



MIROVIA NORDICS AB (PUBL)

INTERIM REPORT Q3 2022



INTERIM REPORT JULY 1, 2022 – SEPTEMBER 30, 2022

QUARTER 3: JULY 1 – SEPTEMBER 30

- Operating revenue amounted to SEK 206,628k (SEK 51,280k).
- Operating profit amounted to SEK 12,450k (SEK 8,375k).
- Profit for the period amounted to SEK -12,941k (SEK -3,172k).

EVENTS IN THE THIRD QUARTER

- On July 1st, Mirovia Nordics completed the acquisition of F-Consulting AB.
- On July 2nd, Plenius by Mirovia AB joined the Group in connection with a reorganisation of Esmaeilzadeh Holding AB (publ).
- On July 4th, Mirovia Nordics completed the acquisition of Rebendo AB.
- On July 8th, Plenius by Mirovia completed the acquisition of Mercanza S.L.
- On July 13th, Mirovia Nordics completed the acquisition of Repona AB.
- On August 3rd, Mirovia Nordics completed the acquisition of Cloudgruppen AB.
- On August 15th, Mirovia Nordics completed the acquisition of IT-Huset Holding i Norden AB.
- On August 19th, Mirovia Nordics completed the acquisition of Bright Inventions Sp z.o.o.

(Amount in SEK ('000) unless otherwise stated)	2022 3 months Jul-Sep	2021 3 months Jul-Sep	2022 9 months Jan-Sep	2021 9 months Jan-Sep
Operating revenue	206,628	51,280	395,263	104,003
Operating profit	12,450	8,375	34,195	14,663
Profit for the period	-12,941	-3,172	-12,101	-1,055
Cash flow from operating activities			-33,745	-6,299

INTERIM PERIOD: JANUARY 1 – SEPTEMBER 30

- Operating revenue amounted to SEK395,263k (SEK 104,003k).
- Operating profit amounted to SEK 34,195k (SEK 14,663k).
- Profit for the period amounted to SEK -12,101k (SEK -1,055k).
- Cash flow from operating activities amounted to SEK -33,745 (SEK -6,299k).

BUSINESS AND MARKET

Mirovia Nordics AB (publ) is a company that invests in entrepreneurial 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 digitisation 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 "memory computing". The products Sugar and Nextgen 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 standardised products with tailor-made solutions specifically adapted to banking and insurance, insurance administration and consulting of pension and insurance experts by insurance companies and their customers.

Acino

Acquired in September 2021.

Acino specialises in system development and helps companies realise 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.

IT-Huset Holding I Norden AB

Acquired in August 2022.

IT-Huset is an IT consulting company that provides system development services primarily regarding process digitalisation for both private and public customers.

F Consulting i Sverige AB

Acquired in July 2022.

F Consulting offers technical solutions within network and client systems, desktop deployment, programming etc. regarding digital workspaces.

Rebendo AB

Acquired in July 2022.

Rebendo operates as a supplier and advisor within IT services, with focus on performance management where they offer a complete portfolio of software, hardware and consulting services.

Mercanza S.L.

Acquired in July 2022.

Mercanza S.L. is a leading provider of Qlik solutions.

Repona AB

Acquired in July 2022.

Repona offers consultation within the business system SAP.

Cloudgruppen Sverige AB

Acquired in August 2022.

Cloudgruppen are experts in digital solutions for telecom and switchboard services.

Bright Inventions Sp z.o.o.

Acquired in August 2022.

Bright Inventions works with software development and has expertise in mobile-centric web platforms and blockchain solutions.

Merger with Plenius AB

On June 2, 2022, Mirovia announced that Esmailzadeh Holding AB (publ), the indirect owner of Mirovia Nordics AB (publ), had initiated a reorganisation of several entities, including Mirovia. As part of the reorganisation, Plenius AB and its subsidiaries were transferred to Mirovia Nordics AB through an unconditional shareholder contribution of approximately SEK 900m. Plenius AB joined the group on July 1, 2022. In connection with the reorganisation, Plenius AB changed its name to Plenius by Mirovia AB.

Plenius by Mirovia AB is a Swedish investment company with a focus on acquiring and developing stable and profitable niche companies in Spain within the IT consulting sector. The subsidiary Controlnet Web S.L is a company that offers consulting and software development in the telecommunications sector. The subsidiary Inase Informática del Mediterráneo, S.L. specialises in the development and marketing of mobility software and the sale of hardware. The subsidiaries Antartyca Consulting, S.L. and Agrupo Sistemas, S.L. are companies that provide IT solutions in consulting, training, and resource management.

FINANCIAL PERFORMANCE

Numbers in brackets refer for income statement- and cash flow items to the corresponding period the previous year, and for balance sheet items to latest year-end numbers.

The events that have affected the Group's financial position during the period are attributable to the acquisitions in Q4 2021 and Q3 2022.

THIRD QUARTER

July 1 - September 30, 2022

Operating revenue

Revenue increased by 303 percent to SEK 206,628k (51,280k). The increase is mainly attributable to company acquisitions in Q4 2021 and Q3 2022.

Operating profit

Operating profit increased by SEK 4,075k to SEK 12,450k (8,375k). The increase is mainly attributable to company acquisitions in Q4 2021 and Q3 2022.

Financial income and expenses

Financial income and expenses amounted to SEK -28,037k (-11,202k), where the change is attributable to higher interest expenses mainly due to additional bond issuance.

Tax

The Group's effective tax rate was 16.97 percent.

Earnings

The result for the period amounted to SEK -12,941k (-3,172k).

INTERIM PERIOD

January 1 - September 30, 2022

Operating revenue

Revenue increased by 280 percent to SEK 395,263k (104,003k). The increase is mainly attributable to company acquisitions in Q4 2021 and Q3 2022.

Operating profit

Operating profit increased by SEK 19,532k to SEK 34,195k (14,663). The increase is mainly attributable to the company acquisitions in Q4 2021 and Q3 2022.

Tax

The Group's effective tax rate was 15.44 percent.

Earnings

Profit for the interim period amounted to SEK -12,101k (1,055k).

Financial position

Equity amounted to SEK 488,488k (165,223k). The change is attributable to shareholder contributions received during the first three quarters of 2022 totalling SEK 1,264,761k, of which approximately SEK 900 million is attributable to shares in Plenius by Mirovia AB, which have been eliminated against Shares in subsidiaries in the consolidation as a result of the group restructuring. See Note 1 for more information.

Total assets on 30 September 2022 amounted to SEK 2,015,652k (714,344). The increase is attributable to acquisitions and restructuring carried out in Q3 2022, as well as the company having issued an additional SEK 400,000 within existing bond loans.

Liquidity and cash flow

Cash flow from operating activities prior to change in working capital amounted to SEK 21,590k (-15,494k). Change in working capital amounted to SEK -55,335k (9,195k). Total cash flow from operating activities amounted to SEK -33,745k (-6,299k).

Cash flow from investing activities amounted to SEK -594,818k (-238,683k). The investments for the interim period mainly consist of the acquisitions of subsidiaries.

Cash flow from financing activities amounted to SEK 711,106k (328,907k). The cash flow from financing activities for the period was primarily generated by the loan taken out for the issue of additional corporate bonds and the shareholder contributions received of SEK 335,785k.

Cash flow for the interim period amounted to SEK 82,543k (SEK 83,925k). At the end of the period, the Group's cash and cash equivalents amounted to SEK 182,367k (124,647k).

Seasonal variations

The Group assesses that the consulting business has a weaker performance during vacation months, primarily during the third quarter. The reason is that the Group's employees primarily are on vacation during this period and hence the revenue declines during the third quarter. Otherwise, there are no seasonal variations or cyclical effects that affected operations during the period.

EMPLOYEES

The number of employees in the Group as of September 30, 2022, was approximately 730 (200).

RISKS AND UNCERTAINTY FACTORS

The Group's and the Parent Company's risks and uncertainties include market and environmental risks, financing risks and risks related to the hiring and retention of personnel. The global economy has affected interest costs and liquidity on the capital markets, but not Mirovia's business in general.

The geopolitical situation following the Russian invasion of Ukraine has a significant impact on the global economy. There is no direct impact of the war on the business in that Mirovia Nordics AB's operations have not been in Russia or Ukraine. However, the indirect impact due to fluctuations in the financial market through inflation and central bank policies may be significant. It is not possible to quantify these effects at this time.

For a description of the Group's risks and their management, please refer to the 2021 Annual Report, 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.

During the period, the parent company has issued an additional SEK 400m under the company's existing bond loan, which has resulted in increased interest costs.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2022	2021	2022	2021
(Amount in SEK '000)	3 months	3 months	9 months	9 months
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
Net sales	203,513	50,787	389,582	103,199
Other operating income	3,115	493	5,681	804
Sub-consultants	-24,791	-4,894	-85,968	-8,824
Other external expenses	-70,368	-4,647	-55,530	-11,821
Personnel expenses	-79,410	-30,814	-185,401	-64,652
Depreciation and amortisation	-19,403	-1,298	-33,868	-2,166
Other operating expenses	-206	-1,253	-301	-1,878
Operating profit	12,450	8,375	34,195	14,663
Financial income and expenses	-28,037	-11,202	-48,505	-14,628
Profit after financial items	-15,586	-2,827	-14,311	35
Income tax	2,645	-345	2,209	-1,089
Profit for the period	-12,941	-3,172	-12,101	-1,055
Other comprehensive income				
<i>Items that may be reclassified to the income statement</i>				
Exchange differences on translation of foreign operations	-139	-	-418	58
	-139	-	-418	58
Comprehensive income for the period	-13,080	-3,172	-12,519	-996
Profit for the period attributable to:				
Shareholders of the Parent Company	-13,020	-3,172	-12,026	-996
Non-controlling interests	79	-	-75	-
Comprehensive income attributable to:				
Shareholders of the Parent Company	-13,160	-3,172	-12,447	-996
Non-controlling interests	80	-	-72	-

CONSOLIDATED BALANCE SHEET

(Amount in SEK '000)	2022-09-30	2021-12-31
ASSETS		
Non-current assets		
Goodwill	858,913	320,369
Other intangible assets	660,856	184,848
Tangible assets	10,947	913
Right-of-use assets	59,074	21,768
Other financial non-current assets	9,193	1,022
Deferred tax receivables	220	-
	1,599,203	528,919
Current assets		
Accounts receivable	160,150	55,083
Other current assets	23,125	14,932
Prepaid expenses and accrued income	50,807	15,586
Cash and cash equivalents	182,367	99,824
	416,449	185,425
TOTAL ASSETS	2,015,652	714,344
EQUITY		
Share capital	502	502
Other contributed capital	529,132	177,572
Translation reserve	-344	78
Retained earnings including earnings for the period	-50,923	-12,932
Equity attributable to equity holders of the parent	478,367	165,220
Non-controlling interests	10,121	3
Total Equity	488,488	165,223
Non-current liabilities		
Bonds payable	779,052	388,533
Lease liabilities	41,475	14,167
Deferred tax liabilities	145,224	38,310
Provisions	2,217	3,698
Other financial liabilities	323,787	660
	1,291,755	445,368
Current liabilities		
Loans	75	115
Lease liabilities	18,379	6,976
Accounts payable	36,633	12,540
Current tax liabilities	1,762	3,091
Other financial liabilities	38,427	5,433
Other current liabilities	60,495	42,371
Accrued expenses and deferred income	79,638	33,227
	235,409	103,753
Total liabilities	1,527,164	549,121
TOTAL EQUITY AND LIABILITIES	2,015,652	714,344

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to the parent company's shareholders						
(Amount in SEK '000)	Share capital	Other contributed capital	Translation reserve	Retained earnings including earnings for the period	Non-controlling interests	Total equity
Opening balance as of January 1, 2022	502	177,572	78	-12,932	3	165,223
Profit for the period				-12,026	-75	-12,101
Other comprehensive income			-422		3	-419
Total comprehensive income			-422	-12,026	-72	-12,520
Transactions with owners:						
Shareholder contributions		1,251,536			13,225	1,264,761
Effect of Group Restructuring		-899,977				-899,977
Acquisition of minority interest				-25,965	-3,035	-29,000
Total transactions with shareholders		351,560		-25,965	10,190	335,785
Closing balance as of June 30, 2022	502	529,132	-344	-50,923	10,121	488,488

(Amount in SEK '000)	Share capital	Other contributed capital	Translation reserve	Retained earnings including earnings for the period	Non-controlling interests	Total equity
Opening balances of January 1, 2021	51	65,594	17	- 2,226		63,436
Transfer of other comprehensive income			-17	17		0
Profit for the period				-1,055		-1,055
Other comprehensive income			58			58
Total comprehensive income			58	-1,055		-997
Transactions with owners:						
Share-based payment transaction		-1,410				-1,410
Shareholder contribution		18,980				18,980
New share issue of ordinary shares	450					450
New share issue of preference shares	1	25,389				25,390
New share issue of preference shares (not registered)		68,999				68,999
Total transactions with shareholders	451	111,958				112,409
Closing balance as of September 30, 2021	502	177,552	58	-3,264	-	174,848

CONSOLIDATED CASH FLOW STATEMENT

	2022 9 months Jan-Sep	2021 9 months Jan-Sep
(Amount in SEK '000)		
OPERATING ACTIVITIES		
Operating income	34,195	14,663
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Amortisation/Depreciation	33,868	2,179
Provisions	-1,501	-233
Other	-2,209	-112
Interest received	-	264
Interest paid	-42,953	-13,892
Discount of additional purchase price	2,889	583
Tax paid	-2,699	-18,945
Cash flow from operating activities prior change of working capital	21,590	-15,494
Increase (-) / Decrease (+) in accounts receivables	-10,036	-8,265
Increase (-) / Decrease (+) of other receivables	-4,903	-4,632
Increase (-) / Decrease (+) of interim receivables	-14,216	-4,155
Increase (+) / Reduction (-) of accounts payable	-2,811	2,515
Increase (+) / Reduction (-) of other liabilities	-31,259	22,735
Increase (+) / Reduction (-) of interim liabilities	7,890	997
Cash flow from operating activities	-33,745	-6,299
Investing Activities		
Investments in intangible assets	-375	-
Investments in tangible fixed assets	-1,406	32
Investments in other financial assets	-4,125	-
Investments in subsidiaries	-588,912	-238,716
Cash flow from investing activities	-594,818	-238,683
Financing Activities		
Loans raised	384,050	311,928
Financial lease payments	-8,729	-2,470
Received payment for new share issue of ordinary shares	-	449
Shareholder contribution	335,785	19,000
Cash flow from financing activities	711,106	328,907
Cash flow for the period	82,543	83,925
Cash and cash equivalents - beginning of period	99,824	40,722
Cash and cash equivalents - end of period	182,367	124,647

PARENT INCOME STATEMENT

	2022 3 months Jul-Sep	2021 3 months Jul-Sep	2022 9 months Jan-Sep	2021 9 months Jan-Sep
(Amount in SEK '000)				
Net sales	1,247	-	2,171	25
Other operating income	1,244	-	1,574	110
Sub-consultants	-28	-58	-173	-122
Other external expenses	-7,198	-969	-17,511	-3,377
Personnel expenses	-2,488	-1,290	-7,140	-3,949
Other operating expenses	-1	-	-3	-
Operating profit	-9,715	-2,316	-24,826	-7,313
Financial income and expenses	-21,461	-11,432	-41,194	-14,601
Profit after financial items	-28,685	-13,748	-62,275	-21,914
Group contributions	-	-	-	-
Profit for the period before tax	-28,685	-13,748	-62,275	-21,914
Tax on profit for the period	-	-	-	-
Profit for the period *)	-28,685	-13,748	-62,275	-21,914

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

PARENT BALANCE SHEET

(Amount in SEK '000)	2022-09-30	2021-12-31
ASSETS		
Non-current assets		
<i>Financial non-current assets</i>		
Shares in subsidiaries	929,990	29,689
Receivables from group companies	1,088,626	499,007
Other financial non-current assets	-	84
	2,018,617	528,780
Current assets		
<i>Current receivables</i>		
Current receivables from group companies	48,175	4,195
Other receivables	2,593	1,798
Prepaid expenses and accrued income	411	36
	51,179	6,029
<i>Cash and cash equivalents</i>	10,773	42,806
<i>Total current assets</i>	61,952	48,835
TOTAL ASSETS	2,080,569	577,615
EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	502	502
<i>Non-restricted equity</i>		
Other contributed capital	1,311,604	94,388
Retained earnings including earnings for the period	-77,864	67,595
Total equity	1,234,242	162,485
Non-current liabilities		
Bonds payable	778,135	388,533
	778,135	388,533
Current liabilities		
Current liabilities to group companies	47,976	15,030
Current tax liabilities	953	953
Accounts payable	1,331	1,126
Other current liabilities	614	443
Accrued expenses and deferred income	17,318	9,045
	68,192	26,597
Total liabilities	846,327	415,130
TOTAL EQUITY AND LIABILITIES	2,080,569	577,615

NOTES TO THE FINANCIAL REPORT

IFRS that specifically addresses a transaction,

1. ACCOUNTING PRINCIPLES

The company changed its name in the second quarter of 2022 from Mirovia AB (publ) to Mirovia Nordics AB (publ).

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.

Accounting of Plenius by Mirovia AB

Plenius by Mirovia AB was formed on 23 August 2021 and acquired during 2022 100% of the shares in Mercanza, Controlnet, Inase and Antartyca & Agrupo in 2022, see note 5 for further information about the acquisitions.

On 1 July 2022, Mirovia Nordics AB's parent company Esmaelzadeh Holding AB transferred Plenius by Mirovia AB (with subsidiaries) through an unconditional shareholder contribution of approximately SEK 900m. Mirovia Nordics AB's ultimate parent company Dr. Saeid AB has control over Plenius by Mirovia AB (with subsidiaries) before and after the transaction. The transaction has therefore taken place between parties under the same control. A business transaction between entities under common control is a business transaction in which ultimately the same party or parties have control over all the combined entities or businesses both before and after the transaction and that control is not of a temporary nature. IFRS does not provide guidance on accounting for business acquisitions of entities under common control. In the absence of an

management shall use its judgement in developing and applying an accounting policy (in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors) that results in information that is relevant to users' economic decision-making and is reliable.

The transaction is accounted for in such a way that assets and liabilities are recognised in the Mirovia Nordics AB Group at the amounts at which they were recognised in the Plenius by Mirovia AB Group balance sheet, adjusted for differences between K3 and IFRS. Given that the Mirovia Nordic AB Group is a continuation of the Plenius Group and the ultimate controlling party is the same before and after the transaction, the consolidated financial statements have been restated in respect of periods prior to the transaction. This is to reflect the transaction as if it had taken place at the beginning of the earliest period presented in the consolidated financial statements, irrespective of the actual transaction date.

Esmailzadeh Holding AB holds 87% of the shares and votes in Plenius by Mirovia AB prior to the transaction and in connection with the transaction Esmailzadeh Holding AB acquires 3% of the minority interest for 30,000 shares in Lyvia Group AB (a subsidiary of Esmailzadeh Holding AB and parent company of Mirovia Nordics AB) and is presented in Mirovia Nordics AB consolidated financial statements within equity as a transaction with minority shareholders. The payment in the form of shares in Lyvia Group AB is accounted for as a shareholder contribution received from Esmailzadeh Holding AB. The difference between the fair value of the consideration and the carrying amount of the minority interest sold is recognised in equity attributable to equity holders of the parent.

The remaining 10% of the minority interest in Plenius by Mirovia AB is converted into preference shares in Plenius by Mirovia AB. The conversion of ordinary shares into preference shares does not result in any transaction in the consolidated financial statements of Mirovia Nordics AB considering that the minority exchanges equity instruments in the same company at the same value. The preference shares are classified within the Group's equity as the preference shares do not entail any obligation for the Group to make payments in the future.

Issued preference shares in Plenius by Mirovia AB give the holder a preference in the event of liquidation of Plenius by Mirovia AB but do not entitle the holder to dividends. The assessment of the proportion of the

Group's total comprehensive income and other changes in net assets to be allocated to the minority (non-controlling interest) is subject to significant judgement

by management. Management considers that the allocation should be based on the relative proportion of minority shareholders in the event of liquidation, which at the end of September 2022 is 10%. An alternative assessment is to base the allocation on the relative proportion of minority shareholders in the event of a dividend, which amounts to 0%.

Recognition of revenue from the sale of hardware

Under certain agreements, Mirovia sells third-party hardware to customers. The hardware is shipped directly from the third party (the supplier of the hardware) to the customers. Mirovia is not considered to have any inventory risk for the hardware before or after the hardware is transferred to the customers, nor is it considered to have primary responsibility for the delivery of the hardware to the customers or that the hardware is performing as agreed. Mirovia is not deemed to control the hardware before it is transferred to the customer but is deemed to be the agent in the arrangement. As a result, the nature of the revenue stream is the transfer of hardware from hardware suppliers to customers. Hardware vendor costs are recognised as a reduction of revenue, which means that the difference between the amount Mirovia is entitled to invoice customers for the hardware and the hardware vendor costs is the Group's commission, which is recognised as revenue at the time Mirovia brokers the deal between the customer and the hardware vendor, which is normally close to the time the hardware is delivered to the customer.

Comparative figures

Mirovia Nordics has adjusted its results in the third quarter of 2021 due to financial statement adjustments related to the acquisition date of the acquired legal entities. The adjustment results in reduced revenues of SEK 4,339k reduced operating expenses of SEK 1,757k and reduced net income of SEK 2,840k.

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. No shares were issued during the period.

The issued corporate bond has significantly affected the group's borrowing. During the period, the loan amount was increased by SEK 400m, of which acquisition costs amounted to a total of SEK 15.95m. At the end of the period, total borrowing amounts to SEK 779m.

3. RELATED PARTY TRANSACTIONS

During the second quarter, Mirovia Nordics AB (publ) received a shareholder contribution from Mirovia Holding AB, which has a controlling interest in Mirovia Nordics AB (publ). The shareholder contribution amounted to SEK 100,000k. During the first quarter, Mirovia Nordics AB (publ) received a shareholder contribution from Mirovia Holding AB of SEK 3,780k. In addition, a shareholder contribution in the form of shares in Plenius by Mirovia AB with a book value of SEK 900,002k was transferred from Mirovia Holding AB.

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 recognised 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 summarises 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. Bizloop AB, Lemontree Enterprise Solutions AB, Cloudgruppen AB, Repona AB, F-Consulting AB, IT-Huset Holding i Norden AB, Bright Inventions Sp z.o.o, Mercanza S.L., Controlnet Web S.L., Inase Informática del Mediterráneo, S.L. and Antartyca Consulting, S.L. & Agrupo Sistemas, S.L. Part of purchase price for the acquisitions 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 Nordics AB has used a 7.5-25.4% discount rate within this model. 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 (-) recognised in profit or loss	819
Closing balance December 31, 2021	6,092
Adjustment	323,007
Gains (+)/losses (-) recognised in profit or loss	2,889
Closing balance June 30, 2022	331,988

5. ACQUISITION AND SALE OF SUBSIDIARIES

The following acquisitions have been completed during the period from the Group's transition to IFRS (1 July 2020) to the end of September 2022. In all acquisitions, Mirovia acquires 100% of the shares and votes in the acquiring companies. All acquisitions are part of the Group's strategic focus on investing in entrepreneurial-led companies that offer software solutions and niche IT services in mission-critical areas.

ACQUISITION	ACQUISITION DATE
Transformant Group AB	November 2020
Bizloop AB	November 2020
Lemontree Enterprise Solutions AB (including subsidiaries)	December 2020
Sundbom & Partners Holding AB (including subsidiaries)	July 2021
SO4IT AB (including subsidiaries)	July 2021
Acino AB	September 2021
Svenska Försäkringsfabriken i Umeå AB	September 2021
Toppsnamn AB	September 2021
Traventus AB	December 2021
Controlnet Web S.L.	May 2022
Inase Informática del Mediterráneo, S.L.	May 2022
Antartyca Consulting, S.L. & Agrupo Sistemas, S.L.	May 2022
Mercanza S.L.	July 2022
F-Consulting AB	July 2022
Rebendo AB	July 2022
Repona AB (including subsidiaries)	July 2022
IT-Huset Holding i Norden AB (including subsidiaries)	August 2022
Cloudgruppen Sverige AB (including subsidiaries)	August 2022
Bright Inventions Sp z.o.o.	August 2022

The amounts recognised for the identified acquired assets and liabilities during the period January 2022 – September 2022 are specified in the table below. As of the balance sheet date, the recognition of acquisitions during 2022 has only been provisionally established as the identification and valuation of assets has not yet been completed.

(Amounts in SEK '000)	
Identifiable intangible assets	491,613
Right-of-use assets	40,864
Tangible fixed assets	8,356
Financial assets	14,451
Accounts receivable	95,032
Other current assets	28,577
Cash and cash equivalents	92,989
Deferred tax liability	110,391
Liabilities to credit institutions	2,135
Lease liabilities	42,006
Accounts payable	26,904
Other current liabilities	102,347
Total identifiable assets	488,028
Goodwill	536,162
Total purchase price	1,024,189
Regulated by:	
Cash and cash equivalents	695,699
Liabilities to selling shareholders	328,490
Total compensation transferred	1,024,189
Cash outflow on acquisitions:	672,709
Minus: acquired cash and cash equivalents	-92,989
Net cash outflow on acquisitions:	579,721*

*In addition to the indicated amount, SEK 9,192k has been paid during the period related to the acquisition of Traventus AB with acquisition date in December 2021, which constitutes an adjustment of the purchase price and cash payment number two.

Goodwill of SEK 536,162k resulting from the acquisitions consists of expected synergies and the total workforce of the companies. These benefits have not been recognised separately from goodwill as they do not meet the criteria of identifiable intangible assets.

For information on contingent consideration, see note 4.

Acquisition-related expenses (included in other external expenses) amount to SEK 4,846k.

The acquisitions during 2022 contributed with SEK 134,484k in net sales and SEK 17,316k to the Group's net earnings between the acquisition dates and the end of the reporting period. If the acquisitions had taken place on the first day of the financial year, the Group's net sales for the year would have been SEK 758,572k and the Group's net earnings would have been SEK 25,843k.

6. BREAKDOWN OF REVENUE FROM AGREEMENTS WITH CUSTOMERS

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

	2022	2021	2022	2021
(Amount in SEK '000)	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
Software*	59,629	467	72,749	498
Functional agreements	31,242	3,247	61,528	4,098
Consulting services	111,615	47,073	254,279	98,603
Hardware	1,027	-	1,027	-
Other	3,115	493	5,681	804
Total	206,628	51,280	395,263	104,003

* 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, November 29, 2022

Sebastian Karlsson, CEO

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

For further information please contact: Martin Fag us
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Upcoming reporting sessions: Year-end report, 1 March 2023



MIROVIA NORDICS AB (PUBL) INTERIM REPORT 2022

ABOUT MIROVIA NORDICS AB

Mirovia is a European 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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