



Invitation to acquire shares in
Lime Technologies AB (publ)



Sole Global Coordinator and Joint Bookrunner



Joint Bookrunner



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Number of shares offered

The Offer comprises a maximum 4,428,261 existing shares offered by Selling Shareholders. To cover any over-allotment in relation with the Offer, the Main Shareholder undertakes, at the request of Global Coordinator, to sell not more than a further 664,239 shares ("**Over-allotment Option**"), corresponding to not more than 15.0 percent of the number of shares covered by the Offer and not more than 5.3 percent of the total number of shares in the Company. If the Over-allotment Option is fully exercised, the Offer comprises not more than 5,092,500 shares in Lime, corresponding to 40.7 percent of the total number of shares in the Company.

Offer price

The price of the Offer is 72 SEK per share. The price of the Offer has been determined by the Main Shareholder in consultation with the Joint Bookrunners, based on the discussions that preceded the undertakings made by the Cornerstone Investors, contacts with certain other institutional investors, the estimated interest to invest from other institutional investors, current market conditions and a comparison with other comparable listed companies based on a multiple valuation regarding estimated results and cash flows.

Important dates

Application period, the general public in Sweden November 27–December 4, 2018

Application period, institutional investors November 27–December 5, 2018

First day of trading on
Nasdaq Stockholm December 6, 2018

Settlement date December 10, 2018

Other

ISIN code SE0011870195

Ticker on Nasdaq Stockholm LIME

Financial calendar

Interim report for the
period January 1–
December 31, 2018 February 12, 2019

Annual report for 2018 March 29, 2019

Interim report for the period
January 1–March 31, 2019 April 29, 2019

Annual General Meeting April 29, 2019

Interim report for the period
January 1–June 30, 2019 July 19, 2019

Interim report for the
period January 1–
September 30, 2019 October 24, 2019

Summary

The summary is made up of disclosure requirements arranged in key elements. The elements are numbered under Sections A–E (A.1–E.7). The summary contains the elements required for a prospectus summary for this type of security offer and issuer. As some elements are not required to be addressed for all types of prospects, there may be gaps in the numbering sequence of the elements. Even though information relating to a specific element may be required for this type of security and issuer, it is possible that no relevant information is available for such element. In such cases, the summary includes a short description of the information required, along with the specification “not applicable”.

Section A – Introduction and warnings

A.1	Introduction and warnings	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities offered should be based on an assessment of the Prospectus in its entirety by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor may, under the national legislation of the member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability can only be imposed on those persons who have composed the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent with other parts of the Prospectus, or if, when read together with other parts of the Prospectus, it does not provide key information designed to aid investors when considering whether or not to invest in the securities issued by the Company.
A.2	Financial intermediaries	Not applicable. Financial intermediaries are not entitled to use the Prospectus for subsequent trading or final placement of the securities.

Section B – Issuer

B.1	Legal and trading name	The Company's legal and trading name is Lime Technologies AB (publ), reg.no. 556953-2616. The Company's shares will be traded on Nasdaq Stockholm and in its operations the Company uses the name "Lime".
B.2	Registered office and legal form	The Company's registered office is in Stockholm. The Company is a public limited liability company, founded and incorporated in Sweden in accordance with the Swedish Companies Act. The Company operates under Swedish law.
B.3	Main operations and markets	Lime is one of the leading players within SaaS Customer Relationship Management (Customer Relationship Management or CRM) in the Nordic market. The Company develops, sells and implements user-friendly and flexible CRM systems. Lime's business model is based on the offering of long-term subscription agreements as well as consulting services (Expert Services) for implementation and continuous customisation of its products to each customer's needs and demands. Lime has a comprehensive organisation for development, sales, implementation and support, which creates a turnkey offering that facilitates efficient and value-creating CRM solutions for the customer. The head office is located in Lund and as of September 30, 2018 the Company has 189 employees based in six offices in Sweden, Norway, Denmark and Finland. Lime was founded in 1990 and has since grown with profitability.
B.4a	Trends	Lime is active in the Nordic software market for CRM systems. Capgemini's estimate of Lime's addressable market in 2017 amounted to MSEK 3,597 ¹⁾ Growth in Lime's addressable market was 10 percent annually between 2014–2017 and is projected to grow to 12 percent annually during 2017–2023. Lime's addressable market in 2017 amounted to MSEK 1,421 in Sweden, MSEK 890 in Denmark, MSEK 723 in Finland and MSEK 562 in Norway. All countries' markets are expected to grow by more than 10 percent annually between 2017 and 2023.

B.4a Trends, cont.

The total use of CRM systems in Nordic companies with more than 10 employees in 2017 was approximately 36 percent on average, according to a market report from May 2018 by consultancy firm Capgemini Consulting. Approximately two thirds of the use is estimated to be represented by On-premise (local installation) and one third by SaaS CRM (cloud-based delivery). As roughly 60 percent of all Nordic companies are currently not using CRM systems, Capgemini believes there is great potential for new implementations with first-time customers.

The market for CRM systems is expected to experience strong growth in coming years, driven by five key factors: digitisation, automation and streamlining of work processes, transition from On-premise systems to SaaS solutions, regulations, as well as improved end-user experience and simplified system integration. Lime believes it is well equipped to take advantage of the anticipated growing market as the Company offers both pre-configured and standardised SaaS CRM systems and, in addition, offers customised solutions that meet the specific needs of customers.

1) Market report from May 2018 by consultancy firm Capgemini Consulting.

B.5 Group structure

Lime Technologies AB (publ) is the parent company of the Group, which consists of seven wholly-owned subsidiaries: Lime Technologies Sweden AB, Lime Technologies Denmark A/S, Lime Technologies Norway AS, Lime Technologies Finland Oy, Hysminai AB, Netoptions Sweden AB och Remotex Technologies AB.

B.6 Major shareholders and notifiable interests

The table below shows the owner structure of the Company as per the date of the Prospectus and immediately after the implementation of the Offer (provided the Over-allotment Option is fully exercised).

Shareholder	Before the Offer		After the Offer (provided the Over-allotment Option is fully exercised)	
	Shares	%	Shares	%
<i>Selling Shareholders</i>				
Monterro 1 AB ¹⁾	8,751,250	70.01%	3,751,250	30.01%
Martin Modéer ²⁾	125,000	1.00%	62,500	0.50%
Jonas Jakobsson ³⁾	100,000	0.80%	70,000	0.56%
<i>Other shareholder (excluding Cornerstone Investors)</i>				
Syringa Capital AB ⁴⁾	1,250,000	10.00%	1,250,000	10.00%
Anders Fransson	200,000	1.60%	200,000	1.60%
Lars Andersson	200,000	1.60%	200,000	1.60%
Nils Olsson	200,000	1.60%	200,000	1.60%
Svante Holm	125,000	1.00%	125,000	1.00%
Martin Berg	100,000	0.80%	100,000	0.80%
Anna Johansson	100,000	0.80%	100,000	0.80%
Implementeringssystem i Sundsvall AB ⁵⁾	100,000	0.80%	100,000	0.80%
<i>Cornerstone Investors</i>				
Swedbank Robur ⁶⁾	737,750	5.90%	1,154,416	9.24%
Aktiebolag Grenspecialisten ⁷⁾	511,000	4.09%	936,000	7.49%
LMK Venture Partners AB	0	0.00%	425,000	3.40%
RoosGruppen AB	0	0.00%	425,000	3.40%
C Worldwide Asset Management ⁸⁾	0	0.00%	347,222	2.78%
Total existing shareholders and Cornerstone Investors	12,500,000	100.0%	9,446,388	75.57%
New shareholders (excluding Cornerstone Investors)	0	0	3,053,612	24.43%
Total	12,500,000	100%	12,500,000	100%

1) Chairman of the board Peter Larsson is also a board member and indirect shareholder in Monterro 1 AB.

2) Can be reached through the Company's address, Sank Lars väg 46, 222 70 Lund.

3) Can be reached through the Company's address, Sank Lars väg 46, 222 70 Lund.

4) Owned by the Company's CEO Erik Syrén. Erik Syrén has declared that he intends to apply to subscribe for shares amounting to MSEK 9.5 in the Offer, through Syringa Capital AB.

5) Owned by board member Anders Nilsson.

6) Swedbank Robur Microcap's ownership before the Offer and Swedbank Robur Fonder AB's commitment as Cornerstone Investor (on behalf of Swedbank Robur Microcap and Swedbank Robur Focus).

7) Including commitments through Grenspecialisten Förvaltning AB.

8) C Worldwide Asset Management Fondsmäglerselskap AS Danmark Filial i Sverige.

B.6 Major share-holders and notifiable interests, cont.

Swedbank Robur Fonder AB (on behalf of Swedbank Robur Microcap and Swedbank Robur Focus) and Aktiebolag Grenspecialisten (through Grenspecialisten Förvaltning AB), where Swedbank Robur Microcap and Aktiebolag Grenspecialisten are shareholders before the Offer, and LMK Venture Partners AB, RoosGruppen AB, and C Worldwide Asset Management Fondsmäglerselskap AS Danmark Filial i Sverige (jointly, the “**Cornerstone Investors**”) have committed to acquire shares in the Offer for a total amount of MSEK 146.8 (the commitments of the Cornerstone Investors are subject to certain conditions and if these are not met, the commitments might not be carried out). Cornerstone Investors have not made any lock-up commitments.

Cornerstone Investors will through the Offer acquire 2,038,888 shares (corresponding to 16.3 percent of the shares and votes in the Company) and Cornerstone Investors will thus (including the shares that two Cornerstone Investors already own before the Offer), after the completion of the Offer, and before the first day of trading, own 3,287,638 shares (corresponding to 26.3 percent of the shares and votes in the Company). In addition to this, the CEO of Lime, Erik Syrén has declared that he intends to apply to purchase shares amounting to MSEK 9.5 in the Offer, through his wholly owned company, Syringa Capital AB. However, only Cornerstone Investors are guaranteed allotments in accordance with their respective undertakings.

B.7 Selected historical financial information in summary

The below selected financial information for the financial years 2017, 2016 and 2015 has been derived from the Company's audited consolidated financial statements. The below selected financial information for the January–September 2018 and 2017 periods, has been derived from the Company's unaudited consolidated financial statement for the period January–September 2018 (with comparison information for the respective period 2017), which have been reviewed by PwC. The Company's audited and unaudited financial statements for the relevant periods have been prepared according to International Financial Reporting Standards (IFRS) as adopted by the EU. The Company's unaudited financial statements for the January–September 2018 and 2017 periods have been prepared on the same basis as the audited financial statements and have only been subject to normal and recurring adjustments necessary for a fair assessment of the relevant interim period.

Consolidated statement income in summary

	Jan 1–Dec 31			Jan 1–Sep 30	
MSEK	2017	2016	2015	2018	2017
Net sales	203.9	160.4	144.8	175.4	146.4
Other revenue	0.6	0.4	0.2	0.4	0.4
Gross income	204.5	160.8	145.0	175.8	146.8
<i>Operating expenses</i>					
Compensation to employees	–123.7	–97.6	–85.0	–107.0	–89.3
Capitalised development work done by own employees	13.3	8.9	7.7	12.5	9.8
Depreciations	–14.4	–7.5	–6.0	–14.3	–10.0
Other expenses	–46.7	–33.4	–28.7	–40.7	–32.9
Total operating expenses	–171.5	–129.6	–112.0	–149.4	–122.4
Operating income	33.0	31.2	32.9	26.4	24.4
Financial income	0.0	0.1	0.0	0.0	0.0
Financial expenses	–1.4	–1.4	–1.2	–1.6	–1.0
Income after financial net	31.6	29.9	31.8	24.8	23.4
Taxes		–6.8	–7.1	–4.7	–5.0
Net income	23.7	23.1	24.7	20.1	18.4

Consolidated statement of other comprehensive income

Other comprehensive income

Items that may be reclassified to the income statement:

Translation differences	–0.2	0.2	0.0	0.5	–0.1
Other comprehensive income for the period, net of tax	–0.2	0.2	0.0	0.5	–0.1
Other comprehensive income for the period	23.6	23.3	24.6	20.6	18.3

B.7 *Selected historical financial information in summary, cont.*

Consolidated statement income in summary, cont.

Other comprehensive income for the period, attributed to:

Shareholders of the Parent Company	23.6	23.3	24.6	20.6	18.3
	23.6	23.3	24.6	20.6	18.3

Earnings per share, based on income attributable to shareholders of the Parent Company during the period (SEK/share)

Earnings per share

– basic	475	461	493	402	367
– diluted	449	437	470	379	348
Average numbers of shares, basic	50,000	50,000	50,000	50,000	50,000
Average numbers of shares, diluted	52,879	52,724	52,545	53,134	52,879

Consolidated balance sheet in summary

MSEK	Dec 31			Sep 30	
	2017	2016	2015	2018	2017
ASSETS					
Non-current assets					
Intangible assets					
Capitalised development expenses	30.4	20.4	13.5	39.2	27.4
Software	43.2	14.0	16.0	43.3	32.6
Trademarks	33.5	33.5	33.5	33.5	33.5
Customer relationships	16.4	19.1	21.9	14.3	17.1
Goodwill	59.4	59.4	59.4	59.4	59.4
Total intangible non-current assets	182.8	146.4	144.2	189.7	169.9
Tangible non-current assets					
Vehicles	3.1	3.1	2.9	3.0	3.1
Equipment	0.8	0.3	0.4	0.7	0.7
Total tangible non-current assets	3.9	3.4	3.3	3.8	3.8
Financial non-current assets					
Other financial non-current assets	0.5	0.5	0.4	0.6	0.5
Total financial non-current assets	0.5	0.5	0.4	0.6	0.5
Deferred tax assets	0.1	0.1	0.0	0.1	0.1
Total non-current assets	187.3	150.3	147.9	194.1	174.3
Current assets					
Trade receivables	40.0	31.6	27.1	45.6	34.1
Current tax assets	1.8	1.1	2.1	0.0	0.0
Other current receivables	0.0	0.4	0.0	0.8	0.4
Prepaid expenses and accrued revenue	4.1	4.0	2.4	2.1	5.6
Total current receivables	45.9	37.1	31.6	48.5	40.2
Cash and cash equivalents	24.2	29.7	27.0	16.3	23.5
Total current assets	70.1	66.8	58.5	64.9	63.6
Total assets	257.5	217.2	206.4	258.9	237.9

B.7 *Selected historical financial information in summary, cont.*

Consolidated balance sheet in summary, cont.

MSEK	Dec 31			Sep 30	
	2017	2016	2015	2018	2017
EQUITY AND LIABILITIES					
Equity attributable to the parent company's shareholders					
Share capital	0.1	0.1	0.1	0.5	0.1
Additional paid in capital	53.0	53.0	53.0	53.0	53.0
Reserves	0.0	0.2	0.0	0.4	0.0
Retained earnings including income for the year	35.0	11.3	40.7	-20.2	29.7
Total equity	88.1	64.5	93.8	33.7	82.8
Liabilities					
Non-current liabilities					
Borrowings	30.7	40.2	8.6	85.5	40.1
Deferred tax liabilities	22.9	20.5	20.0	24.5	20.2
Total non-current liabilities	53.7	60.7	28.7	110.1	60.3
Current liabilities					
Borrowings	23.3	15.3	16.0	27.9	19.1
Trade payables	8.9	5.4	5.2	7.9	7.4
Current tax liabilities	11.5	11.2	5.7	7.4	7.0
Other current liabilities	10.3	7.3	6.5	13.8	10.0
Accrued expenses and prepaid revenue	61.8	52.8	50.5	58.1	51.3
Total current liabilities	115.7	91.9	83.9	115.1	94.8
Total liabilities	169.3	152.6	112.6	225.2	155.1
Total equity and liabilities	257.5	217.2	206.4	258.9	237.9

B.7 *Selected historical financial information in summary, cont.*

Consolidated statement of cash flow in summary

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2017	2016	2015	2018	2017
Cash flow from current operations					
Cash flow from operating activities	48.3	41.8	37.8	27.5	26.2
Interest paid	–1.4	–1.4	–1.2	–1.6	–0.9
Income taxes paid	–7.1	–6.3	–6.6	–3.1	–5.0
Cash flow from current operations	39.8	34.1	30.1	22.8	20.2
Cash flow from investing activities					
Investments in intangible assets	–14.1	–8.9	–7.7	–12.8	–9.8
Investments in tangible non-current assets	–1.9	–0.9	–2.0	–0.2	–0.6
Sales of tangible non-current assets	1.9	0.0	0.0	0.0	0.0
Acquisitions of subsidiaries	–29.7	0.0	0.0	–2.4	–20.0
Investments in financial non-current assets	0.0	–0.2	–0.3	0.0	0.0
Interest received			0.0	0.0	0.0
Cash flow from investing activities	–43.8	–9.9	–10.0	–15.4	–30.3
Cash flow from financing activities					
Proceeds from options	0.0	0.0	0.1	0.0	0.0
Dividend	0.0	–52.5	0.0	–75.0	0.0
Proceeds from borrowings	12.5	71.1	1.2	130.0	12.5
Amortisation of borrowings	–14.0	–40.2	–36.6	–70.8	–8.8
Cash flow from financing activities	–1.5	–21.6	–35.2	–15.8	3.7
Net cash flow	–5.5	2.6	–15.2	–8.4	–6.3
Net change in cash					
Cash and cash equivalents, beginning of the year	29.7	27.0	42.4	24.2	29.7
Exchange rate changes in cash	0.2	0.2	–0.3	0.5	0.1
Cash and cash equivalents, end of year	24.2	29.7	27.0	16.3	23.5

IFRS measures

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2017	2016	2015	2018	2017
Net sales	203.9	160.4	144.8	175.4	146.4
Net income for the period	23.7	23.1	24.7	20.1	18.4
Earnings per share, basic (SEK)	475	461	493	402	367
Earnings per share, diluted (SEK)	449	437	470	379	348
Average number of shares outstanding, basic	50,000	50,000	50,000	50,000	50,000
Average number of shares outstanding, diluted	52,879	52,724	52,545	53,134	52,879

B.7 *Selected historical financial information in summary, cont.*

Alternative performance measures not defined according to IFRS

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2017	2016	2015	2018	2017
Net sales growth (%)	27.1%	10.8%	–	19.8%	–
Organic net sales growth (%)	15.3%	10.8%	–	15.0%	–
Annual recurring revenue (MSEK)	125.9	84.1	62.4	142.5	111.6
Recurring revenue (MSEK)	110.2	73.7	54.0	101.3	79.5
Recurring revenue in relation to operating expenses (%)	64.3%	56.9%	48.2%	67.8%	64.9%
EBITDA	47.4	38.7	39.0	40.7	34.4
EBITDA margin (%)	23.3%	24.1%	26.9%	23.2%	23.5%
EBITA	43.3	35.9	37.7	36.2	31.2
EBITA margin (%)	21.3%	22.4%	26.0%	20.6%	21.3%
EBIT	33.0	31.2	32.9	26.4	24.4
EBIT margin (%)	16.2%	19.4%	22.7%	15.0%	16.7%
One-off items that distort comparisons	2.0	0.0	0.3	2.6	1.4
Adjusted EBITDA	49.4	38.7	39.3	43.3	35.9
Adjusted EBITDA margin (%)	24.2%	24.1%	27.1%	24.7%	24.5%
Adjusted EBITA	45.3	35.9	38.0	38.8	32.6
Adjusted EBITA margin (%)	22.2%	22.4%	26.2%	22.1%	22.3%
Adjusted EBIT	35.0	31.2	33.3	29.0	25.8
Adjusted EBIT margin (%)	17.2%	19.4%	23.0%	16.5%	17.6%
Net debt (MSEK)	29.2	25.3	–2.7	96.6	35.3
Number of employees	185	156	124	189 ¹⁾	158 ¹⁾
Net sales per employee (MSEK)	1.1	1.0	1.2	1.2 ¹⁾	1.2 ¹⁾
Cash flow from current operations per share (SEK)	796	682	602	457	405

1) The performance measures have, where applicable, been recalculated to last twelve months (LTM) values per September 30.

B.7 *Selected historical financial information in summary, cont.*

Definitions of alternative performance measures not defined according to IFRS

Measure	Definition	Reason for use of the measure
Annual recurring revenue (ARR)	The recurring revenue for the quarter's last month recalculated to a 12-month period.	The measure indicates the value of revenue expected to be recurring during the coming 12 months or more. The recurring revenue is further impacted by new and additional sales and lost customers. The measure is also important for industry comparisons.
Number of employees	Number of employees means the average 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.
EBITDA	Operating income before depreciation of tangible and intangible non-current assets.	The purpose is to evaluate the Group's operational activities. EBITDA is a supplement to operating income as it is a measure of the operational cash flow.
EBITDA margin	EBITDA divided by net sales, expressed as a percentage.	The EBITDA margin is, along with net sales growth, used for the analysis of value creation and profitability in relation to sales.
EBITA	Operating income before depreciation of acquired intangible non-current assets.	The purpose is to analyse the Group's operational activities. EBITA is a supplement to operating income as it is an indicator of the operational cash flow after depreciation of tangible assets and capitalised development expenses.
EBITA margin	EBITA divided by net sales, expressed as a percentage.	The EBITA margin is, along with net sales growth, used for the analysis of value creation and profitability in relation to sales.
Adjusted EBITDA	Adjusted EBITDA shows EBITDA adjusted for one-off items that distort comparisons.	The purpose is to provide an indication of the Company's underlying profitability generated from the current operations excluding items that distort comparisons.
Adjusted EBITDA margin	Adjusted EBITDA divided by net sales, expressed as a percentage.	The purpose is to provide an indication of the Company's underlying profitability generated from the current operations, excluding items that distort comparisons and expressed as a percentage of net sales.
Adjusted EBITA	Adjusted EBITA shows EBITA adjusted for one-off items that distort comparisons.	The purpose is to provide an indication of the Company's underlying profitability generated from the current operations excluding items that distort comparisons.
Adjusted EBITA margin	Adjusted EBITA divided by net sales, expressed as a percentage.	The purpose is to provide an indication of the Company's underlying profitability generated from the current operations, excluding items that distort comparisons and expressed as a percentage of net sales.

B.7 *Selected historical financial information in summary, cont.*

Definitions of alternative performance measures not defined according to IFRS, cont.

Measure	Definition	Reason for use of the measure
Adjusted EBIT	Operating income according to the income statement adjusted for one-off items that distort comparisons.	The purpose is to provide an indication of the Company's underlying profitability generated from the current operations, excluding items that distort comparisons.
Adjusted EBIT margin	Adjusted EBIT divided by net sales, expressed as a percentage.	The purpose is to provide an indication of the Company's underlying profitability generated from the current operations, excluding items that distort comparisons and expressed as a percentage of net sales.
One-off items that distort comparisons	Refers to items that are reported separately as they are of a significant nature and distort comparisons and are considered foreign to the Group's ordinary core operations. Examples are acquisition-related expenses, expenses relating to IPOs or restructuring costs.	One-off items that distort comparisons are items that, when excluded, show the Company's profitability excluding items whose nature is not recurring as a part of the current operations.
Cash flow from current operations per share	Cash flow from current operations divided by the average number of shares outstanding.	The purpose is to allow comparison of cash flow from current operations per share.
Net sales growth	Growth in net sales shows growth in net sales compared to the same period previous year, expressed as a percentage.	The measure allows the Company to compare its growth rate between different periods and against the overall market and competitors.
Net debt	Interest-bearing non-current and current liabilities less financial assets.	The measure shows the Company's real level of debt.
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 measure of how net sales per employee changes over time and is also used for industry comparisons.
Organic growth in net sales	Shows net sales growth adjusted for acquisitions the last 12 months. Acquired companies are included in the calculation of organic growth when they have been part of the Group for four quarters.	The measure allows the Company to monitor growth in net sales excluding the impact from any acquisitions.
Recurring revenue	Revenue of an annually recurring nature includes support and maintenance revenue and subscription revenue.	The measure is an indication of the proportion of the Company's revenue that was recurring during a certain period and is important for industry comparisons.
Recurring revenue in relation to operating expenses	Revenue of an annually recurring nature in relation to operating expenses.	The measure provides an indication of the portion of the Company's operating expenses that are covered by recurring revenue during a certain period and is important for industry comparisons.
Operating margin (EBIT margin)	Operating income divided by net sales, expressed as a percentage.	The measure is, along with net sales growth, used for the analysis of value creation and profitability in relation to sales.

B.7 *Selected historical financial information in summary, cont.*

Significant events during the period of the selected historical financial information
Changes between the periods January–September 2017 and January–September 2018

Net sales increased by MSEK 29.0 from MSEK 146.4 in the nine month period ending on September 30, 2017 to MSEK 175.4 in the nine month period ending on September 30, 2018. The increase primarily came from increased subscription revenues and higher revenues from Expert Services.

Operating income increased by MSEK 2.0 from MSEK 24.4 in the nine month period ending on 30 September, 2017 to MSEK 26.4 in the nine month period ending on 30 September, 2018. The increase primarily came from increased net sales.

Changes between financial years 2016 och 2017

Net sales increased by MSEK 43.5 from MSEK 160.4 in 2016 to MSEK 203.9 in 2017. The increase primarily came from increased subscription revenues and higher revenues from Expert Services. The increase was partly offset by the ongoing transformation of the Company's business model to subscription sales instead of one-off sales of license rights, resulting in lower initial revenues.

Operating income increased by MSEK 1.8 from MSEK 31.2 in 2016 to MSEK 33.0 in 2017. The increase in operating income was a result of the increase in net sales. The increase was partly offset by increased operating expenses, primarily compensation to employees, other expenses and depreciation. Large parts of these expenses are deemed to be repetitive.

Changes between financial years 2015 och 2016

Net sales increased by MSEK 15.6 from MSEK 144.8 in 2015 to MSEK 160.4 in 2016. The increase primarily came from an increase in subscription revenues and higher revenues from Expert Services. The increase was partly offset by an ongoing transformation of the Company's business model to subscription sales instead of one-off sales of license rights, resulting in lower initial revenues.

Operating income decreased by MSEK 1.7 from MSEK 32.9 in 2015 to MSEK 31.2 in 2016. The decrease in operating income was a result of increased operating expenses, primarily compensation to employees, other expenses and depreciation. Large parts of these expenses are deemed to be repetitive. The decrease was partly offset by the increase in net sales.

Significant events after September 30, 2018

No significant events have occurred after September 30, 2018.

B.8 *Selected pro forma financial information*

Not applicable. The Prospectus does not contain any pro forma information.

B.9 *Profit forecast*

Not applicable. The Prospectus does not contain any profit forecast.

B.10 *Audit remarks*

Not applicable. There are no remarks in the audit reports.

B.11 *Insufficient working capital*

Not applicable. It is the opinion of the Company's board of directors that the current working capital is sufficient to cover the needs for the next twelve months following the date of the Prospectus.

Section C – Securities

C.1	<i>Securities offered</i>	Existing shares in Lime Technologies AB (publ) with ISIN: SE0011870195. The Company's shares will be traded under ticker LIME.
C.2	<i>Denomination</i>	The shares are denominated in and will be traded in Swedish krona (SEK).
C.3	<i>Number of issued shares and quota (par) value</i>	The share capital shall, according to the Company's articles of association, not be lower than SEK 500,000 and not higher than SEK 2,000,000 divided among no fewer than 12,500,000 and no more than 50,000,000 shares. As per the date of the Prospectus the Company's share capital amounted to SEK 500,000 divided among a total of 12,500,000 shares. The Company has one class of shares. The quota (par) value of each share is SEK 0.04.
C.4	<i>Rights attached to the securities</i>	Each share in the Company entitles the holder to one vote at the general meetings and each shareholder is entitled to cast votes in relation to the numbers of shares held by the shareholder in the Company. Should the Company issue new shares, warrants or convertibles in a cash issue or an issue by way of set-off, shareholders shall, as a general rule, have preferential rights to subscribe for such securities, proportionally to the number of shares held prior to the issue. There are no provisions in the Company's articles of association restricting the possibility to issue new shares, warrants or convertibles with a deviation from current shareholder's preferential rights. All shares in the Company carry equal rights to dividend and the Company's assets and any surpluses in the event of liquidation. Resolutions regarding dividends are made by the general meeting. All shareholders registered in the share register maintained by Euroclear Sweden on the record date adopted by the general meeting are entitled to receive dividend. Dividends are normally distributed to shareholders as a cash payment per share through Euroclear Sweden but may also be paid out in a manner other than cash (in-kind dividend).
C.5	<i>Transferability restrictions</i>	Not applicable. The shares are not subject to any restrictions on transferability.
C.6	<i>Admission to trading</i>	The board of directors of the Company has applied for listing of the Company's shares on Nasdaq Stockholm. On November 7, 2018, Nasdaq Stockholm's Listing Committee resolved to admit the Company's shares to trading on Nasdaq Stockholm subject to certain conditions, including that the dispersion requirement in respect of the Company's shares is met no later than on the first day of trading. Trading in the Company's shares is expected to commence around the December 6, 2018.
C.7	<i>Dividend policy</i>	Lime intends to distribute available cash flow taking into account the Company's indebtedness and future growth prospects, including acquisitions. Dividends are expected to amount to at least 50 percent of the Company's annual net income.

Section D – Risks

D.1	<i>Main risks related to the issuer and its industry</i>	The main risks relating to the Group's operations and industry include: • The Group operates in a highly competitive industry with both global and local players. Increased competition can lead to the Group's customers demanding lower prices on Lime's products or demanding new products. • There is significant competition for highly qualified personnel for many of the Group's personnel categories and the Group's operations and future success are highly dependent on a number of key people, senior executives and individuals with specialised expertise. • If the Company does not manage growth well or fails to achieve growth, the operations may be negatively impacted. • The Group's expansion into new geographic markets may fail and/or require significant resources and expenses. • There is a risk that the Group will be unable to innovate and adapt to technological developments or will incur significant costs in connection with technology upgrades.
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D.1 *Main risks related to the issuer and its industry, cont.*

- There is a risk that the Group will be unable to protect its intellectual property rights or will infringe on the intellectual property rights of third parties.
- If the protection of customers' and employees' personal data stored by the Group is compromised or otherwise exposed to unauthorised access, the Group's reputation may be harmed, and the Group may be subject to sanctions.
- Lime uses open source software. There is a risk that open source software licenses are interpreted in ways that imply unexpected conditions or restrictions on the Group's right to provide or distribute its services and solutions. In addition, Lime may from time to time be subject to third party demands regarding ownership or provision of the open source software, or software developed by the Group using such software.
- The Group is dependent on, for example, hosting service providers, support services for marketing, communications companies, internet service providers and other external parties for its everyday operations as well as for the distribution to the Group's customers of its products and services. If one or more of these external parties do not fulfill their contractual obligations, this may in the long run affect customers' ability to access the products and services provided by the Group.
- The Group may lose rights to parts of products or services licensed from third parties.
- The Group relies on its good reputation and strong brand, and maintaining these can require substantial investments and consume significant resources. In addition, events may occur that are damaging to the Group's reputation or brand.
- There is a risk that expected benefits from business acquisitions will not be realised. The Group may be exposed to or become responsible for unknown or unexpected liabilities and/or costs associated with acquisitions or fail to integrate acquired businesses in a resource-efficient manner.
- If economic circumstances or other macroeconomic factors are unfavourable, this may affect the Group negatively.
- If it is found that the Group, any of its current or former employees, consultants, board members or other senior executives acted improperly, if there are errors or flaws in the Group's security system or if it is alleged that something similar has occurred, this may damage the Group's reputation, business prospects and potential future success.
- The Group's risk management and internal controls may prove to be insufficient.
- The Group's accounting currency is SEK, while revenue under some of the Group's customer contracts is earned in EUR, NOK and DKK. Currency fluctuations may therefore impact on the Group's financial results.
- The Group may fail to secure additional financial funding under commercially viable terms, or to obtain funding altogether or to fulfill its commitments under existing financing agreements.
- Changes in taxation or the interpretation and application of tax laws may adversely affect the Group's operations, financial position and results.
- The financial targets contained in this Prospectus are the Group's expectations in the medium term. There is a risk that the essential assumptions made by management in setting these targets will not reflect the commercial and economic environment in which the Group operates, and such assumptions may change or not be realised at all.
- The Group's financial statements are affected by changes to the IFRS applicable at any time. There is a risk that changes to accounting standards will adversely affect the Group's financial statements.

D.3 <i>Main risks related to the securities</i>	The main risks relating to the Company's shares include: • The share price may be subject to significant fluctuations, for example as a result of a change in the market's assessment of the Company's shares or if a certain event occurs. The share market itself may be subject to significant fluctuation regarding prices and volumes which need not be related to the Company's operations and prospects. • There is a risk that active and liquid trading in the Company's shares will not develop and thus a risk that shareholders will not be able to sell their shares or only sell their shares at a loss. • The Company's share price may fall if there is extensive sale of shares in the Company, in particular sales by the Company's board members, senior executives and major shareholders or if a large number of shares are sold. • The Main Shareholder can continue to have significant influence over the Group and its operations and the Main Shareholder's interests may not be in line with other shareholders' interests. • Issuance of additional securities or debentures may reduce the market value of the Company's shares and dilute the financial or voting rights of current shareholders. • The Company's shares will be traded in SEK and distribution of dividends will be made in SEK. Investors whose reference currency is not SEK can therefore be affected by a fall in the value of SEK in relation to the investor's reference currency. • The Company's ability to pay dividends in the future may be limited and depends on several factors. It is not possible to predict whether dividends will be proposed or approved for a specific year. • Securities legislation in certain jurisdictions may limit the Company's ability to allow shareholders from such jurisdictions to exercise their preferential rights in respect of any future issues. • According to the dispersion requirement set by Nasdaq Stockholm, a sufficient proportion of the issuer's shares must be held by the general public and a sufficient number of shareholders must exist. Unless the dispersion requirements are met, the application for listing of shares may be declined.
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Section E – The Offer

E.1 <i>Issue proceeds and issue costs</i>	No new shares will be issued by the Company in connection with the Offer, and the Company will thus not receive any issue proceeds. Neither will the Company receive any part of the sales proceeds from the Selling Shareholders. Expenses attributable to the Offer and to the Company's shares being admitted to trading on Nasdaq Stockholm are estimated at MSEK 9.4.
E.2a <i>Motive and use of proceeds</i>	No new securities are offered by the Company in connection with the Offer and the admission of the Company's shares to trading on Nasdaq Stockholm and thus, the Company does not receive any issue proceeds. The board of directors of the Company believes a listing of the Company's shares will further increase the recognition and awareness of the Company's business and operations, strengthen Lime's profile vis-à-vis investors and customers, as well as strengthen its ability to attract and retain qualified personnel and key staff members. The Offer will also broaden the shareholder base and give Lime access to the Swedish and international capital markets. Moreover, the Offer enables the Main Shareholder and the other Selling Shareholders to sell part of their current shareholdings and create a liquid market for the shares for the future.

E.3	<i>Terms and conditions of the Offer</i>	The Offer comprises not more than 4,428,261 existing shares offered for sale by the Selling Shareholders. The Offer may comprise up to a maximum of 664,239 additional shares, equal to not more than 15 percent of the maximum total number of shares comprised by the Offer, if the Over-allotment Option, exercisable in whole or in part by the Joint Bookrunners for 30 days following the first day of trading in the Company's shares on Nasdaq Stockholm, is exercised to acquire additional shares from the Main Shareholder to cover any potential over-allotment in connection with the Offer. The Offer consists of two parts: (i) the offer to the general public in Sweden and (ii) the offer to institutional investors in Sweden and internationally. The price of the Offer is 72 SEK per share. Application for acquisition of shares under the Offer for the general public shall be made during the period November 27–December 4, 2018 and relate to a minimum of 150 shares and a maximum of 15,000 shares in even trading lots of 50 shares. Applications that are submitted late, as well as incomplete or incorrectly completed application forms, may not be considered. No additions or changes may be made to the pre-printed text on the application form. Only one application per investor is allowed. Institutional investors have the opportunity to participate in the Offer through a book building process by submitting expressions of interest. The book building process will commence on November 27, 2018 and continue until December 5, 2018. The book building process for institutional investors may either be shortened or extended. Announcement of such termination or extension will be made through a press release prior to the end of the allocation period. Applications can be submitted to Carnegie, SEB or Nordnet according to each bank's specific instructions. Employees of the Company that wish to acquire shares in the Offer shall follow specific instructions from the Company. The Company, the Selling Shareholders and the Joint Bookrunners intend to enter into the Placing Agreement around the December 5, 2018. The Offer is conditional on the interest for the Offer based on the Joint Bookrunners assessment of there being sufficient interest in order to achieve appropriate trading in the shares of the Company, the Placing Agreement being entered into, that certain conditions in the Placing Agreement are met and that the Placing Agreement is not terminated. If the aforementioned conditions are not fulfilled or if the Placing Agreement is terminated, the Offer may be cancelled.
E.4	<i>Interests material to the Offer</i>	The Joint Bookrunners provide financial advice and other services to the Company and the Selling Shareholders in connection with the Offer, for which they will receive remuneration paid by the Company and the Selling Shareholders.
E.5	<i>Selling Shareholders and lock-up agreements</i>	The Selling Shareholders are the Main Shareholder, Martin Modéer and Jonas Jakobsson. The Selling Shareholders, members of the board of directors and senior executives who own shares in the Company have provided an undertaking to the Joint Bookrunners, that they shall not, without the Global Coordinators' written consent, with certain exceptions, sell or pledge any shares (or make any similar transactions) for a period of 180 days period from the first day of trading of the shares as regards the Selling Shareholders, and for a period of 360 days from the first day of trading of the shares as regards the members of the board of directors and senior executives who own shares in the Company. In addition, pursuant to the Placing Agreement, the Company undertakes to the Joint Bookrunners that, for a period of 180 days from the first day of trading in the shares, it will not, without the written consent of the Joint Bookrunners or in accordance with certain exemptions, directly or indirectly, sell or pledge any shares (or make any similar transactions).
E.6	<i>Dilution effect</i>	Not applicable. No new securities will be offered by the Company in connection with the Offer and there will be no dilution effect for the shareholders in the Company.
E.7	<i>Expenses charged to investors</i>	Not applicable. Brokerage commissions will not be charged.

Risk factors

An investment in the Company involves a number of risks. Investors should carefully consider each of the risks described below and all the other information set forth in the Prospectus before deciding to invest in the shares in the Company. If any of the risks described below occur, the Group's business, results of operation and financial position could be adversely affected. In such cases the trading price of the shares could decline, and investors may lose all or part of their investment. The risks described below are not the only risks to which the Group and the Company's shareholders are exposed. Additional risks that are not presently known to the Company, or as currently, based on customary risk assessments, are considered to be immaterial, may have an adverse material effect on the Group's business and a negative material effect on the Group's operations, results or financial position. The order in which the individual risks are presented does not provide an indication of the likelihood of their occurrence or of their severity and relative significance.

The Prospectus also contains forward-looking statements that are based on assumptions and estimates and are subject to risks and uncertainties. The Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks described in the section below and elsewhere in the Prospectus.

Risks related to the Company, its operations and the market

The Group is exposed to competition from other suppliers of CRM solutions

The Group conducts its business within a highly competitive industry, and competes with both global players, such as Salesforce, Microsoft, Oracle and SAP, and local players such as Superoffice. Consequently, some of Lime's competitors are large, efficient companies with significantly more financial, technical and marketing resources and with significant market shares. Competition may also increase when new CRM suppliers, currently not active or not particularly active, enter the market and current suppliers improve and extend their product and service offerings.

Increased competition may further cause the Group's customers to demand lower prices for Lime's products. The Group's customers may also require the Group to develop new products or services, which, if the Group is unable or unsuccessful to meet such requirements, can lead to loss of customers or to significantly increased development costs. If any of the above competition-related risks would occur, it could have a material adverse effect on the Group's operations, financial position and results.

The Group relies on its ability to recruit and retain key personnel

Competition is intense for highly qualified personnel for many of the Group's staff categories, including software developers. The Group's operations and future success are highly dependent on a number of key employees, senior executives and persons with specialised expertise. These key personnel have good relationships with different market players, an in-depth understanding of the complex environment within which the Group operates, and a central role in maintaining Lime's corporate culture. Therefore, these key personnel play a central role in the progression of the Group's operations. The Group's employees have knowledge and skills that are fundamental to the Group's everyday operations. Staff turnover within the Group may at times be significant. The Company's operations can also be adversely affected if senior executives, including senior executives who may be employed in the future, fail to collaborate effectively and to implement Lime's plans and strategies in a timely fashion. The Company may need to invest significant amounts to attract and retain new employees. There is a risk that the Company will never generate any return on these investments. Should one or more key employees leave or reduce their commitment to the Group, should staff turnover increase, should the Group's costs to recruit, retain and train its staff increase or

should the Group fail to attract and retain qualified key persons and other skilled personnel on acceptable terms, this may have a material adverse effect on the Group's operations, financial position and results.

The business may be adversely impacted should the Company not be able to manage growth

There is a risk that The Group may not be able to reach its growth targets, or is incapable of growing in accordance with its or other's expectations, or grow at all. In order to achieve lasting growth in the future the Company may be required to expand its operations in existing and new geographic markets and there is a risk that such expansion cannot be executed in accordance with the Company's expectations, or at all. There is a risk that the Company is not successful in executing business opportunities, maintaining satisfactory product and service quality and managing operations in general. Further, there is also risk that the Company does not succeed in increasing its capacity as well as its administrative and operational infrastructure according to customer requirements. There is also a risk that the Group's market will not grow in line with the Company's expectations, or that the business cycle will develop negatively. All the aforementioned risks may lead to that growth targets cannot be met or may affect the Group's growth negatively, which may have a material adverse effect on the Group's operations, financial position and results.

There is a risk that growth or increasingly complex operations impose additional demands on the Group's management, control functions (operational, managerial, and internal financial controls), processes, reporting systems and other IT infrastructure, which may adversely affect the Company's growth capacity. There is a risk that the Company will not be able to live up to established revenue or cost strategies or that it makes the business dependent on certain revenue streams.

The Company's growth capacity, including the Company's ability to implement necessary expansions of capacity and infrastructure, may also be affected by a lack of qualified personnel, lack of software capacity and other technical capacity or lack of competence among suppliers. Such circumstances may lead to delays and increased costs for the Company. If the Company fails to manage growth effectively or fails to adapt to the changes and increased demands that may result from increased growth, this can have a material adverse effect on the Group's operations, financial position and results.

The Group may face challenges when expanding into new geographic markets

The Group currently operates in several Nordic countries and may expand into new geographic markets, in which the Company has no or only limited experience and where Lime has no established brand. To provide products and services in new geographic markets often requires significant resources and costs and also takes significant time. There is a risk that the Company will not achieve sufficient success in new geographic markets in order to, within a reasonable time, or at all, recover the investments made. There is a risk that the Group will fail to adapt its products and services, and associated marketing and pricing models, to the local markets. The Company may also fail to notice new competitors or face difficulties in achieving efficient business operations in new markets. Furthermore, future expansions may expose the Company to risks related to staffing and handling of cross-border activities, including increased costs and difficulties in protecting the Company's intellectual property rights and sensitive data such as personal data. The aforementioned factors may result in the Group not achieving the expected return on investments when expanding into new markets. If the Company fails to expand into new geographic markets, this can have a material adverse effect on the Group's operations, financial position and results.

The Group must innovate and adapt to technical developments

The Group depends on successful development of competitive products and services for its customers. The software industry is characterised by rapid development of both new products, services and technologies as well as customers's demands on the products, services and technology. It is thus necessary for the Group to stay abreast with these developments, which may be challenging as several players in the market have significantly more resources than the Company. In particular, the Group must follow the development of which platforms and devices its customers use when using Lime's products. Continuous upgrades of IT infrastructure and software can also involve significant costs for the Group. Should the Group fail to adapt to technical developments or incur costs arising from developments in its field, this may have a material adverse effect on the Group's operations, financial position and results.

There is a risk that the Group will not be able to protect its intellectual property rights or will infringe on the intellectual property rights of third parties

The Group's ability to compete effectively depends on, among other things, its ability to register, protect and enforce its intellectual property rights. The Group's use of intellectual property rights, in particular rights relating to software, may also infringe on the intellectual property rights of third parties. The costs arising from the Group's protection of its intellectual property rights, or from taking, or defending itself from legal action in relation to the violation of its intellectual property rights, may be significant. Should the Group fail in this regard, the Group may be liable to pay royalties and/or damages, and the Group may be prohibited from using the intellectual property rights that have been found to infringe on third parties' rights. Should the Group not be able to effectively protect its intellectual property rights or if someone takes legal action against the Group due to infringement of intellectual property rights, this may have a material adverse effect on the Group's operations, financial position and results.

The Group also relies on know-how and certain trade secrets. However, it is not possible to achieve complete protection from disclosure of information without the Group's permission. The Group's competitors or others may thus get access to such information, which may result in a deterioration of the value of the information or competitors may gain an advantage, which could have a material adverse effect on the Group's operations, financial position and results.

Should the protection of customers' and employees' personal data stored by the Group be compromised, or otherwise exposed to unauthorised access, Lime's reputation may be harmed and the Group may be subject to sanctions.

The Group stores personal data and other confidential information about the Company's customers and employees. The Company may be subjected to third party attempts to gain unauthorised access to personal data and information may also in other ways be exposed through human error or fraud. Unauthorised access to, or loss of personal data may adversely affect Lime's reputation and business and may lead to damage or other claims from the Group's customers and employees.

New laws and regulations on personal data processing are implemented. For example, the EU's General Data Protection Regulation ("GDPR") came into force on May 25, 2018. The increase in resources required for compliance with the new regulation and other

rules that may be implemented in the future may adversely affect the Group's operations. In addition, the application of data protection laws on the Internet is subject to interpretation and further development. There is a risk that these laws may be interpreted and applied in conflict with each other in different jurisdictions and in a way that is not in line with the Group's current data protection practices. Amendments to such data protection laws may result in stricter compliance requirements and significant penalties for non-compliance. Should any of these risks be realised, this could have a material adverse effect on the Group's operations, financial position and results.

Some of Lime's services contain open source software

Lime uses open source software in some of its products and internal systems. Many of the open source licenses, to which Lime is bound, have not been interpreted by national or international courts and there is a risk that these open source software licenses could be construed in a manner that imposes unanticipated terms and conditions or restrictions on the Group's right to provide or distribute its services and solutions. In addition, Lime may from time to time be subject to third party claims regarding the ownership or disclosure of the open source software, or the works derived therefrom, which the Group has developed using such software, or otherwise seek to rely on the terms and conditions of the relevant open source licenses. These claims may lead to legal processes and may result in the Group having to make its software code freely available, having to purchase an expensive license or having to discontinue the sale or use of the relevant systems, unless and until the Group redesigns them to avoid future infringement. Such redesign work may require significant development resources and there is a risk that the Group will be unsuccessful in such work. In addition to the risks associated with license requirements, the use of some open source software may pose greater risks than the use of commercial third-party software, as the parties who provide open source products generally do not provide warranties or check the origin of the software. All of these risks may prove difficult to eliminate or manage, and if actions are not taken, they may have material adverse effects on the Group's operations, financial position and results.

The Group partly relies on third parties

The Group relies on, among other things, hosting service providers, support services for marketing, communications companies, internet service providers and other third parties for its daily operations, as well as for the distribution of the Group's products

and services to its customers. There is a risk that such third parties cannot perform their services in accordance with agreed-upon terms and conditions, which increases the Group's vulnerability to issues that may arise in the products and services provided by these parties. There is, for example, a risk that such problems will adversely affect the Group's reputation and customer satisfaction ratings and customer loyalty. There is also a risk that the Group's customers will demand compensation from the Group for any losses incurred in connection with such events and, that in turn, the Group does not succeed in achieving any compensation claims directed to third parties due to their non-compliance of contractual obligations vis-à-vis the Group. Should one or more of these third parties not fulfil their contractual obligations, this may in turn affect customers' ability to access the products and services provided by the Group. Should one or more of the events or paths of events described above occur, it could have a material adverse effect on the Group's operations, financial position and results.

The Group may lose rights to content of products and services licensed from third parties

Certain content of the products and services, for example company details and map services, provided by the Group to its customers are licensed from third parties. The agreements with such parties can be terminated, which would mean the Group's products and services could no longer contain such content. Acquiring alternative content and making adjustments to the Group's products and services may be associated with significant costs, and there is a risk that it will not be possible altogether. Should contracts relating to third party products be terminated, or be renewed on unfavourable terms to the Group, this could have a material adverse effect on the Group's operations, financial position and results.

The group relies on its good reputation and strong brand

Lime's success depends on maintaining its reputation and value associated with the Group's business and that its brand is strong. To achieve this, Lime partly relies on the quality of its services and products, partly on various types of marketing, which may require substantial investment and involve significant resources. Furthermore, some types of marketing can be ineffective. In addition, the Group may be subject to negative publicity, which could seriously damage the Group's reputation and brand. Should the Group fail to maintain or strengthen its reputation and brand, should the Group's competitors be more successful than the Group in doing so, or

should the Group's reputation and brand deteriorate, this may have a material adverse effect on the Group's operations, financial position and results.

The Group's acquisitions may fail, strain or derail the Group's resources from its daily operations

The Group has completed several acquisitions and may consider making further acquisitions in support of future growth and profitability. To be successful with acquisitions, the Group must identify suitable companies to acquire, conduct adequate due diligence, negotiate favourable terms for each transaction, obtain necessary permits, and integrate acquired businesses into existing operations. If the Group progresses with acquisitions, there is a risk that the profitability or cash flow the acquired businesses are expected to achieve will not be generated, or that advantages, including growth or expected synergies, are not realised. The Group's assessment of and assumptions regarding acquired businesses may prove to be inaccurate and actual developments may differ significantly from such expectations. In addition, the Group may experience or be exposed to unknown or unexpected liabilities and/or expenses, for example related to customers, employees and authorities. There is also a risk that the Group will be unable to integrate acquisitions or that such integration requires more resources than the Group expected. There is also a risk that the integration process for completed or future acquisitions interfere in other ways with the Group's operations, for example due to unforeseen issues of a legal, contractual or other nature, issues with the realisation of operational synergies or failure to maintain good quality of service. Furthermore, an acquisition may direct management's attention away from daily operations. Should any of the events described above be realised, it may have a material adverse effect on the Group's operations, financial position and results.

The Group operates in a global environment and is exposed to macroeconomic factors

The Group operates in a global environment and is therefore impacted by general economic, financial and political developments on both international and local markets, as well as by macroeconomic factors. Such factors include, but are not limited to, recessions, inflation or deflation and general decline in purchasing power. Should economic circumstances or other macroeconomic factors be unfavourable, it may have material adverse effect on the Group's operations, financial position and results.

The Group is subject to laws and regulations in different jurisdictions that may change

Lime's operations rely on a large number of regulatory frameworks and requirements from authorities. For example, the Group's operations are governed by rules and different regulatory requirements regarding money laundering, data protection and privacy. These laws and regulations are complex and vary between different jurisdictions, which means the Company's regulatory compliance costs may increase in conjunction with geographic expansions. Compliance with laws, regulations and regulatory requirements can be complex, require extensive resources and incur significant costs and may affect the design and functionality of the Group's existing and new products. Should the Group's compliance with rules and regulations be unsatisfactory, or deemed unsatisfactory, the Group may be subject to fines and/or penalties and other sanctions, which may have a material adverse effect on the Group's operations, financial position and results.

The Group's business prospects and future success depend on the integrity of employees and managers as well as the security of the Group's systems

The actual, as well as the perceived, integrity of the Group's employees, consultants, board members and other executives as well as adequate security regarding the Group's technical systems are absolutely necessary for the Group's ability to comply with applicable regulations, maintain its reputation and attract new and retain existing customers. If it is found that the Group, any of its current or former employees, consultants, board members or other senior executives have acted improperly, if there are errors or deficiencies in the Group's security systems or if it is alleged that something similar has occurred, this may damage the Group's reputation, business prospects and potential future success. This could, for example, result in civil or criminal liability for the Group or its executives, as well as adversely affect the Group's ability to obtain, maintain or renew licenses, permits and/or certifications, which may have a material adverse effect on the Group's operations, financial position and results.

The Group's risk management and internal controls may prove to be insufficient

Effective internal controls are necessary for the Group to provide reliable financial information and to effectively prevent fraud. There is a risk that the Group will not be able to manage internal risks or identify areas where internal controls need strengthening. The Group is growing and hiring new employees to satisfy their staff requirements and there is a

risk that such newly-employed staff will not comply with, or have not received adequate training or information about the Group's internal policies and control routines. Should the Group fail to establish, maintain and apply adequate and effective internal controls, routines, procedures and management, this may result in the Group being reviewed and sanctioned by local authorities or that confidence in the Group on the stock market and among investors, both within the industry and among other stakeholders, being damaged, which may have material adverse effects on the Group's operations, financial position and results.

The Group is exposed and vulnerable to hacking, DDoS attacks, sabotage and other IT crime

The Group is exposed and vulnerable to various types of IT crimes. For example, the Group may be adversely affected by various system violations, such as *distributed denial-of-service* (DDoS) attacks, viruses and other types of IT crimes. Such activities may interfere with websites, lead to other system failures, or cause interference with the business and may damage the Group's or its customers' computer equipment. Since the Group, directly or through subcontractors, provides certain technical support services, such as hosting services and other operating infrastructure, to certain customers, IT crimes may also lead to claims under the Group's agreements with the clients affected by such crimes. Should the Group, or its customers, be exposed to IT crimes or fail to maintain adequate IT protection, this may have material adverse effects on the Group's operations, financial position and results.

The Group's operations rely on the security, integrity and operational performance of the systems, products and services offered by the Group

The Group's ability to provide software to customers relies on the security, integrity, reliability and operational performance of the systems, products and services offered by the Group. The Group's IT systems or other systems installed at its suppliers, partners or the like may be impacted by interference and interruptions. Such interferences may, for example, be disruptions in the provision of electricity or similar fundamental social services, extreme weather, security issues, system failures or labour market activities. Disruptions of this nature can result in customers making legal claims against the Group and they may otherwise adversely affect the Group's ability to sell products and services to its customers, which may have material adverse effects on the Group's operations, financial position and results.

Disputes as well as the risk of proceedings, penalties and other sanctions

The Group may get involved in disputes relating to its normal business activities and there is always a risk that the Group will be subject to demands under a number of circumstances, such as interpretation of customer or supplier contracts, alleged errors, delays and disruptions in provision of services, consequences of various IT crimes etc. In addition, companies within the Group (or its employees, consultants, board members or other executives) may also be subject to preliminary investigations and/or trial in relation to suspected crimes of various kinds.

Disputes, claims, investigation and enforcement processes can be time consuming, disturb normal operations, involve large monetary amounts and cause significant costs to the Group. It can also be difficult to predict the outcome of complex disputes, claims, investigation and enforcement processes. Such legal or administrative proceedings can therefore have material adverse effects on the Group's operations, financial position and results.

The Group may be exposed to risks in relation to currency fluctuations

Currency fluctuations may affect the Group's financial results. The Group's presentation currency is SEK, while revenues from the Group's customer contracts are partly in EUR, NOK and DKK. For the period ending September 30, 2018, 15 percent of the Group's revenues were generated in currencies other than SEK. Exchange rates between SEK and other currencies have fluctuated sharply and may also fluctuate sharply in the future. The Company does not currently hedge against currency movements and any currency fluctuations could have a significant impact on the Company's earnings and cash flow, which could have a material adverse effect on the Group's operations, financial position and results.

The Group may fail to obtain additional financing under commercially viable terms, or to obtain funding altogether, or to fulfil its obligations under existing financing agreements

Lime has entered into a loan agreement amounting to MSEK 130 where the outstanding amount per September 30, 2018 amounted to MSEK 110.5. The loan agreement contains customary conditions and commitments, including the Group's ability to meet certain key financial measures. The loan agreement also contains a provision that comes into effect in connection with a change of ownership in the Company, a so-called "Change of control" clause. Should Lime or its subsidiaries not fulfil their obligations under the loan agreement, or if the Company

undergoes an ownership change, the lender is entitled to terminate the loan agreement and demand repayment of outstanding amounts and, if repayment is not made, the lender is entitled to exercise the collaterals provided.

The Group's ability to repay its debts and, in other ways, fulfil its obligations under from time to time applicable loan agreements and the Group's ability to finance future investments and acquisitions depends, inter alia, on its future earnings. The Group's future earnings will, in turn, depend on many factors, such as market conditions, general credit availability, the overall availability of credits in the financial markets and Lime's creditworthiness. Some of these factors are beyond the control of the Group. There is a risk that additional funding will not be available to the Group on commercially viable terms when such need arises or that funding cannot be obtained at all or can only be obtained on unfavourable terms to the Group.

Furthermore, there is a risk that the interest rate on the Group's existing and possible future loans will rise from the current levels and that the Group's interest expenses will increase substantially.

If the Group's future cash flow is insufficient to pay the Group's debts on an ongoing basis, as they expire, or to finance liquidity requirements, it may be necessary for the Group to reduce or postpone certain business operations, research and development and investments, or to sell assets, to obtain other loans or finance with equity or to restructure or refinance all or parts of its outstanding liabilities on or prior to maturity. The ability to refinance debt can furthermore be impacted by the stability of capital markets for loans and liabilities.

If the Group cannot obtain funding under commercially viable terms or if the Group is altogether unable to obtain funding or fails to fulfil its obligations under existing financing agreements or undergoes ownership change, there is a risk the Group will not be able to implement its business plan leading to reduced profitability and flexibility, which can have a material adverse effect on the Group's operations, financial position and results.

Changes to taxation or interpretation and application of tax laws may adversely affect the Group's operations, financial position and results

Lime's operations are conducted partly through subsidiaries in several countries and there are intra-group transactions to a varying extent between these companies. Tax authorities in the countries concerned may make judgments and decisions that

differ from the Group's or the Group's advisors' opinions regarding these intra-group transactions.

The Group's tax position (for example, as of September 30, 2018, the Group has a deferred tax liability of MSEK 24.5), both in previous and current years, may change due to local tax authorities' decisions or as a result of changes in laws, agreements and other regulations. Changes to laws or decisions by tax authorities that negatively impact the Group's current, future or previous tax position may have a material adverse effect on the Group's operations, financial position and results. Decisions or changes of the above-mentioned types, which may also have retroactive effect, can have a material adverse effect on the Group's operations, financial position and results.

From time to time, the Group is subject to tax audits and investigations by Swedish and foreign tax authorities. Such audits and investigations may, for example, refer to assessments as to whether interpretation and application of laws and regulations in relation to direct and indirect tax were correct regarding current and past transactions or the Group's ongoing operations (including any existing and future liabilities and internal loans). If tax authorities carry out tax audits of companies within the Group, there is a risk that the company's compliance with tax rules will be questioned. There is also a risk that the Group will, by mistake or due to circumstances out of the Group's control, not comply with applicable tax regulations. Should any of these circumstances occur, it may lead to long-term litigation and to the Group being required to pay significant tax amounts, interests and other penalty charges. There is thus also a risk the Group will have to defend its tax returns in front of a court and any subsequent legal proceedings can be costly and divert management's attention from ongoing operations. Tax audits and other audits by local tax authorities may also result in negative publicity, which may adversely affect the Group's reputation. Should any of the above risks occur, it could have a material adverse effect on the Group's operations, financial position and results.

The Group is exposed to counterparty risk and may incur financial losses if customers default on their payment obligations

The Group is exposed to counterparty risk, in particular the risk of customers defaulting on their payments. Existing customers' creditworthiness can change over time, and the fact that a customer so far has few payment defaults is not proof of the Group being paid for its products and services in the future. Should the Group's customers default on their payments or if the Group does not conduct

necessary credit checks of its customers, this may have material adverse effect on the Group's operations, financial position and results.

The financial targets set out in the Prospectus may differ significantly from the Group's actual results.

The financial targets contained in the Prospectus are the Group's expectations in medium term. The financial targets are based on assumptions that are inherently subject to significant business risks, operational and economic risks and other risks, many of which are beyond the control of the Group. There is a risk that the significant assumptions made by management in setting these targets will not reflect the commercial and economic environment in which the Group operates. Consequently, such assumptions may change or not be realised at all. In addition, unforeseen events may have a negative impact on the Group's future results. As a consequence, the Group's actual future results may differ materially from these targets.

There is a risk that changes to accounting standards will adversely impact the Group's financial reports

The Group's financial statements are impacted by changes in the prevailing IFRS. Thus, the Group's accounts, financial reports and internal control may be impacted by changes in the application and interpretation of such accounting standards.

IFRS 16 (Leases), which comes into force on January 1, 2019, replaces, for example, the current IAS 17 standard and will stipulate new requirements for the calculation, preparation and reporting of leases where the Group is a lessee. The application of IFRS 16 requires assets and liabilities relating to all leases (with certain exceptions) be reported in the balance sheet without distinction between operational and financial leases. As stipulated in IFRS 16, an asset (i.e. the right to use what the lease relates to) and a financial liability for future lease payments shall be reported. The only exceptions to this are short-term leases and low-value leases. Instead of reporting a leasing cost, the result will be impacted by a depreciation of the asset and an interest expense attributable to the liability. The main effect on the financial statements will be an increase in assets and liabilities and associated key measures, as well as an impact on key measures relating to the income statement, such as EBITDA. Lime has not yet assessed the effects of the transition to IFRS 16, nor have they chosen a transition method. As a result of the above, there is a risk that the implementation of IFRS 16, or other changes to IFRS, may adversely affect the Group's financial position and results.

Risks related to the Company's shares

The future price of the Lime share cannot be predicted, and the share price may fluctuate

Investors should be aware that an investment in the Company's shares is associated with several risks. The share price may be subject to significant fluctuations, for example due to changes in the market's assessment of the Company's shares or the occurrence of a particular event, such as changes in applicable laws and other rules affecting the Company's operations, results and development. The stock market itself may furthermore be subject to significant price and volume fluctuations, which may not necessarily be related to the Company's business or prospects. In addition, the expectations from the market, investors and analysts regarding the Company's earnings and prospects may differ from the Company's actual performance and development. There is also a risk that an active and liquid trading in the Company's shares will not develop and thus the risk that shareholders will not be able to sell their shares or only sell their shares at a loss. One or more of these factors may result in the price of the Company's shares falling, which is why each investment decision in shares should be preceded by a careful analysis.

The Main Shareholder will continue to have significant influence over the Company and its operations

At the time of the Prospectus, Monterro controls approximately 70 percent, and will after completion of the Offer control approximately 30 percent (based on the assumption that the Over-allotment Option is fully exercised), of the share capital and votes in the Company. Thus, Monterro is likely to continue to have significant influence over the outcome of matters submitted to the Company's shareholders for approval, including the election of board members, the implementation of mergers, as well as the sale of all or a substantial part of the Group's assets. Other such matters may include the issue of additional shares or other securities in Lime, which may dilute shareholders' holdings in the Company, as well as future profit distributions. Monterro may also exercise control over the board of directors of Lime through representation on the board and thereby affect the direction the board chooses for the Group's operations. The interests of Monterro may not be the same as and may differ significantly from or compete with the Company's interests or those of the other shareholders, and there is a risk that Monterro will exercise influence over Lime in such a manner that does not promote all shareholders' interests. This concentration of ownership could

delay, defer or prevent a change in control of the Company and impede mergers, consolidations, acquisitions or other business combinations or affect dividend distributions that other investors may or may not wish to have carried through. The competing interests described above can have material adverse effect on the Group's operations, financial position and results.

Current shareholders' disposal of shares may lead to a fall in the Company's share price

The market price of the Company's shares could decline if there are substantial sales of the Company's shares, particularly sales by the Company's board members, senior executives or major shareholders, or otherwise when a large number of shares are sold. The Selling Shareholders as well as board members and senior executives who own shares in the Company, have agreed, subject to certain exceptions, for a certain period of time, not to sell their respective holdings or enter into transactions with a similar effect without the prior written consent from the Joint Bookrunners (so-called "lock-up"). After the expiry of the relevant lock-up period, the persons subject to lock-up will be free to sell their shares in the Company. Any sales of substantial amounts of the Company's shares by the Selling Shareholders, or other current shareholders after the expiry of lock-up periods, or the perception that such sales might occur, could cause the market price of the Company's shares to decline.

Future issues of shares or other securities in the Company may dilute shareholdings and have adverse effect on the share price.

The Group may need additional capital in the future to fund its operations or carry out planned investments or acquisitions, for example by issuing of new shares, equity-related securities, convertibles or debentures. Issuance of additional securities or debentures may reduce the market price of the Company's shares and dilute the financial or voting related rights of current shareholders, unless current shareholders are granted preferential rights in the issue. There is thus a risk that future issues will reduce the market price of the share and/or dilute some shareholders' holdings in Lime.

Investors with a reference currency other than SEK are subject to certain currency risks when investing in the shares

The Company's shares will be quoted on Nasdaq Stockholm in SEK. The Company's equity capital is denominated in SEK and dividends on the shares will be paid by the Company in SEK. As a result, investors whose reference currency is a currency other than SEK may be adversely affected by any decline in the

value of SEK relative to the respective investor's reference currency. If the value of SEK decreases in relation to such currency, the value of the equity investment or dividend will decrease with respect to the foreign currency, and if the value of SEK increases, the value of the equity investment or dividend will increase in relation to the foreign currency. In addition, these investors may incur additional transaction costs when converting SEK to another currency. Investors whose reference currency is not SEK are recommended to seek financial advice.

The ability of the Company to pay dividends in the future may be restricted and depends on several factors

The board of directors shall, prior to proposing any distribution of dividends, consider a number of factors, including the Company's expected future earnings, investment requirements, cash flows and development prospects as well as general economic and business conditions. In addition, Swedish law limits Lime's ability to propose and pay dividends to certain funds that are legally available for the purpose. There is a risk that no dividends will be proposed or declared for any given year.

There is a risk that some shareholders in countries outside Sweden may not be able to exercise their preferential rights in future cash issues

Under Swedish law, prior to certain issuance of new shares, a company must offer such shares to current shareholders on the basis of their existing share ownership, unless otherwise is resolved at a general meeting, or if the decision to issue shares is made by the Company's board of directors under authorisation, if such authorisation includes a right to waive the preferential rights.

Securities legislation in certain jurisdictions may limit the Company's ability to allow shareholders in such jurisdictions to exercise their preferential right to subscribe for new shares in any future rights issues. Thus, there is a risk that shareholders in the United States, as well as certain other countries, may be precluded from exercising their preferential rights to participate in rights issues or share buy-back offers, including discounted offers, unless the Company decides to comply with applicable local requirements or unless an exemption from such requirements is applicable. There is a risk that the Company will not decide to comply with local requirements for participation in share issues and that shareholders outside Sweden thus will not be able to exercise their preferential rights in future right issues or participate in future share buy-back offers.

There is a risk that the Company will be unable to comply with the dispersion requirement set by Nasdaq Stockholm

The Company has applied and obtained approval for listing of its shares on Nasdaq Stockholm, provided that the dispersion requirement is met. Nasdaq Stockholm's regulations for issuers include provisions on adequate supply and demand of the issuer's shares in order to achieve a functioning price mechanism. The provisions stipulate that a sufficient proportion of the issuer's shares must be held by the general public and that the issuer must have a sufficient number of shareholders. Unless the dispersion requirements are met, the application for listing of shares may be declined. In addition, the shares may be delisted in case the Company does not comply with the dispersion requirements in the future.

Forward-looking statements and presentation of financial and other information

Forward-looking statements

The Prospectus contains certain forward-looking information that is based on the Company's view of future events and expected financial and operational results. In general, all statements in the Prospectus not relating to historical facts, event or circumstances, are forward-looking statements. Forward-looking statements can, for example, be recognised by the words "believe", "expect", "intend", "aim", "estimate", "assume", "deem", "predict", "can", "will", "shall", "should", "as estimated", "consider", "may", "plan", "potential", "forecast", "as far as is known" or the negative of these words and other similar expressions as they are used to identify information related to future events. Other forward-looking statements can be recognised from the context in which they are used. Forward-looking statements are present in various sections of the Prospectus, among others "Summary", "Risk factors", "Market overview", "The Company's business", "Operational and financial review", "Capitalisation, indebtedness and other financial information", "Corporate governance", "Share capital and ownership structure", "Legal considerations and supplementary information" and "Certain tax considerations in Sweden". Such other forward-looking statements include statements related to, among others:

- the Company's strategy and growth prospects, including its financial and operative targets,
- the Company's ability to manage growth and identify and secure new customers,
- the cost of developing new products and services, and the time such costs and development will occur,
- the Company's dependence on the markets in which it operates,
- the competition on the markets where the Company operates,
- the general economic development and the development within the industry and the markets where the Company operates,
- changes to laws and regulations and the effects thereof,

- the timing of the expected success of expansions on certain markets, and
- the Company's dividend policy and ability to distribute dividends.

Although the Company believes the forward-looking statements made in the Prospectus are reasonable, the Company cannot guarantee that the circumstances or expectations covered by such forward-looking statements will occur or prove to be correct. As forward-looking statements as those described in this section are based on assumptions or estimates and depend on risks and uncertainties, the outcome or results that actually occur may differ substantially from those in the forward-looking statements. Other factors that may cause the Company's actual result, performance or outcome to differ materially from the expectation include, but are not limited to, such factors as described in the "Risk factors" section.

The forward-looking statements contained in the Prospectus apply only as of the date of Prospectus. The Company undertakes no obligation whatsoever to disclose, update or revise any forward-looking statements other than what is required by law, whether any change to the forward-looking statements is a result of new information, future events or otherwise. Potential investors are therefore advised not to rely on any forward-looking statements made in the Prospectus.

Presentation of financial and other information

Historical financial and other information

The Prospectus contains the Company's audited consolidated financial statements for the financial years ending on December 31, 2017, 2016 and 2015, which have been prepared in accordance with IFRS as adopted by the European Union ("IFRS") and in accordance with the Annual Accounts Act (Sw. *Årsredovisningslagen*).

The financial statements for the financial years 2017, 2016 and 2015 have been audited by the Company's auditor in accordance with the disclosure contained in the audit report elsewhere in the Prospectus.

Unless otherwise expressly stated, the Company's auditor has not reviewed or audited the financial information in the Prospectus.

The performance measures contained in the Prospectus, which are not defined according to IFRS (alternative performance measures), are not recognised financial performance measures according to IFRS. The Group management uses these alternative performance measures to monitor the underlying development of the Company's business and believes that they assist investors in understanding the Company's development from period to period and that they facilitate comparisons with similar companies.

In particular, the performance measures not defined according to IFRS, shall not be regarded as a replacement for revenue, other income, operating profit/loss, profit/loss for the period, cash flow from current operations at the end of the period, or other items in the income statement or cash flow statement calculated in accordance with IFRS. The performance measures not defined according to IFRS do not necessarily indicate whether the cash flow will be sufficient or available to meet the liquidity requirement and it is possible they will not provide any indication of the Group's historical operating income. These measures are also not intended to be an indication of the Company's future results.

In the Prospectus, the Company provides the performance measures not defined in the IFRS as the Company believes these measures are important additional measures of the Company's and the Group's performance and that such measures, to a great extent, are used by investors to compare different companies' performances. Since all companies do not calculate these, or other performance measures not calculated in accordance with IFRS, in the same way, it is possible that the way which the management has decided to use these performance measures cannot be compared with measures that are defined in a similar way and that are used by other companies. For more information about measures that are not calculated in accordance with IFRS, see section *"Selected historical financial information – Definition of alternative performance measures not defined according to IFRS"*

Roundings

Certain financial and other information contained in the Prospectus have been rounded to make the information more accessible to the reader. Consequently, the numbers in some columns do not correspond to the exact total amount.

Intellectual Property Rights

The Company owns or holds rights to certain intellectual property rights used in its operations and the Company reserves all rights in accordance with applicable laws regarding such intellectual property rights.

Any trademark, trade name or copyright mentioned in the Prospectus and which does not concern the Company, belongs to the proprietor of such trademarks, trade names and copyrights. For convenience only, the trademarks, trade names and copyrights mentioned in the Prospectus are included without the symbols™, ® och ©.

Market data

The Prospectus contains information about the Company's markets. Unless otherwise stated, the information is based on the Company's own analyses and assessments, and an external market report from consulting firm Capgemini Consulting from May 2018 (the **"Market Report"**). Lime has commissioned and paid for the writing of the Market Report and Lime believes it is reliable. As part of the basis for the report, Capgemini Consulting (**"Capgemini"**) has obtained company information from Lime.

Information obtained from third parties, including the information provided by Capgemini, has been reproduced accurately. Insofar as the Company is aware and can be assured through comparisons with other information published by concerned third parties, including Capgemini, no such information has been omitted that would render the information incorrect or misleading.

The Prospectus also contains estimates of market data, and information derived from such market data, which cannot be obtained from market research companies or other independent sources. The Company obtains such information based on external sources and the Company's own estimates. Such market data is, in many cases, generally available, for example, from industry associations,

government agencies or other organisations and institutions. The Company believes that its assessments of market data and information derived from such sources are beneficial to investors' understanding of the industry in which the Company operates and for the Company's position within the industry. As the Company does not have access to all facts and assumptions on which the market information contained in the Prospectus is based, the Company cannot validate such information and, despite the Company's belief that the information is reliable, the Company cannot guarantee its accuracy or completeness. Although the Company believes that its own market estimates are reliable, the Company's estimates are not reviewed or verified by any external party. Although the Company is not aware of any incorrect statements about the industry or otherwise in the Prospectus, such data involves risks and uncertainties and may change due to various factors, including those discussed in the "*Risk factors*" section.

Invitation to acquire shares in Lime Technologies

Lime and the Main Shareholder have resolved to diversify the ownership of the Company through the Offer under the Prospectus. Lime's board of directors has therefore applied for listing of the Company's shares on Nasdaq Stockholm. On November 7, 2018 the listing committee of Nasdaq Stockholm resolved to admit the Company's shares to trading provided that some conditions, including the dispersion requirement for the Company's shares, are met at the latest on the first day of trading, which is planned to be the December 6, 2018.

The Offer consists of two parts (i) the offer to the general public in Sweden and (ii) the offer to institutional investors in Sweden and internationally. Investors are hereby invited, in accordance with the terms and conditions of the Prospectus, to acquire 4,428,261 shares in Lime, corresponding to 35.4 percent of the total numbers of shares in the Company. The Main Shareholder has undertaken through the Over-allotment Option, at the request of the Global Coordinator, to sell not more than a further 664,239 shares, corresponding to not more than 15.0 percent of the number of shares covered by the Offer and not more than 5.3 percent of the total number of shares in the Company, to cover any over-allotment in connection with the Offer. Assuming that the Over-allotment Option is exercised in full, the Offer will comprise not more than 5,092,500 shares in Lime, corresponding to 40.7 percent of the total number of shares in the Company.

The price of the Offer is 72 SEK per share. The price of the Offer has been determined by the Main Shareholder in consultation with the Joint Bookrunners, based on the discussions that preceded the undertakings made by the Cornerstone Investors, contacts with certain other institutional investors, the estimated interest to invest from other institutional investors, current market conditions and a comparison with other comparable listed companies based on a multiple valuation regarding estimated results and cash flows. The value of the Offer is MSEK 318.8 if the Over-allotment Option is not exercised and MSEK 366.7 should the Over-allotment Option be exercised in full.

The Company's transaction costs related to the Offer is expected to amount to approximately MSEK 9.4.

Swedbank Robur Fonder AB (on behalf of Swedbank Robur Microcap and Swedbank Robur Focus) and Aktiebolag Grenspecialisten (through Grenspecialisten Förvaltning AB), where Swedbank Robur Microcap and Aktiebolag Grenspecialisten are shareholders before the Offer, and LMK Venture Partners AB, RoosGruppen AB, and C Worldwide Asset Management Fondsmäglerselskap AS Danmark Filial i Sverige have committed to acquire shares in the Offer for a total amount of MSEK 146.8 (the commitments of the Cornerstone Investors are subject to certain conditions and if these are not met, the commitments might not be carried out). For further information regarding Cornerstone Investors, see section *"Legal considerations and supplementary information – Commitments by Cornerstone Investors"*.

Cornerstone Investors will through the Offer acquire 2,038,888 shares (corresponding to 16.3 percent of the shares and votes in the Company) and Cornerstone Investors will thus (including the shares that two Cornerstone Investors already own before the Offer), after the completion of the Offer, and before the first day of trading, own 3,287,638 shares (corresponding to 26.3 percent of the shares and votes in the Company). In addition to this, the CEO of Lime, Erik Syrén has declared that he intends to apply to purchase shares amounting to MSEK 9.5 in the Offer, through his wholly owned company, Syringa Capital AB. However, only Cornerstone Investors are guaranteed allotments in accordance with their respective undertakings.

Background and reasons

Lime is one of the leading players in SaaS Customer Relationship Management (CRM) in the Nordic market. Lime develops, sells and implements user-friendly and flexible CRM systems. Lime's business model is based on the offering of long-term subscription agreements as well as consulting services for implementation and continuous customisation of its products to each customer's needs and demands. Lime has a comprehensive organisation including everything from development, sales, implementation and support, which creates a turnkey offering that facilitates efficient and value-creating CRM solutions for the customers. The head office is located in Lund and as of September 30, 2018 the Company had 189 employees located at six offices in Sweden, Norway, Denmark and Finland.

The Company has shown strong financial progression since it was founded in 1990 and has increased its net sales from MSEK 144.8 during the 12-month period ending December 31, 2015 to MSEK 232.9 during the 12-month period ending September 30, 2018, corresponding to an annual average growth rate of 19 percent. The Company has since its founding showed profitable growth. Although the Company's revenues primarily have been driven by organic growth, the Company has since 2017 carried out some small acquisitions in order to broaden the Company's product portfolio, which have all had a positive effect on the Company's development and growth.

Lime's current main owner, Monterro, acquired the Company in 2014 together with some of the Company's senior executives and has implemented a number of strategic initiatives to strengthen Lime's competitive position and improve the Company's efficiency and growth. A transformation of the business model commenced in 2015, meaning the business has been shifting from one-off sales of license rights to subscription sales. In addition, the Company has focused on maintaining a high growth rate, strengthening the organisation in Sweden and other Nordic countries, further development of the product portfolio as well as carrying out additional business acquisitions to strengthen Lime's overall offerings.

Monterro's investment strategy is to acquire and support growth in attractive software companies with potential for further development. The investment strategy also entails a subsequent divestment of the acquired companies within a certain period of time. Lime's board of directors and the Main Shareholder believe it is now a suitable time to strengthen Lime's profile through a listing of the Company's shares on Nasdaq Stockholm. Nonetheless, the Main Shareholder will remain as a significant and committed shareholder and will by retaining a portion of its holdings be able to participate in the Company's future development. The Company's board of directors believe that the listing of the Company's shares will further increase recognition and awareness of the Company's operations and activities, strengthen Lime's profile vis-à-vis investors and customers, as well as strengthen the ability to attract and retain qualified personnel and key employees. The Offer and the listing will broaden the shareholder base and give Lime access to the Swedish and international capital markets. In addition, the Offer allows the Main Shareholder and the other Selling Shareholders to sell a portion of its current shareholding and to create a liquid market for the shares henceforth.

The Offer only comprises existing shares. Lime will not receive any proceeds from the sale of existing shares.

The board of directors is responsible for the contents of the Prospectus. The board of directors assures that all reasonable precautionary measures have been taken to ensure that the information in the Prospectus, as far as the board of directors is aware, corresponds to the factual circumstances and that nothing has been omitted that could affect its meaning.

November 26, 2018 Stockholm

Lime Technologies AB (publ)

The board of directors



Market overview

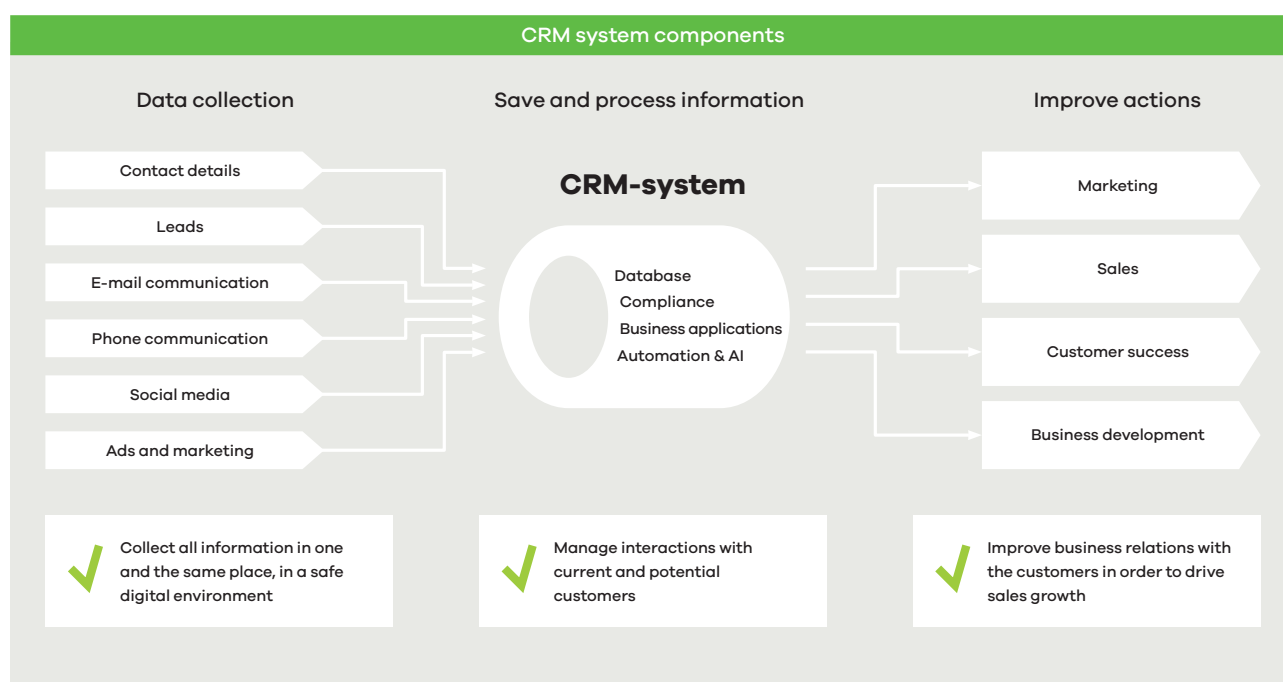
The Prospectus contains information concerning the Company's markets. Unless otherwise stated, the information is based on the Company's own analysis and assessments, and the Market Report commissioned and paid for by the Company. Forecasts and forward-looking statements in this section are no guarantee for future results and actual events and circumstances may differ significantly from current expectations. In addition, see section "Forward-looking statements and presentations of financial and other information".

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.



Source: The Company's assessment.

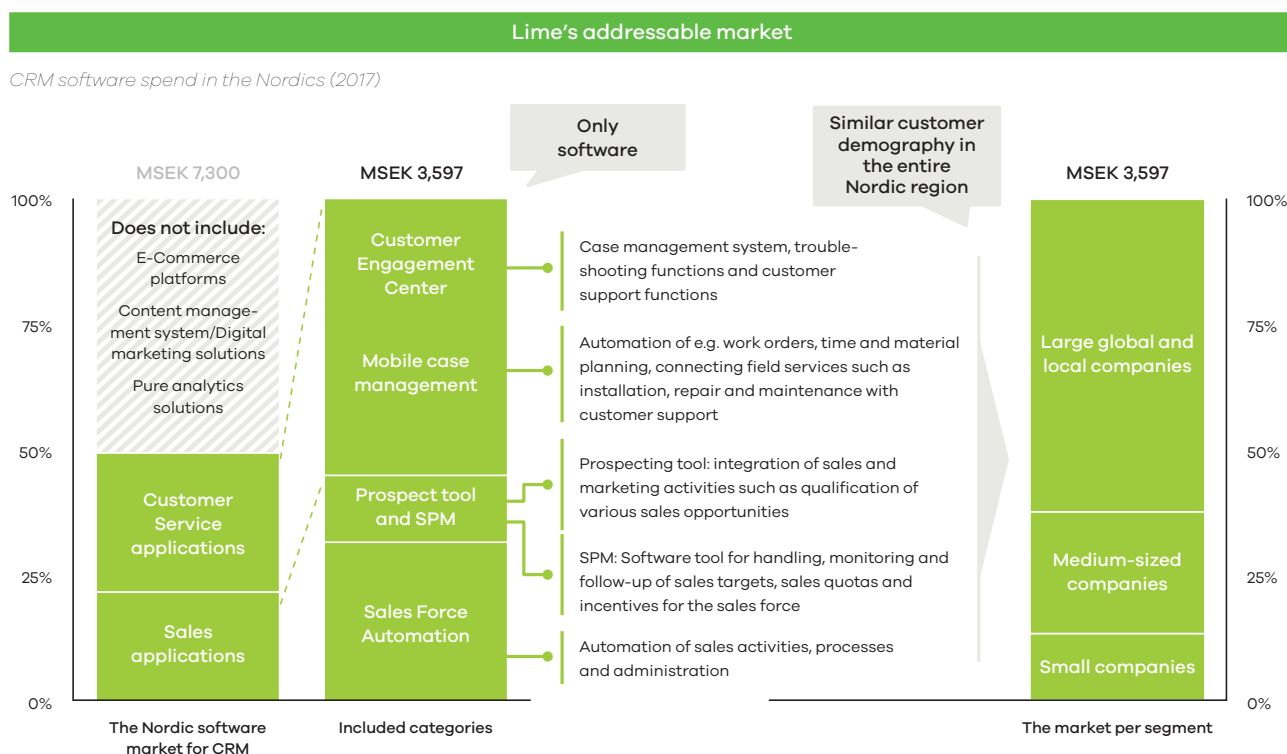
Based on customer demands, Lime provides both On-premise and SaaS CRM systems. Lime also offers consulting services ("**Expert Services**"), to meet customer-specific customisations and to ensure successful implementations of the CRM systems. Expert Services are an important part of Lime's total offering 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 3,597¹⁾. 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

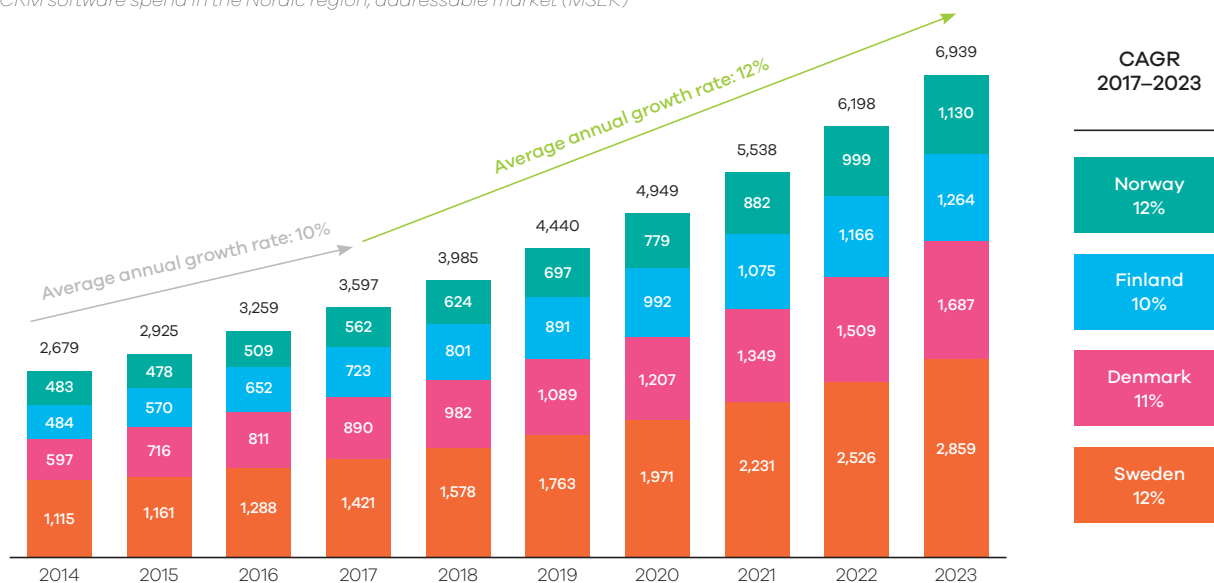
Capgemini estimates the Company's addressable market within the Nordic software market for CRM systems to be worth MSEK 3,597 in 2017, whereof MSEK 1,421 in Sweden, MSEK 890 in Denmark, MSEK 723 in Finland and MSEK 562 in Norway.¹⁾ Growth in Lime's addressable market was 10 percent annually between 2014 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 2017–2023.²⁾

1) Based on the Market Report.

2) Based on the Market Report.

Market development 2014–2023

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



Source: The Market Report.

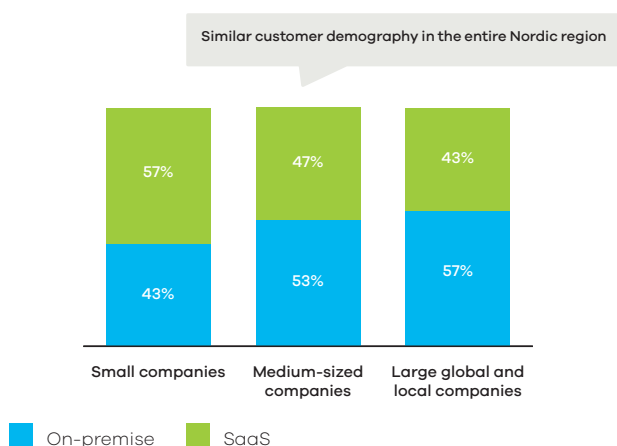
Market penetration and split between SaaS and On-premise system

The total use of CRM systems among Nordic companies was 36 percent on average in 2017. The highest level of use is in Finland, where 39 percent of all companies with more than 10 employees use a CRM system, followed by Denmark (36 percent), Norway (35 percent) and Sweden (35 percent). About half of the companies in the Nordic region that use a CRM system today have bought SaaS CRM and about half On-premise. The use of SaaS CRM in the Nordic region today is largest among small businesses (57 percent), followed by medium-sized companies (47 percent) and large companies (43 percent)¹⁾

Capgemini believes that about 60 percent of all companies in the Nordic region are currently not using any CRM system, which is an indication of a great potential for new implementations for first-time customers. Furthermore, a large part, about two thirds, of today's CRM systems are traditional On-premise systems, which means there are opportunities for upgrades to new SaaS solutions.

% of SaaS and On-premise per segment (2017)

CRM software spend in the Nordic region, addressable market



Source: The Market Report.

1) Based on the Market Report.

Opportunities for both system upgrades and new customers

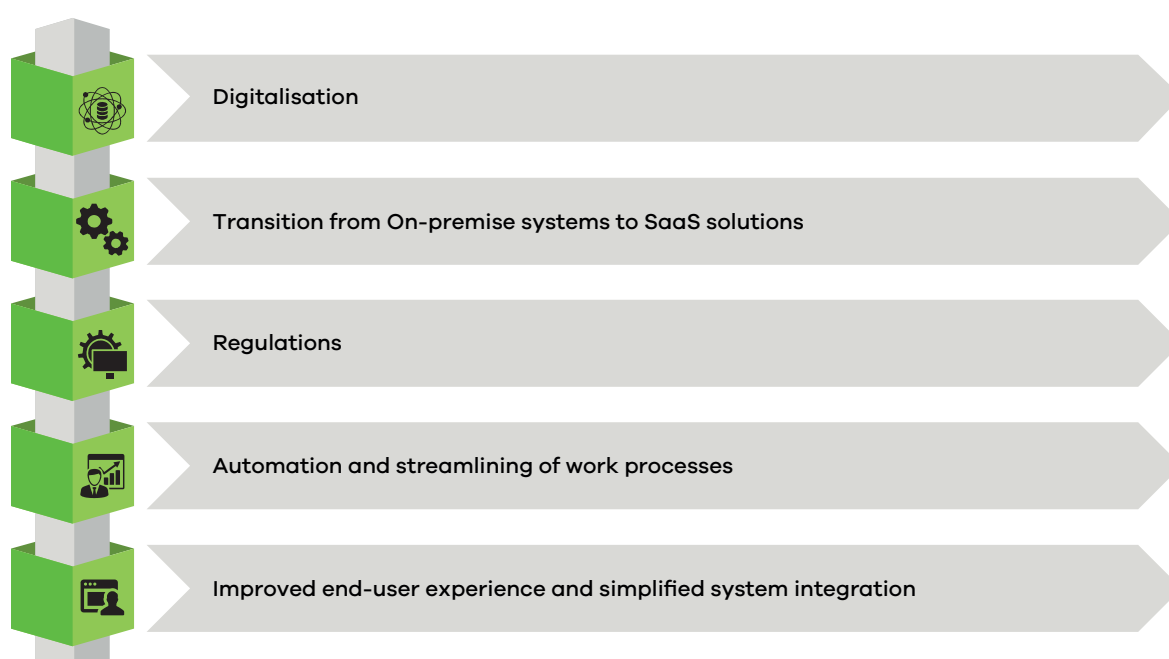
% of companies who buy CRM and SaaS CRM (2017)



Source: The Market Report.

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.¹⁾



Source: The Market Report / the Company's assessment.

1) Based on the Market Report.

Digitalisation

The increased degree of digitalisation in society means that companies are progressively digitalising their business relations. In line with this, companies are increasingly conducting their marketing, sales and customer dialogue online. Increased digitalisation leads to increased need for, and benefit from, CRM systems that provide services for managing business relationships online.

Transitioning from On-premise system to SaaS solutions

The use of SaaS CRM systems is expected to increase sharply due to the transition from traditional On-premise systems to SaaS solutions. SaaS is particularly attractive to SMEs that currently lack a CRM system, but also for large companies that wish to upgrade existing On-premise systems and add more value-add modules such as digital marketing, analysis and artificial intelligence ("AI"). A cloud-based SaaS solution simplifies connections between different processes and systems, creating long-term

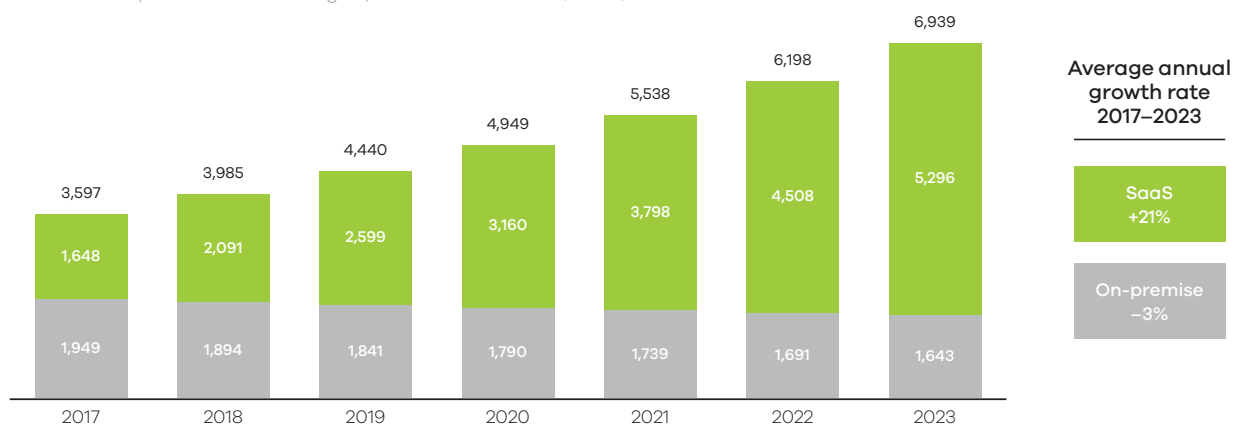
benefits for the customer. SaaS CRM systems are sold under a subscription model with low entry prices. This leads to increased availability of CRM systems in the market, as customers do not have to make vast initial investments in license fees and implementation costs, as is usually the case with traditional On-premise systems.

SaaS also have benefits for suppliers of CRM systems, as subscription revenues are repetitive and can grow with additional users or more services. This can be compared to traditional On-premise systems that usually consist of an initial one-time license fee, annual maintenance fees, and upgrades.

As part of Lime's addressable market, SaaS is expected to grow from approximately 45 percent in 2017 to approximately 75 percent in 2023, equivalent to an average growth rate of approximately 21 percent per annum during 2017–2023.¹⁾

Evolution of SaaS and On-premise 2017–2023

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



Source: The Market Report.

1) Based on the Market Report.

Regulations

In recent years, more rigorous regulations have been introduced in Europe and the Nordic region regarding the processing of personal data and compliance therewith. GDPR, which came into force in 2018, is expected to be a strong driver for increased use and market penetration of CRM systems. By using CRM systems, companies can improve their control and management of customer data, e.g. by systematic methods to respond to requests for data from authorities and other third parties (for example due to the data subject's right to be forgotten or to obtain registry extracts). Without a CRM system, internal processes to meet such needs are more resource demanding and costly. CRM systems are also expected to create benefits within the areas of data protection and industry-specific regulations. This means increased demands to protect and handle customer data, which can further drive the demand for CRM systems.

Automation and streamlining of work processes

High labour costs drive the demand for CRM systems to optimise and streamline sales and customer service processes. An important justification for investing in CRM systems is the built-in automated workflows and processes that reduce manual work for the user. Automated workflows and processes further reduce companies' dependence on specific employees.

The integration of CRM data into other business processes and IT systems is expected to increase as suppliers develop Customer Data Platforms ("CDPs") that can be provided through open application programming interface ("API"). CDPs provide opportunities for CRM system providers to develop and generate add-on sales of Big Data and analysis tools, primarily to the SME sector, where they lack their own developers, and for whom recruitment of in-house developers often is not justifiable from a cost perspective.

Many CRM system suppliers have begun to integrate and apply artificial intelligence (AI) with the goal of offering predictive recommendations and automated actions in their products. According to Capgemini, AI will primarily be used in coming years for less complex tasks such as data entry or inquiries in the area of customer service applications.

Improved end-user experience and simplified system integration

An important consideration in implementing CRM systems is the extent to which end users actually will use the system. It is particularly important that users don't perceive the CRM system as additional administration in their daily work. Standard solutions with pre-packaged applications and well-documented APIs are key factors to reduce implementation costs and to ensure that end-users actually use the CRM system. Core features within CRM systems have been stabilised at a level where an improved end-user experience is driven by system configurations and vertical-specific installations. CRM system suppliers therefore need to get more advanced knowledge of operations, processes, rules and systems to succeed in local markets and in various industry verticals.

Competitive position

Competitors

Lime's addressable market is relatively consolidated, and the six largest players jointly have approximately 65 percent of the market.¹⁾ Based on software-related revenue, a large part of the Nordic market, about 55 percent, is held by major global players like Microsoft (20 percent), Salesforce (17 percent), SAP (12 percent) and Oracle (6 percent). Local players like Lime and SuperOffice hold a market share of approximately 3 and 7 percent respectively. 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, specifically focusing on SMEs and large Nordic companies within Lime's four focus verticals, 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.

Lime's strongest market position is on the Swedish addressable software market for CRM systems, with 89 percent of its net sales originating from Sweden in 2016. According to Capgemini, Lime's software-related revenue represented a market share of approximately 7 percent in Sweden for the same period. Lime estimates that, in the corresponding

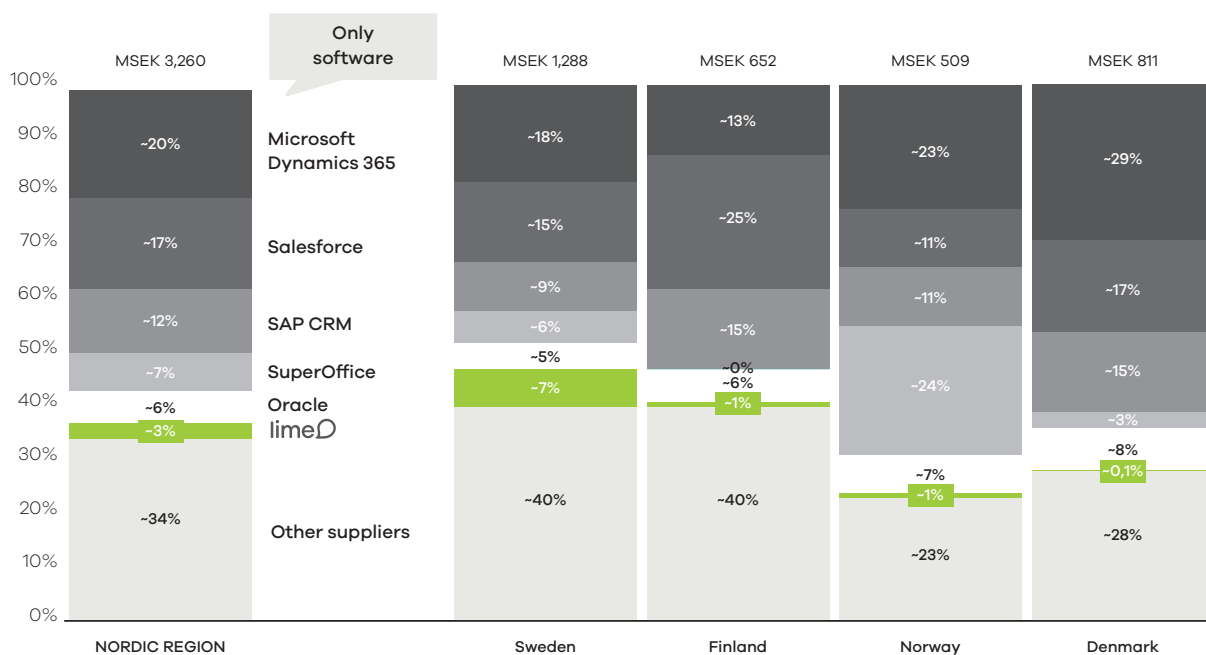
1) Based on the Market Report.

market for SMEs, and based on its revenue from this segment and Capgemini's Market Report, the Company has an even higher market share. Unlike the major global competitors, Lime also provides Expert Services, which, according to the Company, is an important part of the total offering and contributes to significant value-add to the customer. During the 12-month period ending September 30, 2018, Expert Services represented 38 percent of Limes total sales and software sales accounted for 61 percent.

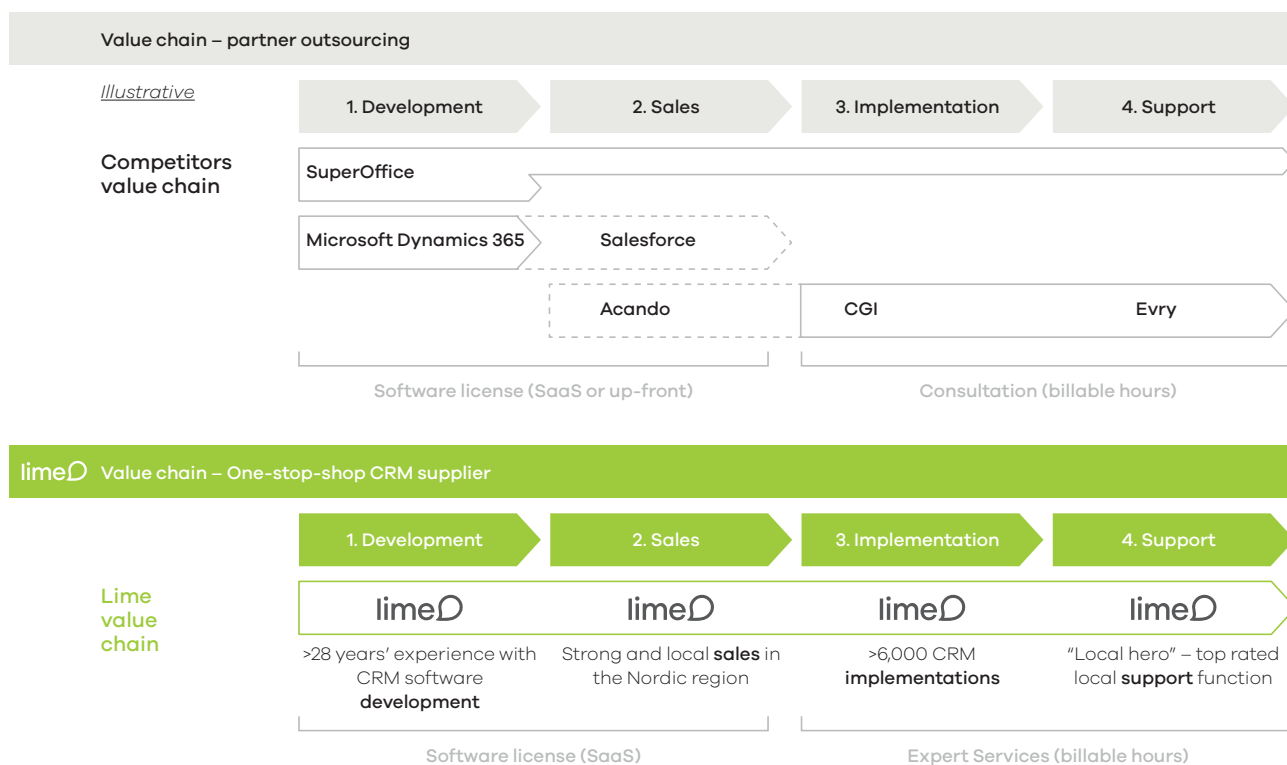
The value chain on the CRM market can be divided into four different parts: development, sales, implementation and support. Lime is a turnkey supplier, thus covering the entire value chain, including all four parts. The global players active in the Nordic market, as well as SuperOffice, largely use various external partners to sell, implement and support the CRM systems, or a combination of external partners and their own involvement. Lime believes that there is currently no competitor on the Nordic software market for CRM systems who covers the entire value chain, exclusively work with direct sales and exclusively focuses on CRM systems as is the case with Lime.

Market shares for CRM suppliers in the Nordic region

CRM software spend in the Nordic region (2016), addressable market



Source: The Market Report.



Source: The Market Report / the Company's assessment.

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.

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

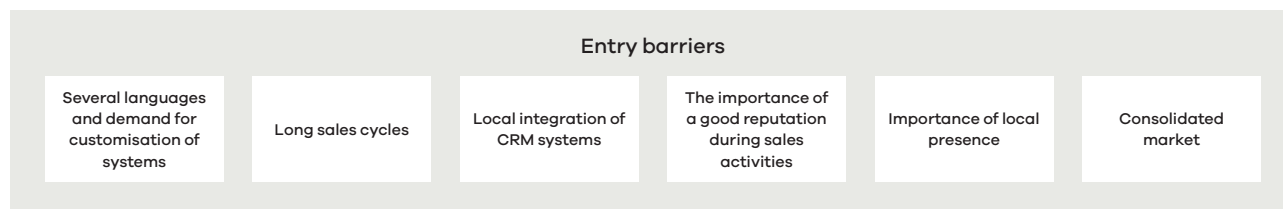
1) Grey flag indicates limited or emerging presence.

2) Limited or emerging focus. 

Source: The Market Report / the Company's assessment.

Barriers to entry

There are a number of barriers to entry on the Nordic software market for CRM systems that contribute to low expected competition from both new smaller niche players and major players.



Source: The Market Report / the Company's assessment.

Various languages and a need for customised systems

Many customers require the supplier to have local language skills, particularly during the implementation of the CRM system. The Nordic market consists of four countries with different languages, meaning there is a need for local adaptation of the CRM systems. The development of a multi-language CRM system and continuous customisation of the system requires significant resources in terms of personnel, extensive experience with CRM systems, as well as knowledge about the customer and the business-specific verticals.

Long sales cycles

Large companies typically have sales cycles ranging from 6–18 months, while SMEs tend to have slightly shorter sales cycles. Long sales cycles require significant and extensive efforts in the pre-sales phase, i.e., the time from first contact to closing the deal. This means new players have to make significant investments to establish a relationship with a potential customers.

Local integration of CRM systems

SMEs and large Nordic companies use largely local business systems and other industry-specific IT systems, requiring broad knowledge of local businesses and business systems, which in turn leads to costly integrations for new players.

The importance of a good reputation

A good reputation is critical in the Nordic market, especially as companies in the same region tend to share experiences. In addition, Nordic customers often show a high degree of loyalty, which they base on many years of valuable service and personal expertise received.

The importance of a local presence

There is a relatively high concentration of SMEs in the Nordic market compared to the rest of Europe. SMEs tend to buy services from local suppliers, which increases the importance of having a local presence.

Consolidated market

The six largest players, including Lime, jointly have approximately 65 percent of the Nordic market. Market leaders are usually more profitable than their competitors due to economies of scale and that they often have a more comprehensive product offering than small niche players.



The Company's business

Overview

Lime is a leading SaaS CRM supplier in the Nordic market.¹⁾ 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 September 30, 2018, the Company had 189 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 2017 accounted for 86.3 percent of net sales, with rapid sales growth in other Nordic countries. Lime's customer group mainly consists of SMEs and large Nordic companies in one of Lime's four focus verticals. Today, the Company has a customer base of over 4,500 companies with approximately 60,000 users. By the end of 2017, Lime had implemented more than 6,000 CRM systems implementations for Nordic companies. Lime has built specific expertise in four focus verticals: Energy, Real Estate, Wholesales 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.

Lime's experienced management is recognised for its proven ability to identify and implement operational and strategic initiatives. Following an ownership change in 2014, Lime initiated a transformation of its business model from offering one-off software license rights, to offering subscription agreements structured as cloud-based SaaS CRM. This change has led to an increase of the share of recurring revenue from 37 percent in 2015 to 54 percent in 2017²⁾. Since 2017, Lime has completed three business acquisitions and thus broadened the Company's

product offering, which has had a positive impact on financial development and growth.

In the twelve-month period ending September 30, 2018, net sales amounted to MSEK 232.9 representing an average annual growth of 19 percent since 2015. During the same period, the adjusted EBITA margin was on average 23 percent. At the end of September 2018, Annual Recurring Revenue ("**ARR**")³⁾ amounted to MSEK 142.5, corresponding to an annual growth of 35 percent since December 31, 2015.

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".

History

Lime (name change from Lundalogik in 2017), was founded in 1990 in Lund by Joakim Bengtson, Lars Sigebo and Magnus Egelberg. The company initially devoted itself primarily to programming on assignments. In 1992, the Company launched its first CRM software under the name KONTAKT, making it possible to gather customer information in a database.

In 1995, KONTAKT was named the Best Software all categories on the Swedish market, by the magazine Datateknik, which was the starting point for focusing on CRM. After having customised a CRM system in 1997, further functionality was added to the CRM software, making it an integral part of the product portfolio.

Streamlining of the operations with focus on CRM systems (2000–2007)

In 1999, the Company decided to streamline its operations towards the development of software for CRM systems. In 2000, an office for sales and consultancy activities was established in Stockholm and the Company had approximately ten employees and reached net sales in excess of MSEK 10. 2002 was a milestone in the Company's history with the launch of the software Lime CRM, which was a more advanced CRM software than previous versions.

1) The Company sees itself as one of the leading actors based on partly its market share on the fragmented market, partly on a comparison of its total offering and its competitors offerings. Furthermore, the Company is the largest actor on the Nordic market with regard to both the number of employees exclusively working with CRM and the number of installations.

2) Revenue of annual recurring nature refers to support and maintenance income and subscription revenues. For a complete description of the Company's performance measures, see section "Selected historical financial information – Alternative performance measures not defined according to IFRS".

3) Recurring revenues at the end of the quarter recalculated to 12 months. For a complete description of the Company's performance measures, see the section "Selected historical financial information – Alternative performance measures not defined according to IFRS".

Lime CRM was developed based on the demand for advanced functionality and adaptability. The Company worked in close cooperation with its first customer, NCC, and developed a standardised software that could be customised to different businesses' high demands on CRM systems in different shapes. In 2004, an office was established in Gothenburg and the Company had more than 25 employees. The organisation grew rapidly with sustained profitability in 2004–2007. The success led to increased attention for the Company and Lime was acquired by Bisnode in 2007.

Initial geographic expansion and product development (2008–2013)

In 2010, Lime expanded to Norway by establishing an office in Oslo. In the same year, the Company enhanced its presence in Finland by replacing its Finnish retailer with its own office in Helsinki. In 2012 the development of a product platform for a cloud-based Lime CRM system was initiated, driven by demands from SMEs and the new product Lime Go was pilot-launched. Lime Go was developed to meet the demands for a more standardised CRM system with focus on SMEs' sales activities and in 2013 Lime Go was launched on the Swedish market. Erik Syrén took over as CEO in 2013, after being active in the Company since 2001.

Transformation of business model, expansion of the organisation and business acquisitions (2014 and forward)

In 2014, Lime was acquired by Monterro and the Company's current management. In 2015, the new owner initiated a transformation of the business model from selling one-off software license rights to offering subscription agreements. Furthermore, the Company's focus has been on maintaining a high growth rate, strengthening the organisation in Sweden and the other Nordic countries, further developing the product portfolio and carrying out business acquisitions to boost Lime's total offering.

In 2014, Lime expanded to Denmark by establishing an office in Copenhagen and it further made investments in increased product development activities. In 2016, Lime spent focused efforts on improving brand awareness in Sweden as well as in the rest of the Nordic region. A new graphic profile was created in 2017 and the Company changes its name to Lime.

As a step in the Company's strategy to further improve and broaden its product range, the Company acquired RemoteX Technologies AB in February 2017 and Netoptions Sweden AB

(BizWizard) in October 2017. Netoption's automated marketing software, and RemoteX's software for mobile case and work order management, have both broadened and deepened Lime's product portfolio. Lime acquired Hysminai AB (Sparta) in April 2018, and is now offering its customers visualisation and gamification for their sales organisation.

In the beginning of 2018, the Company got two new institutional shareholders when Swedbank Robur Microcap and Aktiebolag Grenska Specialisten acquired 5.90 percent respectively 4.09 percent of the shares in Lime to an *enterprise value* of MSEK 1,000 (equal to an *equity value* at the time of MSEK 847.25).

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.¹⁾ 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) Based on the Market Report.

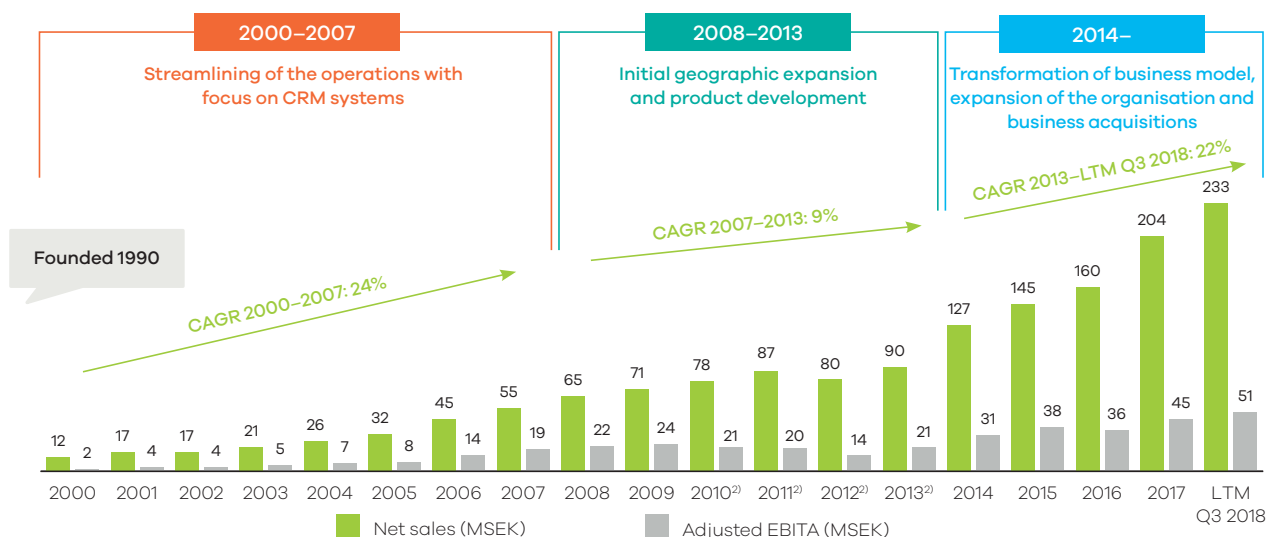
Strong position with SMEs and a comprehensive CRM offering

Lime has more than 28 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.

Lime has a strong position in the market for SMEs and large local companies. To succeed in the Nordic market for CRM systems, the Company believes it is required to have a strong local presence and knowledge of Nordic operations and system requirements, partly due to local customers, languages and related systems. Lime focuses on the local markets through its six offices in Sweden, Finland, Denmark and Norway, which, combined with a competitive offer of powerful, flexible and user-friendly CRM systems, contributes to an attractive position in the Nordic CRM market.

Today, the Company has an extensive customer base of over 4,500 companies with approximately 60,000 users. As of September 30, 2018, Lime had achieved over 6,000 CRM system implementations for Nordic companies. Through its local presence and comprehensive offering, Lime is able to establish good relations with customers in order to increase customer satisfaction and the use of CRM systems. During the 12-month period ending September 30, 2018, Lime's support function achieved a 98.7 percent customer satisfaction¹⁾ rating, thanks to its efficient handling and its local presence.

Historical financial development¹⁾



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. For reconciliation and information on sources from where the information is gathered and information on accounting principles, see table "Reconciliation of historical development of adjusted EBITA 2000–2017" in section "Selected historical financial information – Reconciliation tables". For a complete description of the Company's performance measures, see section "Selected historical financial information – Alternative performance measures not defined according to IFRS".

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. Onesoft was included in the Norwegian operations that were sold by Bisnode during 2012. During 2010, the net sales in the Finnish and Norwegian operations amounted to MSEK 0.3 respectively MSEK 9.6 (of which MSEK 9.2 in the Norwegian operations was attributable to Onesoft), and EBIT amounted to MSEK –1.9 respectively MSEK –2.9 (of which MSEK 0.9 in the Norwegian operations was attributable to Onesoft). During 2011, the net sales in the Finnish and Norwegian operations amounted to MSEK 2.6 respectively MSEK 9.6 (of which MSEK 8.3 in the Norwegian operations was attributable to Onesoft), and EBIT amounted to MSEK –1.2 respectively MSEK 0.0 (of which MSEK –1.8 in the Norwegian operations was attributable to Onesoft). During 2012, the net sales in the Finnish and Norwegian operations amounted to MSEK 4.6 respectively MSEK 5.0 (of which MSEK 0.7 in the Norwegian operations was attributable to Onesoft), and EBIT amounted to MSEK –0.4 respectively MSEK –0.5 (of which MSEK –0.7 in the Norwegian operations was attributable to Onesoft). During 2013, the net sales in the Finnish and Norwegian operations amounted to MSEK 3.4 respectively MSEK 8.4 (of which MSEK –0.7 in the Norwegian operations was attributable to Onesoft), and EBIT amounted to MSEK –1.6 respectively MSEK 0.7.

1) Customer satisfaction is based on a survey conducted by the customer support department using the question "Would you recommend someone else to contact our customer service?".

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: Energy, 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 the 12-month period ending September 30, 2018.¹⁾ Thus, the Company is not dependent on only a few customers. Over the 12-month period ending September 30, 2018, Lime had, in addition to a low

customer concentration, also a positive net churn rate. During this 12-month period, the Company's net churn rate for software revenues amounted to 4 percent.²⁾

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 January–September 2018 amounted to 58 percent.³⁾ In addition, a large part of net sales come from consulting services from existing customers and during January–September 2018 68 percent was of a recurring nature.⁴⁾ 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 for the twelve-month period ending on September 30, 2018.⁵⁾ ARR⁶⁾ has increased from MSEK 62 in 2015 to MSEK 142 at the end of September 30, 2018, corresponding to an average annual growth rate of 35 percent.⁷⁾ During the corresponding period, net sales grew annually on average by 19 percent and the average adjusted EBITA margin amounted to 23 percent.⁸⁾

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 the 12-month period ending September 30, 2018, recurring revenue as a percentage of total operating

1) The data is taken from the Company's internal business system.

2) The data is taken from the Company's internal business system. Net churn is defined as net upgrades, downgrades and termination of existing customers. It excludes revenue from the RemoteX acquisition. Software revenues include subscription revenues as well as support and maintenance revenue.

3) Revenue of annual recurring nature refers to support and maintenance income and subscription revenues. For a complete description of the Company's performance measures, see section "Selected historical financial information – Alternative performance measures not defined according to IFRS".

4) Not included in the performance measure *recurring revenue*. The data is taken from the Company's internal business system.

5) Revenue of annual recurring nature refers to support and maintenance income and subscription revenues. For a complete description of the Company's performance measures, see section "Selected historical financial information – Alternative performance measures not defined according to IFRS".

6) Recurring revenues at the end of the quarter recalculated to 12 months. For a complete description of the Company's performance measures, see section "Selected historical financial information – Alternative performance measures not defined according to IFRS".

7) For a complete description of the Company's performance measures, see section "Selected historical financial information – Alternative performance measures not defined according to IFRS".

8) For a complete description of the Company's performance measures, see section "Selected historical financial information – Alternative performance measures not defined according to IFRS".

expenses amounted to 67 percent.⁹⁾ The subscription 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 2017, more than 3,000 applications were received to 50 vacancies, and in 2015–2017, average annual employee growth was 22 percent. 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 and of all new employees in 2017, approximately 75 percent were fresh university graduates.

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.

Strategy

Organic growth

Lime's main focus is on organic growth. Based on trends described above, Capgemini 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 revenue¹⁾ 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 24 percent and 53 percent respectively between 2016–2017.²⁾ 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. According to Capgemini, both the UK and the Netherlands are, for example, considered to be digitally advanced and early adopters of new technology with expected strong growth in the CRM market, representing an average of 13 percent and 12 percent annually during 2017–2020. The usage of CRM systems in the Netherlands is about 45–50 percent, which is higher than the UK, 30–35 percent, and the Nordic region, 35–40 percent.³⁾

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 knowledge 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.

1) For more information, see section "Selected historical financial information – Quarterly financial information".

2) For more information, see section "Selected historical financial information – Quarterly financial information".

3) Based on the Market Report.

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.

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

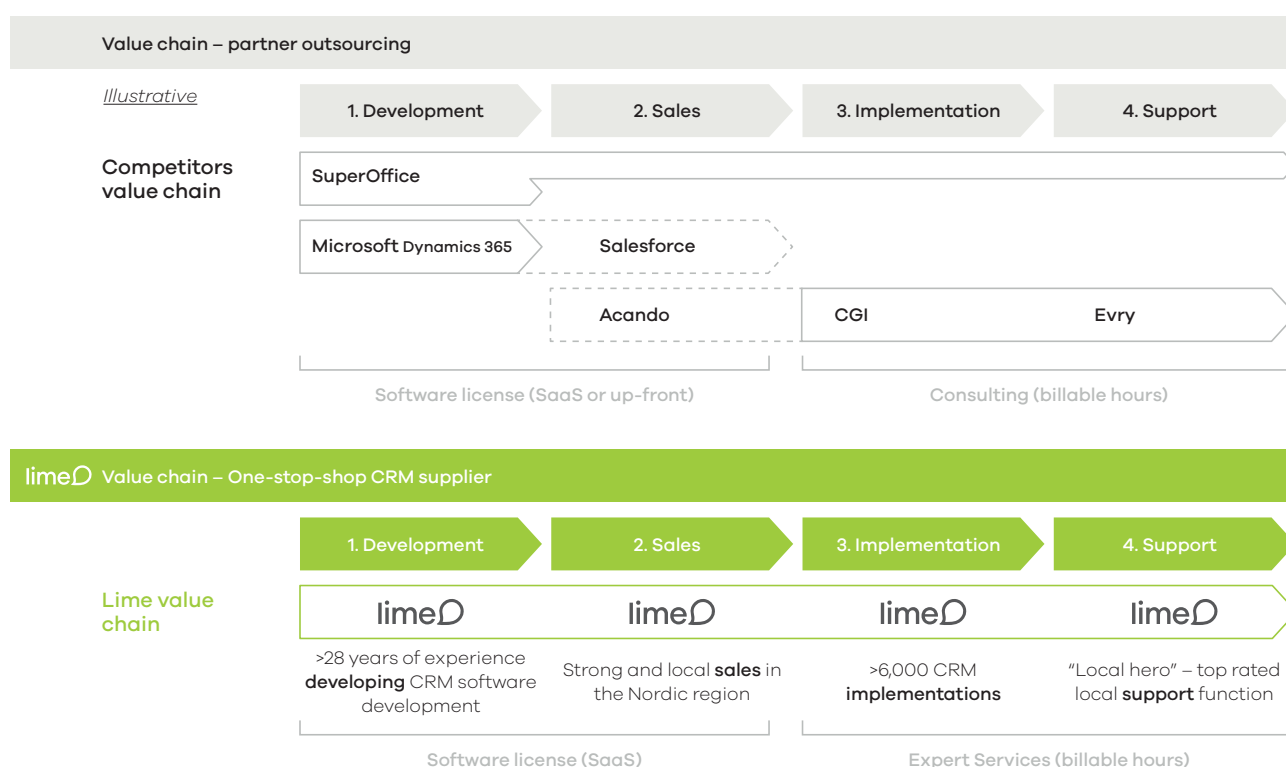
Prior to the listing on Nasdaq Stockholm, Lime's board of directors has adopted a set of financial targets linked to Lime's growth strategy.

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

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.



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

Lime's product offerings

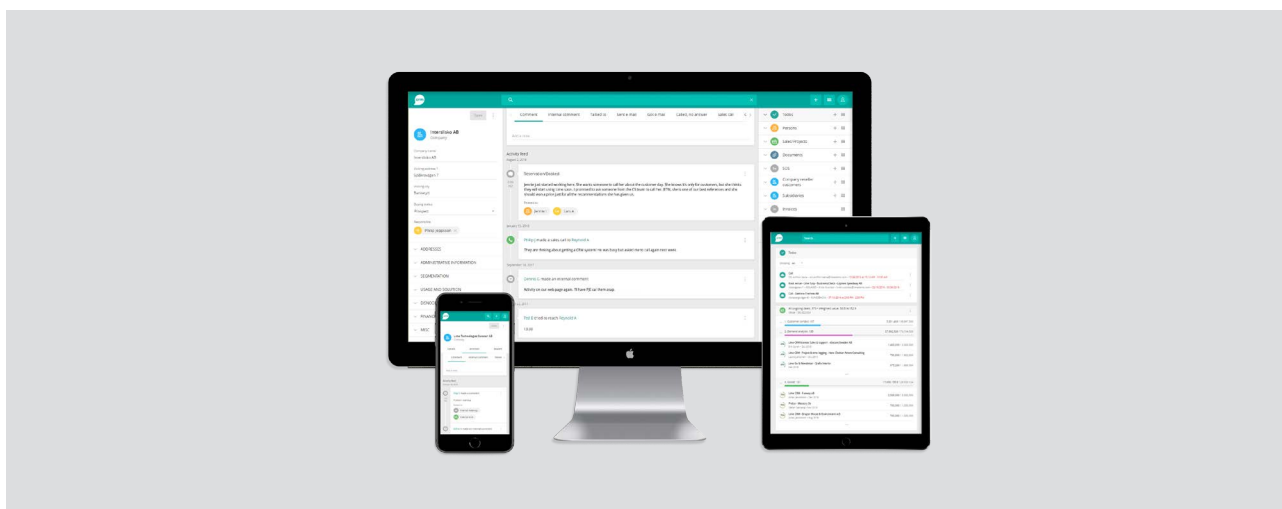
Lime currently offers two different CRM platforms: Lime CRM and Lime Go with associated add-on modules, e.g. Lime Engage, Lime Field and Lime Newsletter. In addition, Lime has the product platform Lime Easy that no longer is actively offered to new customers. During the period January–September, 2018 Lime CRM, Lime Go, Lime Easy and add-on modules represented approximately 76, 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.



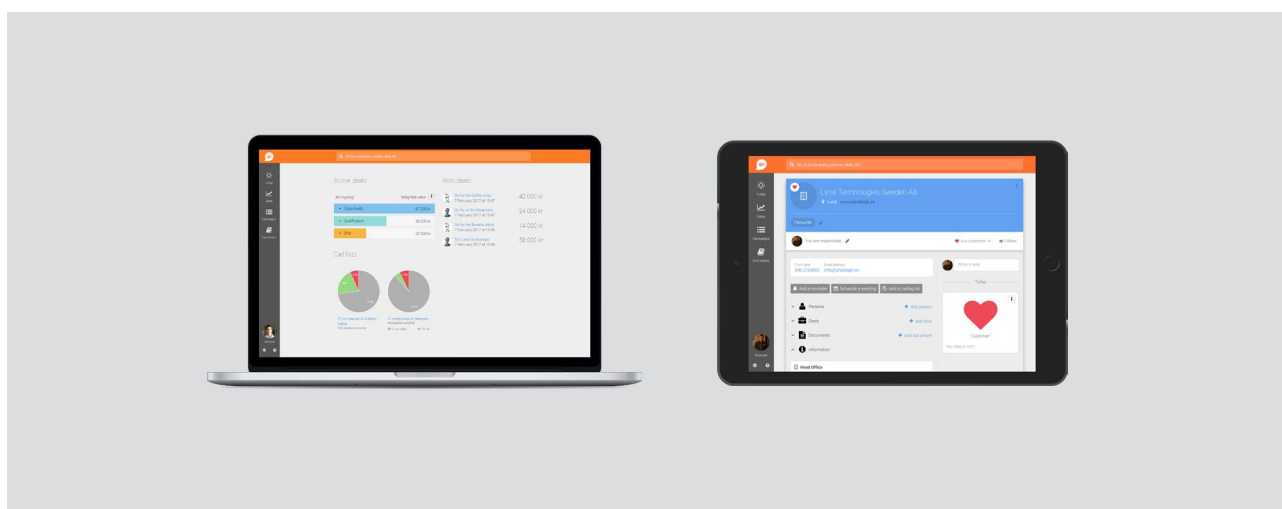
Lime Go

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 employ-

ees 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.



Lime Easy

Lime Easy was launched with the name KONTAKT for the first time in 1992, but the name was changed to Lime Easy in 2012 in order to become a more clear part of the product portfolio. Lime Easy is a proven and stable CRM product that, in addition to basic functions such as contacts, history, to-do tasks, businesses and projects, offers a good adaptability. After the launch of Lime CRM in 2002, Lime Easy was primarily aimed towards the target group 3–30 users since larger customers entail higher technical requirements and a greater desire of adaptability than Lime Easy offers.

In connection with the launch of Lime Go, which is aimed at the target group 3–20 users, a successive transfer of Lime Easy customers to either Lime CRM or Lime Go, depending on the needs of the customer, was initiated. In 2015, Lime stopped to actively market Lime Easy in order to focus on the modernised product platforms Lime CRM and Lime Go. Lime Easy still has many satisfied users today, but the product is very seldomly sold to new customers. For the period January–September, 2018 Lime Easy represented approximately 7 percent of the Company's total net sales. Customers that need web interfaces, advanced functionalities or other requirements on further objects are now regularly transferred to Lime Go or Lime CRM.

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. During the period January–September, 2018, 32 percent of net sales for Expert Services came from new customers and 68 percent from existing customers.

Sales and marketing

Lime has a regional and vertical based sales team consisting of 47 sales representatives as of September 30, 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 classifies its sales in two different categories depending on customer type: inbound and outbound.

Inbound

Inbound sales are when Lime contacts customers who, through various marketing activities, have shown interest in purchasing CRM systems. Lime primarily works with inbound sales towards companies who need relatively standardised CRM systems for sales and marketing, typically SMEs. Inbound is the main sales channel for Lime Go and it accounts for almost half of the completed deals for Lime CRM. The sales cycle is therefore shorter than for

outbound sales, and the cycle varies from one day to six months.

Lime focuses on measurement-driven leads generation for the processing of new customers and has a streamlined, largely automated process for creating and capturing interest in their CRM systems. The sales and marketing departments work closely together to maximise the sales representatives' time spent on qualified business opportunities. The marketing department hands over qualified leads, Marketing Qualified Leads ("**MQL**") that are then further qualified and processed by the sales department. When a sales representative believes a lead can be converted to a new customer, it becomes a Sales Qualified Lead ("**SQL**"). Lime is continuously analysing the relationship between MQLs and SQLs in order to achieve more efficient conversions and use of sales representatives' time.

Outbound

Outbound sales are when Lime proactively contacts companies that are considered to have a need of CRM systems with highly specialised solutions within a specific vertical. These are mostly large companies. The sales process differs for these customers compared to customers who have more standardised demands. The sales organisation works from the basis of making potential customers aware of challenges and issues that are typical to their field of business. The sales process is proactive and extended and characterised by Lime demonstrating solutions to problems that Lime knows are commonly present in these companies' operations. These types of deals are fewer, but typically generate higher revenue per deal. Lime CRM accounts for the bulk of outbound sales.

An outbound sales cycle for new customers generally goes on for 3–18 months, depending on the size of the customer, the scope of the product and whether or not a relationship currently exists. Further, some major customers conduct an extensive procurement process prior to purchasing a CRM system.

Customer Support, Customer Success and Key Account Management

CRM is a living process that requires continuous adjustments and improvements to provide the values a company is looking for. Therefore, customers must always have access to Lime's expertise and Lime needs to have close proximity to its customers. This allows for proactive work with customers and the constant development of solutions. The Company believes this aspect of the relationship

between customer and supplier is particularly strong in Lime's case. As Lime's offer covers the entire CRM value chain, from delivery to support, few hand-overs are needed and the risk of losing knowledge along the way is minimal.

Lime has a strong support function to which all paying customers have access. Incoming cases are usually received by phone, e-mail or via the chat function integrated in the products. A large number of incoming cases, about 70 percent, are handled directly during the first interaction with the customer, which contributes to the very high level of customer satisfaction within support. During the 12-month period ending September 30, 2018, Lime's support function achieved 98.7 percent customer satisfaction¹⁾, thanks to its efficient management and local presence. Customers with standardised CRM solutions are generally managed by the Company's Customer Success Experts. This team puts efforts into certain proactive measures aiming at boosting the customers' use of their CRM systems, and hence reducing potential terminations.

The Company's major customers, typically those with more than 100 users, are supported by Key Account Managers ("**KAM**") who manage the customers' unique needs and the greater scope and complexity of the solutions delivered. Understanding and suggesting solutions to customers before problems arise creates high values and trust in the relationship between customer and supplier. A customer with 21–100 users is typically supported by an Account Manager in similar ways.

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: Energy, 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. Below are a number of customer examples within the industry verticals that make up Lime's focus. In 2017, sales to the four industry verticals amounted to approximately 40 percent of total net sales.

¹⁾ Customer satisfaction is based on a survey conducted by the customer support department based on the question "Would you recommend someone else to contact our customer service?".



Source: Company data.

Lime has customers in the segments of small, medium and large local companies. On September 30, 2018, Lime had approximately 4,500 customers with approximately 60,000 users. The majority of users use Lime CRM.

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 the 12-month period ending September 30, 2018, the Company's net churn rate¹⁾ for software revenues amounted to 4 percent. Net churn during the period consists of the net of upgrades amounting to 20 percent (MSEK 1.6) and downgrades amounting to -6 percent (MSEK -0.5), as well as terminations amounting to 10 percent (MSEK 0.8) for existing customers. Lime's customers often continue to purchase Expert Services and during January-September, 2018, 68 percent of Expert Services revenue came from existing customers.²⁾

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 the 12-month period ending September 30, 2018 amounted to 57 percent.³⁾ Lime's

customer base is diversified and during the 12-month period ending September 30, 2018, the largest customer accounted for 2 percent of total sales, while the ten largest customers accounted for 10 percent.⁴⁾

Product development

Lime develops products according to modern principles, which often fall under the umbrella definition of agile software development. The organisation works in small autonomous development groups where each group has its own area of responsibility within the product portfolio, with a well-defined vision and clear interests, goals and priorities. The groups are cross-functional and self-organised; they are responsible for the entirety of their area and have competences in e.g. product management, software architecture, development, delivery, maintenance and operations. The Company believes in efficient development through clear priorities, short decision-paths, and continuous improvements. As of September 30, 2018, Lime had 31 developers.

Lime works from a strategy called continuous delivery. This means the Company supplies small product improvements frequently – rather than major improvements infrequently. This modern and automated method leads to more efficient development and better quality and it helps the Company understand and achieve customer benefits quickly. All product development within Lime is administered through systematic code and case management.

1) The data is taken from the Company's internal business system. Net churn is defined as net of upgrades, downgrades and termination of existing customers expressed in monthly repetitive revenues ("MRR" or "Monthly Recurring Revenue"). Excludes revenue from the Remotex acquisition.

2) The data is taken from the Company's internal business system.

3) Revenue of annual recurring nature refers to support and maintenance income and subscription revenues. For a complete description of the Company's performance measures, see section "Selected historical financial information - Alternative performance measures not defined according to IFRS".

4) The data is taken from the Company's internal business system.

Lime's short-term focus is on improving and expanding features for sales and sales managers. In the long term, the Company is aiming for more efficient data collection and management (Big Data), Machine Learning and Artificial Intelligence. Lime also focuses on developing more advanced in- and outbound sales features, to strengthen functions that attract potential new customers, as well as features that simplify direct and proactive sales.

Technology platforms

The architecture of Lime CRM is designed to optimise flexible configuration and simple expansion of functionality through the Company's Expert Services organisation, internal development teams or technical partners. The architecture is therefore a modern service-oriented application platform based on the technologies Python, SQL Server, Elasticsearch and RabbitMQ. The operating platform is optimised for high flexibility, scalability and rapid development and is built on the Docker container technology. The product supports both local customer installations (On-premise) and cloud deliveries based on Amazon Web Services. To enable flexible customisation and secure system separation, Lime CRM is built as a single-tenancy architecture. Lime CRM's web client needs to support different screen sizes of web and mobile clients and is therefore built as a responsive single-page client.

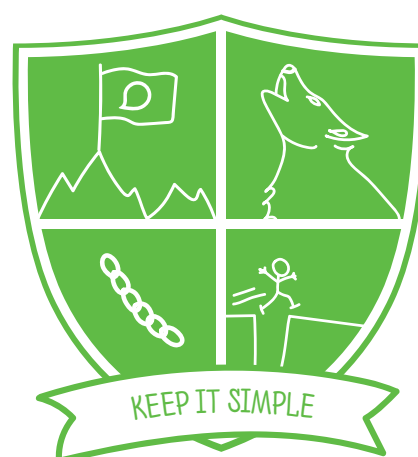
The architecture of Lime Go is designed to support smaller customers with a system that is easy to maintain and use. The operating platform is optimised for simplicity and low cost, with a cloud delivery based on Amazon Web Services, and multi-tenancy architecture where all end-users use the same underlying system. Lime Go is built as a web application on Microsoft's ASP.NET technology, as well as PostgreSQL and Elasticsearch. Lime Go's web client is also designed to support different screen sizes with a responsive single-page client.

Other products in the product portfolio are managed as integrated, but external services to the main platforms, allowing separate technology stacks and operating opportunities, as well as effective development and integration.

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.



- Make a mark: Don't accept the status quo. Make a difference!
- Spend wisely: Act as if it is your own money.
- Don't break the chain: We are one company, not a number of silos. Keep your promise!
- Just do it: Don't wait for someone else to solve the issue. Fix it!

Employee

As of September 30, 2018, the Company had 189 employees ("FTE"), spread out over six offices: Lund (head office), Stockholm, Gothenburg, Copenhagen, Oslo, and Helsinki.

The table below shows the number of FTEs per office on September 30, 2018 and December 31, 2017, 2016 and 2015.

Office	Sep 30	Dec 31		
	2018	2017	2016	2015
Lund (head office)	86	89	84	68
Stockholm	46	42	25	25
Gothenburg	23	22	21	15
Oslo	11	11	10	6
Helsinki	14	13	10	8
Copenhagen	9	8	6	2
Total	189	185	156	124

Source: Company data.

The table below shows the number of FTEs per function on September 30, 2018 and December 31, 2017, 2016 and 2015.

Function	Sep 30	Dec 31		
	2018	2017	2016	2015
Development	31	28	21	18
Product and market	10	10	10	7
Sales	47	49	43	33
Expert Services	78	74	62	50
Customer Support	14	15	12	10
Finance, IT and management	9	9	8	4
Total	189	185	156	122

Source: Company data.

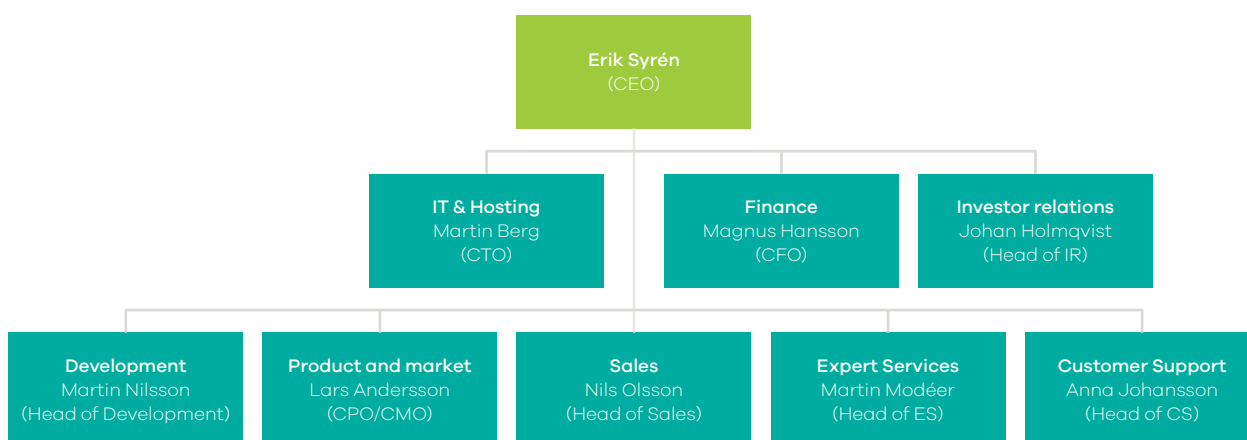
Lime occasionally hires temporary consultants and other temporary staff.

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. In 2017 and 2018, the number of employees increased in part due to the acquisitions of RemoteX, Netoptions and Sparta.

The Company is proactive and innovative in its recruitment efforts, with the aim of finding and attracting new talent. The Company 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 2017, the Company had more than 3,000 applications with approximately 50 applicants being employed. About 70 percent of new employees are fresh university graduates. 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 Promoter Score ("NPS") of 29 in September 2018, on a scale from -100 to 100.

Organisation

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



Source: Company data.

Selected historical financial information

The below selected historical financial information for financial years 2017, 2016 and 2015 is derived from the Company's audited consolidated financial statements, audited by PwC in accordance with the auditor's report included elsewhere in the Prospectus. The below selected historical information for the period January–September 2018 and 2017 is derived from the Company's unaudited consolidated financial statement for the period January–September 2018 (with comparison information for the corresponding period in 2017) and has been reviewed by PwC in accordance with the review report included elsewhere in the Prospectus. The Company's audited and unaudited financial statements for relevant periods have been prepared in accordance with IFRS as adopted by the EU. The Company's unaudited financial statements for the period January–September 2018 and 2017 have been prepared on the same basis as the audited financial statements and have only been subject to normal and periodic adjustments necessary for an equitable assessment of the presented interim report.

The following information should be read in conjunction with the section "Operational and financial review" and the Company's consolidated financial statements, and related notes, included in the section "Historical financial information".

The Group's consolidated statement of other comprehensive income in summary

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2017	2016	2015	2018	2017
Net sales	203.9	160.4	144.8	175.4	146.4
Other revenue	0.6	0.4	0.2	0.4	0.4
Gross income	204.5	160.8	145.0	175.8	146.8
<i>Operating expenses</i>					
Compensations to employees	–123.7	–97.6	–85.0	107.0	–89.3
Capitalised development work done by own employees	13.3	8.9	7.7	12.5	9.8
Depreciation	–14.4	–7.5	–6.0	–14.3	–10.0
Other expenses	–46.7	–33.4	–28.7	–40.7	–32.9
Total operating expenses	–171.5	–129.6	–112.0	–149.4	–122.4
Operating income	33.0	31.2	32.9	26.4	24.4
Financial income	0.0	0.1	0.0	0.0	0.0
Financial expenses	–1.4	–1.4	–1.2	–1.6	–1.0
Income after financial net	31.6	29.9	31.8	24.8	23.4
Taxes	–7.9	–6.8	–7.1	–4.7	–5.0
Net income for the period	23.7	23.1	24.7	20.1	18.4
Consolidated statement of other comprehensive income					
Other comprehensive income					
Items that may be reclassified to the income statement					
Translation adjustments	–0.2	0.2	0.0	0.5	–0.1
Other comprehensive income for the period, net of tax	–0.2	0.2	0.0	0.5	–0.1
Other comprehensive income for the period	23.6	23.3	24.6	20.6	18.3
Other comprehensive income for the period, attributed to:					
Shareholders of the Parent	23.6	23.3	24.6	20.6	18.3
	23.6	23.3	24.6	20.6	18.3
Earnings per share, based on income attributable to shareholders of the Parent Company during the period (SEK/share)					
Earnings per share					
– basic	475	461	493	402	367
– diluted	449	437	470	379	348
Average number of shares, basic	50,000	50,000	50,000	50,000	50,000
Average number of shares, diluted	52,879	52,724	52,545	53,134	52,879

The Group's consolidated balance sheet in summary

MSEK	Dec 31			Sep 30	
	2017	2016	2015	2018	2017
ASSETS					
Non-current assets					
Intangible assets					
Capitalised development expenses	30.4	20.4	13.5	39.2	27.4
Software	43.2	14.0	16.0	43.3	32.6
Trademarks	33.5	33.5	33.5	33.5	33.5
Customer relationships	16.4	19.1	21.9	14.3	17.1
Goodwill	59.4	59.4	59.4	59.4	59.4
Total intangible non-current assets	182.8	146.4	144.2	189.7	169.9
Tangible non-current assets					
Vehicles	3.1	3.1	2.9	3.0	3.1
Equipment	0.8	0.3	0.4	0.7	0.7
Total tangible non-current assets	3.9	3.4	3.3	3.8	3.8
Financial non-current assets					
Other financial non-current assets	0.5	0.5	0.4	0.6	0.5
Total financial non-current assets	0.5	0.5	0.4	0.6	0.5
Deferred tax asset	0.1	0.1	0.0	0.1	0.1
Total non-current assets	187.3	150.3	147.9	194.1	174.3
Current assets					
Trade receivables	40.0	31.6	27.1	45.6	34.1
Current tax assets	1.8	1.1	2.1	0.0	0.0
Other current receivables	0.0	0.4	0.0	0.8	0.4
Prepaid expenses and accrued revenues	4.1	4.0	2.4	2.1	5.6
Total current assets	45.9	37.1	31.6	48.5	40.2
Cash and cash equivalents	24.2	29.7	27.0	16.3	23.5
Total current assets	70.1	66.8	58.5	64.9	63.6
Total assets	257.5	217.2	206.4	258.9	237.9
EQUITY AND LIABILITIES					
Equity attributable to the Parent Company's shareholders					
Share capital	0.1	0.1	0.1	0.5	0.1
Additional paid in capital	53.0	53.0	53.0	53.0	53.0
Reserves	0.0	0.2	0.0	0.4	0.0
Retained earnings including net income	35.0	11.3	40.7	-20.2	29.7
Total equity	88.1	64.5	93.8	33.7	82.8
Liabilities					
Non-current liabilities					
Borrowings	30.7	40.2	8.6	85.5	40.1
Deferred tax liabilities	22.9	20.5	20.0	24.5	20.2
Total non-current liabilities	53.7	60.7	28.7	110.1	60.3
Current liabilities					
Borrowings	23.3	15.3	16.0	27.9	19.1
Trade payables	8.9	5.4	5.2	7.9	7.4
Current tax liabilities	11.5	11.2	5.7	7.4	7.0
Other current liabilities	10.3	7.3	6.5	13.8	10.0
Accrued expenses and prepaid revenue	61.8	52.8	50.5	58.1	51.3
Total current liabilities	115.7	91.9	83.9	115.1	94.8
Total liabilities	169.3	152.6	112.6	225.2	155.1
Total equity and liabilities	257.5	217.2	206.4	258.9	237.9

The Group's statement of cash flow in summary

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2017	2016	2015	2018	2017
Cash flow from current operations					
Cash flow from operating activities	48.3	41.8	37.8	27.5	26.2
Interest paid	–1.4	–1.4	–1.2	–1.6	–0.9
Income taxes paid	–7.1	–6.3	–6.6	–3.1	–5.0
Cash flow from current operations	39.8	34.1	30.1	22.8	20.2
Cash flow from investing activities					
Investment in intangible non-current assets	–14.1	–8.9	–7.7	–12.8	–9.8
Investment in tangible non-current assets	–1.9	–0.9	–2.0	–0.2	–0.6
Sales of tangible non-current assets	1.9	0.0	0.0	0.0	0.0
Acquisitions of subsidiaries	–29.7	0.0	0.0	–2.4	–20.0
Investment in financial non-current assets	0.0	–0.2	–0.3	0.0	0.0
Interest received	0.0	0.1	0.0	0.0	0.0
Cash flow from investing activities	–43.8	–9.9	–10.0	–15.4	–30.3
Cash flow from financing activities					
Proceeds from options	0.0	0.0	0.1	0.0	0.0
Dividend paid	0.0	–52.5	0.0	–75.0	0.0
Proceeds from borrowings	12.5	71.1	1.2	130.0	12.5
Repayment of borrowings	–14.0	–40.2	–36.6	–70.8	–8.8
Cash flow from financing activities	–1.5	–21.6	–35.2	–15.8	3.7
Net cash flow	–5.5	2.6	–15.2	–8.4	–6.3
Net change in cash					
Cash and cash equivalents, beginning of year	29.7	27.0	42.4	24.2	29.7
Exchange rate differences on cash	0.2	0.2	–0.3	0.5	0.1
Cash and cash equivalents, end of year	24.2	29.7	27.0	16.3	23.5

IFRS performance measures

The below performance measures for financial years 2017, 2016 and 2015 are derived from the Company's audited consolidated financial statements, audited by PwC in accordance with the auditor's report included elsewhere in the Prospectus. The below performance measures for the period January–September 2018 and 2017 are derived from the Company's unaudited consolidated financial statement for the period January–September 2018 with comparison information for the corresponding period in 2017 and have been reviewed by PwC in accordance with the review report included elsewhere in the Prospectus.

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2017	2016	2015	2018	2017
Net sales	203.9	160.4	144.8	175.4	146.4
Income for the period	23.7	23.1	24.7	20.1	18.4
Earnings per share, basic (SEK)	475	461	493	402	367
Earnings per share, diluted (SEK)	449	437	470	379	348
Average number of shares outstanding, basic	50,000	50,000	50,000	50,000	50,000
Average number of shares outstanding, diluted	52,879	52,724	52,545	53,134	52,879

Alternative performance measures not defined according to IFRS

Presented below are certain alternative performance measures that are not defined according to IFRS (alternative performance measures). Group management uses these alternative performance measures to monitor the underlying development of the Company's business and believes that they assist investors in understanding the Company's development from period to period and facilitate comparisons with similar companies. The performance measures for financial years 2017, 2016 and 2015 derive from the Company's audited consolidated financial statements, audited by PwC in accordance with the auditor's report included elsewhere in the Prospectus. The alternative performance measures for the period January–September 2018 and 2017 derive from the Company's unaudited consolidated financial statement for the period January–September 2018 with comparison information for the corresponding period in 2017 and have been reviewed by PwC in accordance with the review report included elsewhere in the Prospectus

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2017	2016	2015	2018	2017
Net sales growth (%)	27.1%	10.8%	–	19.8%	–
Organic net sales growth (%)	15.3%	10.8%	–	15.0%	–
Annual recurring revenue (MSEK)	125.9	84.1	62.4	142.5	111.6
Recurring revenue (MSEK)	110.2	73.7	54.0	101.3	79.5
Recurring revenue in relation to operating expenses (%)	64.3%	56.9%	48.2%	67.8%	64.9%
EBITDA	47.4	38.7	39.0	40.7	34.4
EBITDA margin (%)	23.3%	24.1%	26.9%	23.2%	23.5%
EBITA	43.3	35.9	37.7	36.2	31.2
EBITA margin (%)	21.3%	22.4%	26.0%	20.6%	21.3%
EBIT	33.0	31.2	32.9	26.4	24.4
EBIT margin (%)	16.2%	19.4%	22.7%	15.0%	16.7%
One-off items that distort comparisons	2.0	0.0	0.3	2.6	1.4
Adjusted EBITDA	49.4	38.7	39.3	43.3	35.9
Adjusted EBITDA margin (%)	24.2%	24.1%	27.1%	24.7%	24.5%
Adjusted EBITA	45.3	35.9	38.0	38.8	32.6
Adjusted EBITA margin (%)	22.2%	22.4%	26.2%	22.1%	22.3%
Adjusted EBIT	35.0	31.2	33.3	29.0	25.8
Adjusted EBIT margin (%)	17.2%	19.4%	23.0%	16.5%	17.6%
Net debt (MSEK)	29.2	25.3	–2.7	96.6	35.3
Number of employees (average)	185	156	124	189 ¹⁾	158 ¹⁾
Net sales per employee (MSEK)	1.1	1.0	1.2	1.2 ¹⁾	1.2 ¹⁾
Cash flow from current operations per share (SEK)	796	682	602	457	405

1) The performance measures have, where applicable, been recalculated to last 12 months (LTM) values per September 30.

Definition of alternative performance measures not defined according to IFRS

Performance measure	Definition	Reason for use of measure
Annual recurring revenue (ARR)	The recurring revenue for the quarter's last month recalculated to a 12-month period.	The measure indicates the value of revenue expected to be recurring during the coming 12 months or more. The recurring revenue is further impacted by new and additional sales and lost customers. The measure is also important for industry comparisons.
Number of employees	Number of employees refers to the average 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.
EBITDA	Operating income before depreciation of tangible and intangible non-current assets.	The purpose is to evaluate the Group's operational activities. EBITDA is a supplement to operating income as it is a measure of the operational cash flow.
EBITDA margin	EBITDA divided by net sales, expressed as a percentage.	The EBITDA margin is, along with net sales growth, used for the analysis of value creation and profitability in relation to sales.
EBITA	Operating income before depreciation of acquired intangible non-current assets.	The purpose is to analyse the Group's operational activities. EBITA is a supplement to operating income as it is an indication of the operational cash flow after depreciation of tangible assets and capitalised development expenses.
EBITA margin	EBITA divided by net sales, expressed as a percentage.	The EBITA margin is, along with net sales growth, used for the analysis of value creation and profitability in relation to sales.
Adjusted EBITDA	Adjusted EBITDA shows EBITDA adjusted for one-off items that distort comparisons.	The purpose is to provide an indication of the Company's underlying profitability generated from the current operations excluding items that distort comparisons.
Adjusted EBITDA margin	Adjusted EBITDA divided by net sales, expressed as a percentage.	The purpose is to provide an indication of the Company's underlying profitability generated from the current operations excluding items that distort comparisons and expressed as a percentage of net sales.
Adjusted EBITA	Adjusted EBITA shows EBITA adjusted for one-off items that distort comparisons.	The purpose is to provide an indication of the Company's underlying profitability generated from the current operations excluding items that distort comparisons.
Adjusted EBITA margin	Adjusted EBITA divided by net sales, expressed as a percentage.	The purpose is to provide an indication of the Company's underlying profitability generated from the current operations excluding items that distort comparisons and expressed as a percentage of net sales.
Adjusted EBIT	Operating income according to the income statement adjusted for one-off items that distort comparisons.	The purpose is to provide an indication of the Company's underlying profitability generated from the current operations excluding items that distort comparisons.
Adjusted EBIT margin	Adjusted EBIT divided by net sales, expressed as a percentage.	The purpose is to provide an indication of the Company's underlying profitability generated from the current operations excluding items that distort comparisons and expressed as a percentage of net sales.
One-off items that distort comparisons	Refers to items that are reported separately as they are of a significant nature and distort comparisons and are considered foreign to the Group's ordinary core operations. Examples are acquisition related expenses, expenses relating to IPOs or restructuring costs.	One-off items that distort comparisons are items that, when excluded, show the Company's profitability excluding items the nature of which is not recurring as a part of the current operations.

Performance measure	Definition	Reason for use of measure
Cash flow from current operations per share	Cash flow from current operations divided by the average number of shares outstanding.	The purpose is to allow comparison of cash flow from current operations, per share.
Net sales growth	Growth in net sales shows growth in net sales compared to the same period previous year, expressed as a percentage.	The measure allows the Company to compare its growth rate between different periods and against the overall market and competitors.
Net debt	Interest-bearing non-current and current liabilities less financial assets.	The measure shows the Company's real level of debt.
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 measure of how net sales per employee changes over time and is also used for industry comparisons.
Organic growth in net sales	Shows net sales growth adjusted for acquisitions the last 12 months. Acquired companies are included in the calculation of organic growth when they have been part of the Lime Group for four quarters.	The measure allows the Company to monitor growth in net sales excluding the impact from any acquisitions.
Recurring revenue	Revenue of annually recurring nature includes support and maintenance revenue and subscription revenue.	The measure is an indication of the portion of the Company's revenue that was recurring during a certain period and is important for industry comparisons.
Recurring revenue in relation to operating expenses	Revenue of annually recurring nature in relation to operating expenses.	The measure provides an indication of the portion of the Company's operating expenses that are covered by recurring revenue during a certain period and is important for industry comparisons.
Operating margin (EBIT margin)	Operating income divided by net sales, expressed as a percentage.	The measure is, along with net sales growth, used for the analysis of value creation and profitability in relation to sales.

Reconciliation tables

The tables below present reconciliations of alternative performance measures against the Group's IFRS-based performance measures by reversal of certain items. The tables and the calculations are unaudited unless stated otherwise. For definitions of alternative performance measures not defined according to IFRS, see section "Definition of alternative performance measures not defined according to IFRS" above.

Reconciliation of Annual recurring revenue

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2017	2016	2015	2018	2017
Annual recurring revenue	125.9	84.1	62.4	142.5	111.6

Reconciliation of recurring revenue and recurring revenue in relation to operating expenses

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2017	2016	2015	2018	2017
Subscription revenue	65.6	29.8	12.1	68.1	45.9
Support agreements	44.7 ¹⁾	44.0 ¹⁾	41.8 ¹⁾	33.3	33.5
Recurring revenue	110.2	73.7	54.0	101.3	79.5
Operating expenses	–171.5 ¹⁾	–129.6 ¹⁾	–112.0 ¹⁾	–149.4	–122.4
<i>Recurring revenue in relation to expenses (%)</i>	64.3%	56.9%	48.2%	67.8%	64.9%

1) Audited.

Reconciliation between EBITDA, EBITDA margin, EBITA, EBITA margin, EBIT, EBIT margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITA, Adjusted EBITA margin, Adjusted EBIT and Adjusted EBIT margin

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2017	2016	2015	2018	2017
Net sales	203.9 ¹⁾	160.4 ¹⁾	144.8 ¹⁾	175.4	146.4
Operating income (EBIT)	33.0¹⁾	31.2¹⁾	32.9¹⁾	26.4	24.4
<i>EBIT margin (%)</i>	16.2%	19.4%	22.7%	15.0%	16.7%
Depreciations and write-offs of acquisition-related intangible assets	10.3	4.7	4.7	9.8	6.8
EBITA	43.3	35.9	37.7	36.2	31.2
<i>EBITA margin (%)</i>	21.3%	22.4%	26.0%	20.6%	21.3%
Depreciation of capitalised development expenses	3.3	2.0	0.4	3.8	2.4
Depreciation of tangible non-current assets	0.8	0.8	0.9	0.7	0.8
EBITDA	47.4	38.7	39.0	40.7	34.4
<i>EBITDA margin (%)</i>	23.3%	24.1%	26.9%	23.2%	23.5%
<i>One-off items that distort comparisons</i>					
Expenses in relation to the public listing of the Company's shares	0.0	0.0	0.0	2.4	0.0
Acquisition-related expenses	2.0	0.0	0.3	0.2	1.4
One-off items that distort comparisons	2.0	0.0	0.3	2.6	1.4
Adjusted EBIT	35.0	31.2	33.3	29.0	25.8
<i>Adjusted EBIT margin (%)</i>	17.2%	19.4%	23.0%	16.5%	17.6%
Adjusted EBITA	45.3	35.9	38.0	38.8	32.6
<i>Adjusted EBITA margin (%)</i>	22.2%	22.4%	26.2%	22.1%	22.3%
Adjusted EBITDA	49.4	38.7	39.3	43.3	35.9
<i>Adjusted EBITDA margin (%)</i>	24.2%	24.1%	27.1%	24.7%	24.5%

1) Audited.

Reconciliation net sales growth and organic growth in net sales

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2016	2015		2018	2017
Net sales	203.9 ¹⁾	160.4 ¹⁾	144.8 ¹⁾	175.4 ¹⁾	146.4 ¹⁾
Net sales growth (%)	271%	10.8%	1.2	19.8%	
Of which acquired net sales	18.9 ²⁾	–	–	7.0 ³⁾	–
Net sales exluding acquired net sales	185.0	160.4	144.8	168.4	146.4
Organic growth in net sales (%)	15.3%	10.8%	–	15.0%	–

1) Audited.

2) Refers to net sales attributable to RemoteX Technologies AB and Netoptions Sweden AB according to the Company's definition of organic growth in net sales. For definition, see "Selected historical financial information – Alternative performance measures not defined according to IFRS".

3) Refers to net sales attributable to Netoptions Sweden AB and Hysminai AB according to the Company's definition of organic growth in net sales. For definition, see "Selected historical financial information – Alternative performance measures not defined according to IFRS".

Reconciliation net debt

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2017	2016	2015	2018	2017
Interest-bearing non-current debt	30.7 ¹⁾	40.2 ¹⁾	8.6 ¹⁾	85.5	40.1
Interest-bearing current debt	23.3 ¹⁾	15.3 ¹⁾	16.0 ¹⁾	27.9	19.1
Other financial non-current assets	–0.5 ¹⁾	–0.5 ¹⁾	–0.4 ¹⁾	–0.6	–0.5
Cash and cash equivalents	–24.2 ¹⁾	–29.7 ¹⁾	–27.0 ¹⁾	–16.3	–23.5
Net debt	29.2	25.3	–2.7	96.6	35.3

1) Audited.

Reconciliation of net sales per employee

MSEK	Jan 1–Dec 31			LTM Sep 30 ²⁾	
	2017	2016	2015	2018	2017
Net sales	203.9 ¹⁾	160.4 ¹⁾	144.8 ¹⁾	232.9	193.0
Number of employees (average)	185	156	124	189	158
Net sales per employee	1.1	1.0	1.2	1.2	1.2

1) Audited.

2) The performance measures have, where applicable, been recalculated to last twelve months (LTM) values per September 30.

Reconciliation of cash flow from current operations per share

MSEK	Jan 1–Dec 31			Jan 1–Sep 30	
	2017	2016	2015	2018	2017
Cash flow from current operations	39.8	34.1	30.1	22.8	20.2
Average number of outstanding shares. basic	50,000	50,000	50,000	50,000	50,000
Cash flow from current operations per share (SEK)	796	682	602	457	405

Reconciliation of historical development of adjusted EBITA 2000–2017¹⁾

	Whole years																	
MSEK	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
EBIT	33.0	31.2	32.9	24.5	16.5	14.3	20.1	21.1	24.4	22.2	19.2	13.5	8.2	7.2	5.2	3.6	4.0	2.2
Depreciations and write-offs on acquisition-related intangible assets	10.3	4.7	4.7	4.7	–	–	–	–	–	–	–	–	–	–	–	–	–	–
EBITA	43.3	35.9	37.7	29.2	16.5	14.3	20.1	21.1	24.4	22.2	19.2	13.5	8.2	7.2	5.2	3.6	4.0	2.2
<i>One off items that distort comparisons</i>																		
Bisnode ²⁾	–	–	–	–	4.6	–	–	–	–	–	–	–	–	–	–	–	–	–
Acquisition-related expenses	2.0	–	0.3	2.2	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>One off items that distort comparisons</i>																		
Adjusted EBITA	45.3	35.9	38.0	31.4	21.0	14.3	20.1	21.1	24.4	22.2	19.2	13.5	8.2	7.2	5.2	3.6	4.0	2.2

1) EBIT for the financial years 2000–2013 is taken from Lundalogik AB's (Lime Technologies Sweden AB) audited financial reports from these years. During the financial years 2000–2010 the financial reports of Lundalogik AB were prepared in accordance with the annual accounts act and the Swedish Accounting Standards Boards's general guidelines (sw. *Bokföringsnämndens allmänna råd*). During the financial years 2011–2013 the financial reports of Lundalogik AB were prepared in accordance with the annual accounts act and the Swedish Accounting Standards Boards's general guidelines, except BFNAR:2008:1 Annual accounts in smaller limited companies (sw. *Årsredovisning i mindre aktiebolag (K2-reglerna)*). At the time of the preparation of the annual report for 2007, the rules for revenue accounting of service agreements were changed. EBIT for the financial years 2014–2017 are taken from the Company's audited consolidated financial reports, which have all been prepared pursuant to IFRS. Information regarding adjusted EBITA for 2000–2017 is not a measurement defined by IFRS and shall not be seen as a substitute for measurements defined by IFRS. The information on adjusted EBITA for the financial years 2000–2017 have been prepared for illustrative purposes only and are not necessarily representative of the Company's results during the mentioned periods or any future period and shall not be regarded as any indication concerning the Company's bundled or separated financial situation or results during the mentioned periods.

2) One-off cost in Lundalogik AB (Lime Technologies AB) regarding Management Fee from Bisnode in 2013.

Quarterly financial information

The Company believes the information provided below is valuable to investors. Note, however, that the information in the tables is taken from the Company's internal accounting system and is not audited by the Company's auditor.

MSEK	2018			2017				2016				2015			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales per segment															
Sweden	46.8	52.5	49.8	49.1	38.6	45.5	42.9	40.5	29.9	36.1	35.7	35.1	26.8	31.0	34.7
Other Nordic countries	8.5	9.0	8.8	8.4	6.6	6.3	6.6	6.1	4.4	3.8	4.0	4.7	3.7	4.7	4.1
Total net sales	55.4	61.5	58.5	57.5	45.1	51.8	49.5	46.6	34.3	39.8	39.7	39.8	30.5	35.7	38.8
Revenue from customer agreements															
Subscriber revenues	24.2	22.9	21.0	19.6	16.8	15.8	13.4	9.3	7.6	7.0	5.8	4.5	3.4	2.7	1.5
License revenues	2.2	1.7	2.2	2.9	2.0	3.7	4.5	4.9	2.8	4.1	5.2	6.2	4.3	7.8	10.4
Support agreements	11.0	11.2	11.1	11.1	11.1	11.2	11.2	11.2	11.0	11.0	10.8	10.6	10.6	10.5	10.1
Expert Services	17.3	24.8	23.6	22.4	14.2	19.6	19.0	19.7	12.3	16.9	17.2	17.5	11.6	14.0	16.1
Other	0.7	1.0	0.5	1.4	1.0	1.5	1.4	1.5	0.6	0.8	0.7	1.0	0.6	0.6	0.7
Total net sales	55.4	61.5	58.5	57.5	45.1	51.8	49.5	46.6	34.3	39.8	39.7	39.8	30.5	35.7	38.8
Sales per product category															
Expert Services	17.3	24.8	23.6	22.4	14.2	19.6	19.0	19.7	12.3	16.9	17.2	17.5	11.6	14.0	16.1
Software related revenue	37.3	35.7	34.4	33.6	30.0	30.7	29.0	25.4	21.4	22.1	21.9	21.4	18.3	21.0	22.0
Other	0.7	1.0	0.5	1.4	1.0	1.5	1.4	1.5	0.6	0.8	0.7	1.0	0.6	0.6	0.7
Total net sales	55.4	61.5	58.5	57.5	45.1	51.8	49.5	46.6	34.3	39.8	39.7	39.8	30.5	35.7	38.8
Whereof recurring revenue	35.2	34.0	32.1	30.8	27.9	27.0	24.6	20.5	18.6	18.0	16.6	15.1	14.0	13.2	11.6
Annual recurring revenue	142.5	138.4	131.8	125.9	111.6	111.2	105.5	84.1	76.7	73.2	68.5	62.4	57.7	55.3	49.5
EBITDA	15.7	12.0	13.0	13.0	13.0	10.8	10.7	13.4	7.3	8.3	9.7	9.6	7.5	8.5	13.4
EBITDA margin (%)	28.4%	19.4%	22.3%	22.6%	28.7%	20.9%	21.5%	28.7%	21.4%	20.9%	24.4%	24.2%	24.5%	23.8%	34.5%
EBITA	14.2	10.4	11.5	12.1	11.8	9.7	9.7	12.7	6.6	7.6	9.0	9.3	7.2	8.1	13.0
EBITA margin (%)	25.7%	16.9%	19.7%	21.1%	26.2%	18.8%	19.5%	27.2%	19.4%	19.1%	22.6%	23.4%	23.5%	22.8%	33.6%
EBIT	10.8	7.0	8.5	8.6	9.4	7.3	7.6	11.5	5.5	6.4	7.8	8.1	6.0	7.0	11.8
EBIT margin (%)	19.5%	11.4%	14.6%	15.0%	20.9%	14.1%	15.5%	24.7%	15.9%	16.2%	19.6%	20.4%	19.6%	19.5%	30.5%
One-off items that distort comparisons	1.4	1.2	0.0	-0.6	0.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Adjusted EBITDA	17.1	13.1	13.1	13.6	13.0	12.2	10.7	13.4	7.3	8.3	9.7	9.6	7.5	8.5	13.7
Adjusted EBITDA margin (%)	30.9%	21.3%	22.3%	23.6%	28.7%	23.6%	21.5%	28.7%	21.4%	20.9%	24.4%	24.2%	24.5%	23.8%	35.3%
Adjusted EBITA	15.6	11.6	11.6	12.7	11.8	11.1	9.7	12.7	6.6	7.6	9.0	9.3	7.2	8.1	13.4
Adjusted EBITA margin (%)	28.3%	18.8%	19.8%	22.1%	26.2%	21.5%	19.5%	27.2%	19.4%	19.1%	22.6%	23.4%	23.5%	22.8%	34.4%
Adjusted EBIT	12.3	8.2	8.6	9.2	9.4	8.7	7.6	11.5	5.5	6.4	7.8	8.1	6.0	7.0	12.2
Adjusted EBIT margin (%)	22.1%	13.3%	14.6%	16.0%	20.9%	16.9%	15.5%	24.7%	15.9%	16.2%	19.6%	20.4%	19.6%	19.5%	31.4%

Reconciliation of quarterly adjusted EBIT, adjusted EBIT margin, adjusted EBITA, adjusted EBITA margin, adjusted EBITDA and adjusted EBITDA margin

MSEK	2018			2017				2016				2015			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	55.4	61.5	58.5	57.5	45.1	51.8	49.5	46.6	34.3	39.8	39.7	39.8	30.5	35.7	38.8
Operating income (EBIT)	10.8	7.0	8.5	8.6	9.4	7.3	7.6	11.5	5.5	6.4	7.8	8.1	6.0	7.0	11.8
<i>EBIT margin (%)</i>	19.5%	11.4%	14.6%	15.0%	20.9%	14.1%	15.5%	24.7%	15.9%	16.2%	19.6%	20.4%	19.6%	19.5%	30.5%
Depreciations and write-offs of acquisition-related intangible assets	3.4	3.4	3.0	3.5	2.4	2.4	2.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
EBITA	14.2	10.4	11.5	12.1	11.8	9.7	9.7	12.7	6.6	7.6	9.0	9.3	7.2	8.1	13.0
<i>EBITA margin (%)</i>	25.7%	16.9%	19.7%	21.1%	26.2%	18.8%	19.5%	27.2%	19.4%	19.1%	22.6%	23.4%	23.5%	22.8%	33.6%
Depreciation of capitalised development expenses	1.2	1.3	1.3	0.8	0.8	0.8	0.8	0.5	0.5	0.5	0.5	0.1	0.1	0.1	0.1
Depreciation of tangible non-current assets	0.2	0.3	0.2	0.0	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
EBITDA	15.7	12.0	13.0	13.0	13.0	10.8	10.7	13.4	7.3	8.3	9.7	9.6	7.5	8.5	13.4
<i>EBITDA margin (%)</i>	28.4%	19.4%	22.3%	22.6%	28.7%	20.9%	21.5%	28.7%	21.4%	20.9%	24.4%	24.2%	24.5%	23.8%	34.5%
<i>One-off items that distort comparisons</i>															
Costs related to the public listing of the Company's shares	1.4	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition-related expenses	0.0	0.2	0.0	0.6	0.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
One-off items that distort comparisons	1.4	1.2	0.0	0.6	0.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Adjusted EBIT	12.3	8.2	8.6	9.2	9.4	8.7	7.6	11.5	5.5	6.4	7.8	8.1	6.0	7.0	12.2
<i>Adjusted EBIT margin (%)</i>	22.1%	13.3%	14.6%	16.0%	20.9%	16.9%	15.5%	24.7%	15.9%	16.2%	19.6%	20.4%	19.6%	19.5%	31.4%
Adjusted EBITA	15.6	11.6	11.6	12.7	11.8	11.1	9.7	12.7	6.6	7.6	9.0	9.3	7.2	8.1	13.4
<i>Adjusted EBITA margin (%)</i>	28.3%	18.8%	19.8%	22.1%	26.2%	21.5%	19.5%	27.2%	19.4%	19.1%	22.6%	23.4%	23.5%	22.8%	34.4%
Adjusted EBITDA	17.1	13.1	13.1	13.6	13.0	12.2	10.7	13.4	7.3	8.3	9.7	9.6	7.5	8.5	13.7
<i>Adjusted EBITDA margin (%)</i>	30.9%	21.3%	22.3%	23.6%	28.7%	23.6%	21.5%	28.7%	21.4%	20.9%	24.4%	24.2%	24.5%	23.8%	35.3%

Operational and financial review

Overview

Lime develops, sells and implements user-friendly and flexible CRM systems. The company has long experience within the industry and addresses the markets in Sweden and the rest of the Nordic region. Lime's business model is based on the sale of long-term subscription agreements (Software as a Service or SaaS), under which customers are assigned the right to use Lime's software. The offer includes support, maintenance and operation as well as implementation and customisation of the software to the customer's specific needs (consulting services or Expert Services). Lime previously worked with a model where the customer paid a one-off license fee for the right to use the software, with associated support and maintenance agreements ("**support agreements**"). However, a change has been implemented in recent years to offer mainly software as SaaS to new customers instead. Lime reports its revenue in four categories: subscription revenues (SaaS), license revenue, support agreements and Expert Services.

Lime has had profitable growth since it was founded in 1990. The Company's net sales and adjusted EBITA amounted to MSEK 232.9 respectively MSEK 51.5 during the 12-month period ending September 30, 2018. Between 2000 and the 12-month period ending September 30, 2018, the Company has thus shown an annual average growth rate of 18 percent. The Company's revenues have particularly been driven by organic growth; however, Lime has also made three strategic acquisitions in 2017 and 2018, which have complemented the Company's product portfolio and have had a positive impact on the Company's progression and growth. The acquisitions have been successfully integrated into the Company's operations. Lime has its head office in Lund and operates from six sales and Expert Services offices in the Nordic region. See section "*The Company's business*".

Factors that affect Lime's operating income

In Lime's view, the Company's operating income is mainly affected by the following factors:

- Growth and trends in the market for CRM systems
- Demands from existing customers and the ability to identify and win new customers

- The Company's revenue models
- Operating expenses
- Investments in product development
- Acquisitions
- Currency fluctuations

Growth and trends in the market for CRM systems

The market for CRM systems has grown significantly in recent years. See further section "*Market overview – Lime's addressable market*". As a supplier of CRM systems with its focus on organic growth, Lime is reliant on the development of the market for CRM systems. According to Capgemini, growth in Lime's addressable market was about 10 percent annually during 2014–2017 and is expected to increase to approximately 12 percent annually during 2017–2023.

Growth in the Nordic CRM markets is largely driven by the proportion of companies that invest in cloud-based software services and the cloud-based CRM systems (SaaS CRM) themselves. The use of SaaS CRM is expected to increase sharply during 2018–2023 and thus be a strong contributing factor to increased penetration of CRM systems among Nordic companies. The market is characterised by a few major global players and one local player, all of which are Lime's main competitors. Lime believes the competitive situation and the general market development are both crucial factors for Lime's ability to grow net sales and operating income.

The Company's revenue models

The Company has different revenue models for revenue from software sales and revenue from consultancy services. Lime's software revenue consists of subscription revenues (SaaS sales), license revenue and support agreements, of which subscription revenues and support agreements both are repetitive revenues¹⁾. Lime previously used a model where the customer paid a one-off license fee for the right to use software, with associated support agreement. However, a change has been implemented to the model in recent years and Lime now only offers software as SaaS to new customers, which means it achieves a higher proportion of subscription revenue. The changed business model has meant that subscription revenues as a share of net sales increased from 1 percent during the 12-month

1) Revenue of annual recurring nature refers to support and maintenance income and subscription revenues. For a complete description of the Company's performance measures, see section "*Selected historical financial information – Alternative performance measures not defined according to IFRS*".

period ending March 31, 2015 to 38 percent for the 12-month period ending September 30, 2018. During the same period, one-off license fees, support agreements and consulting services' share of net sales dropped from 28, 29 and 42 percent to 4, 19 and 38 percent, respectively. Recurring revenue during the period has thus increased as a percentage share of net sales, a trend that management believes will continue. This is partly due to the change in the Company's business model, and also because sales of consultant services are not expected to grow at the same rate as sales of software as SaaS. 57 percent of the Company's net sales in the 12-month period ending September 30, 2018 were recurring revenues.¹⁾

Lime sells software as SaaS through subscription agreements under which customers are assigned the right to use Lime's software including support, maintenance and, if applicable, operations. Subscription fees are invoiced continuously and change as the customer increases or decreases the number of users or purchases more products or add-on modules. The revenue is classified as recurring revenue and is impacted by price per user and the number of users. The customer can elect to increase its use of the software by adding users or ordering additional products and add-on modules against additional charges. The subscription fee is invoiced throughout the term of the agreement, either three or twelve months in advance, and recognised pro-rata over the term of the agreement.

The sales of license rights ("**license revenue**") that give the customer the right to use software, are recognised as revenue when delivery is completed according to the agreement and when the customer has assumed control over the purchased licenses, which means the revenue is of a one-off character. Each customer who purchases license rights is also offered the possibility to enter into a support agreement, under which the Company charges support and maintenance fees. Support and maintenance fees are generally invoiced 12 months in advance. Following the change to the business model, the Company now predominantly only offers software as SaaS to new customers.

In addition to the sale of software, Lime also sells consultancy services, mainly provided based on time used, but also as fixed price contracts. Revenue from

time-based contracts is recognised at contracted prices as the service is being delivered. Revenue and earnings are affected by the hourly rate for the service. Customers purchase consultancy services to implement the software, which normally is necessary to be able to use Lime CRM after it has been initially purchased, or after major changes to the customer's operations or customisations of the software. Use of the web-based product Lime Go normally does not require any significant consulting services. Customers can choose to customise Lime's two products according to their specific needs, and normally purchase additional consulting services from Lime.

Demands from existing customers and the ability to identify and win new customers

Lime's ability to find new customers and increase sales from existing customers has a significant impact on the Company's revenues and operating income. The revenue generated by the Company's products and services from both new and existing customers depends on the number of end-users of Lime's software, the type of CRM system the customers use, as well as the type and number of services, including new services, the customers use.

During the 12-month period ending September 30, 2018, recurring revenues accounted for 57 percent of the Company's sales.²⁾ Furthermore, existing customers represented 68 percent of the Company's sales of Expert Services for the period January 1–September 30, 2018.³⁾ The company's ability to maintain and increase sales to existing customers thus has a significant impact on the Company's operating income. The Company's sales organisation maintains a clear separation of sales managers responsible for identifying new customers and sales managers responsible for the Company's existing customers. Lime puts a great deal of effort into proactive sales activities to new customers during the first 18 months after their initial purchase. The Company has a dedicated customer success team, focused on ensuring high customer satisfaction and the creation of increased sales from the existing customer base.

The Company's operating income is further dependent on the Company's ability to successfully identify, process and sell CRM systems to new customers. Lime has made significant investments in the business to secure new customers and has

1) Revenue of annual recurring nature refers to support and maintenance income and subscription revenues. For a complete description of the Company's performance measures, see section "Selected historical financial information – Alternative performance measures not defined according to IFRS".

2) Revenue of annual recurring nature refers to support and maintenance income and subscription revenues. For a complete description of the Company's performance measures, see section "Selected historical financial information – Alternative performance measures not defined according to IFRS".

3) The data is taken from the Company's internal business systems.

increased the sales organisation from 14 employees to 47 employees during the period January 1, 2015–September 30, 2018. The Company intends to continue recruiting employees to the sales organisation and increase the number of sales representatives. Since 2014, Lime has a local presence with offices in all Nordic countries, three of which are in Sweden, one in Finland, one in Norway and one in Denmark. In recent times, the Company has made significant investments in countries outside Sweden, aiming at strengthening its market position throughout the Nordic region. The Company also invests in product development to develop new products as well as to improve existing products to meet the needs of more customers and new customer groups.

Operating expenses

Lime's operating expenses consist mainly of compensation to employees in Expert Services, sales, development, product and marketing, customer support and administrative services. Employee costs thus have a significant impact on the Company's operating income. Parts of the Company's payroll expenses have a variable component based on each employee's individual performance and a, by the Company, predetermined target. For employees within sales, the variable compensation amounted to 6 percent of total payroll costs during both 2016 and 2017.¹⁾ For the same periods, variable compensation amounted to 4 percent respectively 3 percent of total payroll costs within Expert Services²⁾ and for the whole Company, variable compensation amounted to 4 percent respectively 3 percent of total payroll costs³⁾ during 2016 and 2017. Lime's significant growth in recent years has required the Company to employ additional full-time employees within all functions. From 2015 to September 30, 2018, the Company increased the number of full-time employees by 65, corresponding to an annual increase of 17 percent.

The Company has in recent years made major investments in recruitment of new personnel to the product development function. This has strengthened the development team for future demands and created opportunities to handle larger business volumes. The Company believes the product development function is now well resourced for the requirements of the business and that further staff recruitments are required to a lesser degree than in previous years. In the future, the Company estimates that recruitments will mainly be done within the

areas of sales and Expert Services and, to a certain extent, the support functions. This will support the Company's presence in various geographic areas as well as increase growth. The Company estimates that future growth in staff numbers will be lower than in recent years.

Lime has a well-functioning and documented recruitment strategy and process for new employees that has its focus on hiring university graduates. Lime puts great importance on its corporate culture and rarely recruits individuals from its CRM competitors. Instead, its efforts are on allowing younger staff members to grow and develop within Lime. During the financial year ending December 31, 2017, approximately 75 percent of a total of approximately 50 new employees were university graduates. The Company expects it will take some time until new sales representatives and Expert Services employees generate revenues, partly due to the Company's 12-month trainee program for new employees, which negatively affects the operating income in the short-term.

Investments in product development

Lime has made significant investments in the development of its products and services. These investments enable the Company's customers to get a better overview of their contacts with their current and new customers and to improve their relationship with the aim of increasing sales. Product development is thus crucial for growth in the Company's sales, in meeting customers' demands for new and better features, and in maintaining the Company's strong market position and competitiveness, however, it also means the Company incurs major investments and costs. Lime capitalises many of its development projects in accordance with the principles described in section "*Capitalised development work done by own employees*". Capitalised product development costs and depreciation of capitalised development costs thus affect the Company's operating income.

Acquisitions

Lime occasionally acquires companies to strengthen the product and value offerings to its customers, strengthen the Company's expertise and resources, cross-sell Lime's products to a new customer base and to expand geographically. During 2017 and 2018, the Company's operating income was impacted by

1) Excluding pension costs and social fees.

2) Excluding pension costs and social fees.

3) Excluding pension costs and social fees.

three acquisitions. The Company made no acquisitions in 2015 and 2016 and thus all growth was organic. In 2017, the Company acquired RemoteX Technologies AB, which offers its customers a cloud-based Field Service Management tool, and Netoptions Sweden AB, which develops and sells marketing automation software. In 2018, the Company acquired Hysminai AB, which develops and sells a software platform, Sparta, to promote behavioural change, particularly in customer services and sales organisations through competitions, so-called gamification. The acquisitions are expected to strengthen Lime's offerings to new and existing customers.

In 2017, the acquisition of RemoteX Technologies AB contributed MSEK 16.7 to the Company's revenues and impacted the Company's operating expenses by MSEK 15.4 and the Company's EBIT positively by MSEK 1.3. In 2017, the acquisition of Netoptions Sweden AB contributed MSEK 2.2 to the Company's revenues and impacted the Company's operating expenses by MSEK 2.7 and had a negative impact on the Company's EBIT by MSEK 0.5. During January–September 2018, the acquisition of Hysminai AB contributed MSEK 0.7 to the Company's revenues and affected the Company's operating expenses by MSEK 2.6 and had a negative impact on the Company's EBIT by MSEK 1.9. All contributions from acquired units are counted from the moment when the acquired units were consolidated in the Group. RemoteX was consolidated in February 2017, Netoptions was consolidated in October 2017, and Hysminai was consolidated in April 2018.

Adjusted for acquired net sales, the organic net sales growth¹⁾ amounted to 15 percent in 2017 and 15 percent for the period January–September, 2018. For the same periods, organic net sales in Sweden amounted to 11 respectively 12 percent. At the time of acquisition, the acquired units only had sales in Sweden. Excluding all acquisitions made after February 2017, the Group's net sales amounted to MSEK 185.0 during 2017, MSEK 156.8 for the period January–September, 2018 and MSEK 134.1 for the period January–September, 2017. During the same periods, excluding all acquisitions since February 2017, net sales in Sweden amounted to MSEK 157.1, MSEK 130.5 respectively MSEK 114.6.

Currency fluctuations

Lime's consolidated accounts are prepared in Swedish Krona (SEK), but the Company operates internationally and is exposed to currency risks, primarily in respect of Norwegian Krona (NOK), Danish Krona (DKK) and Euro (EUR). Currency risks arise from future business transactions, recorded assets and liabilities and net investments in foreign operations. As the Group's Swedish operations largely have their currency flows in SEK, there is no need for currency hedging. The other Nordic operations are exposed to costs in the same currency as revenue, and the Company's view is that the operations have not yet been of such magnitude that currency hedging is deemed necessary.

Key items in the income statement

Net sales

Lime's consolidated net sales include subscription revenue, revenue from support agreements, license revenues and Expert Services:

- **Subscription revenues:** The Group sells software as SaaS by assigning customers the right to use it. This service, which includes license, support and maintenance, and in some cases operations, is invoiced in advance quarterly or annually and recognised pro-rata over the term of the subscription agreement.
- **License revenues:** The Group develops and sells software. Sales of license rights are recognised as revenue when delivery is completed according to the agreement and when the customer has assumed control over the purchased licenses, and no significant obligations remain.
- **Support agreements:** The Group sells software support agreements in connection with the sale of one-off license rights. Revenues from support agreements are generally invoiced 12 months in advance and recognised pro-rata over the term of the support agreement.
- **Expert Services:** The Group sells consultancy services, mainly provided based on time used, but also as fixed price contracts. Revenue from time-based contracts is recognised at contracted prices as the service is being delivered. Sales from fixed price contracts relating to services is recognised over time in relation to time spent, based on the same principles as described above. Sales revenue from fixed price contracts relating to services is normally recognised during the period when the service is delivered.

1) For definition, see section "Selected historical financial information – Alternative performance measures not defined according to IFRS".

Other revenue

Other revenue mainly includes income from exchange rate differences and capital gains on vehicles and equipment sold.

Capitalised development work done by own employees

Capitalised development work done by own employees includes amounts related to development of the Company's software.

Compensations to employees

Compensations to employees include costs for personnel within Expert Services, sales, development, product and market, customer support, finance, IT and management.

One-off items that distort comparisons

One-off items that distort comparisons include acquisition-related expenses and costs related to public offering and listing of the Company's shares.

Depreciations

Depreciations include depreciations of tangible and intangible non-current assets, such as capitalised development expenses, customer relationships and software.

Other expenses

Other expenses include direct sales expenses, operating expenses, marketing expenses, premises expenses and administration expenses.

Operating income (EBIT)

Operating income (EBIT) is the sum of revenue from operations and capitalised development work done by own employees, less costs for compensations to employees, one-off items that distort comparisons and other expenses.

Income after financial net

Income after financial net is the sum of operating income and financial income less financial expenses. Financial income includes interest on cash and cash equivalents. Financial expenses include interest on outstanding liabilities and loans.

Taxes

Taxes include tax on the income for the period and deferred tax arising from or reversal of temporary differences.

Comparison between accounting periods

Comparison of January–September 2018 and January–September 2017

MSEK	Jan 1–Sep 30 2018	Change (%)	Jan 1–Sep 30 2017
Net sales	175.4	20%	146.4
Other revenue	0.4	–8%	0.4
Gross income	175.8	20%	146.8
<i>Operating expenses</i>			
Compensations to employees	–107.0	20%	–89.3
Capitalised development work done by own employees	12.5	28%	9.8
Depreciation	–14.3	43%	–10.0
Other expenses	–40.7	24%	–32.9
Total operating expenses	–149.4	22%	–122.4
Operating income	26.4	8%	24.4
Financial income	0.0	–	0.0
Financial expenses	–1.6	55%	–1.0
Income after financial net	24.8	6%	23.4
Taxes	–4.7	–7%	–5.0
Net income for the period	20.1	10%	18.4

Net sales

Net sales increased by MSEK 29.0 from MSEK 146.4 during the nine-month period ending September 30, 2017 to MSEK 175.4 during the nine-month period ending September 30, 2018. The increase was mainly due to increased subscriber revenue and increased sales in Expert Services.

Net sales in Sweden increased by MSEK 22.2 from MSEK 126.9 during the nine-month period ending September 30, 2017 to MSEK 149.1 during the nine-month period ending September 30, 2018. Net sales in the other countries increased by MSEK 6.8 from MSEK 19.5 during the nine-month period ending September 30, 2017 to MSEK 26.3 during the nine-month period ending September 30, 2018.

Capitalised development work done by own employees

Capitalised development work done by own employees increased by MSEK 2.7 from MSEK 9.8 during the nine-month period ending September 30, 2017 to MSEK 12.5 during the nine-month period ending September 30, 2018. The increase was mainly due to a higher number of employees within product development due to a higher development rate for the Company's product platform.

Compensations to employees

Compensations to employees increased by MSEK 17.7 from MSEK 89.3 during the nine-month period ending September 30, 2017 to MSEK 107.0 during the nine-month period ending September 30, 2018. The increase was mainly due to an increase in number of employees.

Depreciations

Depreciations increased by MSEK 4.3 from MSEK 10.0 during the nine-month period ending September 30, 2017 to MSEK 14.3 during the nine-month period ending September 30, 2018. The increase was mainly due to increased depreciations of capitalised development work done by own employees and increased depreciations of groupwise consolidation adjustments from acquisitions.

Other expenses

Other expenses increased by MSEK 7.8 from MSEK 32.9 during the nine-month period ending September 30, 2017 to MSEK 40.7 during the nine-month period ending September 30, 2018. The increase was mainly due to increased premises expenses, increased higher operating costs for customers in a hosting environment and costs for the public listing of the Company.

Operating income

Operating income increased by MSEK 2.0 from MSEK 24.4 during the nine-month period ending September 30, 2017 to MSEK 26.4 during the nine-month period ending September 30, 2018. The increase was mainly due to increased net sales.

The operating margin decreased with 1.6 percentage points, from 16.7 percent to 15.0 percent. The adjusted operating margin in 2017, decreased with 1.1 percentage points from 17.6 percent to 16.5 percent. The margin decreased due to operating costs increasing in a faster rate than net sales and due to increased depreciations related to completed acquisitions and an increase in capitalised development costs.

Income after financial net

Income after financial net increased by MSEK 1.4 from MSEK 23.4 during the nine-month period ending September 30, 2017 to MSEK 24.8 during the nine-month period ending September 30, 2018. The increase was mainly due to increased net sales.

Net income

Net income increased by MSEK 1.8 from MSEK 18.4 during the nine-month period ending September 30, 2017 to MSEK 20.1 during the nine-month period ending September 30, 2018. The increase was mainly due to increased net sales.

Comparison of financial year 2017 and financial year 2016

MSEK	Jan 1–Dec 31 2017	Change (%)	Jan 1–Dec 31 2016
Net sales	203.9	27%	160.4
Other revenue	0.6	55%	0.4
Gross income	204.5	27%	160.8
<i>Operating expenses</i>			
Compensations to employees	–122.7	27%	–97.6
Capitalised development work done by own employees	13.3	49%	8.9
Depreciation	–14.4	92%	–7.5
Other expenses	–46.7	40%	–33.4
Total operating expenses	–171.5	32%	–129.6
Operating income	33.0	6%	31.2
Financial income	0.0	–70%	0.1
Financial expenses	–1.4	5%	–1.4
Income after financial net	31.6	6%	29.9
Taxes	–7.9	15%	–6.8
Net income for the period	23.7	3%	23.1

Net sales

Net sales increased by MSEK 43.5 from MSEK 160.4 during financial year 2016 to MSEK 203.9 during financial year 2017. The increase was mainly due to increased subscription revenues and higher revenues from Expert Services. The increase was partly offset by effects from the Company's changed business model, resulting in a transition from one-off license sales to subscription sales, which leads to lower revenue in the short-term.

Net sales for Sweden increased by MSEK 33.9 from MSEK 142.1 during financial year 2016 to MSEK 176.0 during financial year 2017. Net sales in other countries increased by MSEK 9.6 from MSEK 18.3 during financial year 2016 to MSEK 27.9 during financial year 2017.

Capitalised development work done by own employees

Capitalised development work done by own employees increased by MSEK 4.4 from MSEK 8.9 during financial year 2016 to MSEK 13.3 during financial year 2017. The increase was mainly due to a higher number of employees within product development, in turn a result of increased development activities for the Company's product platform.

Compensations to employees

Compensations to employees increased by MSEK 26.1 from MSEK 97.6 during financial year 2016 to MSEK 123.7 during financial year 2017. The increase was mainly due to a higher number of employees within Expert Services, sales, the development

department and customer support. The largest increase is attributable to Sweden, with an average of 130 employees in 2016 and an average of 153 employees in 2017.

Depreciations

Depreciations increased by MSEK 6.9 from MSEK 7.5 during financial year 2016 to MSEK 14.4 during financial year 2017. The increase was mainly due to increased depreciations on intangible assets from acquisitions.

Other expenses

Other expenses increased by MSEK 13.3 from MSEK 33.4 during financial year 2016 to MSEK 46.7 during financial year 2017. The increase was mainly due to an increase in the number of employees throughout the entire organisation, as well as an increased utilisation of consultants.

Operating income

Operating income increased by MSEK 1.8 from MSEK 31.2 during financial year 2016 to MSEK 33.0 during financial year 2017. The increased operating income was a result of the increase in net sales. The increase was partly offset by increased operating

expenses, particularly costs for compensation to employees, other expenses and depreciations. Large parts of these costs are deemed to be recurring.

The operating margin dropped by 3.2 percentage points, from 19.4 percent to 16.2 percent. The adjusted operating margin for 2017 dropped by 2.3 percentage points, from 19.4 percent to 17.2 percent. The margin decreased due to operating expenses increasing at a higher rate than net sales, as well as due to increased depreciations in relation to acquisitions. The margin further dropped due to the Company's changed business model, resulting in a transition from one-off license sales to subscription sales, which leads to lower revenue in the short-term and thus lower margins.

Income after financial net

Income after financial net increased by MSEK 1.7 from MSEK 29.9 during financial year 2016 to MSEK 31.6 during financial year 2017.

Net income

Net income increased by MSEK 0.7 from MSEK 23.1 during financial year 2016 to MSEK 23.7 during financial year 2017.

Comparison of financial year 2016 and financial year 2015

MSEK	Jan 1–Dec 31 2016	Change (%)	Jan 1–Dec 31 2015
Net sales	160.4	11%	144.8
Other revenue	0.4	90%	0.2
Gross income	160.8	11%	145.0
<i>Operating expenses</i>			
Compensations to employees	–97.6	15%	–85.0
Capitalised development work done by own employees	8.9	16%	7.7
Depreciation	–7.5	24%	–6.0
Other expenses	–33.4	16%	–28.7
Total operating expenses	–129.6	16%	–112.0
Operating income	31.2	–5%	32.9
Financial income	0.1	127%	0.0
Financial expenses	–1.4	17%	–1.2
Income after financial net	29.9	–6%	31.8
Taxes	–6.8	–4%	–7.1
Net income for the period	23.1	–6%	24.7

Net sales

Net sales increased by MSEK 15.6 from MSEK 144.8 during financial year 2015 to MSEK 160.4 during financial year 2016. The increase was mainly due to an increase in subscription revenue and higher revenues from Expert Services. The increase was partly offset by effects from the Company's ongoing change of business model, resulting in a transition from one-off license sales to subscription sales, which leads to lower revenue in the short-term.

Net sales for Sweden increased by MSEK 14.5 from MSEK 127.6 during financial year 2015 to MSEK 142.1 during financial year 2016. Net sales in other countries increased by MSEK 11 from MSEK 17.2 during financial year 2015 to MSEK 18.3 during financial year 2016.

Capitalised development work done by own employees

Capitalised development work done by own employees increased by MSEK 1.2 from MSEK 7.7 during financial year 2015 to MSEK 8.9 during financial year 2016. The increase was mainly due to a higher number of employees within product development, in turn a result of increased development activities for the Company's product platform.

Compensations to employees

Compensations to employees increased by MSEK 12.6 from MSEK 85.0 during financial year 2015 to MSEK 97.6 during financial year 2016. The increase was mainly due a higher number of employees within Expert Services, sales, the development department, and the product and market departments. The largest increase is attributable to Sweden, with an average of 108 employees in 2015 and of 130 employees in 2016.

Depreciations

Depreciations increased by MSEK 1.5 from MSEK 6.0 during financial year 2015 to MSEK 7.5 during financial year 2016. The increase was mainly due to increased depreciations on capitalised development work done by own employees.

Other expenses

Other expenses increased by MSEK 4.7 from MSEK 28.7 during financial year 2015 to MSEK 33.4 during financial year 2016. The increase was mainly due to an increase in the number of employees throughout the entire organisation.

Operating income

Operating income decreased by MSEK 1.7 from MSEK 32.9 during financial year 2015 to MSEK 31.2 during financial year 2016. The decrease in operating income was a result of increased operating expenses, particularly costs for compensation to employees, other expenses and depreciations. Large parts of

these costs are deemed to be recurring. The decrease is partly offset by the increase in net sales.

The operating margin dropped by 3.3 percentage points, from 22.7 percent to 19.5 percent. The adjusted operating margin for 2016 dropped by 3.5 percentage points from 23.0 percent to 19.5 percent. The margin decreased due to operating expenses increasing at a higher rate than net sales. The margin further dropped due to the Company's ongoing change of its business model, resulting in a transition from one-off license sales to subscription sales, which leads to lower revenue in the short-term and thus lower margins.

Income after financial net

Income after financial net decreased by MSEK 1.9 from MSEK 31.8 during financial year 2015 to MSEK 29.9 during financial year 2016.

Net income

Net income decreased by MSEK 1.6 from MSEK 24.7 during financial year 2015 to MSEK 23.1 during financial year 2016.

Cash flow

Cash flow from current operation

The Company's cash flow from current operations increased by MSEK 2.6 from MSEK 20.2 during the nine-month period ending on September 30, 2017 to MSEK 22.8 during the nine-month period ending on September 30, 2018. The increase was mainly due to an increased operating profit.

The Company's cash flow from current operations increased by MSEK 5.7 from MSEK 34.1 during financial year 2016 to MSEK 39.8 during financial year 2017. The increase was mainly due to improved net income and a reduction in working capital.

The Company's cash flow from current operations increased by MSEK 4.0 from MSEK 30.1 during financial year 2015 to MSEK 34.1 during financial year 2016. The increase was mainly due to improvements in working capital.

Cash flow from investing activities

The Company's cash outflow from investing activities decreased by MSEK 14.9 from MSEK –30.3 during the nine-month period ending on September 30, 2017 to MSEK –15.5 during the nine-month period ending on September 30, 2018. The decrease was mainly due to two acquisitions made during the comparison period.

The Company's cash outflow from investing activities increased by MSEK –33.9 from MSEK –9.9 during financial year 2016 to MSEK –43.8 during financial year 2017. The increase was mainly due to the two acquisitions carried out in 2017.

The Company's cash outflow from investing activities decreased by MSEK 0.1 from MSEK –10.0 during financial year 2015 to MSEK 9.9 during financial year 2016. The decrease was mainly due to reduced investments in tangible non-current assets.

Cash flow from financing activities

The Company's cash flow from financing activities decreased by MSEK –19.5 from MSEK 3.7 during the nine-month period ending on September 30, 2017 to MSEK –15.8 during the nine-month period ending on September 30, 2018. The decrease was mainly due to a raised loan of MSEK 130.0, paid dividends of MSEK 75.0 and repayment of loans amounting to MSEK 70.8.

The Company's cash outflow from financing activities decreased by MSEK 20.1 from MSEK 21.6 during financial year 2016 to MSEK 1.5 during financial year 2017. The decrease was mainly due to the Company

not distributing any dividend during 2017, and reduced amortisations on loans by MSEK 26.0 from MSEK 40.2 to MSEK 14.0.

The Company's cash outflow from financing activities decreased by MSEK 13.6 from MSEK 35.2 during financial year 2015 to MSEK 21.6 during financial year 2016. The decrease was mainly due to the Company raising funds through a loan by MSEK 71.1 during 2016 compared to MSEK 1.2 in 2015, and that the Company distributed dividend of MSEK 52.5 during 2016 compared to MSEK 0.0 during 2015.

Contractual liabilities

The table below analyses the Group's financial liabilities, broken down by the time remaining on the balance sheet until contractual due date. The amounts stated in the table are the contractual, undiscounted cash flows, as of September 30, 2018.

MSEK	Less than 3 months	3 months to 1 year	1 to 2 years	2 to 5 years
Borrowings (excluding liabilities under financial leases)	6.5	19.5	26.0	58.5
Liabilities under financial leases	0.3	1.6	0.7	0.3
Trade payables	7.9	0.0	0.0	0.0
Total	14.7	21.1	26.7	58.8

Commitments

The Group leases a number of office spaces under non-cancellable operating leases. Leasing periods vary between 1 and 5 years and most lease agreements may be extended at the end of the lease at market rates. Lease costs for the period amount to MSEK 7.7 at September 30, 2018. The costs relate in their entirety to minimum lease. Contractual future rent and lease agreements as of September 30, 2018 are due for payment as follows.

Minimum lease costs (MSEK)	As of September 30, 2018
Leasing within 1 year	9.4
Leasing between 1 and 5 year	8.9
Leasing in access 5 years	0.0
Total	18.3

Sensitivity analysis

A sensitivity analysis of important factors affecting the Company's results is presented below. The sensitivity analysis describes the effect on the Group's income before tax for the 12-month period ending September 30, 2018 (which amounted to MSEK 33.0), when a number of factors change and when other factors are assumed to remain constant. The sensitivity analysis does not constitute a forecast.

Sensitivity analysis	Change	Effect on income before tax, MSEK
Demand for licenses	+/- 5%	+/- 0.5
Demand for Expert Services	+/- 5%	+/- 3.3
Compensations to employees	+/- 5%	+/- 5.3
STIBOR	+/- 10 bps	+/- 0.0
EUR/SEK	+/- 10%	+/- 0.0

Investments

Lime's investments relate to intangible assets and investments in tangible non-current assets, and acquisitions. Lime makes continuous investments in product development and the Company's investments in intangible non-current assets consist of capitalised product development costs for Lime's software, and acquisitions. Intangible investments have increased over the last three years as a result of increased product development. Lime's investments in tangible non-current assets are relatively limited and consist mainly of vehicles and equipment. For a description of acquisitions made by Lime since financial year 2015, see section "*Legal considerations and supplementary information – Business acquisitions*".

The following table summarises Lime's main investments during the financial years 2015–2017 and during the period from January 1, 2018 through to the date of the Prospectus.

MSEK	Jan–Sep 2018	2017	2016	2015
Intangible assets	12.8	14.1	8.9	7.7
Acquisitions of subsidiaries	2.4	29.7	0.0	0.0
Tangible non-current assets	0.2	1.9	0.9	2.0
Financial non-current assets	0.0	0.0	0.2	0.3
Total	15.5	45.7	9.9	10.0

The above investments have been financed by Lime's cash flow from the current operations.

Ongoing and future investments

Lime's board of directors has not made decisions on any specific investment plan for the coming years. The Company intends to continue investing in product development and believes the share of the investments that will be capitalised will be in line with the share capitalised historically. During 2017, and the period January–September 2018, consolidated development work done by own employees in relation to net sales amounted to 6.5 and 7.2 percent. Investments in both tangible and intangible assets are intended to be financed through cash flow from operations.

Research and development

The Group develops software that deals with sales and customers activities. The work performed is research, software development and testing. During the financial years 2015, 2016 and 2017, Lime's investments (in terms of capitalised development costs) amounted to MSEK 7.7, MSEK 8.9 and MSEK 13.3, respectively. During January–September 2018, a total of MSEK 12.5 has been invested in capitalised development costs. Capitalised development work done by own employees is reported as a cost reduction in the consolidated income statement. Capitalised development work reported as an asset is depreciated over its estimated useful life, 3–7 years.

The Group uses existing research and develops and applies this in new application areas. For example, web-based services are being developed for existing products.

Tangible non-current assets

The book value of the Company's tangible assets at September 30, 2018 amounted to MSEK 3.8 and consisted mainly of vehicles and equipment.

Intangible non-current assets

Intangible non-current assets at September 30, 2018 amounted to MSEK 189.7 and consisted mainly of goodwill, software, trademarks, capitalised development work and customer relationships.

Significant events after September 30, 2018

No significant events have occurred after September 30, 2018.

Capitalisation, indebtedness and other financial information

The information presented below should be read in conjunction with the section "Operational and financial review" and the Company's consolidated financial statements and the notes related thereto included elsewhere in the Prospectus.

Equity and indebtedness

As of September 30, 2018, the shareholders' equity in the Group amounted to MSEK 33.7, whereof share capital of MSEK 0.5, additional paid in capital amounted to MSEK 53.0, reserves amounted to MSEK 0.4 and retained earnings including net income for the period amounted to MSEK -20.3.

Excluding deferred tax amounting to MSEK 24.5 the Group reported as of September 30, 2018 liabilities of MSEK 200.7, whereof MSEK 115.1 was attributable to current liabilities and MSEK 85.5 was attributable to non-current liabilities.

The table below shows Lime's capitalisation and indebtedness at September 30, 2018. The Company had no contingent liabilities or indirect liabilities at September 30, 2018.

Capitalisation

MSEK	September 30, 2018
Current liabilities	
Guaranteed	0.0
Secured ¹⁾	27.9
With no guarantee or other collateral	0.0
Total current liabilities	27.9
Non-current liabilities	
Guaranteed	0.0
Secured ¹⁾	85.5
With no guarantee or other collateral	0.0
Total non-current liabilities	85.5
Equity	
Share capital	0.5
Additional paid in capital	53.0
Reserves	0.4
Retained earnings including net income for the period	-20.3
Total equity	33.7

1) The Company has, as security for financing related to leased property pledged the leased property, and has pledged all shares in the wholly owned subsidiary Lime Technologies Sweden AB to Skandinaviska Enskilda Banken AB (publ) as security for its loan agreement.

Net indebtedness

MSEK	September 30, 2018
(A) Cash	0.0
(B) Cash equivalents	16.3
(C) Trading securities	0.0
(D) Total liquidity (A)+(B)+(C)	16.3
(E) Current financial receivables	48.5
(F) Current bank debt	26.0
(G) Current portion of non-current debt	0.0
(H) Other current debt	89.1
(I) Total current liabilities (F)+(G)+(H)	115.1
Net current indebtedness (I)-(E)-(D)	50.3
(K) Non-current bank debt	84.5
(L) Bonds issued	0.0
(M) Other non-current debt	1.0
(N) Non-current indebtedness (K)+(L)+(M)	85.5
(O) Net indebtedness (J)+(N)	135.8

Statement of working capital

Lime believes the existing working capital is sufficient to meet the Company's needs during the coming twelve-month period from the date of the Prospectus. Working capital means the Company's ability to gain access to cash equivalents in order to meet its payment obligations as they fall due.

Off-balance sheet items

The Group is not party to any off-balance sheet items that have or can reasonably be expected to have any present or future significant impact on the Group's financial position, revenues or expenses, results, liquidity, investment in fixed assets or financial resources.

Loan agreement

For a description of Lime's loan agreement, see "Legal considerations and supplementary information – Loan agreement".

Board of directors, senior executives and auditor

Board of directors

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 2019.

The table below lists the board of directors, their year of birth, the year they were first appointed (in the Company or in the previous operating subsidiary Lime Technologies Sweden AB, where the work of the

Group's board of directors previously was performed), their position, whether they are considered to be independent in relation to the Company, the Company's senior executives and major shareholders, as well as their shareholding in the Company as of the date of the Prospectus. More in-depth information about each director is provided below. Assignments in the Group's subsidiaries are not stated in this summary. Any and all assignments within the same group are stated together.

Name	Year of birth	Appointed	Position	Independent in relation to		
				The Company and its senior executives	Major shareholders*	Shareholding in the Company
Peter Larsson	1964	2014	Chairman	Yes	No	–
Maria Wasing	1970	2017	Member	Yes	Yes	–
Anders Fransson	1967	2014	Member	Yes	Yes	200,000
Anders Nilsson	1951	2015	Member	Yes	Yes	100,000
Marlene Forsell	1976	2018	Member	Yes	Yes	–

* *Major shareholder* means an owner who directly or indirectly controls ten percent or more of the shares or votes in the Company. If a company owns more than 50 percent of the shares or votes of another company, the former company is considered to indirectly control the ownership of the latter company's ownership in the other company. Peter Larsson is a co-owner and chairman of the board of the majority shareholder, Monterro, and is therefore not considered to be independent in relation to the Company's major shareholders.



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 8,751,250 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. Chief Marketing and Product Officer of Axiell Group AB. Proposed to be elected as board member in FrontIT AB at a general meeting to be held on December 5, 2018.

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: –

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, Bergöallen 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: –

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

The Group's senior executives

The Group's senior executives currently consists of ten people. The table below lists names, year of birth, current position, year of assignment to senior executive in the Group and shareholding in the Company as of the date of the Prospectus.

Name	Year of birth	Senior executive since	Position	Securities holdings	
				Shares	Stock options
Erik Syrén	1978	2005	CEO	1,250,000	–
Magnus Hansson	1973	2015	CFO	–	259
Johan Holmqvist	1972	2018	Head of IR	–	–
Nils Olsson	1983	2012	Head of Sales	200,000	–
Lars Andersson	1972	2001	CPO/CMO	200,000	–
Martin Nilsson	1973	2017	Head of Development	–	–
Martin Berg	1980	2012	CTO	100,000	–
Anna Johansson	1976	2006	Head of Support	100,000	–
Svante Holm	1968	2010	Head of Utility	125,000	–
Martin Modéer	1977	2011	Head of Expert Services	125,000	–

Individual information about the Company's senior executives



Erik Syrén

CEO since 2013.

Born: 1978.

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

Other ongoing assignments: Board member of Syringa Capital AB, Wiraya Solutions AB and Grundbulten 26373 AB (under change of name to 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: 1,250,000 shares.



Johan Holmqvist

Head of IR since 2018.

Born: 1972.

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: –.



Magnus Hansson

CFO since 2015.

Born: 1973.

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 Östersjövågen 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: 80 stock options of series 2014/2019 and 179 stock options of series 2015/2019 which together give entitlements to subscribe to 74,494 shares during March 1 – March 31, 2019.



Nils Olsson

Sales Director since 2012.

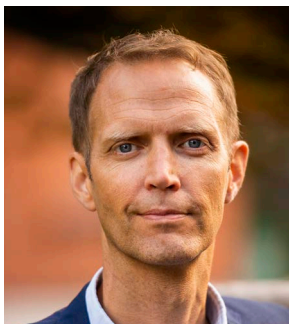
Born: 1983.

Education: Masters of Science in Business at Linköping University.

Other ongoing assignments: –

Previous assignments (last five years): –

Shareholding in the Company: 200,000 shares.



Lars Andersson

CMO since 2002.

CPO since 2013.

Born: 1972.

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

Other ongoing assignments: Board member of AdRapid AB and Swedma AB (and group companies).

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

Shareholding in the Company: 200,000 shares.



Martin Berg

Chief Technology Officer since 2016.

Born: 1980.

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: 100,000 shares.



Martin Nilsson

Head of Development since 2017.

Born: 1973.

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: –



Anna Johansson

Head of Support since 2006.

Born: 1976.

Education: –

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

Previous assignments (last five years): –

Shareholding in the Company: 100,000 shares.



Svante Holm

Head of Utility sedan 2014.

Born: 1968.

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.

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: 125,000 shares.

Further information on the members of the board of directors and senior executives

All members of the board of directors and senior executives are available at the Company's address: Sankt Lars väg 46, 222 70 Lund.

Member of the board Anders Nilsson was sanctioned in 2014 with a fee from the Financial Supervisory Authority (Sw. *Finansinspektionen*) relating to late registration of securities holdings. Apart from the aforementioned, during the past five years, no member of the board of directors or senior executive described above have (a) been convicted in any fraud-related offences, (b) been subject to injunctions against carrying on business, (c) been involved in or represented a company which has been declared bankrupt or filed for compulsory liquidation or been subject to receivership, or (d) been the subject of sanctions or accused by authorities or bodies acting for particular professional groups under public law.

There are no family ties between any of the member of the board of directors or senior executives. There are no members of the board of directors or senior executives of the Company that have private interests that may entail conflicts of interests with the Company. No specific agreements have been made with major shareholders, customers, suppliers or other parties that have resulted in any member of the board of directors or senior executives having been elected to the board of directors or employed

as senior executive. In addition to what is stated in the Prospectus, no agreements have been made between any of the members of the board of directors or senior executives and the Company or any of its subsidiaries in relation to benefits after their respective assignments have been discontinued. None of the Company's board of directors or senior executives have any interests that may come into conflict with the Company's interests (however, several board members and senior executives have financial interests in the Company as a result of their shareholdings and, as regards senior executives, stock options in the Company). The CEO, Erik Syrén, has also (through his wholly-owned company Syringa Capital AB) made investments in funds and companies that are included in the same sphere as the Main Shareholder.

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.

Corporate governance

Introduction

The Company is a Swedish public limited liabilities company. Corporate governance in the Company is mainly based on Swedish law, primarily the Swedish Companies Act (Sw. *Aktiebolagslagen*), the Company's articles of association and internal policies and instructions. In connection with the listing of the Company's shares on Nasdaq Stockholm the Company will also apply, for example, the Nasdaq Stockholm rulebook for issuers and the Swedish Code of Corporate Governance (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 other regulations' minimum requirements. The Code is based on the principle "comply or explain". This means that the Company 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 that the Company openly discloses all such deviations, describes the alternative solution and states the reason for the deviation. The Company will, as of the time of listing of the Company's shares on Nasdaq Stockholm, comply with the Code. The Company has resolved to establish a nomination committee, which will be appointed in early 2019, meaning that the names of the nomination committee will not be disclosed at the latest six months before the annual general meeting in 2019, which is a deviation from the Code. The reason for the deviation is that the nomination committee shall be appointed taking into account the ownership structure after the completion of the Offer. In addition to this, the Company does not intend to deviate from any other rules of the Code. The Company will disclose any future deviations from the Code in its corporate governance report.

The 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 direc-

tors and the auditors. 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 the Company'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 the Company's website. At the time of the notice, information regarding the notice shall be published in Dagens Industri. General meetings can pursuant to the Company's articles of association be held in both Stockholm and Lund.

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 ("**Euroclear**") on the date occurring five business days prior to the meeting and notify the Company 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 five weekdays before the annual general meeting.

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

Shareholder initiative

Shareholders who wish to have a matter discussed at the general meeting must submit a written request in that regard to the Company'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.

Nomination committee

Under the Code, the Company shall have a nomination committee, the purpose of which is to make proposals in respect of candidates for election to the board of directors, including a proposed board chairman, remuneration to each of the directors as well as remuneration for other committee work for the period until the next annual general meeting. The nomination committee shall propose candidates for election and remuneration of external auditors and, if appropriate, procedural issues for the establishment of nomination committee for the following annual general meeting. The proposals from the nomination committee shall be included in the notice of convening of the annual general meeting and on the Company's website.

At an extraordinary general meeting held on October 16, 2018, it was resolved that the nomination committee, ahead of the annual general meeting for the financial year 2019, shall be composed as follows.

The chairman of the board of directors shall make contact with the three largest shareholders, in terms of voting rights, listed in the shareholders' register maintained by Euroclear as of the last business day in December 2018 (it is expected that the nomination committee in their proposal for principles for nomination committee for the 2020 annual general meeting also evaluates and proposes a suitable date for determining the shareholding of the shareholders' register ahead of the annual general meeting 2020). 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 the Company and its 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 member of the board of directors. The majority of the members of the nomination committee shall be independent in relation to the Company and its management. Neither the CEO nor any other member of the Company's management may be a member of the nomination committee. At least one of the members of the nomination committee must be independent in relation to the Company's largest shareholder in terms of voting rights, or group of shareholders who cooperates in terms of the Company's management. Members of the board of directors shall not constitute a majority

of the members of the nomination committee. If more than one member of the board of directors is a member of the nomination committee, only one of them may be dependent in relation to the Company's largest shareholder. The members of the nomination committee shall receive no fee. If necessary, the Company shall cover reasonable costs for the retention of external consultants to enable the nomination committee to perform its duties. The composition of the nomination committee shall be announced by separate press release as soon as the nomination committee has been appointed and no later than six months before the annual general meeting. The information shall also be available on the Company's website, where it shall also be explained how shareholders may submit proposals to the nomination committee. A member of the nomination committee shall step down if the shareholder by whom they were appointed no longer is 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 still is one of the three largest shareholders in terms of voting rights who are represented in the nomination committee. The nomination committee is entitled, if deemed appropriate, to adjunct a member who is appointed by a shareholder who, after the constitution of the nomination committee, has become one of the Company's three largest shareholders and who is not already represented in the nomination committee. Such adjunct member does not take part in decisions made by the nomination committee.

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 the Company's articles of association, the members of the board of directors shall not be less 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 the Company's or its subsidiaries' management. The majority of the board of directors – insofar as elected by the general meeting – shall be independent of the Company and its management. At least two of the members of the board of directors who are independent in relation to the Company and its management shall be independent in relation to the Company's major shareholders. For more information about the members of the board of directors of the Company, and a description of their independence in relation to the Company and its management, as well as in relation to the Company's largest shareholders, see section *"Board of directors, senior executives and auditor"*.

Work and responsibility of the board of directors

The Company's board of directors is the second-highest decision-making body, after the general meeting. The Swedish Companies Act prescribes that the board is responsible for the Company's organisation and management of the Company's business. The board shall continuously assess the Company's and the Group's financial position. The board shall ensure that the Company's organisation is structured such that the accounting, asset management and the Company's financial conditions are otherwise controlled in a secure manner. Under the Code, the board 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 value creation capability, 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 with regard to 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 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 is effective and that the board 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 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 Companies Act, the board 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 has decided that 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 shall:

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

Audit committee

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

- monitor the Company's financial reporting and to provide recommendations and proposals for ensuring the reliability of the reporting,
- with respect to the financial reporting, monitor efficiency in the Company's internal controls, internal audits 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 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, and
- assist in the preparation of proposals regarding the general meetings' resolution concerning the election of auditors.

Remuneration to the board of directors

At the 2018 annual general meeting, it was decided 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
Total		500,000

* The Group has since February 2017 had a management agreement in place with the Main Shareholder Monterro, under which Monterro has provided the Group with services, for which Monterro 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. The management agreement with Monterro ended per the October 31, 2018.

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 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 of directors' 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 preparation of reports and information for the board meetings, and for the presentation of such materials 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 and auditor – The Group's senior executives".

Remuneration to the executive management

The table below shows the remuneration received from the Company and its subsidiary by the CEO and other senior executives during the 2017 financial year.

Function	Gross salary 2017 (MSEK)	Variable remuneration 2017 (MSEK)	Pension costs 2017 (MSEK)	Other benefits (MSEK)	Total (MSEK)
CEO	1.6	0	0.4	–	1.9
Other 8 senior executives*	5.7	0.7	1.0	–	7.5
Total	7.3	0.7	1.4	–	9.4

* The number of members of the Group management has changed since the balance sheet date December 31, 2017. At the date of the Prospectus, the Group's management consists of nine senior executives in addition to the CEO.

Incentive program to the 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. There is a total of 2,545 stock options of series 2014/2019 and 179 stock options of series 2015/2019. 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 from

March 1, 2019 to March 31, 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 from March 1, 2019 to March 31, 2019. If all outstanding stock options of series 2014/2019 and 2015/2019, respectively, are fully exercised, then 783,481 new shares in the Company will be subscribed (corresponding to approximately 5.9 percent of all shares in the Company after full dilution).

For more information about the Company's stock options, see section "Board of directors, senior executives and auditor – The Group's senior executives" and "Share capital and ownership structure – Stock options and convertibles".

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 ordinary 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 the 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 agreement 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 contracts, the employee is expected to work overtime to the extent 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 annual general meeting 2019.

In these guidelines, executive management means the CEO and the management for the Company and the Group. Information regarding the composition can be found at www.lime-technologies.se.

The purpose of these guidelines is to ensure that the Company can attract, motivate 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 the 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 ITP2 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, responsibilities and performance. A revision of the fixed remuneration shall be made on a yearly 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 criterias for each respective senior executive which aim to promote the Company's long term value creation. The performance criterias 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 for one senior executive whose primary function is own sales and who has a sales commission of up to ten months' salary according to his current contract of employment). Fixed remuneration refers to fixed cash salary earned during the year, excluding pensions, benefits and similar.

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

Incentive programs

The general meeting shall be able to decide on long-term share- and share price related incentive programs aimed at, amongst other, the senior executives. Such incentive programs shall be designed with the purpose of aligning the interests of the participant with those of the shareholders and to promote the participants' holding of shares in the Company.

The Company has at general meetings in 2014 and 2015, resolved on incentive programs through the issuance of warrants to certain employees, including senior executives.

Other benefits

The Company offers other benefits to senior executives. Such other benefits may include, for example, wellness grants (Sw. *friskvårdsbidrag*), mobile phone, company car and travel expenses.

Termination and severance pay

The maximum notice period for senior executives during which salary will still be paid is 9 months. No severance pay shall be paid.

Deviations from the guidelines

The board of directors may deviate from these guidelines if there are special reasons to do so in a particular case. If the board of directors deviates from the guidelines, the reasons for the deviation shall be presented at the next annual general meeting.

Internal control

General

The Company has established an internal control system aimed at achieving an efficient organisation that achieves the targets set by the board of directors. This system includes work to ensure that the Company'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. The company 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.

Control environment

The Group'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. 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 of director's rules of procedure, instructions for the CEO, instructions for financial reporting, the Group's code of conduct, communication policy and insider policy.

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

Risk assessment

The company 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

The company's objective with the risk analysis is to identify the most significant risks that may prevent the Company 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 evaluates the Group'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.

Control activities

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

The Company 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 the Group regularly makes an impairment test of the Group's intangible assets with the purpose of assessing returns and potential depreciation needs.

Information and communication

Internal communication to employees is done 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 take part of and acknowledge the policies and instructions relevant to their particular role within the Group.

Such policies include, inter alia, the policies established by the Company for the purpose of informing employees and other persons in the Group 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, the Company has also established procedures for effective management and restriction of distribution of information not yet published 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 the Company's Head of Communications and IR as responsible for the handling of insider lists.

The Company's IR function is led and supervised by the Company's Head of Communications and IR and the Company'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 the Company's financial reports, general meetings, capital market presentations and other regular reporting of IR activities.

Monitoring and follow-up

A self-assessment of the effectiveness of the key controls is carried out annually and a risk report is prepared that summarises the completed self-assessments and explains any deviations that need to be addressed. The risk report is presented to the board every year.

The board of directors receives reports on the Group's revenue, earnings and financial position each month. The Group's interim reports, other financial reports and the annual report are always considered by the board of directors prior to being published. Furthermore, the Group's policies are subject to annual review by the board of directors.

Auditing

The auditor shall review the Company's annual reports and accounting records, as well as the management of the board of directors and the CEO. As the Company is parent company in a group, the Company's auditor shall also audit the consolidated financial statements and the group companies' mutual relationships. After the financial year, the auditor submits an audit report and a consolidated audit report to the annual general meeting.

The Company's auditor is Öhrlings PricewaterhouseCoopers AB. Ola Bjärehäll is auditor-in-charge. The company's auditor is presented in more detail in section "*Board of directors, senior executives and auditor – Auditor*".

In financial year 2017, the total remuneration paid to the Company's auditor amounted to SEK 584,000 (whereof SEK 102,000 related to the parent company) whereof SEK 413,000 related to auditing services (whereof SEK 92,000 related to the parent company).

Share capital and ownership structure

General information about the shares and the share capital

Pursuant to the Company's articles of association, the share capital must not be less than SEK 500,000 and not more than SEK 2,000,000 divided among no fewer than 12,500,000 and not more than 50,000,000 shares. As of the date of the Prospectus, the Company's share capital amounted to SEK 500,000 divided among a total of 12,500,000 shares. There is one class of shares in the Company. Each share has a quota (par) value of SEK 0.04.

The shares have been issued in accordance with Swedish law. All shares have been fully paid and are freely transferable. The shares are registered in a

central securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479). This register is managed by Euroclear (Box 191, 101 23 Stockholm, Sweden). No physical share certificates have been issued in relation to the Company's shares. The ISIN code for the shares is SE0011870195 and the shares will be traded under ticker LIME.

Share capital changes

The table below sets forth the historical development of the Company's share capital since the incorporation of the Company and up until the date of the Prospectus.

Date	Transaction	Change in number of shares	Total number of shares	Change in share capital (SEK)	Share capital (SEK)	Quota (par) value (SEK)
10 Dec, 2013	Incorporation	–	50,000	–	50,000	1
23 Mar, 2018	Bonus issue	–	50,000	450,000	500,000	10
16 Oct, 2018	Split 250:1	12,450,000	12,500,000	–	500,000	0.04

Ownership structure prior to and following the Offer

The table below sets forth the ownership structure of the Company immediately before and after the completion of the Offer (with and without exercising of the Over-allotment Option).

Shareholder	Before the Offer		After the Offer (assuming the Over-allotment Option is not exercised)		After the Offer (assuming the Over-allotment Option is exercised in full)	
	Number	%	Number	%	Number	%
<i>Selling shareholders</i>						
Monterro 1 AB ¹⁾	8,751,250	70.01%	4,415,489	35.32%	3,751,250	30.01%
Martin Modéer ²⁾	125,000	1.00%	62,500	0.50%	62,500	0.50%
Jonas Jakobsson ³⁾	100,000	0.80%	70,000	0.56%	70,000	0.56%
<i>Other shareholders (excluding Cornerstone Investors)</i>						
Syringa Capital AB ⁴⁾	1,250,000	10.00%	1,250,000	10.00%	1,250,000	10.00%
Anders Fransson	200,000	1.60%	200,000	1.60%	200,000	1.60%
Lars Andersson	200,000	1.60%	200,000	1.60%	200,000	1.60%
Nils Olsson	200,000	1.60%	200,000	1.60%	200,000	1.60%
Svante Holm	125,000	1.00%	125,000	1.00%	125,000	1.00%
Martin Berg	100,000	0.80%	100,000	0.80%	100,000	0.80%
Anna Johansson	100,000	0.80%	100,000	0.80%	100,000	0.80%
Implementeringssystem i Sundsvall AB ⁵⁾	100,000	0.80%	100,000	0.80%	100,000	0.80%
<i>Cornerstone Investors</i>						
Swedbank Robur ⁶⁾	737,750	5.90%	1,154,416	9.24%	1,154,416	9.24%
Aktiebolag Grens specialisten ⁷⁾	511,000	4.09%	936,000	7.49%	936,000	7.49%
LMK Venture Partners AB	0	0.00%	425,000	3.40%	425,000	3.40%
RoosGruppen AB	0	0.00%	425,000	3.40%	425,000	3.40%
C Worldwide Asset Management ⁸⁾	0	0.00%	347,222	2.78%	347,222	2.78%
Total existing shareholders and Cornerstone Investors	12,500,000	100.0%	10,110,627	80.89%	9,446,388	75.57%
New shareholders (excluding Cornerstone Investors)	0	0	2,389,373	19.11%	3,053,612	24.43%
Total	12,500,000	100%	12,500,000	100%	12,500,000	100%

1) Chairman of the board Peter Larsson is also a member of the board and indirect shareholder of Monterro 1 AB.

2) Can be reached through the Company's address, Sankt Lars väg 46, 222 70 Lund.

3) Can be reached through the Company's address, Sankt Lars väg 46, 222 70 Lund.

4) Owned by the Company's CEO Erik Syrén. Erik Syrén has declared that he intends to apply to subscribe for shares amounting to MSEK 9.5 in the Offer, through Syringa Capital AB.

5) Owned by member of the board Anders Nilsson.

6) Swedbank Robur Microcap's ownership before the Offer and Swedbank Robur Fonder AB's commitment as Cornerstone Investor (on behalf of Swedbank Robur Microcap and Swedbank Robur Focus).

7) Including commitments through Grens specialisten Förvaltning AB.

8) C Worldwide Asset Management Fondsmæglerselskap AS Danmark Filial i Sverige.

Stock options and convertibles

As of the date of the Prospectus, the Company has issued a total of 2,724 stock options, in two series 2014/2019 and 2015/2019, to certain key personnel within the Group, including the Company's CFO Magnus Hansson – see section "*Board of directors, senior executives and auditor – Group executive management*". Each stock option of series 2014/2019 entitles the holder to subscribe for approximately 288 shares in the Company to a subscription price of SEK 5.48 per share during the period March 1, 2019 up until March 31, 2019. Each stock option of series 2015/2019 entitles the holder to subscribe for approximately 288 shares in the Company to a subscription price of SEK 21.08 per share during the period March 1, 2019 up until March 31, 2019.

Due to repurchases from former employees of the Group, 985 of such stock options are held by the Main Shareholder. The Main Shareholder may, and intends to (if the options are *in-the-money*), exercise the stock options in accordance with its terms for subscription of shares in the Company.

The number of shares which each stock option entitles the holder to subscribe for has been recalculated with consideration given to dividend and the share split (250:1) registered with the Swedish Company Register Office (Sw. *Bolagsverket*) on October 24, 2018. The table below sets forth changes to the share capital and number of shares in the Company, assuming all stock options will be exercised in March 2019.

Program	Number of stock options	Number of new shares	Increase in share capital (SEK)	Dilution ¹⁾
Series 2014/2019	2,545	731,997	29,279.88	5.51%
Series 2015/2019	179	51,484	2,059.36	0.39%
Total	2,724	783,481	31,339.24	5.90%

1) Calculated on all shares in the Company after full dilution.

As of the date of the Prospectus the Company has not issued any convertibles.

Certain rights associated with the shares

Voting right

Each share in the Company entitles the shareholders to one vote at the general meeting and each shareholder is entitled to vote for all the shares they hold in the Company.

Preferential rights to new shares

Should the Company issue new shares, stock options or convertibles in cash issue or a set-off issue, the shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue. The Company's articles of association do not restrict the Company's ability to issue new shares, stock options or convertibles with deviation from the shareholders' preferential rights pursuant to the Swedish Companies Act.

Rights to dividend and surpluses in the event of liquidation

All shares in the Company carry equal rights to dividends and the Company's assets and any surpluses in the event of liquidation.

Resolutions regarding any dividends are made by the general meeting. All shareholders who are registered in the share register maintained by Euroclear on the record date determined by the general meeting are entitled to dividends. Dividends are normally paid to shareholders through Euroclear as a cash amount per share but may also comprise forms other than cash dividends (distribution in kind). If a shareholder cannot be reached through Euroclear, the shareholder's claim on the Company remains in respect of the dividend amount and is limited solely through regulations governing the statute of limitations of ten years. After the period of limitation, the dividend amount accrues to the Company. Neither the Swedish Companies Act nor the Company's articles of association include any restrictions regarding dividends to shareholders domiciled outside Sweden. Shareholders not resident in Sweden for tax purposes are normally subject to Swedish withholding tax, see section "*Certain tax considerations in Sweden*".

Transferability of the shares

The shares are freely transferable. The articles of association do not contain any restrictions in relation to the transferability of the shares. The Company's shares are not subject to a mandatory offering, redemption rights or sell-out obligation. No public takeover offer has been made in relation to the Company's shares since the incorporation of the Company.

Authorisation of the board of directors to make resolution in relation to rights issues or acquisition or transfer of own shares

As of the date of the Prospectus, the general meeting of shareholders has not authorised the board of directors to make resolutions in relation to any rights issues or acquisition or transfer of own shares.

Dividends and dividend policy

Dividend during the last three financial years

In the financial years ending December 31, 2015, 2016 and 2017 dividend has been distributed as set forth in the table below.

Financial year	Dividend per share (SEK)*	Totally distributed amount (MSEK)
2015	4.2	52.5
2016	–	–
2017	6.0	75

* Based on the number of shares in the Company as of the date of the Prospectus (i.e. 12,500,000 shares).

Dividend policy

Lime intends to distribute available cash flow after consideration of the Company's net liabilities and future growth prospects, including acquisitions. The Company expects to distribute at least 50 percent of the net income.

Shareholders' agreement

An existing shareholders' agreement in relation to the Company will terminate in connection with the Offer. As far as the board is aware, there are no other shareholders' agreements or other agreements which might lead to a change in the control over the Company.

Articles of association

The following articles of association were adopted at the general meeting of the Company held on 16 October, 2018 subject to approval of the Prospectus by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen). The articles of association will, therefore, at the date of the Offer have the following wording.

§ 1. Company name

The company's name is Lime Technologies AB (publ).

§ 2. Registered office

The registered office of the company's board of directors is in the municipality of Stockholm. General meetings may also be held in the municipality of Lund.

§ 3. Operations

The object of the company's operations is to, directly or indirectly through subsidiaries, develop, sell, implement and manage software, primarily relating to customer relationships and sales support, and conduct any other business associated therewith.

§ 4. Share capital

The company's share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000.

§ 5. Number of shares

The number of shares shall be not less than 12,500,000 and not more than 50,000,000.

§ 6. Board of directors

The board of directors shall consist of not less than three and not more than eight directors without deputy directors.

The members of the board of directors are elected annually at the annual general meeting for a period ending at the next annual general meeting.

§ 7. Auditors

One auditor, with no deputy auditor, shall be appointed for the purpose of reviewing the company's annual report and financial statements as well as the management by the board of directors and the CEO.

§ 8. Convening of general meeting

Notice of a general meeting shall be published in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) as well as on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Dagens Industri.

Shareholders wishing to participate in the proceedings of the general meeting shall give notice of their attendance to the company by the date specified in the notice convening the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not be earlier than five work days before the general meeting.

At the general meeting shareholders may be accompanied by not more than two advisors, however, only if the shareholder has notified the company of the number of advisors in the manner stated in the previous paragraph.

§ 9. Items of business at the annual general meeting

The following items of business shall be addressed:

1. Election of chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda of the meeting.
4. Election of one or two persons to verify the minutes.
5. Determination of whether the meeting has been duly convened.
6. Submission of the annual report and the auditor's report.
7. Resolution regarding:
 - a) Adoption of the income statement and the balance sheet and, where applicable, the consolidated income statement and the consolidated balance sheet.
 - b) Allocation of the company's profits and losses pursuant to the adopted balance sheet.
 - c) Discharge from liability for members of the board of directors and the CEO.
8. Determination of the number of members of the board of directors and, where applicable, the number of auditors.
9. Determination of the fees to be paid to the board of directors and the auditors.
10. Election of members of the board of directors and, where applicable, auditors.
11. Other matters to be addressed by the general meeting pursuant to the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)) or the articles of association.

§ 10. Financial year

The company's financial year shall be 1 January–31 December.

§ 11. Central securities depository

The company's shares shall be registered in a central securities depository register pursuant to the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lagen* (1998:1479) *om värdepapperscentraler och kontoföring av finansiella instrument*).

* * *

Legal considerations and supplementary information

Corporate information and legal group structure

The Company is a Swedish public limited liability company (reg. no. 556953-2316) incorporated and registered with the Swedish Company Registration Office on December 10, 2013. The Company's legal and trading name, Lime Technologies AB (publ) was registered on March 23, 2018. The Company has its registered office in Stockholm, Sweden. The business is operated in accordance with the provisions of the Swedish Company Act. The Company's address is Sankt Lars väg 46, 222 70 Lund, Sweden.

Lime Technologies AB (publ) is the parent company of the group which consists of seven wholly-owned subsidiaries: Lime Technologies Sweden AB, Lime Technologies Denmark A/S, Lime Technologies Norway AS, Lime Technologies Finland Oy, Hysminai AB, Netoptions Sweden AB and Remotex Technologies AB.

Significant agreements

Agreements with customers

The Group continuously enters into agreements with its customers and is thus party to a large number of customer agreements. Through the agreements, customers are granted a limited license for a certain number of the customer's users to utilise Lime's product. The customer agreements are generally valid for an initial fixed term, after which the agreement is automatically renewed if it is not terminated. The agreements furthermore include provisions relating to prices for products and services, liability issues, confidentiality and the conditions for Lime's product support and customer services. Certain customer agreements include an undertaking from Lime to, if requested by the customer, deposit the source code with a third party, provided that such source code may be disclosed to the customer if Lime becomes insolvent.

Outsourcing agreement with Amazon Web Services

The Company has entered into an outsourcing agreement with Amazon Web Services ("Amazon"). The agreement governs Amazon's provision of some of the Company's products to Lime's customers through Amazon's hosting solution and Amazon's provision of certain related services. The agreement

is valid until further notice and can be terminated by the Company without notice, or by Amazon, with 30 days' notice.

Loan agreement

The Company has entered into a loan agreement with Skandinaviska Enskilda Banken AB (publ) in a total amount according to the agreement of MSEK 130 and maturing on February 21, 2023 (with quarterly amortisations of approximately MSEK 1.8 until the final due date). The interest rate under the loan is STIBOR (with a floor of zero percent) plus 1.90 percent. As security for the loan, the Company has pledged all shares in the wholly-owned subsidiary Lime Technologies Sweden AB. The outstanding amount according to the loan agreement as of September 30, 2018 amounted to MSEK 110.5.

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, and a requirement of the lowest permitted ratio between cash flow and interest and amortisations on a Group level (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. The loan agreement also contains provisions in relation to guarantees, undertakings, breaches of agreement and the provision of financial information.

The loan agreement can, under certain conditions, be terminated in advance. For example, the lender may terminate the agreement for immediate repayment if someone other than Monterro 1 AB takes control over 30 percent or more of the voting rights of the shares in the Company or if the Company's shares are delisted from Nasdaq Stockholm.

Business acquisitions

Acquisition of RemoteX Technologies AB

In January 2017, Lime acquired all shares in RemoteX Technologies AB from a group of 18 divestors. The acquisition price amounted to approximately MSEK 21.5. The share purchase agreement contains certain assurances, most of which expired in May 2018, and indemnity undertakings for the benefit of Lime.

Acquisition of Netoptions Sweden AB

In October 2017, Lime acquired all shares in Netoptions Sweden AB from a group of nine divestors. The acquisition price amounted to MSEK 12.5. The share purchase agreement contains certain assurances, most of which expire in April 2019, and indemnity undertakings for the benefit of Lime.

Acquisition of Hysminai AB

In April 2018, Lime acquired all of the shares and share options in Hysminai AB from a group of 23 divestors. The acquisition price amounted to approximately MSEK 2.9. The share purchase agreement contains certain assurances, most of which expire in July 2019, and indemnity undertakings for the benefit of Lime.

IT and intellectual property rights

The Group operates and owns a large number of domains in different countries. As of the date of the Prospectus the most significant domains are lime.tech, lime-technologies.se, lime-technologies.fi, lime-technologies.dk, lime-technologies.no, lime-technologies.com, limetechnologies.se, lime-technologies.fi, limetechnologies.dk, limetechnologies.no, lime-crm.se, lime-crm.fi, lime-crm.dk, lime-crm.no, lime-crm.com, limecrm.se, limecrm.fi, limecrm.dk, lime-crm.no, lime-crm.com, lime-go.se, lime-go.fi, lime-go.dk, lime-go.no, lime-go.com, limego.se, limego.fi, limego.dk and limego.no.

The Group has the registered (not including trademarks which the Group has decided not to renew) trademarks with respect to "Lime" (design and word trade mark) and with respect to "Lundalogik" (design trade mark).

The Group does not have any patents approved or ongoing patent applications.

Disputes

The Group is currently not and has not during the past 12 months been party to any legal proceedings or arbitration which have recently had, or might have, a significant effect on the Company's or the Group's liquidity, results or financial position.

Placing Agreement

The Company, the Main Shareholder and the Joint Bookrunners intend to enter into an agreement on placing of shares (Placing Agreement) on or around December 5, 2018, in relation to the shares in the Offer. Subject to certain conditions in the Placing Agreement being fulfilled, the Joint Bookrunners undertake to procure acquirers and the Selling Shareholders undertake to divest shares under the Offer to the price of the Offer.

Each Joint Bookrunner, individually but not jointly and severally, has undertaken to procure acquirers for the shares in the Offer, and otherwise acquire the shares in the Offer themselves. The Joint Bookrunners' undertakings to procure acquirers to the shares are subject to the fulfilment of certain conditions in the Placing Agreement, including legal opinions relating to certain legal issues being provided by the Company's legal representative.

Pursuant to the Placing Agreement, the Joint Bookrunners will be entitled to, under certain conditions, for example if the Company or the Selling Shareholders are in breach of their obligations under the Placing Agreement, terminate their respective undertakings and withdraw from the Offer prior to the offered shares being delivered. In the event the Joint Bookrunners terminate their respective undertaking, it is possible that the Offer will be cancelled, in which case no shares will be delivered. Any trading in relation to shares prior to delivery and payment is thus at each part's own risk.

Pursuant to the Placing Agreement, the Company makes certain representations and warranties to the Joint Bookrunners. The Company and the Selling Shareholders will pay fees to the Joint Bookrunners based on a percentage rate of the total purchasing price for the shares.

Stabilisation

In connection with the Offer, the Global Coordinator will carry out transactions aimed at supporting the share price at a higher level than what otherwise might prevail. Such stabilisation transactions may be effectuated on Nasdaq Stockholm, the OTC Market or otherwise, at any time during the period starting on the date of commencement of trading the shares on Nasdaq Stockholm and ending not later than 30 calendar days thereafter. There is no assurance that such stabilisation transactions will be undertaken and stabilisation, if undertaken, may be discontinued at any time.

Commitments by Cornerstone Investors

Cornerstone Investors have committed to acquire shares in the Offer for a total amount of MSEK 146.8, corresponding to 2,038,888 shares in the Company (corresponding to 40% of the Offer if the Over-allotment Option is fully exercised). The Commitments of the Cornerstone Investors are conditioned on, among other things, that the Company satisfies the conditions for listing on Nasdaq Stockholm (including the share dispersion requirement) and that the

listing is performed before December 31, 2018 and that Cornerstone Investors receive allocation in accordance with their commitments. If these conditions are not met, the commitments may not be carried out. No compensation will be paid to the Cornerstone Investors for their commitments. The Cornerstone Investors have made no lock-up commitments. The commitments are not secured by pledges, escrow or similar arrangements. The commitments of each Cornerstone Investor are shown below.

Cornerstone investors	Commitment (SEK)	Number of shares	% of shares in the Offer (%)	% of shares in the Company after the Offer (%) ¹⁾
Swedbank Robur Fonder AB ²⁾	30,000,000	416,666	8.2%	9.2%
Aktiebolag Grenspecialisten ³⁾	30,600,000	425,000	8.3%	7.5%
LMK Venture Partners AB	30,600,000	425,000	8.3%	3.4%
RoosGruppen AB	30,600,000	425,000	8.3%	3.4%
C Worldwide Asset Management ⁴⁾	25,000,000	347,222	6.8%	2.8%
Total	146,800,000	2,038,888	40.0%	26.3%

1) If the Over-allotment Option is fully exercised.

2) On behalf of Swedbank Robur Microcap and Swedbank Robur Focus.

3) Commitment through Grenspecialisten Förvaltning AB.

4) C Worldwide Asset Management Fondsmäglerselskap AS Danmark Filial i Sverige.

Transactions with related parties

All transactions between the Company and its subsidiaries and other related companies and individuals are conducted on normal and commercial terms and at market prices. In addition to the fees paid to the board of directors as resolved by the annual general meeting and remuneration according to agreements with senior executives, no board member, senior executive or shareholder in the Company have been parties to any transaction with the Company which have been of an unusual nature or essential to the Company's business during the current or last three financial years, or prior financial year or which in any respect includes unsettled liabilities.

Since February 2017, the Group has had a management agreement with the Main Shareholder, Monterro 1 AB, who is related to the company. Under the management agreement, Monterro has provided the Group with services such as management and strategy, business planning, transaction and financing advice and financial management, for which it has received compensation. During the financial year 2017, the total compensation to Monterro under the agreement amounted to approximately SEK 250,000. The management agreement with Monterro ended as of the October 31, 2018.

From time to time, the Company purchases recruitment services from ComCube AB, a company in which board member Anders Fransson's wife is a shareholder and board member. During the period

covered by the historical financial information, a total of MSEK 0.4 has been paid to ComCube AB. The Company deems the compensation paid to be at arm's length.

During the period covered by the historical financial information, the Company has sold a total of six vehicles to Bilman P-O Syrén AB, a company in which CEO Erik Syrén's father is a shareholder and board member. The total compensation for the vehicles, which were sold at market value, amounted to MSEK 0.6.

Lock-up

Under the Placing Agreement the Company will undertake to the Joint Bookrunners, during a period of 180 days from the first day of trading of the shares, and not without the Joint Bookrunners' written consent, not to propose any raise of capital to the Company's shareholders, or take any other measure that would allow the Company to directly or indirectly, issue, offer, pledge, sell, undertake to sell, or otherwise transfer or divest securities that are substantially similar to shares, including securities which are convertible into or exchangeable for, or that represent the right to receive such shares in the Company; and not to buy or sell any option or other security or enter into swap, hedge or other agreements which could have an economic effect that correspond to such measures. The abovementioned restrictions do not apply to: issue or transfer of shares or other securities in pursuant to the Company's incentive programs or outstanding stock options

or conversion or redemption of shares pursuant to the Company's articles of association.

The Selling Shareholders and the board of directors and the senior executives of the Company, who own shares, will undertake to the Joint Bookrunners not to, and not without the Global Coordinators written consent, offer, pledge, sell, undertake to sell, sell any option or undertake to buy, buy any option or undertake to sell, grant options, rights or warrants to buy, borrow or otherwise, directly or indirectly, transfer or divest shares or securities in the Company which are convertible into or exchangeable for shares or securities in the Company and that represent the right to receive such shares in the Company or securities that are substantially similar to the Company's shares; enter into swap, hedge or other agreements which fully or partly assign financial risks associated with ownership of the shares to another party; or make or vote for a proposal to raise capital, regardless of whether such transaction shall be paid by distribution of shares, cash or otherwise, during a period of 180 days from the first day of trading of the shares in respect of the Selling Shareholders and during a period of 360 days from the first day of trading of the shares in respect of members of the board of directors and the senior executives. The abovementioned restrictions do not apply to: transfer of shares in relation to the Offer, certain transfers of shares to family members, partnerships, key personnel and legal persons in which the seller has significant influence, provided the buyer accepts to be bound to a lock-up commitment; transfers in connection with acquisition offers from an independent third party or other similar transactions; transfers in connection with redemption or repurchase of shares in the Company; rights in connection with preferential rights issues in the Company; transfers according to law, other regulations or court decisions; any transfer or entrustment of shares with a trustee, endowment insurance (Sw. *kapital-försäkring*) or investment saving account (Sw. *investeringssparkonto, ISK*), are subject to certain exemptions: issuance or assignments of shares or other securities pursuant to the Company's incentive program or the exercise of warrants, with reservation to some exceptions.

Insurances

The Group has customary insurance cover for the industry in which it operates. In the board of directors' opinion, and considering the nature and extent of the business, the insurance cover is sufficient.

Advisors' interests

The Joint Bookrunners provide financial advice and other services to the Company and the Selling Shareholders in connection with the Offer, for which they will receive remuneration paid by the Company and the Selling Shareholders.

One member of the board of directors and two employees of Carnegie are investors in Monterro, i.e. the Main Shareholder, and are thus indirect shareholders of the Company. These persons have neither: (i) any influence over the governance of the Main Shareholder or the Company; or (ii) any influence over Carnegie's performance of its assignment in connection with the Offer. Carnegie's decision to accept the assignment has been taken by the board of directors of Carnegie without the participation of any of these persons, neither in the decision or in the preparation of the decision.

Offer expenses

The Company's expenses attributed to the Offer and the Company's shares being admitted to trading on Nasdaq Stockholm are estimated to amount to MSEK 9.4.

Documents available for inspection

Copies of the following documents will be available during the period of validity of the Prospectus at the Company's head office, Sankt Lars väg 46, 222 70 Lund, for inspection on weekdays during normal office hours:

- the Company's articles of association,
- historical financial information for financial years 2015, 2016 and 2017 and the period January–September 2018 and 2017, and
- historical financial information for the past two financial years for the Company's subsidiaries.

The Company's documents are also available digitally on the Company's website, www.lime-technologies.se.

The above-mentioned documents or information on the Company's website do not constitute part of the Prospectus and are not incorporated by reference in the Prospectus.

Certain tax considerations in Sweden

Below is a summary of certain Swedish tax issues related to the Offer. The summary is based on current legislation and is intended only to provide general information to shareholders who are residents in Sweden for tax purposes, unless otherwise stated.

*The summary does not cover securities which are held as inventory assets in business operations or by partnerships, securities held by foreign investors conducting business through a permanent establishment in Sweden or by foreign companies who have previously been Swedish companies, or details about special rules pertaining to tax-free capital gain (including prohibition of deduction for capital loss) or corporate dividends which may become applicable to holdings in the Company that are considered so-called trade-related (Sw. *näringsbetingande*). Neither does the summary cover special rules that may apply to holdings in companies that are or have been so-called closely held companies or to shares purchased on the basis of so-called qualified shares in closely held companies. The summary does not cover shares held in an investment savings account (Sw. *investerinssparkonto*) or shares held in endowment insurance (Sw. *kapitalförsäkring*).*

Special tax rules apply to certain categories of companies. The tax consequences for each individual shareholder depend on such shareholder's particular situation. Each shareholder is advised to consult an independent tax advisor as to the tax consequences that could arise in each individual case, including the application and effect of foreign legislation and tax treaties.

Private individuals

For private individuals resident in Sweden for tax purposes, capital income, such as interest income, dividend and capital gains, is taxed in the capital income category. The tax rate for the capital income category is 30 percent.

The capital gain or the capital loss is computed as the difference between the consideration, less selling expenses, and the acquisition value. The acquisition value for all shares of the same class and type shall be added together and computed collectively in accordance with the so-called average method (Sw. *genomsnittsmetoden*). The entire capital gain is taxable for listed shares. As an alternative, the so-called standard method (Sw. *schablonmetoden*) may be used at the disposal of listed shares. This method means that the acquisition value may be determined as 20 percent of the consideration less selling expenses.

Capital losses on listed shares are fully deductible against taxable capital gains realised in the same year on shares, as well as on listed securities taxed as shares (however not mutual funds (Sw. *värdepappersfonder*) or hedge funds (Sw. *specialfonder*) containing Swedish receivables only (Sw. *räntefonder*). 70 percent of capital losses not absorbed by these set-off rules are deductible in the capital income category.

If there is a net loss in the capital income category, a reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal estate charge. This tax reduction is 30 percent of the net loss that does not exceed SEK 100,000 and 21 percent for any remaining net loss. A net loss cannot be carried forward to future tax years.

For private individuals that are subject to unrestricted taxation in Sweden, 30 percent preliminary tax is withheld on dividends. The preliminary tax is normally withheld by Euroclear or, in respect of nominee-registered shares, by the nominee.

Limited liability companies

For limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and dividend, is taxed as income from business operations at a rate of 22 percent. To calculate the capital gain or capital loss, the acquisition value for all shares of the same class and type shall be added together and computed collectively in accordance with the so-called average method (Sw. *genomsnittsmetoden*). As an alternative, the so-called standard method (Sw. *schablonmetoden*) may be used at the disposal of listed shares.

Deductible capital losses on shares may only offset taxable capital gains on shares and other securities taxed as shares. If a capital loss cannot be deducted, fully or in part, by the company that has suffered the loss, it may be deducted from another legal entity's taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation and both companies request this treatment for a tax year having the same filing date for each company, or, if one of the companies' accounting liability ceases, would have had the same filing date. A capital loss that cannot be utilised in a given year may be carried forward and utilised against future capital gains on share and other securities taxed as shares in subsequent tax years, without any limitation in time.

Special tax rules may apply to certain categories of companies or certain legal persons, e.g. investment funds and investment companies. Special rules also apply to companies whose shares consist of so-called trade-related stakes (Sw. *näringsbetingade andelar*).

Shareholders that are not tax resident in Sweden

For shareholders not resident in Sweden for tax purposes, who receive dividends on shares of a Swedish limited liability company, Swedish withholding tax is normally withheld. The withholding tax rate is 30 percent. The tax rate is, however, generally reduced under an applicable tax treaty. Withholding tax deductions are normally carried out by Euroclear or, in respect of nominee-registered shares, by the nominee. Dividends to non-Swedish legal persons may, under certain conditions, be exempt from Swedish withholding tax.

Under a specific tax rule, individual shareholders that are not tax resident in Sweden may, however, be subject to tax in Sweden on the sale of shares if they have been resident or stayed permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The application of this rule is limited, however, by tax treaties, in most cases. A shareholder that is not tax resident in Sweden may be subject to taxation in their country of residence.

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).



Historical financial information

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Interim report, January 1 – September 30, 2018

Lime Technologies AB (publ)

Interim report January – September 2018



Continued growth and increased order intake!

Q3, 2018

- Net sales MSEK 55.4 (45.1), rendering a net sales growth of 23% (32%)
- Organic net sales growth 18% (19%)
- Recurring income MSEK 35.2 (27.9)
- EBITA MSEK 14.2 (11.8), rendering an EBITA margin of 26% (26%)
- Adjusted EBITA margin 28% (26%)
- Operating income, EBIT, MSEK 10.8 (9.4)
- Cash flow from current operations MSEK 7.8 (1.6)
- Net income MSEK 8.1 (7.4)
- Earnings per share, basic SEK 162 (148), and diluted SEK 152 (141)

Q1 – Q3, 2018

- Net sales MSEK 175.4 (146.4), rendering a net sales growth of 20% (29%)
- Organic net sales growth 15% (18%)
- Recurring income MSEK 101.3 (79.5)
- EBITA MSEK 36.1 (31.2), rendering an EBITA margin of 21% (21%)
- Adjusted EBITA margin 22% (22%)
- Operating income, EBIT, MSEK 26.4 (24.4)
- Cash flow from current operations MSEK 22.8 (20.2)
- Net income MSEK 20.1 (18.4)
- Earnings per share, basic SEK 402 (367), and diluted SEK 379 (348)



CEO:s comments

Lime has showed continued growth and increased order intake during the third quarter. Through further development of both acquired and existing products, the product offerings have strengthened to new, as well as existing customers.

Net sales in the third quarter amounted to MSEK 55.4, corresponding to a growth of 23% compared to the same period last year. Our Swedish operations grew by 21% and the rest of the Nordic region by 29% compared to the corresponding period last year. It is very pleasing to note that the transition to a subscription model continues to develop as

expected and our subscription revenues increased by 44% compared with the same quarter last year.

Order intake during the third quarter has increased compared to the corresponding period last year. Lime has signed agreements with Hemsö, Eon Gas, Luna AS, Haarla Oy and New Wave A/S, all of which are active in our focus verticals. It is also nice to note that regardless of which team becomes Swedish ice hockey champions, they will use Lime, as we welcome all SHL clubs as new customers.

The transition to subscription-based pricing creates stability and means that a higher proportion of our costs are now covered by recurring revenue. As a result, Lime was successful for the first time ever in making a profit during the holiday month of July, which has always been a challenging month from a revenue perspective. Profitability (EBITA) amounted to 26%, despite being affected by one-off costs relating to the preparation of the upcoming listing of the company's shares. Adjusted for one-off costs, profitability EBITA was 28%, an increase of 2 percentage points compared to last year.

During the second quarter of 2018, Lime acquired software company Hysminai AB (Sparta), a company that develops cloud-based software for gamification, promoting behavioural change to improve customer performance and results. The integration of the company is completed, and a packaged solution was launched in September. Our customers are already using the solution with Lime CRM.

Finally, I wish to welcome some thirty new colleagues who started their employment with Lime in August. During their first five weeks, they completed basic training at our headquarters in Lund. They have since commenced their roles at their respective offices in the different Nordic countries and are now contributing to our work within development, sales, installation and support.

With our new colleagues onboard, we look forward to the fourth quarter!

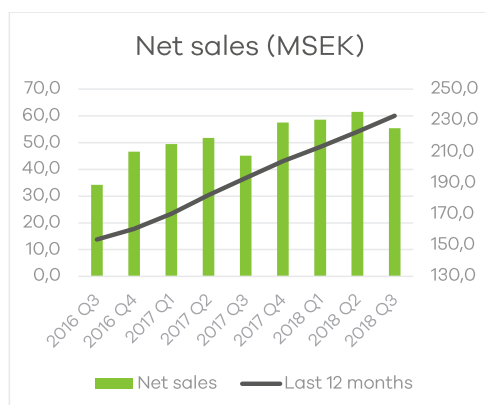
/Erik Syrén, CEO & head of the Lime Group



Lime in summary

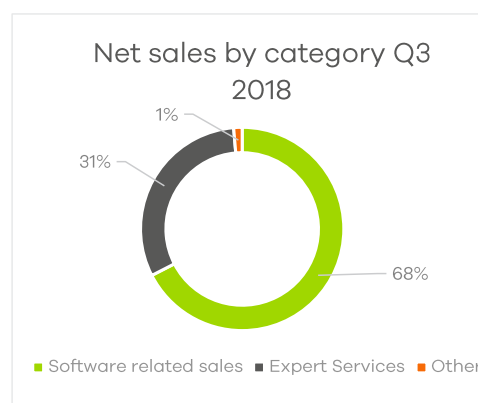
	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
Net sales (MSEK)	55.4	61.5	58.5	57.5	45.1	51.8	49.5	46.6	34.3
Recurring revenue (MSEK)	35.2	34.0	32.1	30.8	27.9	27.0	24.6	20.5	18.6
EBITDA (MSEK)	15.7	12.0	13.0	13.0	13.0	10.8	10.7	13.4	7.3
EBITDA (%)	28%	19%	22%	23%	29%	21%	22%	29%	21%
EBITA (MSEK)	14.2	10.4	11.5	12.1	11.8	9.7	9.6	12.7	6.6
EBITA (%)	26%	17%	20%	21%	26%	19%	20%	27%	19%
Operating income, EBIT (MSEK)	10.8	7.0	8.5	8.6	9.4	7.3	7.6	11.5	5.5
Operating income, EBIT (%)	20%	11%	15%	15%	21%	14%	15%	25%	16%
Earnings per share, basic (SEK)	162	107	134	108	148	109	110	176	79
Earnings per share, diluted (SEK)	152	100	126	102	141	103	105	167	75
Cash flow from current operations (MSEK)	7.8	14.9	0.1	19.5	1.6	13.7	4.9	17.0	3.3

Revenue



Q3 2018 Net sales amounted to MSEK 55 (45), an increase of 23%. Business acquisitions during the last 12 months have contributed MSEK 2 to the Group's net sales for the quarter.

Q1 – Q3 2018 Net sales amounted to MSEK 175 (146), an increase of 20%. Business acquisitions during the last 12 months have contributed MSEK 7 to the Group's net sales for the nine-month period.



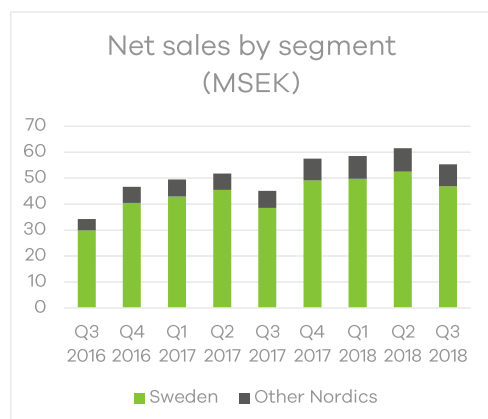
68% (62) of Net sales in the third quarter relate to software revenue. 61% (61) of Net sales relate to software revenue during Q1 – Q3 2018.

Software revenue increased by 25% (40) during Q3 2018 compared to Q3 2017.

Software revenue increased by 20% (37) during the first 9 months 2018 compared to the corresponding period last year.

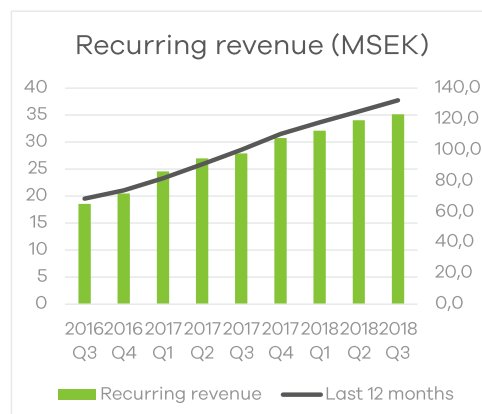


Revenue cont.



Q3 2018 Net sales in Sweden amounted to MSEK 47 (39) and MSEK 9 (7) in the rest of the Nordic countries. Net sales growth for the quarter was 21% in Sweden and 29% in the rest of the Nordic countries.

Q1 – Q3 2018 Net sales in Sweden amounted to MSEK 149 (127) and MSEK 26 (19) in the rest of the Nordic countries. Business acquisitions during the last 12 months have contributed MSEK 7 to the Group's net sales for the nine-month period.



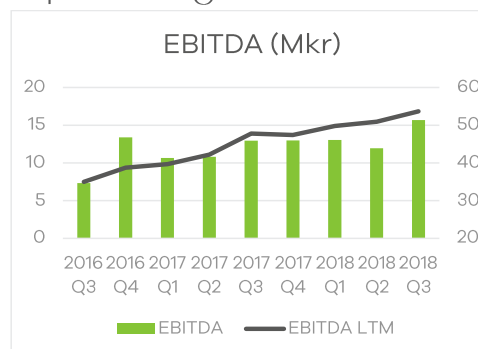
Recurring revenue amounted to MSEK 35 (28) during the quarter, an increase of 26% compared to the same period last year.

Recurring revenue amounted to MSEK 101 (80) during the first nine months of 2018.

Operating income



The 12-month recalculated recurring revenue, annual recurring revenue, at the end of the third quarter was MSEK 142 (111). The 12-month recalculated recurring revenue increased by 28% compared to the corresponding period last year.



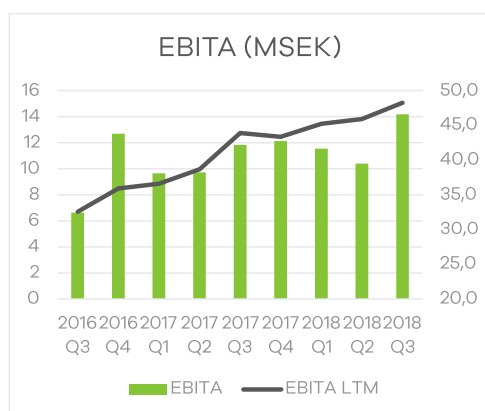
Q3 2018 operating income – EBITDA – amounted to MSEK 16 (13) corresponding to an EBITDA margin of 28% (29). Adjusted EBITDA was MSEK 17 (13) for the quarter, corresponding to an Adjusted EBITDA margin of 31% (29).

Q1 – Q3 2018 operating income – EBITDA – amounted to MSEK 41 (34), corresponding to an EBITDA margin of 23% (24). The margin is, in general, higher in the third quarter than the other quarters as employee vacation reduce compensation to employees.



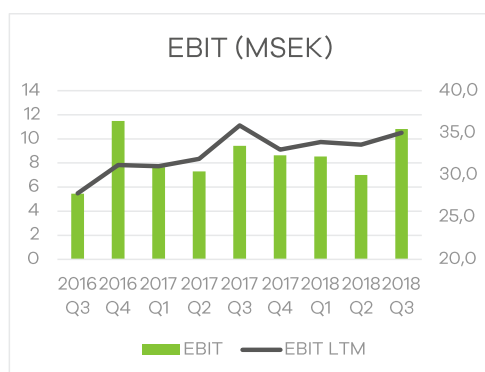
Operating income cont.

Adjusted EBITDA was MSEK 43 (36) for the nine-month period, corresponding to an Adjusted EBITDA margin of 25% (24)



Q3 2018 operating income, excluding amortization on acquired immaterial assets, – EBITA – amounted to MSEK 14 (12) corresponding to an EBITA margin of 26% (26).

Q1 – Q3 2018 operating income – EBITA – for the first nine months amounted to MSEK 36 (31), corresponding to an EBITA margin of 21% (21). Adjusted EBITA for the first nine months amounted to MSEK 39 (33) corresponding to an Adjusted EBITA margin of 22% (22).

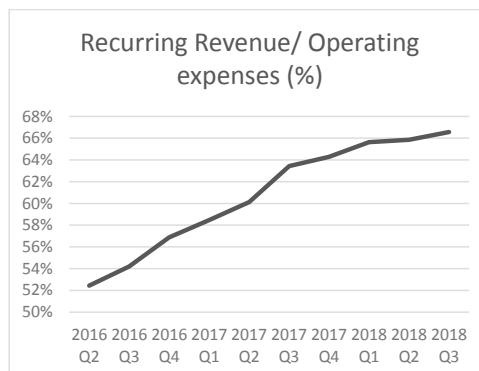


Q3 2018 operating income – EBIT – amounted to MSEK 11 (9) corresponding to an EBIT margin of 20% (21).

Q1 – Q3 2018 operating income – EBIT – amounted to MSEK 26 (24), corresponding to an EBIT margin of 15% (17).

Depreciations increased compared to the same period last year as a result of increased investments in capitalised

development work done by own employees and depreciation of intangible non-current assets relating to acquired subsidiaries



Trailing 12-month recurring revenue amounted to 67% (63) of trailing 12-month total operating expenses during the third quarter.

Cash flow & investments

Q3 cash flow from current operations amounted to MSEK 7.8 (1.6).

Q1 – Q3 cash flow from current operations amounted to MSEK 22.8 (20.2).

Q3 investments in tangible non-current assets amounted to MSEK 0.0 (0.0) and investments in intangible non-current assets amounted to MSEK 4.7 (3.5). Investments in other intangible assets consist of capitalisation of development costs relating to new technology platforms. Depreciation of capitalised development costs amounted to MSEK 1.3 (0.8) in Q3 2018.

Q1 – Q3 investments in tangible non-current assets amounted to MSEK 0.2 (0.6) and investments in intangible non-current assets amounted to MSEK 12.8 (9.8). Investments in intangible assets consist of capitalisation of development costs relating to new technology platforms. The acquisition of Hysminai amounted to MSEK 2.4 (prev. year Remotex, 20.0). Depreciation of capitalised development costs amounted to MSEK 3.8 (2.4) in Q1 – Q3 2018.



Equity & liabilities

The Group's equity amounted to MSEK 34 (79).

The Annual General Meeting on March 19, 2018 approved dividend of SEK 1 500 per share corresponding to MSEK 75. The AGM also approved a bonus issue of MSEK 0.5.

The Group's interest-bearing liabilities amounted to MSEK 113.5 (59.2) at the end of the period. A total of MSEK 6.8 (1.8) of the Group's interest-bearing liabilities have been repaid during the period. Cash and cash equivalent amounted to MSEK 16.3 (23.5) at the end of the period. The Group's net debt amounted to MSEK 97.2 (35.8).

Stock options plans

The company currently has two stock options plans. When Lime Technologies Sweden AB was acquired, staff were invited to participate in stock options plans. Approximately 10% of employees participate in the plans. Further details about the stock options plans can be found in the annual report.

Lime Technologies AB's shares

The total number of shares issued was 50,000 at the end of the period. The company does not own any of its own shares.

Other events during the reporting period

Hysminai AB

On March 23, 2018, the Group signed an agreement to acquire 100% of the share capital in Hysminai AB. Hysminai was founded in 2013 and has its head office in Stockholm, Sweden. Hysminai AB offers a cloud-based tool that introduces gamification into the customer's work processes with the aim of improving the customer's performance and results. The acquisition was concluded on April 3, 2018, after which the Group controls 100% of the share capital in Hysminai AB. The acquisition price was MSEK 2.9. The acquisition was financed with cash.

The acquired company is included in the Lime Group's income statement and balance sheet from the acquisition date and when the control was assumed.

The acquisition analysis is based on assessments of identifiable intangible assets. Based on the acquisition analysis, the acquisition price and acquired net assets amount to:

Acquisition price	MSEK
Cash and cash equivalent	2.9
Total acquisition price	2.9
Assets and liabilities included in the reporting as a result of the acquisition	
<i>Intangible non-current assets</i>	
Software	7.7
Deferred tax liabilities	-1.7
Tangible non-current assets	0.1
Trade receivables and other receivables	0.4
Cash and cash equivalent	0.5
Trade payables and other liabilities	-4.1
Total identifiable net assets	2.9
Acquired net assets	2.9

Financial goals

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

Miscellaneous

Employees

The Group had 224 (199) employees at the end of the reporting period. The average number of employees was 189 (158) during the period.



The parent company

The Parent Company's activities are primarily focused on group management and financing. The company has no other employees apart from the Group's CEO, CFO and Head of IR. Q3 operating income in the Parent Company amounted to MSEK 0.2 (-0.0). Operating income amounted to MSEK -1.2 (-0.1) during Q1 – Q3 2018. Cash and cash equivalents amounted to MSEK 3.2 (0.1) and borrowings to MSEK 110.5 (79.7).

Brief about the company

Nordic CRM experts

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

Lime has a comprehensive organisation for development and holistic offerings that facilitate effective and value-add CRM solutions for the customer. The head office is located in Lund. At the end of September 2018, the Group had 224 employees in six offices in Sweden, Norway, Denmark and Finland.

Mission & vision

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

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

Strategies

Continued structured market growth

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

Geographic expansion

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

Focus on identified verticals

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

Increased sales to existing customer base

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

Continuous development of product platforms

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

Selective acquisition strategy

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

Forward-looking information

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

Although management believes that the expectations expressed in such forward-looking information are reasonable, there are no assurances that these expectations will be realised.

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



Upcoming reporting dates

Interim report Q4, 2018, presented on February 8, 2019

Annual report 2018, presented on March 29, 2019

Interim report Q1, 2019, presented on April 29, 2019

Annual General Meeting, April 29, 2019

Interim report Q2, 2019, presented on July 19, 2019

Interim report Q3, 2019, presented on October 24, 2019

Lund, Sweden October 23, 2018

Erik Syrén
CEO

Additional information can be obtained from:

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

CFO Magnus Hansson, phone +46-46-270 48 85

This report has been audited by the company's auditors.



Key ratios for the Group

	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Net sales (MSEK)	55.4	45.1	175.4	146.4
Net sales growth (%)	23%	32%	20%	29%
Organic net sales growth (%)	18%	19%	15%	18%
Recurring revenue (MSEK)	35.2	27.9	101.3	79.5
Annual recurring revenue (MSEK)	142.5	111.6	142.5	111.6
EBITA (MSEK)	14.2	11.8	36.1	31.2
EBITA (%)	26%	26%	21%	21%
EBITDA (MSEK)	15.7	13.0	40.7	34.4
EBITDA (%)	28%	29%	23%	24%
Operating income, EBIT (MSEK)	10.8	9.4	26.4	24.4
Operating income, EBIT (%)	20%	21%	15%	17%
Items affecting comparability (MSEK)	-1.4	0.0	-2.6	-1.4
Adjusted EBITA (MSEK)	15.6	11.8	38.7	32.6
Adjusted EBITA (%)	28%	26%	22%	22%
Adjusted EBITDA (MSEK)	17.1	13.0	43.3	35.9
Adjusted EBITDA (%)	31%	29%	25%	24%
Adjusted EBIT (MSEK)	12.3	9.4	29.0	25.8
Adjusted EBIT (%)	22%	21%	17%	18%
Earnings per share (SEK)	162	148	402	367
Earnings per share, diluted (SEK)	152	141	379	348
Net debt (MSEK)	96.6	35.3	96.6	35.3
Number of employees (average)	189	158	180	146
Net sales per employee* (MSEK)	1.2	1.2	1.3	1.3
Cash flow from current operations per share (SEK)	156	32	457	405
Average number of outstanding shares (thousands)	50.0	50.0	50.0	50.0

* Some key ratios have been recalculated to a trailing 12-month value

For definition of key ratios, see page 18 – 20.



Consolidated income statement in summary (SEK, thousands)

	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Net sales	55 354	45 138	175 390	146 378
Other revenue	235	203	398	430
Gross income	55 588	45 341	175 787	146 808
<i>Operating expenses</i>				
Compensation to employees	-30 574	-25 246	-106 952	-89 237
Capitalised development work done by own employees	4 522	3 485	12 545	9 768
Depreciation	-4 877	-3 532	-14 323	-10 046
Other expenses	-13 843	-10 619	-40 695	-32 908
Total operating expenses	-44 771	-35 912	-149 424	-122 423
Operating income	10 817	9 429	26 363	24 385
Financial net	-506	-319	-1 584	-1 019
Income after financial net	10 311	9 110	24 779	23 366
Taxes	-2 220	-1 696	-4 662	-5 005
Net income	8 091	7 414	20 117	18 361
Earnings per share, basic	162	148	402	367
Earnings per share, diluted	152	141	379	348
Net income attributable to:				
Shareholders of the Parent Company	8 091	7 414	20 117	18 361
	8 091	7 414	20 117	18 361



Consolidated statement of other comprehensive income (SEK, thousands)

	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Net income	8 091	7 414	20 117	18 361
Other comprehensive income				
Items that may be reclassified to the income statement:				
Translation adjustments	154	-42	489	-125
Other comprehensive income for the period, net of tax	154	-42	489	-125
Other comprehensive income for the period	8 245	7 372	20 606	18 236
Other comprehensive income for the period, attributed to:				
Shareholders of the Parent Company	8 245	7 372	20 606	18 236
	8 245	7 372	20 606	18 236



Consolidated balance sheet in summary (SEK, thousands)

	2018-09-30	2017-09-30	2017-12-31
ASSETS			
Goodwill	59 391	59 391	59 391
Other intangible non-current assets	130 290	110 547	123 434
Tangible non-current assets	3 784	3 766	3 928
Other financial non-current assets	553	505	514
Deferred tax asset	60	62	56
Total non-current assets	194 078	174 271	187 323
Trade receivables	45 571	34 132	39 965
Other current receivables	2 956	6 035	5 929
Cash and cash equivalent	16 327	23 456	24 249
Total current assets	64 854	63 623	70 143
Total assets	258 932	237 894	257 466
EQUITY AND LIABILITIES			
Total equity	33 723	82 777	88 117
Liabilities			
Non-current liabilities			
Interest-bearing non-current liabilities	85 548	40 145	30 736
Deferred tax liabilities	24 521	20 173	22 915
Total non-current liabilities	110 069	60 318	53 651
Current liabilities			
Interest-bearing current liabilities	27 942	19 092	23 261
Trade payables	7 885	7 394	8 893
Other current liabilities	79 313	68 313	83 544
Total current liabilities	115 140	94 799	115 698
Total equity and liabilities	258 932	237 894	257 466



Consolidated statement of changes in equity (SEK, thousands)

	Attributable to the Parent Company's shareholders				
	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 period				18 361	18 361
Other comprehensive income for the year			-125		-125
Total other comprehensive income	0	0	-125	18 361	18 236
Transactions with owners					
-					0
Total transactions with owners	0	0	0	0	0
Closing balance September 30, 2017	50	53 034	55	29 638	82 777

	Attributable to the Parent Company's shareholders				
	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				23 742	23 742
Other comprehensive income for the year			-166		-166
Total other comprehensive income	0	0	-166	23 742	23 576
Transactions with owners					
-		0		0	0
Total transactions with owners	0	0	0	0	0
Closing balance December 31, 2017	50	53 034	14	35 019	88 117

Opening balance January 1, 2018 according to adopted balance sheet	50	53 034	14	35 019	88 117
Net income for the period				20 117	20 117
Other comprehensive income for the period			489		489
Total other comprehensive income	0	0	489	20 117	20 606
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 September 30, 2018	500	53 034	503	-20 314	33 723

Interim report January – September 2018

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Consolidated cash flow analysis (SEK, thousands)

	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Cash flow from current operations				
Cash flow from operations	10 065	3 563	27 539	26 151
Interest paid	-506	-280	-1 586	-916
Taxes paid	-1 752	-1696	-3 111	-5 005
Cash flow from current operations	7 807	1 587	22 842	20 230
Cash flow from investing activities				
Investment in intangible non-current assets	-4 745	-3 485	-12 768	-9 768
Investment in tangible non-current assets	0	-3	-223	-559
Sales of tangible non-current assets	0	0	0	0
Acquisition of group company	0	0	-2 435	-19 959
Investment in financial non-current assets	-13	3	-39	7
Interest received	33	0	33	0
Cash flow from investing activities	-4 725	-3 485	-15 432	-30 279
Cash flow from financing activities				
Dividend	0	0	-75 000	0
Proceeds from borrowings	0	0	130 000	12 500
Amortisation of borrowings	-6 750	-1785	-70 812	-8 785
Cash flow from financing activities	-6 750	-1 785	-15 812	3 715
Net cash flow	-3 668	-3 683	-8 402	-6 334
Net change in cash flow				
Cash and cash equivalent, beginning of year	19 759	27 127	24 249	29 700
Exchange rate changes on cash	236	12	480	90
Cash and cash equivalent, end of period	16 327	23 456	16 327	23 456



Parent company income statement in summary (SEK, thousands)

	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Net sales	2 286	0	4 206	0
Other income	0	0	0	0
Gross income	2 286	0	4 206	0
<i>Operating expenses</i>				
Compensation to employees	-1 041	0	-3 151	0
Other expenses	-1 084	-34	-2 294	-102
Total operating expenses	-2 125	-34	-5 445	-102
Operating income	161	-34	-1 239	-102
Income from shareholdings in group companies	59	-405	1 085	-1 105
Financial income	0	0	0	0
Financial expenses	-548	-218	-1 497	-774
Income after financial items	-328	-657	-1 651	-1 980
Taxes	-295	74	140	365
Net income for the period	-623	-584	-1 511	-1 616

Parent company statement of other comprehensive income (SEK, thousands)

	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Net income	-623	-584	-1 511	-1 616
Other comprehensive income				
Items that may be reclassified to the income statement:				
Translation adjustments	0	0	0	0
Other comprehensive income for the period, net of tax	0	0	0	0
Other comprehensive income for the period	-623	-584	-1 511	-1 616
Other comprehensive income for the period, attributed to:				
Net income	-623	-584	-1 511	-1 616
	-623	-584	-1 511	-1 616



Parent company balance sheet in summary (SEK, thousands)

	2018-09-30	2017-09-30	2017-12-31
ASSETS			
Shares in subsidiaries	133 360	133 360	133 360
Total non-current assets	133 360	133 360	133 360
Prepaid expenses and accrued revenue	218	105	91
Other current assets	258	0	8
Cash and cash equivalent	3 158	140	127
Total current assets	3 634	244	226
Total assets	136 994	133 604	133 586
EQUITY AND LIABILITIES			
<i>Restricted equity</i>			
Share capital	500	50	50
<i>Non-restricted equity</i>			
Retained earnings	1 555	50 765	50 766
Net income for the period	-1 510	-1 616	26 240
Total equity	545	49 200	77 056
Liabilities			
Non-current liabilities			
Interest-bearing non-current liabilities	84 500	31 500	28 000
Interest-bearing debt group companies	18 524	34 203	2 511
Total non-current liabilities	103 024	65 703	30 511
Current liabilities			
Interest-bearing current liabilities	26 000	14 000	14 000
Trade payables	19	0	0
Current tax liabilities	6 010	4 619	11 134
Other current liabilities	854	0	157
Accrued expenses and deferred income	542	83	728
Total current liabilities	33 425	18 702	26 019
Total equity and liabilities	136 994	133 605	133 586



Notes

1 Accounting principles

Lime prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. New accounting principles that have come into force on January 1, 2018 have not had any significant impact on the Group's reporting on September 30, 2018. In addition to what is stated below, the Group applies the same accounting principles as in the annual report per 2017-12-31.

New accounting principles applied from January 1, 2018

IFRS 9 Financial instruments

The Group applies IFRS 9 Financial Instruments from 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 the first nine months of 2018.

IFRS 15 Revenue from contracts and customers

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 supersedes 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 or 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.

Subscriptions 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 the 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.



Service revenue (Expert Services)

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 based on what the Group is entitled to invoice the customer.

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 estimate of revenue, costs or percentage of completion, the estimate 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.

IFRS 16 Leases

The Group is currently evaluating the effects of IFRS 16 Leases. The initial evaluation shows that the accounting treatment mainly will affect leases relating to office premises. Disclosure requirements are further expected to increase.

Other principles and applications

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

Lime applies ESMA's guidelines for alternative performance measures (measurements not defined by IFRS). For definitions, see page 18 – 20.

Critical accounting estimates and judgements

Intangible assets that have an indefinite useful life or intangible assets that are not ready for use are not subject to depreciation but are tested annually for any impairment loss. The impairment test carried out at year-end showed that there was no impairment loss.

Capitalised development work by own employees

Operating expenses relating to development of own software has been reduced by MSEK 4.5 (3.5) during the quarter.

Operating expenses relating to development of own software has been reduced by MSEK 12.5 (9.8) during the nine-month period.

2 Risks and uncertainties

The Lime Group is, through its operations, exposed to common business and financial risks. These risks are described in detail in the 2017 Annual Report. In addition to the disclosures in the annual report, no further significant risks have arisen.

3 Currency translations

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

Transaction differences relating to all other balance sheet items in foreign currency are recognised under Financial net. Net sales and operating expenses are also impacted by transaction differences in foreign exchange. These transaction differences are recognised under respective revenue and expense item.

Net sales for the quarter is made up of 86% SEK, 6% EUR and 7% other currencies. Operating expenses are made up of 85% SEK, 3% EUR and 12% other currencies.

4 Business acquisitions

The acquisition of Hysminai AB in April 2018 has resulted in consolidated goodwill of approx. MSEK 3.6 before tax, whereof MSEK 3.6 has been attributed to technology platforms included in the acquisition. Estimated yearly depreciation of the acquired goodwill amounts to approx. MSEK 0.7. Depreciation of acquired goodwill amounts to MSEK 0.2 (0.0) for the quarter. Depreciation of acquired goodwill amounts to MSEK 0.4 (0.0) for the 9-month period. See page 6 for more information.

The acquisition of Hysminai AB affected cash flow with MSEK 2.4 in Q2 (the acquisition of Remotex affected cash flow with MSEK 20.1 in Q1, 2017).

5 Transactions with related parties

In occurring instances, transactions with related parties has been conducted on market conditions.

6 Taxes

Tax expenses in the quarter amounted to MSEK 2.2 (1.7). Tax expenses during the 9-month period amounted to MSEK 4.6 (5.0). The tax expense has been estimated based on the current tax situation in the Group and the earnings trend in the subsidiaries.



9-quarter summary

Sales per segment, TSEK	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Sweden	46 835	52 473	49 778	49 094	38 555	45 488	42 871	40 487	29 907
Rest of Nordic region	8 519	9 023	8 762	8 428	6 583	6 286	6 595	6 128	4 350
Income statement in summary, TSEK									
Net sales	55 354	61 496	58 540	57 522	45 138	51 774	49 466	46 615	34 257
EBITDA	15 694	11 955	13 037	12 986	12 961	10 816	10 472	13 373	7 340
EBITA	14 180	10 398	11 537	12 127	11 837	9 715	9 649	12 679	6 640
EBIT	10 817	7 011	8 535	8 638	9 429	7 307	7 467	11 496	5 457
Operating margin	20%	11%	15%	15%	21%	14%	15%	25%	16%
Income before tax	10 311	6 353	8 115	8 237	9 110	6 993	7 263	11 120	5 188

Revenue from customer contracts (SEK, thousands)

Revenue by income stream SEK, th.	Q3 2018			Q3 2017		
	Sweden	Rest of Nordic region	Total	Sweden	Rest of Nordic region	Total
Subscription revenue	20 310	3 892	24 202	14 687	2 137	16 824
Licence revenue	1 802	362	2 163	1 771	264	2 035
Support agreements	9 757	1 210	10 966	10 035	1 072	11 107
Expert Services	14 231	3 046	17 278	11 090	3 082	14 172
Other	736	9	745	972	28	1 000
Net sales	46 835	8 518	55 354	38 555	6 583	45 138

Revenue by income stream SEK, th.	Q1-Q3 2018			Q1-Q3 2017		
	Sweden	Rest of Nordic region	Total	Sweden	Rest of Nordic region	Total
Subscription revenue	57 602	10 466	68 068	40 413	5 521	45 934
Licence revenue	5 384	669	6 052	9 012	1 189	10 201
Support agreements	29 670	3 606	33 275	30 213	3 324	33 537
Expert Services	54 223	11 459	65 683	43 498	9 253	52 751
Other	2 207	105	2 312	3 778	177	3 955
Net sales	149 085	26 304	175 390	126 914	19 464	146 378



Sales per quarter

Sales, SEK, thousands	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Expert Services	17 277	24 772	23 633	22 440	14 171	19 582	18 997	19 719	12 254
Software related revenue*	37 332	35 700	34 364	33 646	29 966	30 666	29 038	25 399	21 383
Other	744	1 025	542	1 436	1 000	1 526	1 430	1 497	620
Net sales	55 354	61 496	58 540	57 522	45 138	51 774	49 466	46 615	34 257
Whereof recurring revenue	35 169	34 048	32 128	30 774	27 931	26 978	24 561	20 496	18 578
Whereof recurring revenue (%)	64%	55%	55%	54%	62%	52%	50%	44%	54%
Growth net sales (%)	23%	19%	18%	23%	32%	30%	25%	17%	12%
Growth recurring revenue	26%	26%	31%	50%	50%	50%	48%	35%	33%

*) Software related revenue means subscription revenue, license revenue and revenues from support agreements.

Key ratios

The Group's key ratios are presented below. Some of these are defined in accordance with IFRS. Alternative performance measures (APM) have been identified that are believed to enhance investors' and Group management's evaluation of the company's performance as well as relevant trends. The APMs presented in this report may differ from similarly titled measures used by other companies. The APMs should therefore be seen as a supplement to the key ratios defined by IFRS.

Annual recurring revenue

The recurring revenue, in the last month of the quarter, recalculated to a 12-month period. The measure indicates the value of recurring revenue during the coming 12 months based on revenue from existing customers at the end of the period. The measure is also important for industry comparisons.

SEK, thousands	2018-09-30	2017-09-30
Recurring revenue (quarter)	35 169	27 931
Annual recurring revenue (ARR)	142 479	111 640

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.

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.

EBITA

Operating income before depreciation on 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.

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Operating income	10 817	9 429	26 363	24 385
Depreciation on acquired intangible non-current assets	3 388	2 408	9 778	6 816
EBITA	14 205	11 837	36 141	31 201
Net sales	55 354	45 138	175 390	146 378
EBITA (%)	26%	26%	21%	21%

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.

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Operating income	10 817	9 429	26 363	24 385
Depreciation	4 877	3 532	14 323	10 046
EBITDA	15 694	12 961	40 686	34 431
Net sales	55 354	45 138	175 390	146 378
EBITDA (%)	28%	29%	23%	24%



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.

SEK, thousands	2018-09-30	2017-09-30
Other financial non-current assets	553	505
Cash and cash equivalent	16 327	23 456
Financial assets	16 880	23 961

Average number of shares outstanding

Average number of registered shares during the year, less repurchased shares kept by the company. The measure is used for calculation of other key ratios.

Adjusted EBIT

Operating income according to the income statement excluding items affecting comparability. The measure is a supplement to operating income adjusted for items affecting comparability. The purpose is to show the operating income excluding items that affect comparison with other periods.

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
EBIT	10 817	9 429	26 363	24 385
One-off items	1 435	0	2 624	1 425
Adjusted EBIT	12 252	9 429	28 988	25 810
Net sales	55 354	45 138	175 390	146 378
Adjusted EBIT (%)	22%	21%	17%	18%

Adjusted EBITA

Adjusted EBITA shows EBITA adjusted for items affecting comparability. The purpose is to show EBITA excluding items that affect comparison with other periods.

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
EBITA	14 205	11 837	36 141	31 201
One-off items	1 435	0	2 624	1 425
Adjusted EBITA	15 640	11 837	38 766	32 626
Net sales	55 354	45 138	175 390	146 378
Adjusted EBITA (%)	28%	26%	22%	22%

Adjusted EBITDA

Adjusted EBITDA shows EBITDA adjusted for items affecting comparability. The purpose is to show EBITDA excluding items that affect comparison with other periods.

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
EBITDA	15 694	12 961	40 686	34 431
One-off items	1 435	0	2 624	1 425
Adjusted EBITDA	17 130	12 961	43 311	35 856
Net sales	55 354	45 138	175 390	146 378
Adjusted EBITDA (%)	31%	29%	25%	24%

Items affecting comparability

Refers to items that are reported separately as they are of 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 or restructuring costs.

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Expenses related to public listing of the Company's shares	-1 435	0	-2 459	0
Acquisition related expenses	0	0	-165	-1 425
Items affecting comparability	-1 435	0	-2 624	-1 425

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.

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Cash flow from current operations	7 807	1 587	22 842	20 230
Number of shares	50 000	50 000	50 000	50 000
Cash flow from current operations per share (SEK)	156	32	457	405



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.

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Net sales, the period	55 354	45 138	175 390	146 378
Net sales, same period previous year	45 138	34 257	146 378	113 801
GROWTH IN NET SALES	23%	32%	20%	29%

Net liabilities

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

SEK, thousands	2018-09-30	2017-09-30
Interest-bearing non-current liabilities	85 548	40 145
Interest-bearing current liabilities	27 942	19 092
Financial assets	-16 880	-23 961
Net liabilities	96 610	35 276

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.

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Trailing 12-month net sales	232 912	192 993	232 912	192 993
Number of employees	189	158	180	146
Net sales per employee	1 234	1 218	1 292	1 323

Organic growth in net sales

The measure shows growth in net sales adjusted for acquisition 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.

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Net sales, period	55 354	45 138	175 390	146 378
Acquired, net sales, last 12 months	-2 239	-4 291	-6 995	-12 308
Organic net sales	53 115	40 847	168 395	134 069
Organic net sales, same period last year	40 847	34 257	134 069	113 801
Adjusted for acquired net sales last 12-24 months	4 291	0	12 308	0
Comparable organic net sales	45 138	34 257	146 378	113 801
Organic net sales growth (%)	18%	19%	15%	18%

Recurring revenue

Revenue that is highly likely to continue in the future and includes support and maintenance revenue and subscription revenue.

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Subscription revenue	24 202	16 824	68 069	45 934
Support agreements	10 966	11 107	33 275	33 537
Recurring revenue	35 169	27 931	101 345	79 470

Recurring revenue in relation to operating expenses

Revenue that is highly likely to continue in the future in relation to operating expenses. The measure is a key ratio for industry comparisons

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Recurring revenue	35 169	27 931	101 345	79 470
Operating expenses	-44 771	-35 912	-149 424	-122 423
Recurring revenue in relation to operating expenses	79%	78%	68%	65%

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 earnings ability.

SEK, thousands	Q3 2018	Q3 2017	Q1 - Q3 2018	Q1 - Q3 2017
Operating income	10 817	9 429	26 363	24 385
Net sales	55 354	45 138	175 390	146 378
OPERATING MARGIN	20%	21%	15%	17%

Operating income, EBIT

Operating income according to the income statement.

About Lime Technologies

Our more than 220 staff members and over 60 000 users make us one of the largest CRM suppliers in the Nordic region

With more than 25 years' experience in the industry, we can honestly say we know most things CRM.

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

To put it simply – we transform companies into customer magnets.



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Auditor's report

Lime Technologies AB (publ), 556953-2616

Introduction

We have reviewed the condensed interim financial information (interim report) of Lime Technologies AB (publ) as of 30 September 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Stockholm 23 oktober 2018

Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized Public Accountant

Historical financial information, financial years 2017, 2016 and 2015

CONSOLIDATED INCOME STATEMENT

	Note	2017	2016	2015
Net sales	5	203.9	160.4	144.8
Other revenue	10	0.6	0.4	0.2
Gross income		204.5	160.8	145.0
<i>Operating expenses</i>				
Compensation to employees	7	-123.7	-97.6	-85.0
Capitalised development work done by company employees		13.3	8.9	7.7
Depreciation		-14.4	-7.5	-6.0
Other expenses	6, 10	-46.7	-33.4	-28.7
Total operating expenses		-171.5	-129.6	-112.0
Operating income	5	33.0	31.2	32.9
Financial income	8	0.0	0.1	0.0
Financial expenses	8	-1.4	-1.4	-1.2
Income after financial net		31.6	29.9	31.8
Taxes	9	-7.9	-6.8	-7.1
Net income		23.7	23.1	24.7
Income attributable to:				
Shareholders of the Parent Company		23.7	23.1	24.7
		23.7	23.1	24.7
Consolidated statement of other comprehensive income				
Other comprehensive income				
Items that may be reclassified to the income statement:				
Translation adjustments		-0.2	0.2	0.0
Other comprehensive income for the period, net of tax		-0.2	0.2	0.0
Other comprehensive income for the year		23.6	23.3	24.6
Other comprehensive income for the year, attributable to:				
Shareholders of the Parent Company		23.6	23.3	24.6
		23.6	23.3	24.6
Earnings per share, based on income attributable to shareholders of the Parent Company during the year (SEK / share)				
	11			
Earnings per share				
- basic		475	461	493
- diluted		449	437	470
Average number of shares, basic		50,000	50,000	50,000
Average number of shares, diluted		52,879	52,724	52,545

Other Comprehensive Income refers in its entirety to foreign exchange differences without tax effect.

The following notes form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

	Note	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
ASSETS				
Non-current assets				
Intangible assets				
	12			
Capitalised development expenses		30.4	20.4	13.5
Software		43.2	14.0	16.0
Trademarks		33.5	33.5	33.5
Customer relationships		16.4	19.1	21.9
Goodwill		59.4	59.4	59.4
Total intangible non-current assets		182.8	146.4	144.2
Tangible non-current assets				
	13			
Vehicles		3.1	3.1	2.9
Machinery and equipment		0.8	0.3	0.4
Total tangible non-current assets		3.9	3.4	3.3
Financial non-current assets				
Other financial non-current assets	14	0.5	0.5	0.4
Total financial non-current assets		0.5	0.5	0.4
Deferred tax asset	21	0.1	0.1	0.0
Total non-current assets		187.3	150.3	147.9
Current assets				
Trade receivables	15	40.0	31.6	27.1
Current tax assets		1.8	1.1	2.1
Other current receivables		0.0	0.4	0.0
Prepaid expenses and accrued revenue	16	4.1	4.0	2.4
Total current assets		45.9	37.1	31.6
Cash and cash equivalent	17	24.2	29.7	27.0
Total current assets		70.1	66.8	58.5
Total assets		257.5	217.2	206.4
EQUITY AND LIABILITIES				
Equity attributable to the Parent Company's shareholders				
Share capital	18	0.1	0.1	0.1
Additional paid in capital	19	53.0	53.0	53.0
Reserves		0.0	0.2	0.0
Retained earnings including net income for the year		35.0	11.3	40.7
Total equity		88.1	64.5	93.8
Liabilities				
Non-current liabilities				
Borrowings	20	30.7	40.2	8.6
Deferred tax liabilities	21	22.9	20.5	20.0
Total non-current liabilities		53.7	60.7	28.7
Current liabilities				
Borrowings	20	23.3	15.3	16.0
Trade payables		8.9	5.4	5.2
Current tax liabilities		11.5	11.2	5.7
Other current liabilities	22	10.3	7.3	6.5
Accrued expenses and prepaid revenue	23	61.8	52.8	50.5
Total current liabilities		115.7	91.9	83.9
Total liabilities		169.3	152.6	112.6
Total equity and liabilities		257.5	217.2	206.4

The following notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the Parent Company's shareholders					Total equity
	Note	Share capital	Additional paid in capital	Reserves	Retained earnings	
Opening balance January 1, 2015 according to adopted balance sheet		0.1	52.9	0.0	16.3	69.3
Acquisition of subsidiary					-0.2	-0.2
Net income for the year					24.7	24.7
Other comprehensive income for the year				0.0		0.0
Total other comprehensive income		0.0	0.0	0.0	24.4	24.4
Transaction with owners						
Stock option plan	19		0.1			0.1
Total transactions with owners		0.0	0.1	0.0	0.0	0.1
Closing balance December 31, 2015		0.1	53.0	0.0	40.7	93.8
Opening balance January 1, 2016 according to adopted balance sheet		0.1	53.0	0.0	40.7	93.8
Net income for the year					23.1	23.1
Other comprehensive income for the year				0.2		0.2
Total other comprehensive income		0.0	0.0	0.2	23.1	23.3
Transactions with owners						
Dividends					-52.5	-52.5
Total transactions with owners		0.0	0.0	0.0	-52.5	-52.5
Closing balance December 31, 2016		0.1	53.0	0.2	11.3	64.5
Opening balance January 1, 2017 according to adopted balance sheet		0.1	53.0	0.2	11.3	64.5
Net income for the year					23.7	23.7
Other comprehensive income for the year				-0.2		-0.2
Total other comprehensive income		0.0	0.0	-0.2	23.7	23.6
Transactions with owners						
-					0.0	0.0
Total transactions with owners		0.0	0.0	0.0	0.0	0.0
Closing balance December 31, 2017		0.1	53.0	0.0	35.0	88.1

The following notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

	Note	2017	2016	2015
Cash flow from current operations				
Cash flow from operating activities	29	48.3	41.8	37.8
Interest paid		-1.4	-1.4	-1.2
Income taxes paid		-7.1	-6.3	-6.6
Cash flow from current operations		39.8	34.1	30.1
Cash flow from investing activities				
Investment in intangible assets	12	-14.1	-8.9	-7.7
Investment in tangible non-current assets	13	-1.9	-0.9	-2.0
Sales of tangible non-current assets	13	1.9	0.0	0.0
Acquired group company	25, 12	-29.7	0.0	0.0
Investment in financial non-current assets		0.0	-0.2	-0.3
Interest received		0.0	0.1	0.0
Cash flow from investing activities		-43.8	-9.9	-10.0
Cash flow from financing activities				
Proceeds from options		0.0	0.0	0.1
Dividend paid		0.0	-52.5	0.0
Proceeds from borrowings	30	12.5	71.1	1.2
Repayment of borrowings	30	-14.0	-40.2	-36.6
Cash flow from financing activities		-1.5	-21.6	-35.2
Net cash flow		-5.6	2.6	-15.2
Net change in cash				
Cash and cash equivalent, beginning of year	17	29.7	27.0	42.4
Exchange rate changes on cash		0.2	0.2	-0.3
Cash and cash equivalent, end of year	17	24.2	29.7	27.0

The following notes form an integral part of these consolidated financial statements.

Notes to the consolidated accounts:

1. GENERAL INFORMATION

Lime Technologies AB (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 limited 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 November 26, 2018, 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 Group have been prepared in accordance with the Swedish Annual Reports 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 4.

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, 2018 and have not been applied in the preparation of the 2017, 2016 and 2015 financial reports.

New accounting principles being applied from January 1, 2018:

IFRS 9 Financial instruments:

IFRS 9 deals with 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 classification and measurement of financial instruments and introduces a new loss impairment model. The new model for estimating credit losses is based on expected credit losses, which may lead to earlier recognition of credit losses. The Group does not expect any significant impact on the classification and measuring of the Group's financial assets and liabilities. IFRS 9 came into effect on January 1, 2018.

IFRS 15 Revenue from contracts with customers

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 supersedes 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 or 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.

Licence 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 the delivery date.

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 the control is transferred to the customer continuously during the term of the contract.

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.

Service revenue (Expert Services)

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 based on agreed prices as the worked hours are being 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 estimate of revenue, costs or percentage of completion, the estimate 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.

IFRS 16 Leases

IASB published a new leasing standard in January 2016, which will replace IAS17 Leases and the corresponding interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires all assets and liabilities attributable to any lease agreement, with some exceptions, to be recognised in the balance sheet. This accounting principle is based on the view that the lessee has a right to use an asset during a specific period and at the same time has an obligation to pay for this right. The accounting for the lessor will essentially remain unchanged. The standard applies to annual reporting periods beginning on or after January 1, 2019. Earlier adaptation is permitted. The initial evaluation shows that the accounting treatment mainly will affect leases relating to office premises, see note 25. Disclosure requirements are further expected to increase.

The Lime Group will apply the standard retroactively by adjusting the opening balance of retained earnings on the day the standard is first applied. Comparative numbers are not recalculated, and the right of use is calculated retroactively.

No other IFRS or IFRIC interpretations that have not yet come into effect are expected to have a material 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.

If the business acquisition is carried out in several stages, the previous equity shares of the acquired company are re-valued to their fair value at the acquisition date. Any gain or loss resulting from the revaluation is recognised in the income statement.

Each conditional purchase price to be transferred by the Group is measured at fair value at the acquisition date. Subsequent changes in the fair value of a conditional purchase price classified as an asset or liability are reported in accordance with IAS 39 either in the income statement or in Other comprehensive income. Conditional purchase price classified as equity is not re-valued and subsequent adjustment is reported in equity.

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 5.

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 Krona (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.

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.

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.

(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.

(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. Expenditures for employees are reported as gross expenditure, *i.e.*, expenditures for employees are reported as *Cost for remuneration employees* and as a cost reduction for Capitalised work of own account.

Development expenses for software recognised as assets are depreciated over their estimated useful life, 3–7 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 assets

2.8.1 Classifications

The Group classifies its financial assets in the following categories: 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 reliably.

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 financial statement. However, deferred tax is not recognised if it arises as a result of the initial recognition of goodwill.

Further, deferred tax is not recognised if it arises as a result of a transaction being the initial recognition of an asset or liability that is not a business acquisition and which, at the time of the transaction affect neither accounting nor taxable profit. 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 an asset 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 in 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 2015, 2016 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.

(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) Bonusplaner

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

The Group has two share-based compensation plans in which the benefit is provided as stock (options). The employee pays a premium corresponding to the fair value of options at the awarding date. The premium is credited 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. Sales are based on fair value of consideration received or to be received and correspond to an amount received for sold licence rights or services net of discounts and value added taxes (VAT).

Revenue is recognised when its value can be determined reliably, it is likely that future economic benefits will accrue to the company and specific criteria have been met for each of the Group's operations as described below.

(a) Sales of license rights and subscription revenue

Sales relates mainly to three different license-based products, Lime Go, Lime Easy and Lime CRM. In addition, Lime Field and Bizwizard are also sold. Revenue recognition for the products depends on whether the Group's obligations are fulfilled at delivery of the product or over the time span during which the customer is entitled to use the product.

Some of the Group's software is offered as cloud-based services, so-called Software as a Service (SaaS). No software is installed or downloaded by the customer. Instead, the customer is entitled to use the software through the cloud-based service over a certain period of time, commonly 12 months. The cloud services are sold at a fixed price per user and the revenue is recognised pro-rata over the contract period, as the Group fulfils its obligations to the customer.

Some other software can be downloaded by the customer via a program code. Revenue from this type of license rights is recognised at the time the customer receives the program code. The Group has no further obligations or commitments to the customer after the delivery date.

(b) Sales of other services

The Group sells consultant services, mainly provided based on time used but, in a few cases, also at fixed price contracts. Revenue from time-based contracts is recognised based on what the Group is entitled to invoice the customer. Revenue from fixed price contracts is recognised progressively based on percentage of completion. The percentage of completions is calculated based on the proportion of totally agreed services that has been delivered.

Customers who purchase license rights are offered the opportunity to sign support and maintenance agreements. Support and maintenance agreements usually run for 12 months with the option of renewal. The services consist of an indefinite number of activities in which no activity is more significant than any other. Revenue is therefore recognised *pro rata* over the contract period.

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 Consolidated statement of cash flow

The consolidated statement of cash flows is prepared in accordance with IAS 7, Statement of Cash Flows, according to the indirect method. The year's change in cash is divided into current operations, investing activities and financing activities. The starting point of the indirect method is the operating profit adjusted for transactions that did not entail payments received or paid. Cash and cash equivalents include short-term investments with maturity within 3 months from the date of investment. All items included in cash and cash equivalents can be converted to cash relatively immediately.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group is exposed to a variety of financial risks through its operations: market risk (including currency risk, interest rate risk in fair value and interest rate risk in cash flow), credit risk and liquidity risk. The Group's overall risk management policy focuses on unpredictability in the financial markets and strives to 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 2015, 2016 and 2017 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, 2017 would have been SEK 182,000 lower/higher (2016: 85,000 SEK, 2015: 67,000 SEK), largely as a result of profits/losses on recalculation of current assets and liabilities.

(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, 2016 and 2015, the Group's borrowings at variable interest rates were in Swedish Kronor. Information regarding Lime's bank loans is presented in note 20.

At the end of the period, interest-bearing borrowings amounted to MSEK 54.0 (2016: 52.5, 2015: 21.8) with a variable rate linked to STIBOR. A change of 10 bps in underlying reference rates, in 2017, 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. A change of 10 bps in underlying reference rates would impact on Net income and Equity by plus/minus SEK 61,000 in 2016 and SEK 40,000 in 2015.

(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 risk exposure to customers is limited due to 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.

The Group

As per December 31, 2015	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years
Borrowings (excl. liabilities relating to financial leasing)	4.0	11.7	6.9	0.0
Liabilities relating to financial leasing	0.2	0.8	1.1	0.8
Trade payables and other liabilities	5.2	–	–	–
Total	9.4	12.5	8.0	0.8

As per December 31, 2016	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years
Borrowings (excl. liabilities relating to financial leasing)	3.7	11.1	14.6	25.0
Liabilities relating to financial leasing	0.7	0.6	1.1	0.6
Trade payables and other liabilities	5.4	–	–	–
Total	9.8	11.8	15.8	25.5

As per December 31, 2017	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years
Borrowings (excl. liabilities relating to financial leasing)	5.5	16.4	16.2	14.2
Liabilities relating to financial leasing	0.4	1.7	0.5	0.4
Trade payables and other liabilities	8.9	–	–	–
Total	14.8	18.2	16.8	14.6

3.2 Capital risk management

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 Group's capital structure target requires net debt relative to EBITDA to be less than 2.5. Provisions under bank loan agreements require net debt in relation to EBITDA to be less than 2.0.

MSEK	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
Interest-bearing non-current liabilities	30.7	40.2	8.6
Interest-bearing current liabilities	23.3	15.3	16.0
Financial assets	–24.7	–30.2	–27.4
Net debt	29.3	25.3	–2.8
EBITDA	47.4	38.7	38.9
Net debt/EBITDA	0.6	0.7	n/a

4. 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.

4.1 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 13).

(b) Customer relations, software and trademarks

The Group has assessed the useful life of customer relations, software and trademarks 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 capital cost) 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.

(d) Income taxes

The Group is obliged to pay taxes in different countries. There are transactions and calculations where the final tax is uncertain. In cases where the final tax differs from the amounts initially reported, these differences will affect current and deferred tax assets and liabilities during the period when the final tax is determined.

5. 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

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.

2015-01-01-2015-12-31	Sweden	Rest of Nordic region	Eliminations	The Group
Sales, external	127.6	17.2		144.8
Sales, internal	4.8	0.2	-5.0	0.0
Total sales	132.4	17.3	-5.0	144.8
Expenses, external	-91.5	-14.0		-105.5
Expenses, internal	-0.2	-4.8	5.0	0.0
Total expenses	-91.7	-18.8	5.0	-105.5
Adjusted EBITDA	40.8	-1.5	0.0	39.3
Acquisition-related expenses				-0.3
Depreciation				-6.0
EBIT				32.9
Financial net				-1.2
Taxes				-7.1
Net income				24.7

2016-01-01-2016-12-31	Sweden	Rest of Nordic region	Eliminations	The Group
Sales, external	142.0	18.5		160.4
Sales, internal	1.7	8.5	-10.1	0.0
Total sales	143.6	26.9	-10.1	160.4
Expenses, external	-99.9	-21.8		-121.7
Expenses, internal	-7.2	-3.0	10.1	0.0
Total expenses	-107.1	-24.7	10.1	-121.7
EBITDA	36.5	2.2	0.0	38.7
Depreciation				-7.5
EBIT				31.2
Financial net				-1.3
Taxes				-6.8
Net income				23.1

5. Segment information, cont.

2017-01-0–2017-12-31	Sweden	Rest of Nordic region	Eliminations	The Group
Sales, external	176.2	28.3		204.5
Sales, internal	1.8	7.5	–9.3	0.0
Total sales	178.1	35.7	–9.3	204.5
Expenses, external	–123.8	–31.3		–155.1
Expenses, internal	–7.5	–1.8	9.3	0.0
Total expenses	–131.3	–33.1	9.3	–155.1
EBITDA	46.8	2.6	0.0	49.4
Acquisition-related expenses				–2.0
Depreciation				–14.4
EBIT				33.0
Financial net				–1.4
Taxes				–7.9
Net income				23.7

Assets and liabilities

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

Non-current assets and deferred tax assets are broken down as follows:

	2017-12-31	2016-12-31	2015-12-31
<i>Sweden</i>			
Capitalised development expenses	30.4	20.4	13.5
Software	43.2	14.0	16.0
Trademarks	33.5	33.5	33.5
Customer relations	16.4	19.1	21.9
Goodwill	59.4	59.4	59.4
Vehicles	3.1	3.1	2.9
Machinery & equipment	0.7	0.2	0.3
<i>Other Nordic countries</i>			
Machinery & equipment	0.1	0.1	0.0
Financial non-current assets	0.5	0.5	0.4
Total non-current assets	187.2	150.2	147.9

Group-wide information

Breakdown of revenue from all products and services:

	2017	2016	2015
Breakdown of revenue per revenue category:			
– Consultant services	75.2	66.0	59.2
– Sales of licenses	78.6	46.8	40.9
– Service agreements	44.7	44.0	41.8
– Other	5.4	3.6	2.8
Total	203.9	160.4	144.8
	2017	2016	2015
Breakdown of external sales based on the location of the customer:			
Sweden	176.0	142.1	127.6
Rest of Nordic region	27.9	18.3	17.2
Total	203.9	160.4	144.8

The revenues from the countries included in Other Europe are not material.

6. FEES TO AUDITORS

	The Group		
Fees to auditors	2017	2016	2015
PwC			
– Audit fees	0.4	0.4	0.2
– Tax services fees	0.1	0.1	0.0
– Other fees	0.1	0.1	0.0
Total	0.6	0.6	0.3

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.

7. COMPENSATION TO EMPLOYEES ETC.

Salaries and other remuneration to all employees

	The Group		
	2017	2016	2015
Salaries, and other remuneration	86.7	67.9	61.3
Social security expenses	23.2	18.8	17.0
Pension costs – defined contribution plans	6.9	6.2	5.0
Total compensations to employees	116.8	92.9	83.3

Remuneration to the executive management

2017-01-01–2017-12-31	Base salary/fee	Variable pay	Pension cost	Other compensation	Total
Board members	0.4	–	–	–	0.4
CEO	1.6	0	0.4	–	1.9
Other executive managers	5.7	0.7	1.0	–	7.5
Group total	7.7	0.7	1.4	0.0	9.7

2016-01-01–2016-12-31	Base salary/fee	Variable pay	Pension cost	Other compensation	Total
Board members	0.5	–	–	–	0.5
CEO	1.2	0.1	0.3	–	1.6
Other executive managers	5.0	0.8	0.8	–	6.6
Group total	6.7	0.9	1.1	0.0	8.6

2015-01-01–2015-12-31	Base salary/fee	Variable pay	Pension cost	Other compensation	Total
Board members	0.5	–	–	–	0.5
CEO	1.1	0.2	0.3	–	1.6
Other executive managers	4.5	0.9	0.7	–	6.1
Group total	6.1	1.1	1	0.0	8.2

7. Compensation to employees etc., cont.

Average number of employees

	The Group		
	2017	2016	2015
Average number of employees	185	156	124
whereof men	131	113	89

Breakdown per country

Sweden (whereof men)	153 (111)	130 (95)	108 (79)
Norway (whereof men)	11 (7)	10 (7)	6 (3)
Finland (whereof men)	13 (6)	10 (6)	8 (5)
Denmark (whereof men)	8 (7)	6 (5)	2 (2)
Total	185 (131)	156 (113)	124 (89)

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

Board members	The Group		
	2017	2016	2015
Women	1	–	–
Men	4	4	4

Executive management incl. CEO	The Group		
	2017	2016	2015
Women	1	1	1
Men	8	7	7

Boards in subsidiaries	Women 2017	Men 2017	Women 2016	Men 2016	Women 2015	Men 2015
Lime Technologies Sweden AB	1	4	–	4	–	4
Lundalogik AS	–	3	–	3	–	3
Lundalogik OY	–	3	–	3	–	3
Lundalogik A/S	–	3	–	3	–	3
Remotex Technologies AB	–	1	–	–	–	–
Netoptions Sweden AB	–	1	–	–	–	–

The boards of subsidiaries did not receive any compensation in 2017, 2016 or 2015. There are no pension commitments for the boards. There is also no severance pay or variable compensation. The CEO, in consultation with the board, determines the fixed salary for the executive management each year and decides on any changes. Any salary reviews take effect as of January 1. Any employee vehicle benefits for executive management are not reported in the tables above.

CEO

In addition to fixed salary, the CEO receives performance-based compensation. The performance-based compensation relates to the achievement of financial targets set by the Group's board of directors. The performance-based compensation is capped at 33 percent in addition to the fixed salary. In 2017, the financial targets were not achieved, and no variable compensation was paid to the CEO. In 2016, the financial targets were partly achieved, and the amount due is fully accounted for in the financial statements. In 2015, the financial targets were partly achieved, and the amount due is fully accounted for in the financial statements. The CEO does not receive any board fee.

Remuneration to the board of directors

Remuneration to the board of directors amounted to SEK 125 thousands per each member in 2015, SEK 125 thousands per each member in 2016 and SEK 125 thousands per each member in 2017.

Variable pay

The company applies both fixed salary and performance-based compensation to executive managers, and sales commission on personal sales achievements for sales representatives. The size of the performance-based compensation to executive managers is related to the fulfilment of financial targets determined by the Group's board of directors. The performance-based compensation can amount to a maximum of 16 to 80 percent of the fixed salary. All variable compensation plans have defined maximum award and vesting limits.

Pensions

The CEO's retirement age is 65 years. Pension plans for the CEO and other executive managers 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 executive managers.

Stock related remuneration

Other senior executives had in total 179 stock options at the end of 2015 and 2016, and 259 stock options at the end of 2017. The CEO has no stock options.

8. FINANCIAL INCOME AND EXPENSES

	The Group		
	2017	2016	2015
Financial income:			
– Interest income	0.0	0.1	0.0
– Other financial items	0.0	0.0	0.0
Financial income	0.0	0.1	0.0

	The Group		
	2017	2016	2015
Interest expenses:			
– Interest expenses, bank loans	1.2	1.1	1.1
– Interest expenses, financial leasing	0.1	0.0	0.1
– Other interest expenses	0.1	0.1	0.0
– Other financial expenses	0.1	0.1	0.0
– Exchange rate differences	0.0	0.0	0.0
Total financial expenses	1.4	1.4	1.2
Net financial items	–1.4	–1.3	–1.2

9. INCOME TAX

	The Group		
	2017	2016	2015
Current income tax:			
Current income tax for the year	–7.1	–6.3	–6.5
Total current income tax	–7.1	–6.3	–6.5
Deferred tax (note 22)			
Arising and reversal of temporary differences	–0.7	–0.5	–0.6
Total deferred income tax	–0.7	–0.5	–0.6
Income tax	–7.9	–6.8	–7.1

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		
	2017	2016	2015
Income before tax	31.6	29.9	31.5
Income tax calculated based on national tax rates applicable on income in respective country	–7.6	–6.1	–6.5
Tax effect of:			
– Non-taxable income	0.0	0.0	0.0
– Non-deductible expenses	–0.2	–0.1	–0.1
– Tax attributable to intangible non-current assets	–1.0	–0.5	–0.6
– Correction of previous year's taxation	0.0	0.0	0.0
– Tax attributable to untaxed reserves	0.7	0.0	0.0
– Tax losses for which no deferred tax asset has been reported	0.2	–0.1	0.1
Income tax	–7.9	–6.8	–7.1

Weighted average tax rate was 25% (2016: 23%, 2015: 22%).

10. EXCHANGE RATE DIFFERENCES

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

	Average Jan–Dec		
Exchange rates (against SEK)	2017	2016	2015
DKK	1.30	1.27	1.25
NOK	1.04	1.02	1.05
EUR	9.64	9.47	9.35

	The Group		
	2017	2016	2015
Other income/expenses– net	–0.1	–0.1	0.0
Financial net (note 8)	0.0	0.0	0.0
Total	–0.1	–0.2	0.0

11. 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.

	2017	2016	2015
Basic			
Consolidated income attributable to shareholders of the Parent Company	23.7	23.1	24.7
Weighted average number of ordinary shares outstanding (thousands)	50	50	50
Earnings per share	475	461	493

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.

	2017	2016	2015
Diluted			
Consolidated income attributable to shareholders of the Parent Company	23.7	23.1	24.7
Weighted average number of ordinary shares outstanding (thousands)	50	50	50
Adjustment for stock options			
– stock options 2014–2019	3	3	3
Weighted average number of ordinary shares outstanding (thousands) diluted	53	53	53
Earnings per share, diluted	449	437	470

12. INTANGIBLE ASSETS

The Group	Goodwill	Trademarks	Software	Customer relations	Capitalised costs	Total
2017 Financial year						
Opening balance	59.4	33.5	14.0	19.1	20.4	146.4
Acquired	–	–	36.7	0.0	–	36.7
Capitalised work	–	–	–	–	13.3	13.3
Depreciations	–	–	–7.6	–2.7	–3.3	–13.6
Closing balance	59.4	33.5	43.2	16.4	30.4	182.8
As per December 31, 2017						
Acquisition value	59.4	33.5	56.7	27.3	36.1	213.0
Accumulated depreciations	–	–	–13.6	–10.9	–5.6	–30.2
Reported amount	59.4	33.5	43.2	16.4	30.4	182.8

The Group	Goodwill	Trademarks	Software	Customer relations	Capitalised costs	Total
2016 Financial year						
Opening balance	59.4	33.5	16.0	21.9	13.5	144.2
Capitalised work	–	–	–	–	8.9	8.9
Depreciations	–	–	–2.0	–2.7	–2.0	–6.7
Closing balance	59.4	33.5	14.0	19.1	20.4	146.4
As per December 31, 2016						
Acquisition value	59.4	33.5	20.0	27.3	22.8	163.0
Accumulated depreciations	–	–	–6.0	–8.2	–2.4	–16.6
Reported amount	59.4	33.5	14.0	19.1	20.4	146.4

The Group	Goodwill	Trademarks	Software	Customer relations	Capitalised costs	Total
2015 Financial year						
Opening balance	59.4	33.5	18.0	24.6	6.2	141.6
Capitalised work	–	–	–	–	7.7	7.7
Depreciations	–	–	–2.0	–2.7	–0.4	–5.1
Closing balance	59.4	33.5	16.0	21.9	13.5	144.2
As per December 31, 2015						
Acquisition value	59.4	33.5	20.0	27.3	13.9	154.1
Accumulated depreciations	–	–	–4.0	–5.5	–0.4	–9.9
Reported amount	59.4	33.5	16.0	21.9	13.5	144.2

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 (2016: 59.4, 2015: 59.4) and MSEK 33.5 (2016: 33.5, 2015: 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 grouped at the lowest levels, where there are essentially independent cash flows (cash-generating units).

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

Critical variables, as well as the method of estimating these values for the five-year forecast period, are described below.

Forecast period and long-term growth

The forecast period is 5 years. Cash flow beyond that period has been attributed an annual 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 growth rate and cost trend during the first five years are based on a weighted conclusion of external analysis data for the relevant market, and 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 (2016: 8.5, 2015: 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 (+/- 1 percentage point) in the critical variables above would not have such an impact that they individually would reduce the recoverable value below the carrying value. Below is the effect of a major change.

Sensitivity analysis	Change	Impact on the value of intangible assets, MSEK
Discount rate	+ 5%	-0.7
Growth	- 2%	-1.1
Perpetual yearly growth	- 1%	-0.2

13. TANGIBLE NON-CURRENT ASSETS

	The Group		
	Vehicles	Vehicles	Vehicles
2017 Financial year			
Opening balance	3.1	0.3	3.4
Exchange rate differences	-	0.0	0.0
Purchases	1.2	0.7	1.9
Sales and disposals	-0.5	0.0	-0.5
Depreciation	-0.6	-0.2	-0.8
Closing balance	3.1	0.8	3.9
As per December 31, 2017			
Acquisition value or restated amount	5.0	2.4	7.4
Accumulated depreciation	-1.9	-1.6	-3.5
Carrying value	3.1	0.8	3.9
2016 Financial year			
Opening balance	2.9	0.4	3.3
Exchange rate differences	-	0.0	0.0
Purchases	1.1	0.1	1.2
Sales and disposals	-0.3	-	-0.3
Depreciation	-0.6	-0.2	-0.8
Closing balance	3.1	0.3	3.4
As per December 31, 2016			
Acquisition value or restated amount	4.8	2.7	7.5
Accumulated depreciation	-1.7	-2.5	-4.2
Carrying value	3.1	0.3	3.4
2015 Financial year			
Opening balance	1.7	0.5	2.2
Exchange rate differences	-	0.0	0.0
Purchases	1.8	0.2	2.0
Sales and disposals	-	0.0	0.0
Depreciation	-0.6	-0.3	-0.9
Closing balance	2.9	0.4	3.3
As per December 31, 2016			
Acquisition value or restated amount	4.0	3.1	7.2
Accumulated depreciation	-1.1	-2.8	-3.9
Carrying value	2.9	0.4	3.3

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

	The Group		
	2017	2016	2015
Acquisition value – capitalised financial leases	5.0	4.8	4.0
Accumulated depreciations	-1.9	-1.7	-1.1
Carrying value	3.1	3.1	2.9

The Group leases a number of vehicles under non-cancelable leases. The leasing periods are normally 3 years.

14. FINANCIAL NON-CURRENT ASSETS

	The Group		
	2017	2016	2015
Other financial non-current assets			
Depositions	0.5	0.5	0.4
Carrying value	0.5	0.5	0.4

14.1 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%		18.9	1.1
Lundalogik AS	Norway	Sales	–	100%	6.4	0.8
Lundalogik OY	Finland	Sales	–	100%	3.9	1.8
Lundalogik A/S	Denmark	Sales	–	100%	–4.2	–1.0
RemoteX Technologies AB	Sweden	–	–	100%	21.8	13.8
Netoptions Sweden AB	Sweden	–	–	100%	4.7	0.7

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.

14.2 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 acquisition value	Valued at fair value accrued through the income statement	Total
December 31, 2017			
Balance sheet assets			
Trade receivables and other receivables exclusive of interim claims	40.0	–	40.0
Cash and cash equivalents	24.2	–	24.2
Total	64.2	0.0	64.2
Balance sheet liabilities			
Borrowings	54.0	–	54.0
Trade payables and other liabilities exclusive of non-financial liabilities	30.7	–	30.7
Total	84.7	0.0	84.7

The Group	Valued at acquisition value	Valued at fair value accrued through the income statement	Total
December 31, 2016			
Balance sheet assets			
Trade receivables and other receivables exclusive of interim claims	32.0	–	32.0
Cash and cash equivalents	29.7	–	29.7
Total	61.7	0.0	61.7
Balance sheet liabilities			
Borrowings	55.5	–	55.5
Trade payables and other liabilities exclusive of non-financial liabilities	23.8	–	23.8
Total	79.4	0.0	79.4

The Group	Valued at acquisition value	Valued at fair value accrued through the income statement	Total
December 31, 2015			
Balance sheet assets			
Trade receivables and other receivables exclusive of interim claims	27.1	–	27.1
Cash and cash equivalents	27.0	–	27.0
Total	54.1	0.0	54.1
Balance sheet liabilities			
Borrowings	2.2	–	2.2
Trade payables and other liabilities exclusive of non-financial liabilities	24.6	–	24.6
Total	26.9	0.0	26.9

15. TRADE RECEIVABLES

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

	The Group		
	2017	2016	2015
Trade receivables	40.0	31.6	27.1
Total	40.0	31.6	27.1

Over-due trade receivables on the closing date	The Group		
	2017	2016	2015
Less than 3 months	39.5	31.4	26.8
More than 3 months	0.4	0.2	0.3
Total	40.0	31.6	27.1

As of December 31, 2017, the Group has reserved MSEK 0.4 (2016: 0.2, 2015: 0.1) 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 in 2017 are divided among MSEK 34.3, MEUR 0.3, MDKK 0.9 and MNOK 1.3. Trade receivables in 2016 are divided among MSEK 27.7, MEUR 0.2, MDKK 0.4 and MNOK 1.3. Trade receivables in 2015 are divided among MSEK 23.5, MEUR 0.2, MDKK 0.8 and MNOK 1.0.

16. PREPAID EXPENSES AND ACCRUED REVENUE

	The Group		
	2017	2016	2015
Prepaid rents	2.0	1.1	1.2
Prepaid insurances	0.2	0.2	0.2
Other prepaid expenses	1.9	2.8	1.1
Total	4.1	4.0	2.4

17. CASH AND CASH EQUIVALENT

	The Group		
	2017	2016	2015
Cash and cash equivalent	24.2	29.7	27.0
Total	24.2	29.7	27.0

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.

18. SHARE CAPITAL

	Number of shares
As per December 31, 2015	50,000
As per December 31, 2016	50,000
As per December 31, 2017	50,000

The total number of issued shares is 50,000 (50,000) units, each with a quota (par) value of SEK 1 (1). All issued shares are fully paid.

19. ADDITIONAL PAID IN CAPITAL

Share-based compensation

The company has offered its employees the opportunity to acquire stock options in the company. In total, 2,724 options have been issued to employees. The number of options and exercise price have been recalculated based on dividend 2016. The options can be exercised during March 2019. The options have a contractual tenor of five years. The Group has no legal or informal obligation to repurchase or settle the options in cash.

	2017		2016		2015	
	Average exercise price SEK / share	Options (units)	Average exercise price SEK / share	Options (units)	Average exercise price SEK / share	Options (units)
As per January 1	1,769	2,879	1,870	2,724	1,575	2,545
+ Awarded	–	–	–	–	6,062	179
+ Recalculated for dividend	–	–	–	–	–	–
– Forfeited	–	–	–	–	–	–
– Exercised	–	–	–	–	–	–
– Expired	–	–	–	–	–	–
Total	1,769	2,879	1,870	2,724	3,819	2,724

No options were awarded during the period. The weighted average fair value of options awarded during the period is 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, 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%.

20. BORROWINGS

	The Group		
	2017	2016	2015
Non-current liability			
Borrowings	29.8	38.5	6.8
Liabilities relating to financial leasing	1.0	1.7	1.9
Total	30.7	40.2	8.6

	The Group		
	2017	2016	2015
Current liabilities			
Borrowings	21.1	14.0	15.0
Liabilities relating to financial leasing	2.1	1.3	1.0
Total	23.3	15.3	16.0

Bank loans

The bank loans in 2017 and 2016 are reported by the Parent Company and mature at the end of 2020. The bank loans carry an average interest rate of 1.9% per annum.

The bank loans in 2015 are reported by the Parent Company and mature at the end of 2018. The bank loans carry an average interest rate of 2.21% per annum.

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% (2015: 2.21%).

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 24.

21. 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 report non-deferred tax assets of MSEK 1.3 (2016: MSEK 1.0, 2015: MSEK 0.6), relating to losses of MSEK 5.6 (2016: MSEK 4.1, 2015: MSEK 2.4), which can be offset against future taxable profits.

The reported deferred tax is attributable to:

	The Group		
	2017	2016	2015
Deferred tax asset			
Other temporary differences	0.1	0.1	0.0
Total	0.1	0.1	0.0

	The Group		
	2017	2016	2015
Deferred tax liability			
Untaxed reserves	0.7	1.4	1.4
Capitalised development expenses	6.7	4.5	3.0
Deferred tax related to customer relations	3.6	4.2	4.8
Deferred tax related to software	4.5	3.1	3.5
Deferred tax related to trademarks	7.4	7.4	7.4
Total	22.9	20.5	20.0

22. OTHER LIABILITIES

	The Group		
	2017	2016	2015
VAT	4.8	4.3	3.7
Employee related liabilities (taxes and fees)	5.5	3.0	2.8
Other liabilities	0.0	0.0	0.0
Total	10.3	7.3	6.5

23. ACCRUED EXPENSES AND PREPAID REVENUE

	The Group		
	2017	2016	2015
Prepaid revenue (service agreements / subscriptions)	41.6	36.6	32.9
Leave loading	10.4	7.5	6.3
Social security expenses	3.2	3.4	2.9
Other accrued expenses	6.5	5.3	8.4
Total	61.8	52.8	50.5

24. 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 was MSEK 4.0 (2016: MSEK 4.0, 2015: MSEK 4.0) in the Group. 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		
	2017	2016	2015
Leasing within 1 year	6.4	5.8	3.9
Leasing between 1 and 5 years	10.0	14.7	8.6
Leasing beyond 5 years	0.0	0.0	0.3
Total	16.4	20.5	12.5

25. BUSINESS ACQUISITIONS

RemoteX Technologies AB

On January 31, 2017 Lime Technologies Sweden AB acquired 100% of the share capital in RemoteX Technologies AB for MSEK 21.5, thereby gaining control over the company. No further additional purchase amounts will arise according to the acquisition agreement.

Acquisition-related one-off costs have been taken out of Other expenses and amount to SEK 1.9 million.

No goodwill arose through the acquisition.

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

Fair value of acquired assets and liabilities	MSEK
Non-current assets	3.9
Working capital	-3.5
Software	24.5
Deferred tax liability	-3.4
Total	21.5

25. Business acquisitions, cont.

Provisioning for deferred tax of MSEK 3.4 in relation to reorganised assets has been made.

Net impact of the acquisition on cash and cash equivalent amounted to MSEK 20.0. Acquired cash and cash equivalent amounted to MSEK 1.5.

Net sales from the acquisition amounted to MSEK 18,3 in 2017, whereof MSEK 16.7 related to the period RemoteX was part of the Lime Technology Group. Net income after tax for 2017 amounted to MSEK 1.3, whereof MSEK 1.2 related to the period RemoteX was part of the Lime Technology Group.

Netoptions Sweden AB

On October 2, 2017 Lime Technologies Sweden AB acquired 100% of the share capital in Netoptions Sweden AB for MSEK 12.5, thereby gaining control over the company. No further additional purchase amounts will arise according to the acquisition agreement.

Acquisition-related one-off costs have been taken out of Other expenses and amount to MSEK 0.1.

No goodwill arose through the acquisition.

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

Fair value of acquired assets and liabilities	MSEK
Non-current assets	0.1
Working capital	2.7
Software	11.9
Deferred tax liability	-2.1
Total	12.5

Provisioning for deferred tax of MSEK 2.1 in relation to reorganised assets has been made.

Net impact of the acquisition on cash and cash equivalent amounted to MSEK 9.7. Acquired cash and cash equivalent amounted to MSEK 2.8.

Net sales from the acquisition amounted to MSEK 9.1 in 2017, whereof MSEK 2.2 related to the period Netoptions was part of the Lime Technology Group. Net income after tax for 2017 amounted to MSEK 0.6, whereof MSEK -0.5 related to the period Netoptions was part of the Lime Technology Group.

26. PLEDGED COLLATERALS AND CONTINGENT LIABILITIES

	The Group		
	2017	2016	2015
Pledged collaterals			
Shares in subsidiaries	11.1	13.7	8.1
Financially leased vehicles	3.1	3.1	2.9
Total	14.2	16.8	11.1

27. 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.

Monterro 1 AB (incorporated in Sweden) owns 80 % of the shares in the Parent Company and has controlling influence over the Group. The CEO and members of the executive management group own the remaining 20 %. Monterro Investment AB (incorporated in Sweden) is Parent Company in the higher-level group in which the Parent Company is a subsidiary.

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 7.

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

28. EVENTS AFTER THE REPORTING PERIOD

Lime signed a new loan agreement with SEB in February 2018. The new loan has a limit of SEK 150 million and a tenor of 5 years. The new loan will pay down existing loans from SEB of MSEK 51 as of December 31, 2017. The terms of the new agreement correspond to terms in existing loan agreements.

On March 23, 2018 the Group signed an agreement to acquire 100% of the share capital in Hysminai AB. Hysminai was founded in 2014 and has its head office in Stockholm, Sweden. Hysminai AB offers a cloud-based tool to promote behavioural change through competitions, so-called gamification. The acquisition took effect on April 3, 2018 after which the Group controls 100% of the share capital in Hysminai AB. The acquisition price amounted to MSEK 2.9 and was fully financed by cash funds. The acquisition generated a consolidated goodwill value of MSEK 3.6.

29. CASH FLOW FROM CURRENT OPERATIONS

	The Group		
	2017	2016	2015
Net income before financial items	33.0	31.2	32.9
Adjusted for:			
– depreciation on tangible non-current assets	0.8	0.8	0.9
– depreciation on intangible non-current assets	13.6	6.7	5.1
– other non-cash items	-0.1	0.0	0.0
Changes in working capital			
– acquisition of group company	-6.2	0.0	0.0
– trade receivables and other receivables	-8.8	-5.6	0.2
– trade payables and other payables	15.8	8.6	-1.4
Cash flow from operations	48.3	41.8	37.8

30. CASH FLOW FROM FINANCING ACTIVITIES

The following is a reconciliation of opening and closing balances of liabilities whose cash flows are included in the financial operations.

	Jan 1, 2015	Cash flow affecting	Non-cash flow affecting			Dec 31, 2015
			Interest	Currency	New leases	
Current bank loans	20.3	-5.3				15.0
Non-current bank loans	38.4	-31.6				6.8
Financial leasing	1.3	0.0	-0.1		1.6	2.9
Total	60.0	-36.9	-0.1	0.0	1.6	24.6
Reclassification leasing		1.6			-1.6	
Total cash flow analysis	60.0	-35.3	-0.1	0.0	0.0	24.6
Cash and cash equivalent	42.4	-15.2		-0.3		27.0
Total	42.4	-15.2	0.0	-0.3	0.0	27.0

	Jan 1, 2016	Cash flow affecting	Non-cash flow affecting			Dec 31, 2016
			Interest	Currency	New leases	
Current bank loans	15.0	-1.0				14.0
Non-current bank loans	6.8	31.7				38.5
Financial leasing	2.9	-0.9	-0.1		1.1	3.0
Total	24.6	29.8	-0.1	0.0	1.1	55.5
Reclassification leasing		1.1			-1.1	0.0
Total cash flow analysis	24.6	30.9	-0.1	0.0	0.0	55.5
Cash and cash equivalent	27.0	2.6		0.2		29.7
Total	27.0	2.6	0.0	0.2	0.0	29.7

	Jan 1, 2017	Cash flow affecting	Non-cash flow affecting			Dec 31, 2017
			Interest	Currency	New leases	
Current bank loans	14.0	7.1				21.1
Non-current bank loans	38.5	-8.7				29.8
Financial leasing	3.0	-1.1	-0.1		1.2	3.1
Total	55.5	-2.6	-0.1	0.0	1.2	54.0
Reclassification leasing		1.2			-1.2	0.0
Total cash flow analysis	55.5	-1.5	-0.1	0.0	0.0	54.0
Cash and cash equivalent	29.7	-5.6		0.2		24.2
Total	29.7	-5.6	0.0	0.2	0.0	24.2

Audit report relating to historical financial information



(This is a literal translation of the Swedish original report)

The Auditor's Report on historical financial statements

To the Board of Directors of Lime Technologies AB (publ), corporate identity number 556953-2616

We have audited the financial statements for Lime Technologies AB (publ) on pages F29-F50, which comprise the consolidated balance sheets as of 31 December 2017, 2016 and 2015 and the consolidated income statements, consolidated statements of other comprehensive income, consolidated statement of cash flows and consolidated statements of changes in equity for the years then ended, and a description of significant accounting policies and other explanatory notes.

The Board of Directors' and the Managing Director's responsibility for the financial statements

The Board of Directors and the Managing Director are responsible for the preparation and the fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the preparation and fair presentation in accordance with the requirements in the Prospectus Regulation (EC) No 809/2004.

The auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with FAR's Recommendation RevR 5 *Examination of Prospectuses*. This recommendation requires that we comply with FAR's ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Lime Technologies AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

An audit in accordance with FAR's Recommendation RevR 5 *Examination of Prospectuses* involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the financial statements. The audit procedures selected depend on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Managing Director and evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Opinion

In our opinion the financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU/Annual Accounts Act and additional applicable framework of the consolidated balance sheets of Lime Technologies AB (publ) as of 31 December 2017, 2016 and 2015 and its consolidated income statements, consolidated statements of other comprehensive income, consolidated statements of changes in equity and consolidated statements cash flows for these years.

Stockholm November 26, 2018

Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized Public Accountant

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