should therefore be seen as a supplement to the key ratios defined by IFRS.

## Annual recurring revenue

The recurring revenue, in the last month of the quarter, recalculated to a 12-month period. The measure indicates the value of recurring revenue during the coming 12 months based on revenue from existing customers at the end of the period. The measure is also important for industry comparisons

<b>TSEK</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Recurring revenue	138 460	110 245	73 728	53 962	39 590
<b>ARR</b>	<b>151 695</b>	<b>125 908</b>	<b>84 059</b>	<b>62 392</b>	<b>42 560</b>

## Number of shares outstanding

The number of registered shares less any repurchased shares at the balance sheet date. The measure is mainly used for calculation of key ratios, see below. The Group did not own any of its own shares during any of the reporting periods. The key ratios have, when applicable, been restated based on the share split (1:250) in October 2018.

## EBITA

Operating income before depreciation of acquired intangible non-current assets. The purpose is to assess the Group's operational activities. EBITA is a supplement to operating income as it is an indication of cash flow from operations.

<b>TSEK</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Operating income	31 827	33 023	31 187	32 931	24 450
Depreciation on acquired intangible non-current assets	12 903	10 318	4 733	4 733	4 733
<b>EBITA</b>	<b>44 730</b>	<b>43 341</b>	<b>35 920</b>	<b>37 664</b>	<b>29 183</b>
Net sales	244 307	203 900	160 416	144 770	126 846
<b>EBITA (%)</b>	<b>18%</b>	<b>21%</b>	<b>22%</b>	<b>26%</b>	<b>23%</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	2018	2017	2016	2015	2014
Operating income	31 827	33 023	31 187	32 931	24 450
Depreciation	18 865	14 394	7 530	6 025	5 459
<b>EBITDA</b>	<b>50 692</b>	<b>47 417</b>	<b>38 717</b>	<b>38 956</b>	<b>29 909</b>
Net sales	244 307	203 900	160 416	144 770	126 846
<b>EBITDA (%)</b>	<b>21%</b>	<b>23%</b>	<b>24%</b>	<b>27%</b>	<b>24%</b>

### Financial assets

Non-current and current financial assets, and cash and cash equivalent. The financial assets measure is used for the application of IFRS 9. The measure is used to calculate net liabilities.

TSEK	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Other financial non-current assets	538	514	512	351	0
Cash and cash equivalent	21 152	24 249	29 700	26 973	42 418
<b>Financial assets</b>	<b>21 690</b>	<b>24 763</b>	<b>30 212</b>	<b>27 324</b>	<b>42 418</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	2018	2017	2016	2015	2014
EBIT	31 827	33 023	31 187	32 931	24 450
One-off items that distort comparisons	9 553	1 993	0	323	2 219
<b>Adjusted EBIT</b>	<b>41 380</b>	<b>35 016</b>	<b>31 187</b>	<b>33 254</b>	<b>26 669</b>
Net sales	244 307	203 900	160 416	144 770	126 846
<b>Adjusted EBIT (%)</b>	<b>17%</b>	<b>17%</b>	<b>19%</b>	<b>23%</b>	<b>21%</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	2018	2017	2016	2015	2014
EBITA	44 730	43 341	35 920	37 664	29 183
One-off items that distort comparisons	9 553	1 993	0	323	2 219
<b>Adjusted EBITA</b>	<b>54 283</b>	<b>45 334</b>	<b>35 920</b>	<b>37 987</b>	<b>31 402</b>
Net sales	244 307	203 900	160 416	144 770	126 846
<b>Adjusted EBITA (%)</b>	<b>22%</b>	<b>22%</b>	<b>22%</b>	<b>26%</b>	<b>25%</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	2018	2017	2016	2015	2014
EBITDA	50 692	47 417	38 717	38 956	29 909
One-off items that distort comparison	9 553	1 993	0	323	2 219
<b>Adjusted EBITDA</b>	<b>60 245</b>	<b>49 410</b>	<b>38 717</b>	<b>39 279</b>	<b>32 128</b>
Net sales	244 307	203 900	160 416	144 770	126 846
<b>Adjusted EBITDA (%)</b>	<b>25%</b>	<b>24%</b>	<b>24%</b>	<b>27%</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	2018	2017	2016	2015	2014
Expenses related to public listing of the company's shares	-9 388	0	0	0	0
Acquisition related expenses	-165	-1 993	0	-323	-2 219
<b>One-off items that distort comparisons</b>	<b>-9 553</b>	<b>-1 993</b>	<b>0</b>	<b>-323</b>	<b>-2 219</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	2018	2017	2016	2015	2014
Cash flow from current operations	38 748	39 694	34 083	30 087	60 708
Number of shares (thousands)	12 500	12 500	12 500	12 500	12 500
<b>Cash flow from current operations per share (SEK)</b>	<b>3,10</b>	<b>3,18</b>	<b>2,73</b>	<b>2,41</b>	<b>4,86</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	2018	2017	2016	2015	2014
Net sales, the period	244 307	203 900	160 416	144 770	126 846
Net sales, same period previous period	203 900	160 416	144 770	126 846	n/a
<b>Growth in net sales</b>	<b>20%</b>	<b>27%</b>	<b>11%</b>	<b>14%</b>	<b>n/a</b>

### Net liabilities

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

TSEK	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Interest-bearing non-current liabilities	79 815	30 736	40 181	8 646	39 698
Interest-bearing current liabilities	27 298	23 261	15 342	15 997	20 284
Financial assets	-21 690	-24 763	-30 212	-27 324	-42 418
<b>Net liabilities</b>	<b>85 423</b>	<b>29 234</b>	<b>25 311</b>	<b>-2 681</b>	<b>17 564</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	2018	2017	2016	2015	2014
Net sales, RTM	244 307	203 900	160 416	144 770	126 846
Number of employees, RTM	195	185	156	124	115
<b>Net sales per employee</b>	<b>1 253</b>	<b>1 102</b>	<b>1 028</b>	<b>1 168</b>	<b>1 103</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	2018	2017	2016	2015	2014
Net sales, the period	244 307	203 900	160 416	144 770	126 846
Acquired net sales, last 12 months	-8 722	-18 944	0	0	0
<b>Organic net sales</b>	<b>235 585</b>	<b>184 956</b>	<b>160 416</b>	<b>144 770</b>	<b>126 846</b>
Organic net sales, same period last year	184 956	160 416	144 770	126 846	n/a
Adjusted for acquired net sales last 24 months	18 944	0	0	0	0
<b>Comparable organic net sales</b>	<b>203 900</b>	<b>160 416</b>	<b>144 770</b>	<b>126 846</b>	<b>n/a</b>
<b>Organic net sales growth (%)</b>	<b>16%</b>	<b>15%</b>	<b>11%</b>	<b>14%</b>	<b>n/a</b>

### Recurring revenue

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

TSEK	2018	2017	2016	2015	2014
Subscription revenue	94 192	65 574	29 770	12 132	2 809
Support agreements	44 268	44 670	43 958	41 830	36 781
<b>Recurring revenue</b>	<b>138 460</b>	<b>110 245</b>	<b>73 728</b>	<b>53 962</b>	<b>39 590</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.

<b>TSEK</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Recurring revenue	138 460	110 245	73 728	53 962	39 590
Operating expenses	-212 972	-171 477	-129 617	-112 043	-102 768
<b>Recurring revenue in relation to operating expenses</b>	<b>65%</b>	<b>64%</b>	<b>57%</b>	<b>48%</b>	<b>39%</b>

### Earnings per share

Defined in accordance with IFRS.

### Earnings per share, diluted

Defined in accordance with IFRS.

### Operating margin, EBIT (%)

Operating income in relation to net sales. The measure is an indicator to readers of financial reports of a company's earning ability.

<b>TSEK</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Operating income	31 827	33 023	31 187	32 931	24 450
Net sales	244 307	203 900	160 416	144 770	126 846
<b>OPERATING MARGIN</b>	<b>13%</b>	<b>16%</b>	<b>19%</b>	<b>23%</b>	<b>19%</b>

### Operating income, EBIT

Operating income according to the income statement.





# Welcome to the annual general meeting

*Lime Technologies AB's (publ) shareholders are invited to participate in the annual general meeting of shareholders to be held on Monday, April 29, 2019 at 5.30pm at Grev Turegatan 30 in Stockholm. Registration for the annual general meeting starts at 4.45pm.*

## Right to participate in general meetings

Shareholders who wish to attend the annual general meeting must be recorded in the share register kept by Euroclear Sweden AB on the date occurring five business days prior to the annual general meeting, and give notice of attendance not later than the date stated in the notice convening the meeting. Typically, it is possible for shareholders to register for a general meeting in several different ways, as stated in the convening notice. To attend the annual general meeting, shareholders who have nominee-registered their shares must, in addition to registering their intention to attend, register the shares in their own name so that the person concerned is registered as a shareholder in the register kept by Euroclear Sweden AB five business days before the annual general meeting.

Shareholders who are not personally present at the general meeting may exercise their right to attend the meeting by proxy.

## Shareholder initiative

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

The full notice is to be found at the webpage [investors.lime-technologies.com](http://investors.lime-technologies.com).

Welcome,

Stockholm, March 2019

Lime Technologies AB (publ)

The board of directors



## Follow Lime

All reports, annual reports and, where applicable, presentations are published at [investors.lime-technologies.com](https://investors.lime-technologies.com), where it's also possible to subscribe to mailings of financial information.

<b>April 29, 2019</b>	Interim report (January – March 2019)
<b>April 29, 2019</b>	annual general meeting
<b>July 19, 2019</b>	Interim report (January – June 2019)
<b>October 25, 2019</b>	Interim report (January – September 2019)
<b>February, 2020</b>	Year-End report 2019

Lime Technologies AB (publ)

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