

M MIROVIA

MIROVIA AB (PUBL)
INTERIM REPORT Q1 2022



INTERIM REPORT JANUARY 1, 2022 – MARCH 31, 2022

QUARTER 1: JANUARY 1 – MARCH 31

- Operating revenue amounted to SEK 96,961k (SEK 25,041k)
- Operating profit amounted to SEK 18,548k (SEK 3,642k)
- Profit for the period amounted to SEK 13,132k (SEK 1,557k)
- Cash flow from operating activities amounted to SEK 7,997k (SEK -5,489k)

	2022	2021
	3 months	3 months
(Amount in SEK ('000) unless otherwise stated)	Jan-Mar	Jan-Mar
Operating revenue	96,961	25,041
Operating profit	18,548	3,642
Profit for the period	13,132	1,557
Cash flow from operating activities	7,997	-5,489

BUSINESS AND MARKET

Mirovia AB (publ) is a company that invests in entrepreneurial Nordic companies that offer niche IT services and software solutions.

SUBSIDIARIES

Transformant AB:

Acquired in November 2020.
Transformant helps companies with digital transformation, both through consulting efforts and advice as well as through its own software for digitization and automation.

Lemontree AB:

Acquired in December 2020.
Lemontree automates processes that allow their customers to increase both the pace of change and the quality of their digital services. Ranked 5th in Great Place to Work Sweden during 2021.

Sundbom & Partners AB:

Acquired in July 2021.
Sundbom & Partners is a supplier-independent consulting company with specialist expertise in finance and business systems such as Maconomy, Unit4 ERP, Visma PX, and more. Ranked 2nd in Great Place to Work Sweden during 2021.

SO4IT AB:

Acquired in July 2021.
SO4IT is a hybrid company that offers niche expertise and in-house developed modules in "in-memory computing". Sugar and Nextgen's own products are used by several large banking and finance companies, such as Avanza.

Svenska Försäkringsfabriken i Umeå AB:

Acquired in September 2021.
Svenska Försäkringsfabriken is a software company that offers standardized products with tailor-made solutions specifically adapted to banking and insurance, insurance administration and resource hiring of pension and insurance experts by insurance companies and their customers.

Acino:

Acquired in September 2021.
Acino specializes in system development and helps companies realize great ideas for great apps, products, and services.

Traventus:

Acquired in December 2021.
Traventus is one of Sweden's leading specialists in Visma's business system (ERP). They offer comprehensive solutions for the business systems Visma Business, Visma.net ERP and Visma SPCS.

FINANCIAL PERFORMANCE

The events that have affected the Group's financial position during the period are attributable to the acquisitions in Q3 and Q4 2021.

FIRST QUARTER

January 1 - March 31, 2022

Operating revenue

Operating revenue for the quarter amounted to SEK 96,961k (SEK 25,041k), which is an increase of 287 percent compared with the corresponding quarter previous year.

The increase in operating revenue derives from the legal entities acquired in Q3 and Q4 2021. See note 5, Breakdown of revenue from agreements with customers for more information.

Operating profit

Operating profit for the quarter amounted to SEK 18,548k (SEK 3,642k), which is an increase of SEK 14,906k compared with the corresponding quarter previous year. The increase derives from the legal entities acquired in Q3 and Q4 2021. Earnings have been charged with amortization of intangible assets relating to the acquisitions.

Tax

The Group's effective tax rate amounted to 27.9 percent (21.9 percent) in Q1 2022.

Earnings

Profit for the period amounted to SEK 13,132k (SEK 1,557k).

Financial expenses amount to SEK -329k (SEK -1,649k), this decrease relates to interest expenses on the bank loan that was refunded in Q3 2021.

Liquidity and cash flow

Cash flow from operating activities prior to change in working capital amounted to SEK 15,580k (SEK -761k). Change in working capital amounted to SEK -7,583k (SEK -4,728k). Total cash flow from operating activities amounted to SEK 7,997k (SEK -5,489k).

Cash flow from investing activities amounted to SEK -4,173k (SEK 0k). The period's cash flow for investments for the period mainly consist of the purchase price regarding previous acquisitions of subsidiaries.

Cash flow from financing activities amounted to SEK 1,696k (SEK -389k).

Cash flow for the quarter amounted to SEK 5,519k (SEK -5,877k), primarily driven by operating activities.

At the end of the period, the Group's cash and cash equivalents amounted to SEK 105,344k (SEK 34,844k).

Financial position

Equity amounted to SEK 182,135k (SEK 165,223k) on March 31, 2022. Total assets amounted to SEK 720,817k (SEK 714,344k) on March 31, 2022.

EVENTS DURING THE REPORTING PERIOD

Mirovia has signed letters of intent with four companies prior to negotiating future acquisitions.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Mirovia has signed letters of intent with two companies prior to negotiating future acquisitions.

Preparatory work has started to list the Mirovia AB Senior Secured Callable Floating Rate Bonds 2021/2024 on Nasdaq Stockholm

Mirovia has received an equity injection of SEK 100 million from Esmaeilzadeh Holding AB (publ), as previously stipulated as a commitment in the bond terms.

EMPLOYEES

The number of employees in the Group as of March 31, 2022, was approximately 240 (230).

RISKS AND UNCERTAINTY FACTORS

The Group's and the Parent Company's significant risk and uncertainties include market and external risks, financing risks and risks related to the employment and maintenance of personnel.

For a description of the Group's significant risks and their management, please see the annual report for 2021, pages 16-20.

PARENT COMPANY

The parent company has during the period recorded increased operating expenses attributable to increased consultants' expenses relating to acquisitions and additional reporting standards as a result of the transition to IFRS. Personnel expenses have also increased due to increased number of employees.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amount in SEK '000)	2022 3 months Jan-Mar	2021 3 months Jan-Mar
Net sales	96,204	24,737
Other operating income	758	305
Sub-consultants	-11,616	-1,938
Other external expenses	-10,131	-3,191
Personnel expenses	-50,188	-15,730
Depreciation and amortization	-6,478	-432
Other operating expenses	0	-109
Operating profit	18,548	3,642
Financial income and expenses	-329	-1,649
Profit after financial items	18,219	1,993
Income tax	-5,087	-436
Profit for the period	13,132	1,557
Other comprehensive income	0	58
Comprehensive income for the period	13,132	1,615
Profit for the period attributable to:		
Shareholders of the Parent Company	13,132	1,615
Non-controlling interests	0	0
Comprehensive income attributable to:		
Shareholders of the Parent Company	13,132	1,615
Non-controlling interests	0	0

CONSOLIDATED BALANCE SHEET

(Amount in SEK '000)	2022-03-31	2021-12-31
ASSETS		
Non-current assets		
Goodwill	324,307	320,369
Other intangible assets	180,525	184,848
Tangible assets	880	913
Right-of-use assets	22,659	21,768
Other financial non-current assets	1,064	1,022
	529,435	528,919
Current assets		
Accounts receivable	53,873	55,083
Current tax assets	567	0
Other current assets	13,688	14,932
Prepaid expenses and accrued income	17,911	15,586
Cash and cash equivalents	105,344	99,824
	191,382	182,425
TOTAL ASSETS	720,817	714,344
EQUITY		
Share capital	502	502
Other contributed capital	181,352	177,572
Retained earnings including earnings for the period	203	-12,929
Translation reserve	78	78
Total equity	182,135	165,223
Non-current liabilities		
Bonds payable	389,533	388,533
Lease liabilities	14,156	14,167
Deferred tax liabilities	37,361	38,310
Provisions	3,116	3,698
Other financial liabilities	671	660
	444,837	445,368
Current liabilities		
Loans	54	115
Lease liabilities	7,845	6,976
Accounts payable	10,040	12,540
Current tax liabilities	0	3,091
Other financial liabilities	5,459	5,433
Other current liabilities	42,911	42,371
Accrued expenses and deferred income	27,535	33,227
	93,845	103,753
Total liabilities	538,682	549,121
TOTAL EQUITY AND LIABILITIES	720,817	714,344

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amount in SEK '000)	Share capital	Other contributed capital	Retained earnings including earnings for the period	Translation reserve	Total equity
Opening balance as of January 1, 2022	502	177,572	-12,929	78	165,223
Profit for the period			13,132		13,132
Transactions with owners:					
Share-based payment transaction					
Shareholder contributions		3,780			3,780
New share issue of ordinary shares					
New share issue of preference shares					
Total transactions with shareholders		3,780			3,780
Closing balance as of March 31, 2022	502	181,352	203	78	182,135

(Amount in SEK '000)	Share capital	Other contributed capital	Retained earnings including earnings for the period	Translation reserve	Total equity
Opening balances of January 1, 2021	51	65,594	-2,226	17	63,436
Transfer of other comprehensive income			17	-17	0
Profit for the period			1,556		1,556
Other comprehensive income				58	58
Total comprehensive income			1,556	58	1,615
Transactions with owners:					
Share-based payment transaction		-1,410			
New share issue of preference shares		26,799			
Total transactions with shareholders		25,389			
Closing balance as of March 31, 2021	51	90,983	-652	58	90,440

CONSOLIDATED CASH FLOW STATEMENT

	2022	2021
	3 months	3 months
	Jan-Mar	Jan-Mar
(Amount in SEK '000)		
OPERATING ACTIVITIES		
Operating income	18,548	3,642
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Amortization/Depreciation	6,599	432
Provisions	-528	0
Discount of additional purchase price	38	197
Adjustment of acquisition	0	1,410
Other	0	-215
Interest paid	671	-1,524
Tax paid	-9,694	-4,702
Cash flow from operating activities prior change of working capital	15,580	-761
Increase (-) / Decrease (+) in accounts receivables	1,209	242
Increase (-) / Decrease (+) of other receivables	1,244	-1,392
Increase (-) / Decrease (+) of interim receivables	-2,325	119
Increase (+) / Reduction (-) of accounts payable	-2,499	-962
Increase (+) / Reduction (-) of other liabilities	479	-893
Increase (+) / Reduction (-) of interim liabilities	-5,693	-1,841
Cash flow from operating activities	7,997	-5,489
Investing Activities		
Investments in tangible fixed assets	-194	0
Investments in other financial assets	-42	0
Investments in subsidiaries	-3,938	0
Cash flow from investing activities	-4,173	0
Financing Activities		
Loans raised	0	0
Amortization of loans	0	0
Financial lease payments	-2,084	-389
Received payment for new share issue of ordinary shares	0	0
Shareholder contribution	3,780	0
Cash flow from financing activities	1,696	-389
Cash flow for the period	5,519	-5,877
Cash and cash equivalents - beginning of period	99,824	40,722
Cash and cash equivalents - end of period	105,344	34,844

PARENT INCOME STATEMENT

	2022	2021
	3 months	3 months
	Jan-Mar	Jan-Mar
<i>(Amount in SEK '000)</i>		
Net sales	0	0
Other operating income	1	110
Sub-consultants	-9	0
Other external expenses	-3,608	-662
Personnel expenses	-1,732	-933
Other operating expenses	-465	-121
Depreciation and amortization	0	0
Operating profit	-5,813	-1,607
Results from shares in group companies		
Financial income and expenses	-289	-1,496
Profit after financial items	-6,102	-3,102
Group contributions	0	0
Profit for the period before tax	-6,102	-3,102
Tax on profit for the period	0	0
Profit for the period *)	-6,102	-3,102

*) Profit for the year is consistent with the year's comprehensive income

PARENT BALANCE SHEET

(Amount in SEK '000)	2022-03-31	2021-12-31
ASSETS		
Non-current assets		
<i>Financial non-current assets</i>		
Shares in subsidiaries	29,989	29,689
Receivables from group companies	502,945	499,007
Other financial non-current assets	0	84
	532,934	528,779
Current assets		
<i>Current receivables</i>		
Current receivables from group companies	4,196	4,195
Other receivables	2,127	1,798
Prepaid expenses and accrued income	89	36
	6,412	6,030
<i>Cash and cash equivalents</i>	44,861	42,806
<i>Total current assets</i>	51,272	48,836
TOTAL ASSETS	584,206	577,615
EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	502	502
<i>Non-restricted equity</i>		
Other contributed capital	181,352	94,388
Retained earnings including earnings for the period	-21,690	67,595
	160,164	162,486
Total equity		
Non-current liabilities		
Bonds payable	389,533	388,533
	389,533	
Current liabilities		
Current liabilities to group companies	32,114	15,030
Current tax liabilities	953	953
Accounts payable	271	1,126
Other current liabilities	357	443
Accrued expenses and deferred income	814	9,045
	34,509	26,596
Total liabilities	424,042	415,129
TOTAL EQUITY AND LIABILITIES	584,206	577,615

NOTES TO THE FINANCIAL REPORT

1. ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Reporting.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU. Furthermore, the Group applies the Annual Accounts Act and the Council for Financial Reporting's recommendation RFR 1, Supplementary accounting rules for Groups.

The financial statements of the parent company have been prepared in accordance with the Annual Accounts act and RFR 2 Accounting for Legal Entities.

Disclosures in accordance with IAS 34 Interim reporting are provided both in notes and elsewhere in the interim report.

The group and the parent company have applied the same accounting principles and calculation methods as in the most recent annual report.

2. LOANS AND EQUITY

At the end of the period, the number of shares amounts to 5,017,893 (5,017,893) divided into 5,000,000 (5,000,000) of common stock and 17,893 (17,893) of preferred stock. During the period, Mirovia AB issued 0 (0) of common stock and 0 (9,779) of preferred stock which resulted in an increase of SEK 0k (SEK 1k) in share capital.

The issued corporate bond has had a significant impact on the Group's indebtedness. The amount arises to SEK 400m, of which SEK 100m was used to settle previous loans and acquisition costs amounted to a total of SEK 11.5m.

3. RELATED PARTY TRANSACTIONS

During the period, Mirovia AB (publ) received a shareholder contribution from Mirovia Holding, which has a controlling influence in Mirovia AB (publ). The shareholder contribution amounted to SEK 3,780k. In addition to this, no significant

transactions with related parties have occurred other than compensations to management.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The company has classified financial assets and liabilities according to the following categories: accrued acquisition value, fair value through profit or loss or fair value through other comprehensive income. The classification has been carried out considering the company's business model for the management of financial assets as well as the characteristics of the contractual cash flows from the financial asset.

The following information explains how fair value is determined for the financial instruments that are measured at fair value in the statement of financial position. The breakdown of how fair value is determined is based on the following three levels.

Level 1: according to prices quoted on an active market for the same instrument

Level 2: based directly or indirectly from observable market data not included in level 1

Level 3: based on input data that are not observable on the market

The Group has no assets that are recognized at fair value on an ongoing basis. Liabilities for conditional purchase price from business acquisitions are valued at fair value on an ongoing basis through the income statement based on level 3. Mirovia does not value any other liabilities at current fair value. For financial assets and financial liabilities that are reported at accrued acquisition value, the reported value is a good approximation of fair value, considering the short maturities of the assets and liabilities.

During the interim period, no reclassifications between levels 1, 2 and 3 have been carried out.

The following summarizes the methods and assumptions used to determine the fair value of the corporate group's financial instruments measured at fair value according to level 3.

Conditional purchase prices from acquisitions are valued at fair value, according to level 3. Conditional purchase prices have arisen following the acquisitions of Bizloop AB and Lemontree Enterprise Solutions AB. Part of purchase price for the business combination is conditional on average EBITDA in the acquired companies in the coming years. A discounted cash flow method was used to capture the present value of the expected future financial benefits that will leave the group at the time of the payment. The significant non-observable data used in the calculation is risk-adjusted discount rate and probability-adjusted expected EBITDA.

Mirovia has in the model used a risk-adjusted discount rate of 15,6%. The following table shows changes in contingent considerations, which alone is the instrument measured at fair value in level 3.

(Amount in SEK '000)	Contingent consideration
Opening balance January 1, 2021	10,146
Regulation	-4,873
Gains (+)/losses (-) recognized in profit or loss	819
Closing balance December 31, 2021	6,092
Gains (+)/losses (-) recognized in profit or loss	38
Closing balance March 31, 2022	6,130

5. BREAKDOWN OF REVENUE FROM AGREEMENTS WITH CUSTOMERS

The table below shows how operating revenue from agreements with customers are distributed between different categories of revenues:

	2022	2021
(Amount in SEK '000)	Jan-Mar	Jan-Mar
Software*	6,595	19
Functional agreements	15,283	1,510
Consulting services	74,337	23,207
Other	746	305
Total	96,961	25,041

* Includes revenue from SaaS and commission on software sales.

The CEO assures that the interim report provides a fair overview of the Parent company and the Group's operations, position and results and describes significant risks and uncertainties facing the Parent and other companies included in the Group.

Stockholm, May 24, 2022

Sebastian Karlsson, CEO

This interim report has not been reviewed by the company's auditors.

For further information please contact: Peter Olofsson

Chief Financial Officer

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Upcoming reporting sessions: Quarterly report 2, August 31, 2022



MIROVIA AB (PUBL) INTERIM REPORT 2021

ABOUT MIROVIA AB

Mirovia is a Nordic Group investing in entrepreneurial companies that offers software solution and niche IT services in business-critical areas. We believe that skilled entrepreneurs with clear area of expertise, in an environment of fast decision-making and access to the rights tools and networks, can accelerate their development and create long-term and profitable growth

Read more at <https://mirovia.io/>

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