



**PAGERO**

Annual Report 2022

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We are building  
the world's largest  
network for business  
communication.



# Table of contents



## This is Pagero

- 3 Pagero in brief
- 6 The year in brief
- 7 CEO comment
- 8 The share



## Market and drivers

- 10 Market overview
- 11 Drivers



## Targets, strategy and risk

- 13 Financial targets
- 14 Investment strategy
- 15 Growth strategy
- 18 Risk



## Sustainability

- 21 Sustainability report
- 23 Environment
- 25 Social responsibility
- 28 Governance
- 30 Auditor's opinion



## Management and Board of Directors

- 32 Management
- 33 The Board



## Financial reporting

- 35 Directors' report
- 38 The Group
- 43 Parent Company
- 47 Notes
- 66 Signatures
- 67 Auditor's report



## Calendar and other

- 69 Financial calendar
- 69 Annual General Meeting 2023

## PAGERO IN BRIEF

# Pagero is building the world's largest network for business communication



Read more about Pagero on our website

## Communication between companies is outdated

Communication between companies doing business is still largely manual and analogue. Digital documents in business systems such as orders, delivery notes and invoices are printed or exported to PDF by one party, and then manually keyed in by the other party. The document management is inefficient, costly and a constant source of errors. Pagero's idea is to modernize communication by building a Smart Business Network.



## Pagero takes business communication into the future

With Pagero, buyers and sellers can exchange documents digitally between their business systems. By connecting their system to Pagero's open Smart Business Network, companies get the opportunity to communicate digitally with millions of other companies around the world, in accordance with local regulations. The open network is enhanced with smart apps that allow companies to get more out of their business data.



### NETWORK

An open global network that allows over 14 million companies to exchange e-documents

### APPS AND SERVICES

A wide range of core and third-party applications and services

### COMPLIANCE

Complies with legal requirements regarding e-documents in over 75 countries

### CONNECTIVITY

A flexible and ERP-independent connectivity model



## We win the technology race with openness

Pagero is investing to become the world's largest business communication network. A key to scalability is the platform's open architecture. This allows Pagero to connect with government platforms and other business networks to create a comprehensive solution for customers.

## PAGERO IN BRIEF

# High percentage of recurring revenue

Pagero delivers products and services that are critical to customers' daily operations. Revenues are largely recurring and are often paid in advance.



## 46% (50%)

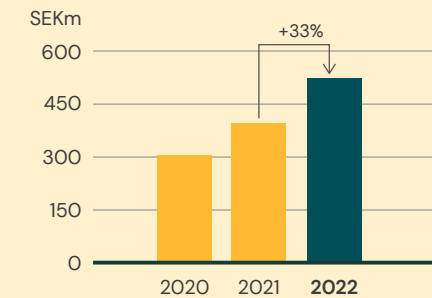
**LICENCES**

Customers pay a licence fee for each service they use. Offering more services represents great growth potential for Pagero.

## 54% (50%)

**TRANSACTIONS**

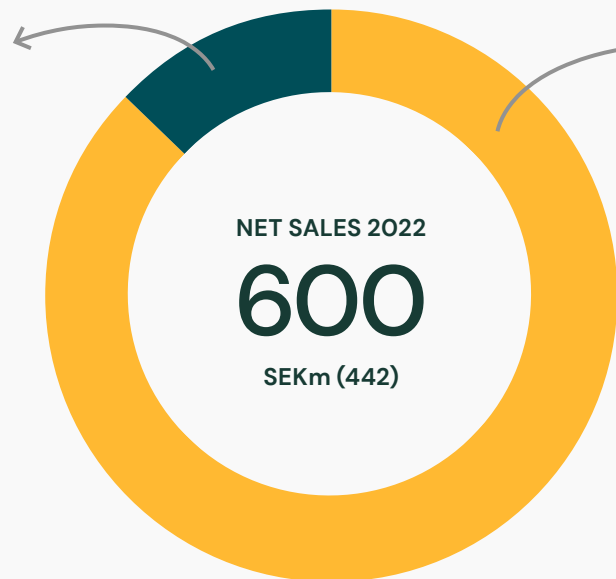
A large part of the recurring revenue comes from transactions. Existing customers continue to increase the number of transactions as they digitalise a larger percentage of their document flows. There are about 40 different message types in addition to invoices. These represent great growth potential for Pagero.

**GROWTH IN RECURRING REVENUE**

## 13% (11%)

**NON-RECURRING**

The non-recurring revenue consists mostly of one-time costs from implementation services.



NET SALES 2022

# 600

SEKm (442)

## 87% (89%)

**RECURRING\***

The recurring revenue consists of licences and transactions. Licences are paid upfront while transactions are paid on an ongoing basis or purchased in advance at a bundled price. This provides large pre-paying revenue streams and means that Pagero generates positive cash flow from changes in working capital.

\* Pagero also reports ARR (annualized) which is a more forward-looking measure of recurring revenue. It refers to agreed licence revenues 12 months ahead plus 12 months of rolling transaction revenue.

[Read more about our financial targets on page 13](#)



PAGERO IN BRIEF

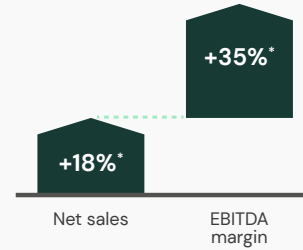
# We invest to become a global market leader

Technology is developing rapidly, and many countries are introducing legal requirements for companies to send and receive digital invoices. For those who invest through building technology and presence, there are opportunities to take the position as a global leader in a market with strong growth for a long time.

● ESTABLISHED MARKETS

**87% of net sales**

Pagero has established strong market positions and generates positive results in the Nordic region, Central Europe (Germany, Austria, Switzerland, the Netherlands and Belgium) as well as selected countries in Latin America.

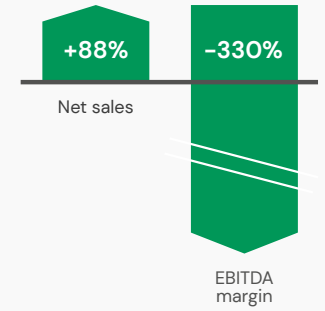


\* Pro forma for 2022 has been used for comparison reasons for the acquisition of Gosocket

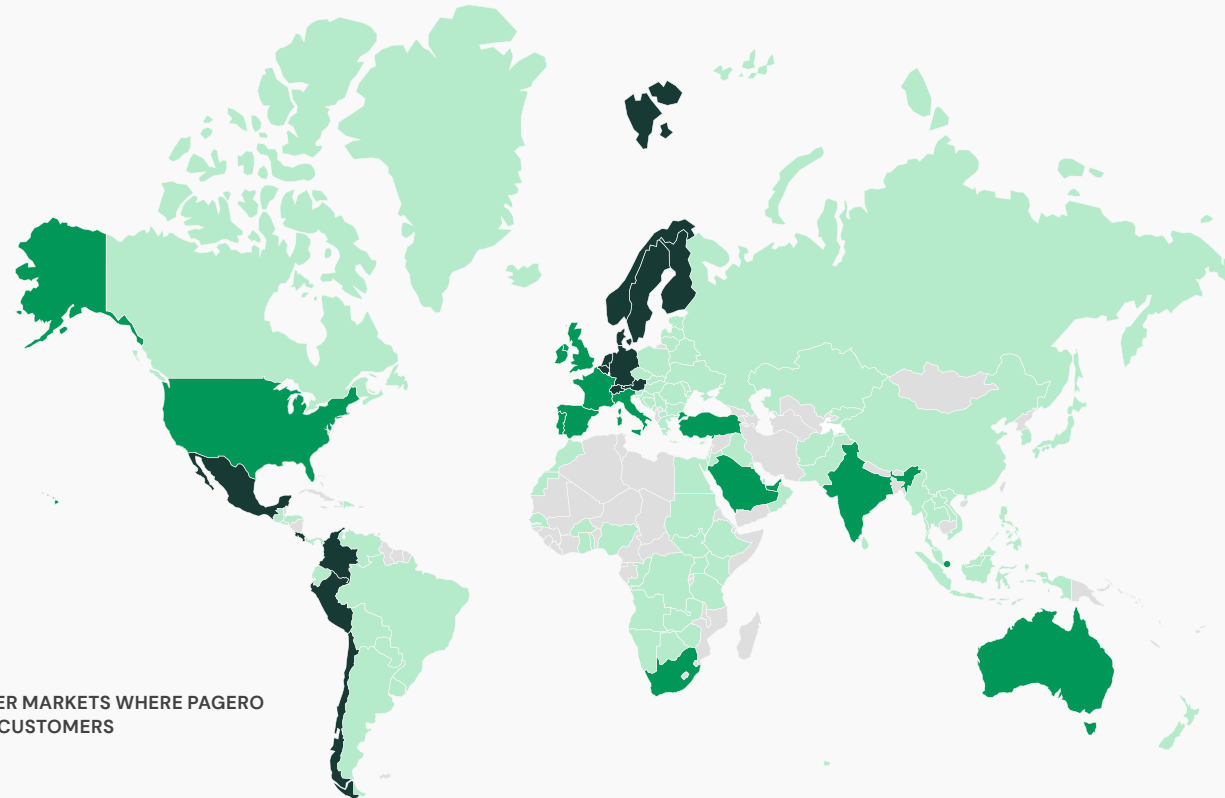
● INVESTMENT MARKETS

**13% of net sales**

Pagero invests in development and personnel to position itself in selected markets that are considered to have great future potential. Costs are incurred to build a local presence and adapt the platform to local conditions.



● OTHER MARKETS WHERE PAGERO HAS CUSTOMERS



**30+**  
offices

**140+**  
Customers in 140+ companies

**14m+**  
A network of 14m+ companies

## THE YEAR IN BRIEF

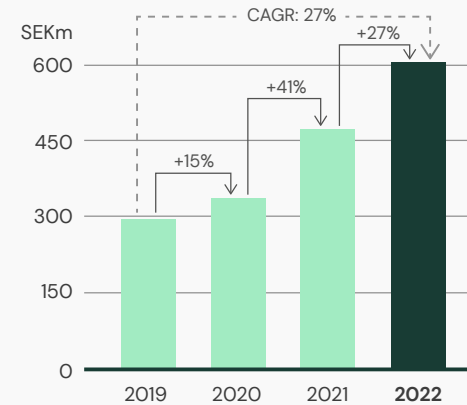
## 2022 Accelerating organic growth shows scalability and that the self-reinforcing network effects are starting to pay off.

[Read more in the Directors' report on pages 35–37](#)

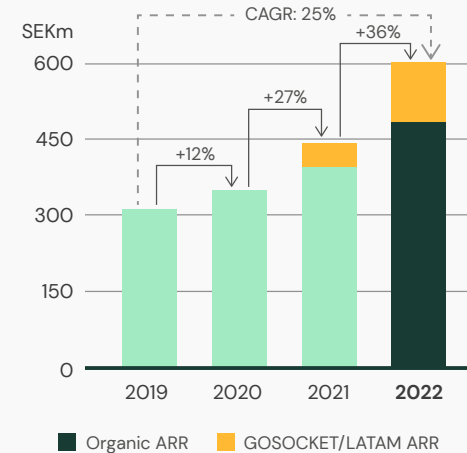
## KEY PERFORMANCE INDICATORS

	2022	2021	2020	2019
Annualized recurring revenue (ARR), SEKm	604.2	475.2	337.4	295.7
ARR growth, %	27%	41%	14%	22%
Net sales, SEKm	600.1	441.8	348.2	310.3
Net sales growth, %	36%	27%	12%	17%
Of which organic	23%	13%	12%	17%
EBITA, SEKm	-103.0	-39.6	0.6	-0.2
EBITA margin, %	-17.2%	-9.0%	0.2%	-0.1%
Profit/loss before tax, SEKm	-274.0	-159.8	-86.3	-73.6
Equity/assets ratio, %	36.5%	56.2%	52.7%	41.7%

## ARR



## NET SALES



## KEY EVENTS

### More countries decided on legal requirements for e-invoicing

Countries such as Spain and Denmark decided to introduce requirements for e-invoicing. In Denmark, the requirements came into force on 1 July 2022, while Spain will introduce its rules gradually from 2024.

### Pagero launched support for P27

Pagero launched support for the payment infrastructure P27 Nordic Payments Platform, which will start replacing Bankgirot in 2023.

### Pagero was approved as a Peppol service provider in Japan

The approval means that Pagero can offer Peppol services to international and domestic companies in Japan.

### Pagero's platform became ISO certified

The certification concerned the ISO standard 27001 on information security and the additional standard 27701 on data protection. Pagero was one of the first companies in Sweden to be certified according to the additional standard.

### Pagero won Malta's procurement of Peppol services

Pagero delivers network and e-invoicing services via Peppol to the Government of Malta and local authorities.

### Declined bidding battle for Tungsten

Pagero chose not to continue in the bidding battle for Tungsten Corporation Ltd.

### New financing

Pagero raised a loan of SEK 750 million to finance the bid for Tungsten. The loan also replaced Pagero's previous bank financing. After the bid was dropped, the loan was amortized down to SEK 300 million.

## CEO COMMENT

# Strengthened market position and increasing growth

Our value proposition “One connection – global reach” has continued to strengthen its global position in 2022.

An increase in sales and ARR of 36% and 27% respectively speaks volumes: Pagero is taking market shares, and our growth strategies are starting to have an effect. The company’s strategy as communicated in October 2021 remains firm, and we continue to work towards the goal of SEK 1,500 million in ARR and 20% EBITA by the end of 2025.

To achieve profitability as a leading player in a global market, a sustainable investment strategy is required in both a global organization and in a technically leading product. We are therefore continuing our investments at the same time as we start to see results in the form of growth quarter by quarter. With a high share of recurring revenue of 87%, a strong gross margin of 87%, a loyal customer base and good liquidity, we are creating conditions for continued investments in future growth and additional market shares. Accelerating organic growth in the last quarter of 2022 shows that Pagero is highly competitive and that our growth strategies are starting to have an effect as demand increases.

We address a global and rapidly growing market where companies have three main needs: to comply with legal requirements, automate processes and reduce their environmental impact.

To date, over 35 countries have implemented legal requirements for electronic invoicing and/or tax reporting, and more than 40 countries are in the planning and/or implementation phase. It is important to point out that the legislation creates a market where our product is a must for companies – not something you can opt out of or refrain from. As a leading global platform, Pagero is excellently positioned to help companies with regulatory compliance in an efficient and simple way. This applies not least to international companies, where the need to adapt to ever-changing local rules and requirements creates increased complexity and risk.

During the year, we welcomed over 10,000 new customers to the platform, and signed significant agreements with new customers in the automotive industry, electronics, transport, energy, and agriculture. Having said that, 58% of our new sales, which corresponded to over SEK 60 million in licences during the year, come from the existing customer base. In 2023, we will see the results of a further developed platform where our more than 85,000 customers will be able to easily invite and communicate with all customers and suppliers.

**“2022 shows that Pagero is highly competitive and that our growth strategies are starting to have an effect”**

Our established markets continue to grow (+18%) with a 35% EBITDA margin, while our investment markets continue to increase their share of total sales. Examples of this are the USA and the UK, which in 2022 increased sales by 128% and 51% respectively.

Sales from Pagero’s ecosystem of partners increased during the year and are currently contributing to 40% of our total new sales. It remains our strategy not to compete with, but to complement, our partners in related industries.

I look forward to continuing this exciting journey in 2023 together with our customers, employees, partners, and investors.

**Bengt Nilsson, CEO**



## THE SHARE

# Better performance than the benchmark index

Pagero has been listed on Nasdaq First North Growth Market since 22 October 2021. In 2022, the share performed more strongly than the First North Technology index but still fell by 24%.

## Investment case

### STRONG DRIVERS IN LARGE AND GROWING MARKETS

The introduction of legal requirements is forcing a transition to e-invoicing in many markets. This is driving an already strong trend towards digital transformation.

### PROVEN AND SCALABLE BUSINESS MODEL

Pagero has a high percentage of recurring revenue, low customer churn and high gross margin. In established markets, profitability is strong.

### INVESTING FOR GROWTH

Pagero invests aggressively in technology and market presence to reach a global market-leading position. The company's growth is driven both by more customers and increased revenue per customer.

### EXPERIENCED MANAGEMENT WITH HIGH OWNERSHIP

CEO Bengt Nilsson, who founded and ran IFS for 20 years, owns 8.6% of the shares. The entire executive team owns 11.2% and also holds warrants. No one in management has sold shares since the listing.

### The Pagero share

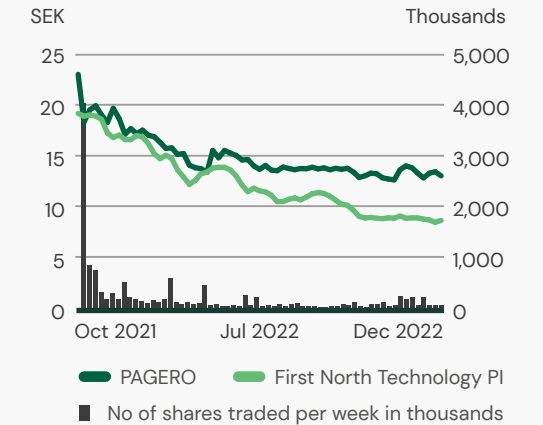
The company's shares have been listed on Nasdaq First North since 22 October 2021 under the ticker PAGERO.

The company's shareholder list consists of approximately 4,000 shareholders as at 31 December 2022.

Shareholder	No. of shares	% of total
Summa Equity through companies	51,976,150	33.7%
Swedbank Robur through funds	14,246,300	9.2%
Bengt Nilsson through companies	13,211,400	8.6%
Sixth AP fund	10,609,920	6.9%
Harbour Vest through companies	9,832,720	6.4%
Other shareholders	54,345,773	35.2%
<b>Total number of shares</b>	<b>154,222,263</b>	<b>100.0%</b>

Information on new issues and option programmes can be found in Notes 25 and 26.

### SHARE PRICE DEVELOPMENT SINCE LISTING



### SHARE INFORMATION

Marketplace	<b>Nasdaq First North Growth Market</b>
Ticker code	<b>PAGERO</b>
ISIN code	<b>SE0016830517</b>
LEI code	<b>5493004DI6NJ2LIK2388</b>
Market value as at 31 December 2022, SEKm	2,005
Share price as at 31 December 2022, SEK	13.11
Highest rate for the year, SEK	17.89
Lowest rate for the year, SEK	12.14

### Trading in the Pagero share

In 2022, 4.8 million shares were traded on Nasdaq First North, with a total turnover of SEK 69 million. The average daily volume was approximately 19 thousand shares and the average daily turnover was SEK 0.3 million.

### Analyst coverage

Erik Larsson, SEB  
Klas Danielsson, Nordea

### Dividend policy

Pagero intends to reinvest its cash flow in growth initiatives and will therefore not apply any annual dividend within the foreseeable future.





# Market and drivers



## MARKET OVERVIEW

# Strong growth potential in a demand-driven market

The opportunities that digital transformation brings are the underlying driver of growth in Pagero's markets. So far, companies and government agencies have only scratched the surface.

## LEGAL REQUIREMENTS

With the aim of ensuring tax compliance, more and more countries are introducing legal requirements for digital invoicing and tax reporting. With legal requirements implemented or planned in over 80 countries, this is a strong global driver of digital transformation.

[Read more about legal requirements on the next page](#)

## AUTOMATION

Manual document management takes up resources in all operations. Automating buying and selling processes makes document management more streamlined and provides better control for private and public sectors alike.

## SUSTAINABILITY

Digital transformation increases the reliability of the data contained in internal systems. Digital flows enable traceability and secure handling of business-critical information and guarantee regulatory compliance. It also gives companies the opportunity for better control to be able to monitor and reduce their environmental impact.

[Read more about Pagero's sustainability work in the sustainability report on pages 20–29](#)

Communication between companies is still manual ...

... and in 2019, an estimated 40% of all businesses were forced, either due to legal requirements or customer requirements, to send invoices digitally.

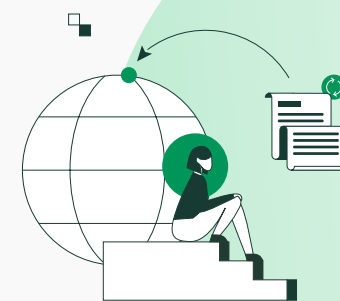
By 2025, the share is predicted to double to 80% ...

... and e-invoices are just one of 40 different message types sent between companies.



THE VALUE OF THE E-INVOICE MARKET

7.5 billion euro



23 billion euro

1/40





## DRIVERS

# Government requirements drive digital transformation

In an increasing number of countries, requirements for e-invoicing and digital tax reporting are being introduced. By the end of 2022, more than 80 countries had announced or introduced requirements. The scope of which companies are affected by the requirements varies from country to country. In some countries, only suppliers to government activities are affected, while some legal requirements include all companies in the country.

In many countries, VAT revenues are lower than they should be. The difference is called the VAT gap; this can exist for several reasons, but often it is about non-compliance with applicable laws and regulations. And there are large sums of money involved. In 2020, the EU countries are estimated to have lost EUR 93 billion in VAT revenue due to lack of compliance.<sup>1)</sup>

In 2022, the European Commission presented a series of measures to reduce the VAT gap, including mandatory real-time digital reporting via e-invoices for all business-to-business transactions.<sup>2)</sup> The e-invoicing proposal alone is predicted to reduce the VAT gap by EUR 11 billion, while reducing administrative costs for businesses.

<sup>1</sup> EU report: VAT Gap in the EU  
<sup>2</sup> Press release from the European Commission

**FUTURE LEGAL REQUIREMENTS****2023**

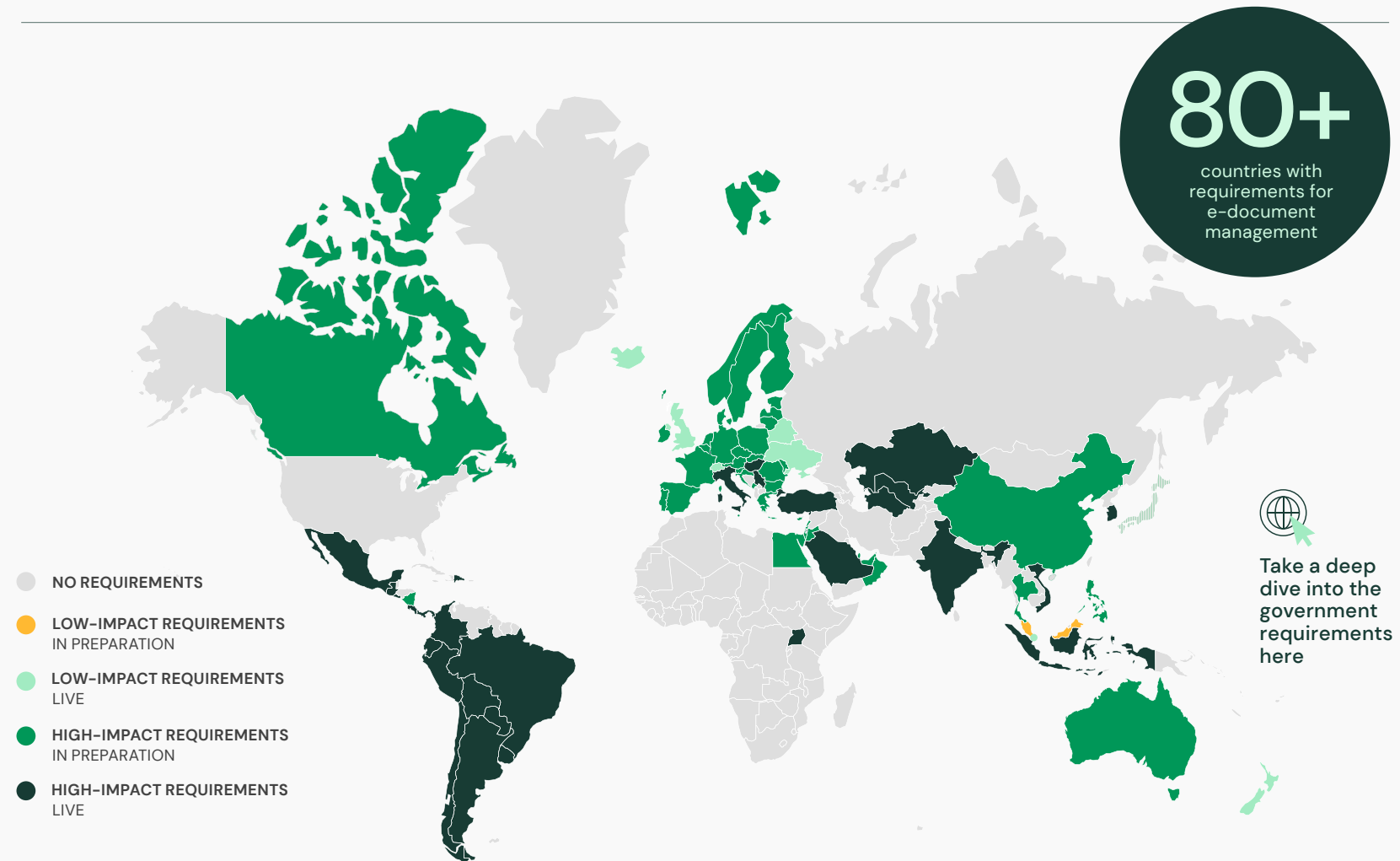
**Japan:** Invoice design requirements for tax deduction (qualified invoice)  
**Saudi Arabia:** phase two of the countrywide e-invoicing requirement

**2024**

**Poland:** nationwide requirements for e-invoicing  
**France:** phase 1 of nationwide e-invoicing requirements  
**Denmark:** gradual introduction of nationwide e-invoicing requirements

**DATE OF THE LEGAL REQUIREMENT NOT ESTABLISHED**

**Belgium:** countrywide requirements for e-invoicing  
**Germany:** countrywide requirements for e-invoicing  
**Spain:** countrywide requirements for e-invoicing



**80+**  
 countries with requirements for e-document management

Take a deep dive into the government requirements here





# Targets, strategy and risk



## FINANCIAL TARGETS

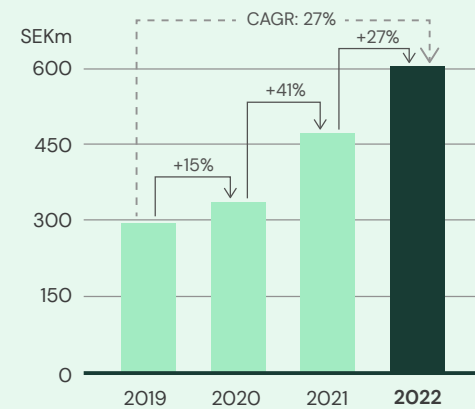
# Strong key figures and development according to plan

## Our targets for 2025

**Increase ARR to at least SEK 1,500 million by the end of 2025.**

ARR is developing in line with the plan to achieve our growth target, and we are currently seeing good growth in both established and investment markets.

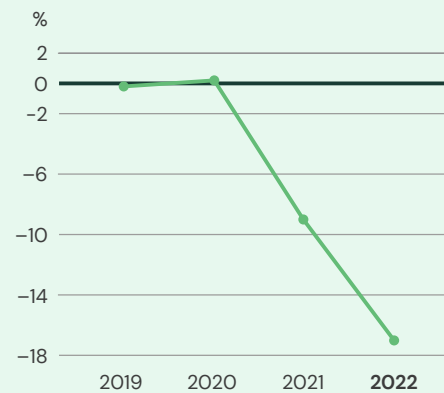
### ANNUALIZED RECURRING REVENUE (ARR)



**Achieve an EBITA margin of 20% by the end of 2025 while maintaining a strong focus on growth.**

In 2022, Pagero invested in future growth and increased market shares, which affected the EBITA margin. Pagero is currently showing profitability in established markets and will gradually move towards the target of 20% EBITA by 2025.

### EBITA MARGIN



### Dividend policy:

Pagero intends to reinvest its cash flow in growth initiatives and will therefore not apply any annual dividend within the foreseeable future.

### OTHER KEY FIGURES

#### CUSTOMER CHURN

**1.8%** (2.8%)

The percentage of revenue lost as a result of a customer leaving Pagero. The low churn shows that customers are reluctant to switch away from Pagero.

#### CLV/CAC

**26.2x** (14.5x)

Customer lifetime value/customer acquisition cost. Shows the return Pagero has on marketing and sales costs.

#### GROSS MARGIN

**87%** (87%)

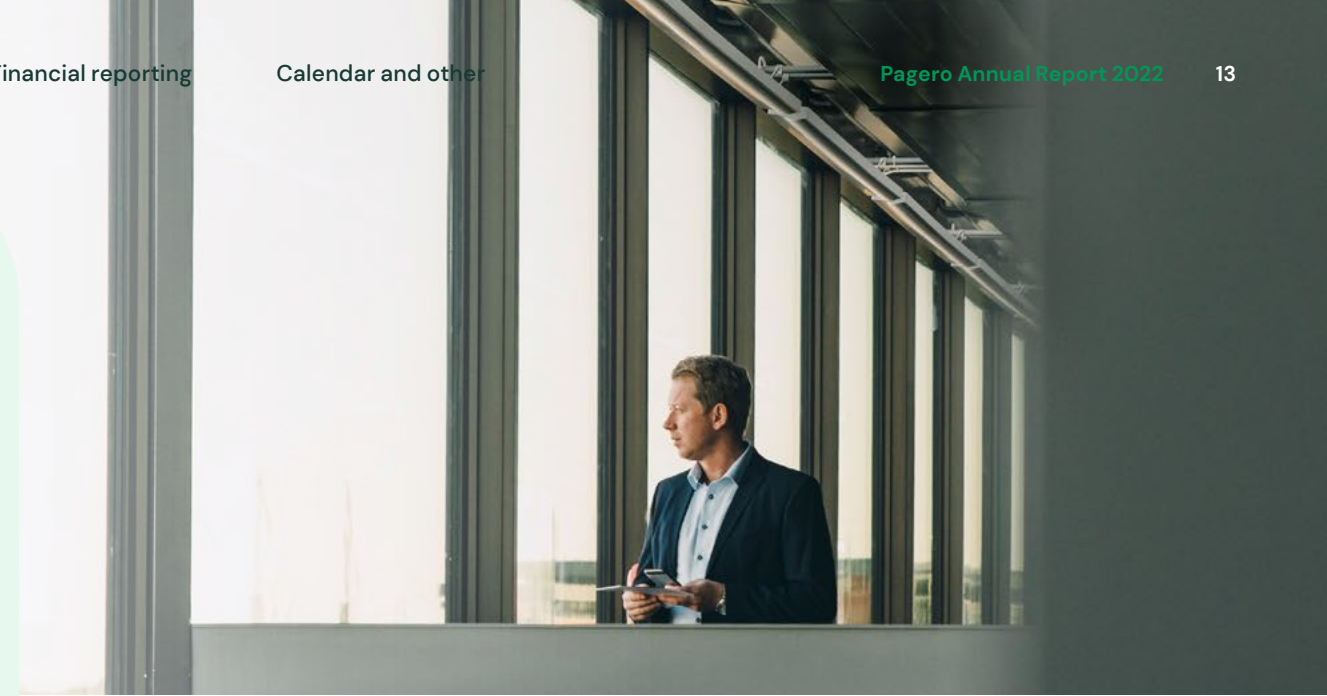
Pagero's direct selling costs consist of fees to third parties, mainly for services that bridge the gap between a paper-based and digital invoice processing process such as printing, scanning etc. The high gross margin and the high proportion of fixed costs provide great operational leverage.

#### NET SALES GROWTH

**36%** (27%)

Growth accelerated in 2022, fully in line with Pagero's financial targets. Organic growth amounted to 23% (13%).

[See Note 35 for definitions of key figures](#)





## INVESTMENT STRATEGY

# Goal: global and local market leader

Pagero sees great opportunity to establish itself as a market leader in an as yet immature market that is growing rapidly and has high entry barriers. This is the reason for large investments in technology, personnel and geographical expansion.

### Global market leader

One connection – global reach: to become the only global platform that supports all the local requirements, standards and practices that exist worldwide. As a leading global player, Pagero’s offering is attractive both for multinational companies as well as for partners who supply multinational companies – a segment that is otherwise forced to seek local suppliers in each individual country.

[Read more about government requirements on page 11](#)

### Selective local presence

In addition to becoming the market leader globally, Pagero invests in establishing a local presence in some thirty markets. The goal is to build a strong position as a local player and create network effects in selected verticals and industries. These markets are currently at different stages of establishment.

[Read more about network effects on page 16](#)



“It was important for us, and it should be for all companies, to choose an e-invoicing partner that has a global vision. As more and more countries around the world introduce requirements for e-invoicing and e-order management, we see great potential in expanding the partnership with Pagero.”

Simon Maddan,  
Head of Application Support, Ricoh



You can find more customer cases on our website



## GROWTH STRATEGY

# Multi-dimensional growth

Our growth strategy is based on scaling up the acquisition of new customers and increasing usage within our existing customer base. Further upside will come through a selective acquisition strategy.

## New customer contracts in 2022, SEKm

Automotive company	2.8
Electronics company	1.8
Logistics company	1.4
Label solutions company	1.4
Digital infrastructure company	1.3
Agriculture company	1.2
Energy company	1.0

Figures represent invoiced recurring revenue in 2022

## STRATEGY 1:

## Scale up new customer acquisition

### DIRECT SALES

Pagero's sales team targets medium and large multinational companies. "Land and expand", secure the customer and expand the business gradually, is the model.

### CUSTOMER-LED CUSTOMER ACQUISITION

Large companies often have thousands of suppliers, and many of them proactively request that they join the Pagero Network. Pagero has optimized the platform and provision for making it easy for customers to invite their customers and suppliers themselves.

### PAGERO STORE

We invest in improving our self-service platform so that customers can join the Pagero Network and purchase value-added services without having to interact with a Pagero representative.

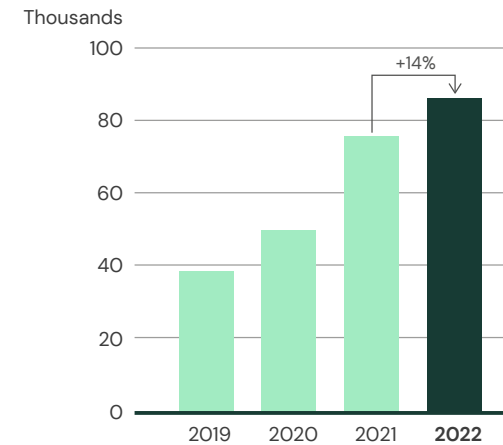
### GROWING PARTNER NETWORK

We have a growing network of over 90 partners who either refer their customers to Pagero or resell our services by integrating Pagero Network with their own software. This channel is growing rapidly.

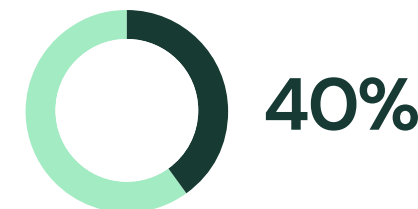
### EXAMPLES OF PARTNERS:



### CUSTOMER BASE GROWTH



### NEW SALES COMING FROM OUR PARTNERS



You can find more customer cases on our website

"After looking at the market, we found Pagero's technology to be a great match for Workday's capabilities. We predict the digital submission of invoices between trading partners with the government will grow, and the Workday – Pagero partnership is well-positioned to serve this growing market"

Tim Wakeford,  
VP of Financials Product Strategy  
at Workday



## GROWTH STRATEGY

## STRATEGY 2:

## Increase revenue per customer

Most commonly, our customers start using Pagero's services to communicate one message type, usually e-invoices, in one country.

**MORE COUNTRIES**

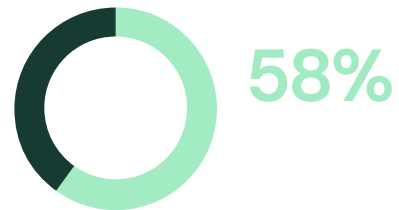
Pagero supports local e-invoicing requirements in over 75 countries. Many customers are expanding the use of Pagero for more of their companies in more countries.

**MORE MESSAGE TYPES**

Invoices are one of about 40 message types that are usually included in the O2C (order-to-cash) and P2P (purchase-to-pay) processes. Examples of other types include orders and product catalogues.

**MORE SERVICES**

Pagero has a wide range of services and applications, either proprietary or third-party, that help customers digitalize and automate processes, either proprietary or third-party.

**ADDITIONAL SALES TO EXISTING CUSTOMERS****Customers who increased their contract value in 2022, SEKm**

Healthcare company	5.8
IT company	3.0
Retail	2.8
Healthcare company	2.0
IT	2.0
Healthcare company	1.8
IT company	1.8

Figures represent new invoiced recurring revenue in 2022.

## Network effects

Network effects mean that a new connection to Pagero not only adds value to the company joining but also to other companies already on the network. The value of joining Pagero thus continues to grow for a long time after joining. Since companies based in the same region or operating in the same industry often share customers and suppliers, we work actively to create strong network effects in two different ways:

**Geographical dominance – become the obvious choice in every region**

We invest in local presence to capture market share in selected markets.

**Dominance in industrial verticals**

In some sectors – healthcare, manufacturing, mining, public sector – Pagero has many customers and ready-made solutions with extended functionality. A typical example of strong network effects in practice.

Over  
**10,000**  
new customers in 2022



## GROWTH STRATEGY






## STRATEGY 3:

## Selective acquisitions

We have historically made several successful acquisitions. Our strategy is based on ensuring that candidates for acquisition meet at least one of three criteria.

- **1. GEOGRAPHICAL EXPANSION**  
 Expanding our geographical presence through local and regional solutions with strong market positions.
- **2. NETWORK EXPANSION**  
 Expanding our network and global reach by absorbing similar business networks in different geographical areas or industries.
- **3. FUNCTIONALITY EXTENSION**  
 Adding functionality to our platform by acquiring specialized solutions.

## OUR ACQUISITIONS:

2022	 Creative Software	<span style="color: #0070C0;">●</span>
2021	 Gosocket	<span style="color: #0070C0;">●</span> <span style="color: #00A651;">●</span>
2018	 Palette	<span style="color: #008000;">●</span> <span style="color: #00A651;">●</span>
2018	 HBS	<span style="color: #0070C0;">●</span> <span style="color: #008000;">●</span> <span style="color: #00A651;">●</span>
2017	 primelog	<span style="color: #0070C0;">●</span>

Pagero acquired the part of Creative Software in Sri Lanka to which it previously out-sourced R&D services. The acquisition was completed in the first quarter.





## RISK

# Effective risk management

Proactive and effective risk management is crucial for Pagero to achieve its goals. Therefore, the company has a structured risk management process through which risks are continuously identified, evaluated and managed. The work is led by a risk management group that reports annually to the management team. Financial risks are described in the Directors' report and in Note 3.

Description and handling	Probability	Impact
<b>Recruiting and retaining staff</b> Pagero's employees are mainly specialists in IT and technology. The company is dependent on being able to recruit, develop and retain qualified employees and other key personnel, such as senior executives, in order to execute its growth strategy. Pagero manages the risk by working to be perceived as a good employer. An important tool in this work is the HR policy.	M	H
<b>Compliance of services with requirements</b> Pagero offers services that help customers comply with local legal requirements, e.g. regarding tax on invoices. Changes in regulations can affect both sales opportunities and costs for ensuring compliance. If Pagero's services do not comply with legal requirements, this could lead to damage and negatively affect the company's reputation.	L	H
<b>Product development</b> Pagero is continuously developing its cloud-based network so that, by joining, customers can communicate electronically with all other companies. It is important that the network develops at a pace that customers expect and demand. Pagero also establishes services in new markets. If the expected demand for these services does not materialize, there is a risk that development costs cannot be covered.	L	M

**PROBABILITY**

- F** FREQUENT Recurrent
- H** HIGH Will occur or has occurred
- M** MEDIUM May occur
- L** LOW Not likely to occur

**IMPACT**

- C** CRITICAL Extensive impact on Pagero's reputation or finances
- H** HIGH Big impact
- M** MEDIUM Some impact
- L** LOW Small impact

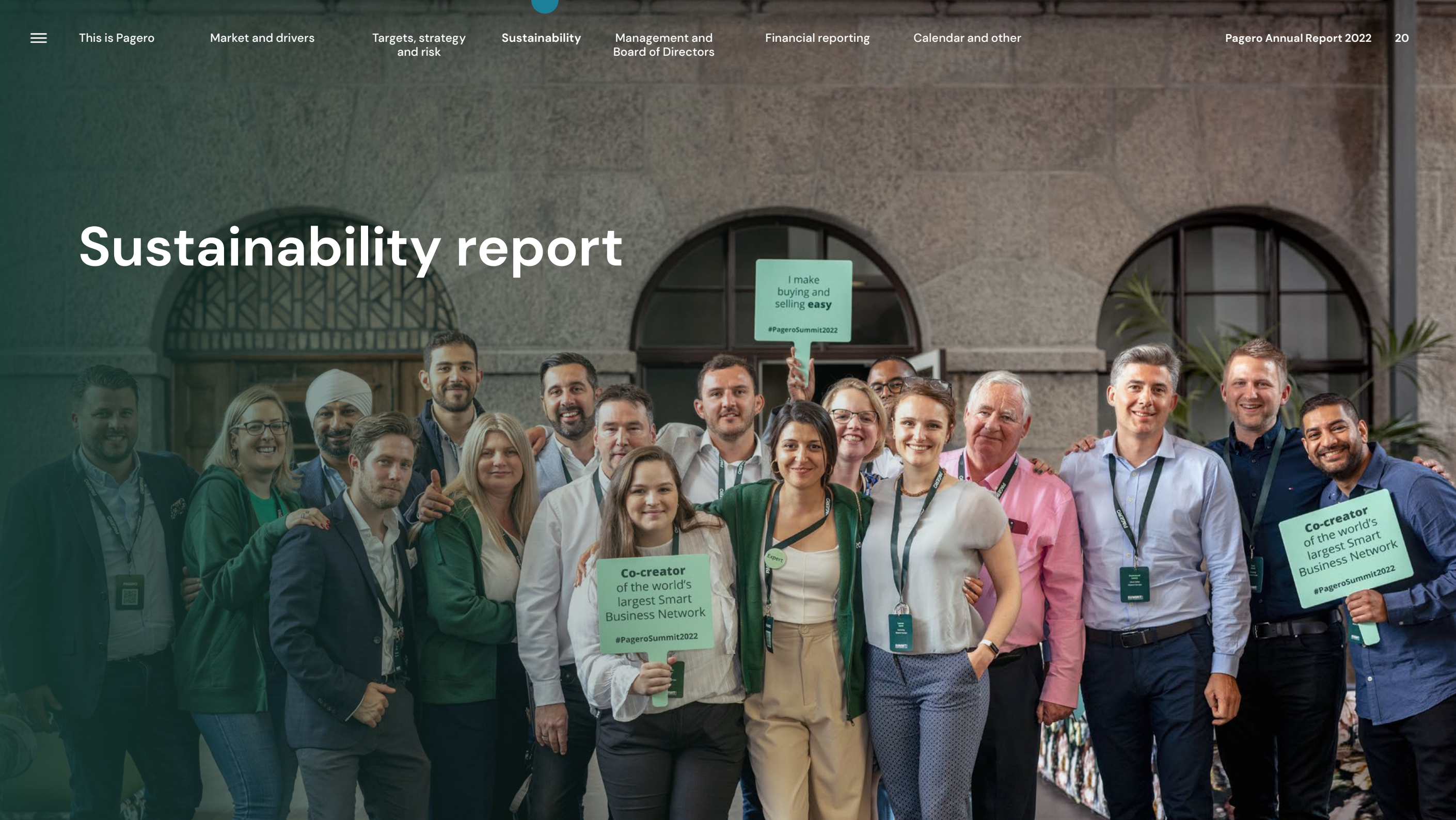


Description and handling	Probability	Impact
<b>Third-party providers</b> Pagero relies on third-party suppliers for the provision of certain services. These include digital signatures and support for various types of transactions. If the agreements with these suppliers are terminated and the company is unable to replace them on acceptable terms or within a reasonable time, this could lead to material adverse disruptions to the company's services in the short term. If a third-party provider does not provide services according to agreement, this could also lead to disruptions to Pagero's services.	L	L
<b>Difficulties in implementing acquisitions</b> Pagero's acquisitions may fail to generate the expected outcome in terms of business performance and realization of synergies. It may also expose Pagero to unknown obligations that the company could not identify during the acquisition process. Should these risks materialize, they could have an adverse effect on the company's future prospects and financial results.	L	H
<b>IT security</b> Pagero's services handle confidential and business-critical data. If, through an IT attack, for example, an unauthorized person were to gain access to the company's services, there is a risk that they could gain access to such confidential data. There is also a risk that the company's services may experience downtime as a result of an IT attack. The above refers to both services delivered directly by Pagero and to those provided by external suppliers. Should these risks materialize, this could lead to a material adverse effect on Pagero's business. They are managed through rigorous IT security work that encompasses the supply chain.	L	C
<b>Operational disturbances</b> Pagero uses external hosting providers for networking, maintenance and operation of the company's IT systems, data and platform. If something happen, such as a natural disaster, terrorist attack, or human error, this could affect the availability of the company's IT systems and services and lead to significant costs to recover lost and damaged data. Therefore, the company has back-ups and redundancies in place.	L	H

Description and handling	Probability	Impact
<b>Data protection</b> Pagero collects and processes personal data from customers and is therefore required to comply with applicable data protection laws, such as the GDPR in the EU. The company has taken far-reaching measures to ensure compliance, both internally and in the supply chain, and has also appointed a Data Protection Officer. However, in the event of an inspection, the supervisory authority could decide that Pagero does not meet the requirements. Furthermore, the development of case law or regulatory authority opinions could significantly affect the company's operations and compliance costs.	L	H
<b>Physical climate and environmental risks</b> Physical risks associated with climate change, such as rising sea levels and more frequent extreme weather conditions, could affect the company's data centres. Pagero imposes strict requirements on data centre providers regarding protection against physical environmental risks, including protection against flooding and power surges from lightning strikes, redundant power infrastructure, and damage protection for electrical and telecommunications cables.	L	C
<b>Anti-corruption</b> Pagero has a zero-tolerance policy on corruption and bribery and requires all employees to also refrain from behaviour that could be interpreted as bribery or corruption. Extra care should always be taken in contacts with the public sector. The policy is included in the company's Code of Conduct, which all employees are required to read. Pagero's business is based on the trust of customers, and failure to meet regulatory requirements could lead to a loss of that trust.	L	L
<b>Human rights</b> The services that Pagero delivers are by their nature at low risk of human rights violations, such as child labour or forced labour, and the same applies to the service providers who help to deliver parts of Pagero's services. works actively with supplier assessments to ensure that our values are also reflected in the suppliers we work with. The main human rights risk which the company faces is in relation to the right to privacy, which is discussed under Data protection above.	L	L



# Sustainability report





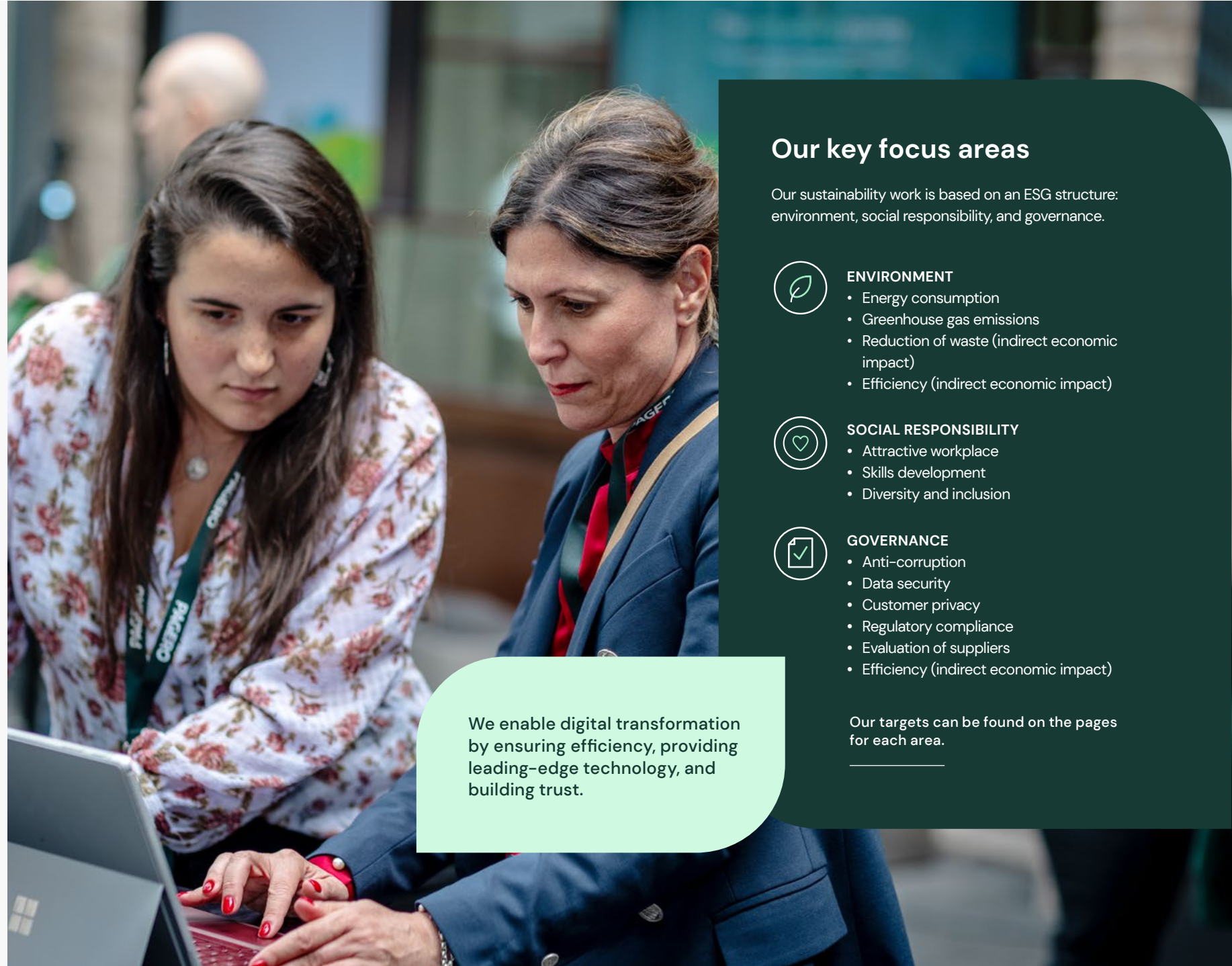
## SUSTAINABILITY REPORT

# Our long-term approach requires sustainability

Pagero is a company that thinks long-term in investments and business decisions, with sustainability baked into the DNA of the business. In order for our successes to be lasting, our processes must be environmentally and socially sustainable, and we must contribute positively to the society in which we operate.

We are convinced that we can make a difference. Our sustainability work is based on an ESG structure: environment, social responsibility and governance. We take into account the actual and potential impact of our business in the ESG areas and also consider how factors in these areas affect our business. We use goal management in our sustainability work. In 2022 we have built on previous work and defined clearer goals and key figures within each ESG category.

Through stakeholder dialogues and a materiality analysis conducted in 2021 with an external party, Pagero has elaborated the areas (our key focus areas, on the right) on which we focus our sustainability work. The stakeholder dialogues were conducted through interviews with groups of customers, owners and employees. The materiality analysis was reviewed again in 2022 without identifying a need for changes.



## Our key focus areas

Our sustainability work is based on an ESG structure: environment, social responsibility, and governance.



### ENVIRONMENT

- Energy consumption
- Greenhouse gas emissions
- Reduction of waste (indirect economic impact)
- Efficiency (indirect economic impact)



### SOCIAL RESPONSIBILITY

- Attractive workplace
- Skills development
- Diversity and inclusion



### GOVERNANCE

- Anti-corruption
- Data security
- Customer privacy
- Regulatory compliance
- Evaluation of suppliers
- Efficiency (indirect economic impact)

Our targets can be found on the pages for each area.

We enable digital transformation by ensuring efficiency, providing leading-edge technology, and building trust.

## SUSTAINABILITY REPORT

**Our impact in the value chain**

Our products enable digital transformation of previously paper-based processes, which improves efficiency for our customers in several different ways. On the one hand, they reduce their consumption of physical resources such as paper and associated transport; on the other hand, they free up time which can be spent on more value-creating activities. Through reduced resource consumption, we contribute to *UN Sustainable Development Goal 12*. In addition, digital transformation means potential for increased control and better control, as well as opportunities to automate entire processes.

A strong driver of demand for our products comes in the form of the legal requirements that are being introduced in more and more countries. The motives vary, but one which often recurs is strengthening compliance with VAT legislation. Within the EU alone, the so-called “VAT gap” – the difference between VAT actually paid and what should be paid – has been

calculated at EUR 93 billion<sup>1)</sup>. Real-time reporting of VAT via mandatory e-invoicing is an effective measure to reduce the gap, and this is something that is made possible by our products. We support e-invoicing regulations in over 75 countries and thus support the authorities’ ability to collect tax. In this way, we contribute to *UN Sustainable Development Goal 16*. At the same time, we make things easier for our customers who would otherwise have had to expend resources on first meeting and then ensuring continued compliance with legal requirements in a wide range of countries.

As a service provider, we take the responsibility to protect our customers’ data extremely seriously. If we fail in our work, it could have a major impact on our business. Therefore, we have extensive information security work and rigorous security requirements.

While we contribute positively through our offering, we are keen to manage our impact in general. This includes creating a healthy workplace that creates

a high level of commitment among our employees. That is why we promote well-being, development and gender equality, e.g. through our Employee Welfare Policy and Code of Conduct.

As a cloud-based software company, we have no emission-intensive processes, and our supply chains are relatively short. Environmental impact and risks of non-compliance with human rights are therefore limited in the broader perspective. However, we take the work of reducing negative impacts and limiting risks very seriously.

**Risks**

In 2022, we conducted a review with the aim of including sustainability risks in a more structured way in our regular risk management, in terms of both analysis and management. Our most significant sustainability risks are included in the risk review on pages 18–19.

**WE SUPPORT THE UN SUSTAINABLE DEVELOPMENT GOALS**

No. 12 Responsible consumption and production



No. 16 Peace, justice and strong institutions

The ten principles of the UN Global Compact form the basis of our Sustainability Policy, our internal Code of Conduct, and our Supplier Code of Conduct.

1) Relates to 2020. The European Commission’s VAT Gap Report 2022.



## SUSTAINABILITY REPORT



# ESG: Environment

With Pagero's products, processes that were previously paper-based are digitalized. This creates efficiency both by reducing physical resource consumption and by freeing up internal resources, including through increased automation.

### Positive impact at the customer level

Pagero's biggest positive environmental impact is the enabling of digital transformation in processes that have previously been largely paper-based. This directly reduces paper use for customers and indirectly also emissions related to the paper supply chains and physical mailings. To the extent that customers' processes are fully digitalized, the environmental footprint related to printers and copiers is also reduced.

Pagero calculates how much paper customers save by digitalizing their buying and selling processes. Each invoice sent digitally is assumed to have saved a paper invoice. This can be calculated both in terms of the number of trees and in terms of greenhouse gas emissions. All information is then displayed to customers in an overview in Pagero Online.

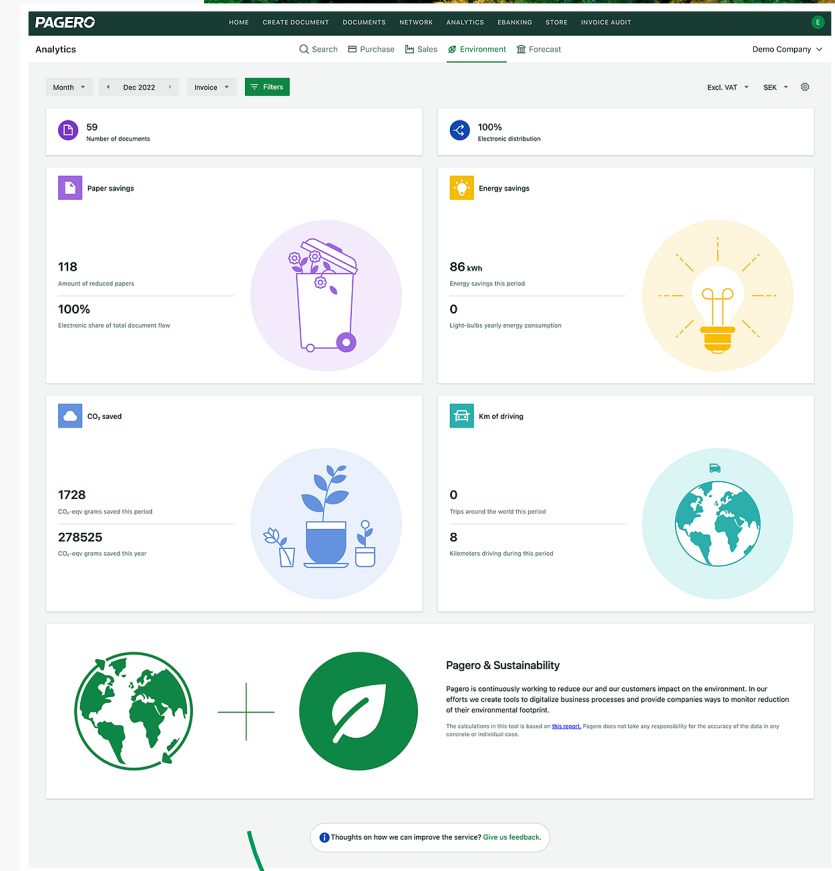
### Impact from operations and supply chains

Since our products are digital and cloud-based, the environmental footprint of our own operations is limited to our offices, our business travel and the services we purchase to be able to deliver our services, which are mainly data centres and paper-related invoice processing. In 2022, we have improved internal routines and processes, which has, for example, led to more digital meetings and reduced travel.

We comply with all local laws and regulations regarding energy and water saving for our offices, and we have the ambition to send all end-of-life electronic equipment for recycling. For business travel, we have a travel policy that encourages first holding meetings digitally and then choosing the most environmentally friendly travel option.

We rent data centres, whose main environmental footprint is energy consumption and electronic waste. All our data centre suppliers undergo thorough evaluations to ensure that they use equipment that meets our high quality and environmental standards. We strive for all of them to be certified according to the environmental management standard ISO 140001 and as a minimum to live up to ENERGY STAR Servers V2.1 specification standards. In addition, we require the data centres we use to be protected from physical environmental risks, such as flooding and lightning.

As part of our customer offering, we offer handling of physical invoices, which in practice means scanning and printing paper invoices. In this way, our customers can become completely digital in their processes even though their customers and suppliers are not. Pagero buys these services, and these entail a footprint for paper, printers and letter handling with associated logistics.



In 2022, Pagero's customers saved a total of

**233 thousand trees and avoided 19.3 thousand tonnes of emitted carbon dioxide**





## ESG: ENVIRONMENT

## GREENHOUSE GAS EMISSIONS

The Board decided that Pagero will join Science Based Targets in 2023.

## SCOPE 1

Scope 1 covers direct emissions from owned or controlled sources. In Pagero's case, it includes emissions from company cars. After the pandemic, more trips by company car are carried out for customer visits and other service-related activities, which drives Scope 1 emissions.

**125** tonnes (82)  
CO<sub>2</sub>e EMISSIONS

## SCOPE 2

Scope 2 covers indirect emissions from purchased energy. Pagero measures energy consumption at 8 offices<sup>1)</sup>. For other countries with more than 10 employees, flat-rate calculations are made.

Since we have expanded our measurements and more offices are included in the calculation, last year's outcome is not comparable to this year's.

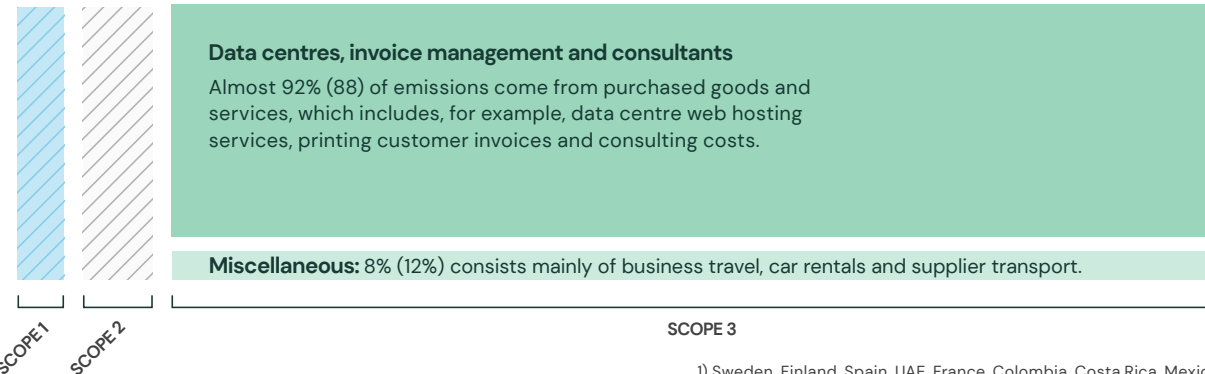
**125** tonnes (43)  
CO<sub>2</sub>e EMISSIONS

## SCOPE 3

Scope 3 covers indirect emissions (excluding Scope 2) that occur in the company's value chain, upstream and downstream. Pagero makes a flat-rate calculation based on the cost of purchased goods and services. The measurements have been expanded and refined compared to the previous year, which means that more emission sources are measured and included. After the pandemic, the number of flights has increased (business trips excluding trips with own company cars are included in Scope 3).

**2,701** tonnes (2,240)  
CO<sub>2</sub>e EMISSIONS

Total emissions: 3,001 tonnes CO<sub>2</sub>e



<sup>1)</sup> Sweden, Finland, Spain, UAE, France, Colombia, Costa Rica, Mexico



## Targets

**Pagero will use only fossil-free electricity in all offices and data centres.<sup>1)</sup>**

- **Milestones:** By 2025, there should be at least 93% fossil-free electricity used in our offices.
- By 2030, the goal is to achieve 95% fossil-free electricity in our offices.
- **Outcome in 2022:** 90%.

**Pagero will phase out the use of paper invoices and go fully digital for both incoming and outgoing invoices.**

Pagero has digitalized internal management of incoming and outgoing invoice flows, but a proportion of both customers and suppliers do not yet have the capability to handle e-invoices. This means that the gap needs to be bridged with services to handle physical invoices. Where possible, Pagero tries to persuade them to switch to e-invoices.

**Digital invoices (incoming and outgoing)**

- 96% digital by 2025.
- 99% digital by 2030.
- **Outcome in 2022:** 90%.

**Contribute to reduced emissions by having customers send e-invoices instead of paper invoices**

- Key figures: Increase the number of invoices sent via Pagero Network by 35% annually.
- **Outcome in 2022:** 20%.

<sup>1)</sup> Limited to countries where it is possible to choose fossil-free electricity.

## SUSTAINABILITY REPORT



# ESG: Social responsibility

Pagero's ability to support customers all over the world has meant that we have gained several large multinational companies as customers. To continue to do this, we need to be able to attract and retain staff all over the world, which requires us to be able to create a good working environment throughout our global organization.

## Attractive workplace

The foundation of being an attractive workplace is to offer a good working environment. This includes measures to promote the physical and psychosocial health of employees, as well as to combat discrimination and promote inclusion. How we work with the former is established in our Employee Welfare Policy, while the latter is addressed in our Code of Conduct.

In addition, it is important to offer opportunities for career and skills development in addition to exciting and challenging work. Our routines for career and skills development fit within our Employee Welfare Policy. With the support of our common routines and policies, our local and regional managers bear the main responsibility for creating a good working environment. They continuously identify and implement measures that are relevant from both a work environment and a competence development perspective in their offices.

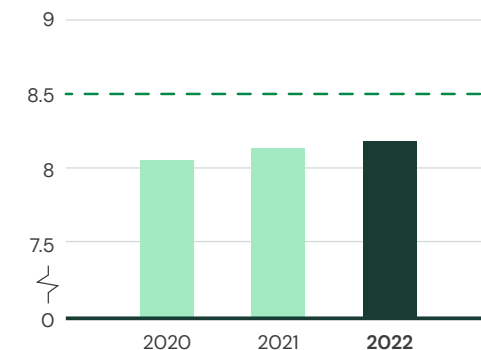
Important key figures for this area are the number of new employees, staff turnover rate and eNPS (employee Net Promoter Score), which measures how likely it is that our employees would recommend Pagero as a place to work.

In 2022, all employees hired during the pandemic were invited to the head office in Gothenburg as part of their introduction programme. Meeting physically is important for new employees to be able to connect with Pagero and become part of the company culture. That opportunity disappeared during the pandemic years, and we consequently saw a higher staff turnover rate as new employees chose to leave more often than before. When we can meet again, it is our goal that the staff turnover rate should be below 10% at Group level.



## eNPS (Employee Net Promoter Score)

eNPS continued to develop positively and rose in 2022 for the third year in a row. This shows that we are on the right track to reach our target of 8.5 by 2025.



## Targets

We want to earn the loyalty of our employees so that they stay with us for a long time.

- At Group level, the employee turnover rate will be below 10% on an annual basis.

Our employees should be satisfied with their workplace and recommend us as an employer.

- Milestones: By 2025, the eNPS should be 8.5.
- By 2030, eNPS should be 9.0.
- **Outcome in 2022:** 8.18.

## EMPLOYEES

	2022	2021	2020
Number of employees	781	610	366
Number of new employees	218	321 <sup>1)</sup>	97
Staff turnover	14%	11%	8%

1) Of which 132 from the acquisition of Gosocket





## Employee Welfare Policy

### Health, safety and security policy

The policy outlines the key responsibilities in the workplace and aims to promote, strengthen and maintain a strong internal culture of health and safety. It clarifies what responsibility is incumbent on Pagero as an employer and what responsibility is borne individually by all employees. The starting point is that it is only through joint efforts from all employees that health and safety can be ensured.

### Regular evaluations and support

Evaluations are carried out regularly regarding both physical and psychosocial health. We also have the following systems in place to monitor employees' psychosocial well-being and offer the right support:

- **Introduction for new employees** – all new employees are given instructions and support so that they can get acquainted with their new role and work environment.

- **Job descriptions** – our employees receive job descriptions that describe their responsibilities and what is expected of them. These are updated as necessary to stay current and relevant. The ambition is that there should be job descriptions for all roles at the company.

- **Regular feedback** – all employees have the opportunity to meet with their managers for feedback on progress and performance. At the meetings, employees receive feedback on what they are doing well and what can be developed, while at the same time they get the opportunity to raise their own issues and create a development plan together with the manager.

- **Annual evaluation** – evaluations of performance are carried out every year. It also provides a forum for employees to identify skills development needs.

- **Regular development** – to create the conditions for employees to succeed in their roles, skills development is offered in areas with identified needs.

### Promotion of good health

We encourage our employees to maintain a healthy lifestyle and an appropriate work-life balance. This is done through a number of different measures and benefits that depend on local conditions, not least on the tax legislation in each country. These include wellness allowances and sickness benefits.

### Maintaining open and regular communication

Continuous communication is of the utmost importance for a good working environment. Therefore, we make sure that employees can get their questions answered and that they are kept updated on how the company is doing and on future plans. We have three main channels: regular meetings with managers, company updates with management and annual meetings with the entire group where information about the company is shared, successes are celebrated and new goals are communicated.





## ESG: SOCIAL RESPONSIBILITY

### Diversity and inclusion

We are a global company with a global workforce. Making all employees feel involved as valuable team members and giving everyone the same opportunities based on their skills and performance is of the utmost importance for success. We have zero tolerance for discrimination, whether based on an individual's ethnicity or national origin, gender, gender identity, sexual orientation, belief, religion, age or disability. This applies both to one another as colleagues and to our customers and other stakeholders. This is clearly stated in our Code of Conduct, and it is the responsibility of all managers to ensure that it is complied within their departments.

### Human rights

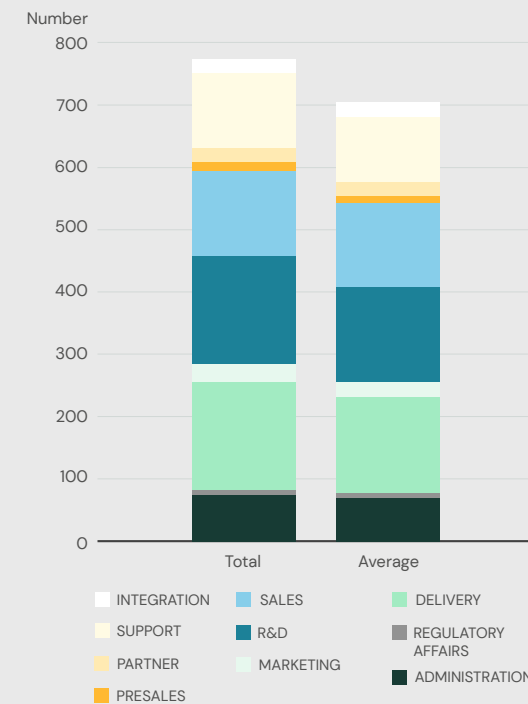
While we care about our internal work environment, we need to pay attention to how the people in our supply chain are treated. For us, therefore, the protection of human rights is important. Risks related to this are an integral part of our risk management process, and the ten principles of the UN Global Compact form the basis for the design of our Sustainability Policy, our Code of Conduct, and our Supplier Code of Conduct.

[Read about how we handle human rights in the supply chain on pages 28–29](#)

### AVERAGE NUMBER OF EMPLOYEES

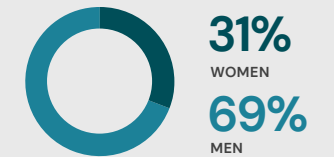
Group	2022	
	Average number of employees	Of which, women
Sweden	289	89
Norway	4	0
Finland	32	12
Ireland	2	1
Denmark	0	0
United Kingdom	17	6
United Arab Emirates	11	1
Spain	51	15
France	3	1
USA	18	3
Germany	72	28
Italy	2	0
Australia	11	4
Singapore	3	1
Poland	2	1
Sri Lanka	36	7
Chile	53	19
Colombia	42	6
Costa Rica	24	11
Mexico	28	9
Peru	9	3
Panama	1	1
Guatemala	2	0
Uruguay	1	1
Group total	711	219

### EMPLOYEES BY DEPARTMENT

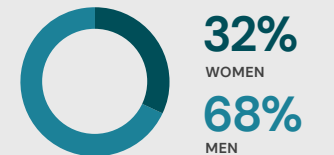


### PROPORTION OF WOMEN AND MEN

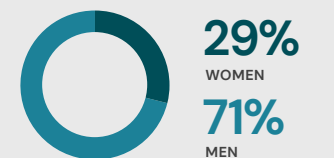
#### EMPLOYEES



#### MANAGEMENT AND EXECUTIVES



#### THE BOARD





## ESG: GOVERNANCE



## ESG: Governance

We have gained the trust of our customers to manage their business-critical data and to help them comply with various e-invoicing-related legal requirements. We take these commitments very seriously and put a lot of resources into fulfilling them.

Confidence that data is handled securely, that privacy is safeguarded and that business-critical functions are maintained are a prerequisite for digital transformation to take place. Once that trust is established, all stakeholders can share the benefits of digital transformation.

### Governance of sustainability work

At Pagero, we are goal-oriented in our work: our ESG targets together with associated key figures and relevant governing documents form our compass. The governing documents consist of a number of different policies such as our Sustainability Policy, our internal Code of Conduct, our Supplier Code of Conduct, and our Whistle-blowing Policy. Important guiding principles for the codes of conduct are the ten principles of the UN Global Compact. The CEO is ultimately responsible for the strategic and operational sustainability work.

### Regulatory compliance

Pagero sees it as self-evident to comply with all laws and regulations in the countries where we operate. We do not conduct any operations that require a licence,

but we do offer products that need to comply with local laws and regulations regarding VAT reporting on e-invoices, invoice processing, invoice design, and the processing of personal data. Built-in compliance is an important part of our value proposition to our customers. Therefore, we expend significant resources on monitoring developments so that both we and they have up-to-date information about upcoming legal requirements.

### Data security

Keeping our customers' data safe is critical for our success. Consequently, we work proactively and with a high level of focus to ensure a very high level of information security. The basis for our work is laid down in our ISMS (Information Security Management System) which we based on the ISO27001 and 27701 standards, for which we also obtained certification in 2022.

We also use the Trust Service Criteria framework and comply with external standards such as ISAE 3000 SOC2 TYPE 2 and ISAE 3402 SOC1 TYPE2. Two independent auditors, Transcendent Group and Mazars, conduct



## Targets

### Maintain certificates and third-party verifications in security and data protection

- Followed up through external audits.

### Pagero's suppliers must comply with the ten principles of the UN Global Compact

- 100% of our critical suppliers, i.e. those who deliver services that are necessary for us to be able to deliver our products, must sign our Supplier Code of Conduct or have their own equivalent in place.
- **Outcome in 2022:** 97%





## ESG: GOVERNANCE

audits and provide opinions on how we comply with the principles and criteria that exist for Trust Services and these standards. We also work closely with Outpost24, a vulnerability and threat management company that offers industry-leading solutions to help companies identify and prevent vulnerabilities in their systems.

Providers of IT solutions to the UK public sector are required to comply with Cyber Essentials' guidelines on personal data and information security. We have been certified since 2016.

Our platform uses secure communication protocols to ensure that no unauthorized persons can access the information.

Our data centres are manned around the clock and physically protected in accordance with industry standards against burglary, fire and flooding. All data centre providers must be certified according to the ISO 27001 information security standard.

### Customers' privacy

Safeguarding our customers' data is of the utmost importance to Pagero, as it may contain data relating to individuals and individuals' personal privacy. We have adapted our products to data protection regulations such as GDPR and continuously test our compliance through external ISO 27701 and ISAE audits.

### Anti-corruption

For us, it is a matter of course to strive for high business ethics internally as well as externally, and we have zero tolerance for corruption and bribery. Our anti-corruption

policy is part of our Code of Conduct, which all employees are required to read when they commence their employment. All employees, which includes all permanent and fixed-term employees, also undergo mandatory training in business ethics annually. Since it may not always be clear what constitutes a bribe, all employees must, at the slightest hesitation, exercise caution and report potentially inappropriate behaviour to their managers. Special care should be taken in contacts with government representatives. In 2022, no cases of corruption were reported.

### Sustainable supply chain

Our Supplier Code of Conduct, which is based on the ten principles of the UN Global Compact, sets out what is expected of suppliers to Pagero. They must conduct their business with integrity and comply with all applicable laws, such as human rights and laws regarding anti-corruption, information security, competition and market abuse, and the environment. We also expect them to work to ensure that the same principles are followed by their business partners and to act honestly, responsibly, and fairly.

The issues in the Supplier Code of Conduct are addressed as part of our structured procurement process. All critical suppliers, i.e. suppliers that are necessary for us to deliver our services, must sign the Code or show that they have the corresponding code in place as part of the onboarding process for new suppliers.

Pagero urges the reporting of violations of the Supplier Code of Conduct, either in confidence or anonymously.

Suppliers who commit minor violations of the Code are generally given the opportunity to correct the error. In the event of more serious violations, especially if this involves breaking the law, Pagero reserves the right to impose appropriate sanctions and to terminate the business relationship.

### Whistleblowing

Pagero has a Whistleblowing Policy that clearly explains how employees or other stakeholders should go about reporting misconduct. In the first instance, internal reporting lines – which include immediate managers, the HR department, the Board or anyone else in the organization that the reporting person is comfortable talking to – should be used. If this is not possible or does not have the desired effect, it can be reported to Pagero's whistleblowing service which is available on the website and where one can remain anonymous. Cases reported through the whistleblowing service are always investigated, either internally or if necessary by an external party. In 2022, two cases were reported, both of which have been investigated and closed. None of these cases involve human rights violations.

**We also set special environmental requirements for our data centre suppliers.**  
[Read more on page 23](#)

## Pagero's governing documents and policies

- Sustainability Policy
- Travel Policy
- Code of Conduct
- Supplier Code of Conduct
- Whistleblowing Policy
- Employee Welfare Policy
- Alcohol, Drugs and Gambling Policy
- Information Security Policy
- Data Protection Policy

## Our certifications and external audit reports

### Certifications

- ISO27001
- ISO27701
- Cyber Essentials

### External audit reports

- ISAE3000 SOC2 Type 2
- ISAE402 SOC1 Type 2



## Statutory sustainability report according to the Annual Accounts Act

Below is a presentation of where sustainability information (according to Chapter 6, Section 11 of the Annual Accounts Act) can be found in the annual report.

Area	Name of disclosure	Page reference
Business model	Pagero's business model, strategy and governance.	3–8, 12–17, 21–22, 28
Anti-corruption	Pagero's anti-corruption measures.	21, 29
Human rights	Pagero's measures to prevent human rights violations.	22, 27, 29
Environment and climate	Pagero's work to reduce the impact on the environment and climate.	21–22, 23–24
Social affairs and staff	Pagero's work with HR-related issues, such as health and diversity.	21–22, 25–27
Policies and Code of Conduct	The Code of Conduct and other policies that form the basis for Pagero's sustainability work and follow-up.	22–23, 26, 28–29
Risks and risk management	Risk analysis and risk management	18–19, 22, 23, 27

This is a literal translation of the Swedish original report

### Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Pagero Group AB (publ), corporate identity number 559189–9173

#### Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2022 on pages 20–29 and that it has been prepared in accordance with the Annual Accounts Act.

#### The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

#### Opinion

A statutory sustainability report has been prepared.

Gothenburg the day stated of our electronic signature  
Öhrlings PricewaterhouseCoopers AB

**Patrik Resebo**  
Authorized Public Accountant







# Management and Board of Directors





## MANAGEMENT

**Bengt Nilsson**

CEO

**Background:** See Board of Directors on the next page.**Jan-Olof Ohlsson**

CFO since 2017

**Background:** Co-founder and Partner at Business Control Partner, CFO at Hexatronic, Carmen Systems and Meda. Studies in Finance and Controlling at the Institute for Higher Marketing Studies in Gothenburg.  
**Holdings:** 951,350 shares and 35,000 warrants\***Julius Nilsson**

Chief Commercial Officer since 2020

**Background:** VP Growth & Strategy at Pagero, MD MENA at Pagero. Studies in International Management at Jönköping International Business School.  
**Holdings:** 1,716,119 shares and 100,000 warrants\***Gustav Dahllöf**

Chief Product Officer since 2019

**Background:** Product Owner at Pagero, Delivery Manager MENA at Pagero. Bachelor of Business Administration from IBS Jönköping, University of Gothenburg and Keimyung University in South Korea.  
**Holdings:** 485,234 shares and 60,000 warrants\***Ulf Andersson**

Chief Delivery Officer since 2022

**Background:** Senior Manager at Jeppesen Crew and Fleet Optimization. Director of IT PMO at Mölnlycke Healthcare. Master of Science and Bachelor Engineering Degree from Chalmers University of Technology.  
**Holdings:** 0**Helena Stolpe**

Chief Production Quality Officer since 2022

**Background:** Chief Delivery Officer at Pagero, Project Manager at Pagero, Solution Integrator at Ericsson.  
**Holdings:** 75,310 shares and 17,000 warrants\***Oscar Wegland**

Chief Marketing Officer since 2020

**Background:** MD Western Europe at Pagero. Studied at the London School of Business and Finance.  
**Holdings:** 212,670 shares and 15,000 warrants\***Bård Langöy**

Chief Technology Officer since 2009

**Background:** Software Engineer at Pagero. Master of Science in Computer Science from the University of Gothenburg.  
**Holdings:** 17,830 shares and 5,000 warrants\***Christer Wejke**

Chief Information Security Officer since 2015

**Background:** R&D Manager at Pagero, Project Manager at Volvo IT, Support Manager at IFS. Master of Science in Information Technology and Computer Science from Linköping University.  
**Holdings:** 263,740 shares and 17,000 warrants\***Suzie Woodhams**

Chief People Officer since 2022

**Background:** Chief People Officer at Tungsten Network plc and Gamma Communications. Postgraduate Diploma in Personal Management at Kingston University. Bachelor of Arts in Psychology at Essex University.  
**Holdings:** 0**Fredrik Rosenqvist**

Chief Relationship Officer since 2020

**Background:** CEO of Pagero Sverige AB. Studies in Political Economy at the University of Gothenburg.  
**Holdings:** 335,560 shares and 5,500 warrants\***Nazar Paradivskyy**

VP Regulatory Affairs since 2017

**Background:** Senior Manager at Klarna, analyst at SEB. LL.M. from Stockholm University and Master in International Relations from Lviv National University in Ukraine.  
**Holdings:** 94,850 shares and 20,000 warrants\***Fredrik Hjorth**

General Counsel and Secretary of the Board since 2020

**Background:** General Counsel, Administrative Court of Gothenburg, ICA Banken, Transcendent Group. Master of Laws from Lund University.  
**Holdings:** 27,180 shares and 10,000 warrants\*

\* One warrant entitles the holder to purchase 10 shares.

BOARD OF DIRECTORS

1. Mats Ryding

Board Member

Born: 1962

**Principal occupation:** Private investor. Board Member since 2000.

**Other assignments:** –

**Professional experience:** VP Products and Co-founder Diamo AB, VP Products and Co-founder Vendimo AB, VP Products and Co-founder Unifaun, Co-founder Pagero AB.

**Education:** Chalmers University of Technology.

**Holdings:** 6,720,420 shares, 8,000 warrants\*

**Independent in relation to Pagero and its management:** Yes

**Independent in relation to major shareholders:** Yes

2. Karin Sandsjö

Board Member and Chairperson of the Audit Committee

Born: 1965

**Principal occupation:** Board Member since 2020.

**Other assignments:** Board Member, Q-Free and Länsförsäkringar Gotland

**Professional experience:** Group CFO of Bisnode, CFO of Parallels, CFO of NetOnNet, CFO of Microsoft Russia/Norway, Finance Director Microsoft Sweden/International.

**Education:** Karlstad University.

**Holdings:** 33,250 shares, 5,000 warrants\*

**Independent in relation to Pagero and its management:** Yes

**Independent in relation to major shareholders:** Yes

3. Christian Melby

Board Member

Born: 1974

**Principal occupation:** Partner and CIO at Summa Equity. Board Member since 2017.

**Other assignments:** Board Member, Eco Online and InfoBric.

**Professional experience:** Partner at Norvestor Equity and Reiten & Co, Management Consultant at Arthur Andersen.

**Education:** Norwegian University of Science and Technology, Norwegian School of Economics.

**Holdings:** 0

**Independent in relation to Pagero and its management:** Yes

**Independent in relation to major shareholders:** No

4. Fredrik vom Hofe

Vice Board Chair and Member of the Audit Committee

Born: 1966

**Principal occupation:** CEO, Shoreside Equity Partners AB, Investor and Advisor. Board Member since 2021.

**Other assignments:** Board Member of Hantverksdata Holding AB, Flowfactory AB, Absolute Unlisted AB and Coeli European AB.

**Professional experience:** Group Senior Vice President at IFS AB, senior positions at Cap Gemini Ernst & Young, Framfab, Ericsson and ABB.

**Education:** Chalmers University of Technology, University of California, Berkeley USA.

**Holdings:** 5,655 shares, 15,000 warrants\*

**Independent in relation to Pagero and its management:** Yes

**Independent in relation to major shareholders:** Yes

5. Marianne K. Knudsen

Board Member

Born: 1975

**Principal occupation:** Co-CEO at ChronosHub ApS

**Other assignments:** Board Member of Vilja Solutions, AquaGreen and Alexandra Institut.

**Professional experience:** Senior positions at Grundfos A/S, including CEO of Grundfos Venture Business in Africa and Global Group Vice President of Global Market Segment Water Utility. Specialist in business transformation, accelerated growth and customer-driven technological development.

**Education:** Master of Science in Business Administration and Computer Science from Copenhagen Business School

**Holdings:** 0

**Independent in relation to Pagero and its management:** Yes

**Independent in relation to major shareholders:** Yes

6. Bengt Nilsson

CEO

Born: 1955

**Principal occupation:** CEO and President of Pagero Group. Board Member since 2008.

**Other assignments:** Board member of GJL AB, GreenTrade Aviation AB, GreenTrade AB, Greenfield AB, Homes and Villas LTD, Ides AB, Vilja AB, Norelia AB, Oneflow AB and Wint AB.

**Professional experience:** Co-founder, CEO and Vice Chairman of IFS.

**Education:** Linköping University of Technology.

**Holdings:** 13,211,400 shares, 27,000 warrants\*

**Independent in relation to Pagero and its management:** No

**Independent in relation to major shareholders:** Yes

7. Birger Steen

Board Chair

Born: 1966

**Principal occupation:** Thematic Partner at Summa Equity. Board Member since 2020.

**Other assignments:** Board Chair at Nordic Semiconductor ASA, Board Member and Chair of the Board's Operations and Sustainability Committee at Nordea Bank AB, Board Member at myneva GmbH and Pragmatic Semiconductor Ltd.

**Professional experience:** CEO Parallels, Inc., VP SMB & Distribution at Microsoft Corp, General Manager at Microsoft Russia/Norway.

**Education:** INSEAD, Defence School of Security and Intelligence, Norwegian University of Technology.

**Holdings:** 19,870 shares, 30,000 warrants\* and one call option for 147,910 shares

**Independent in relation to Pagero and its management:** Yes

**Independent in relation to major shareholders:** No

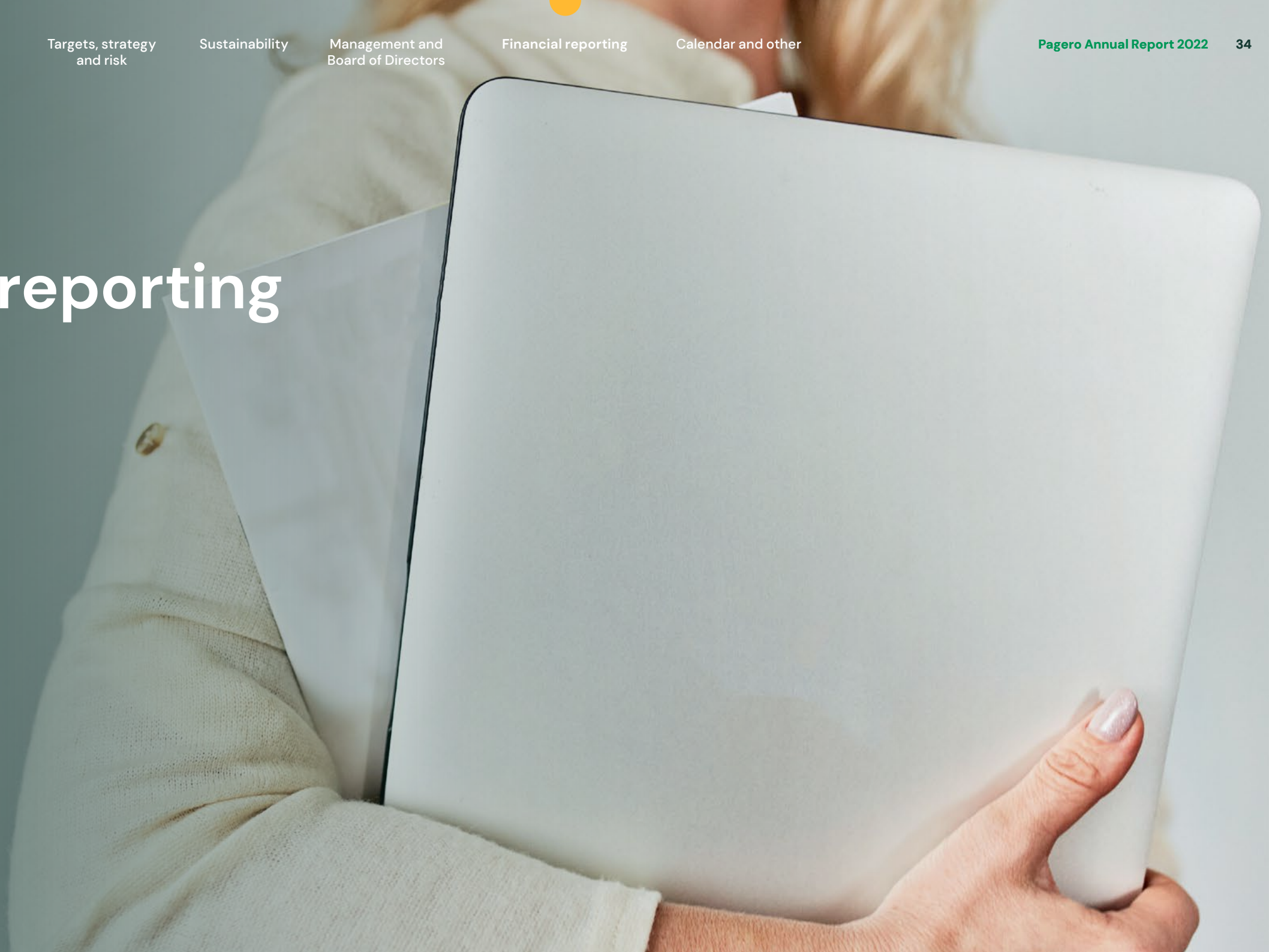


\* One warrant entitles the holder to purchase 10 shares.





# Financial reporting



# Directors' report

Pagero Group AB (publ)  
Company reg. no. 559189-9173

The annual report has been prepared in thousands of Swedish kronor (KSEK), unless otherwise stated. In some cases, rounding has taken place, which means that tables and calculations do not always sum exactly.

## Financial year

During the financial year, the Group continued to invest in both products and markets. The growth journey has continued organically both nationally and internationally. In the first quarter, the leased development business was acquired from Creative Solution and Pagero Lanka was formed. During the year, subsidiaries were formed in Poland and Saudi Arabia to include these countries in our global offering, "One Connection – Global Reach".

In 2022, Pagero has been successfully marketed and was used by almost 86,000 customers in more than 140 countries at the end of the year, an increase of 14%. With the Nordic region as its home market since 2009, Pagero has continued with market investments in 2022 to establish Pagero further in the rest of Europe, the USA, the Middle East, Africa, Asia/Pacific and since 2021 has been established in South and Latin America via the acquisition of Gosocket, which generated organic growth of 23% (13%).

Established markets such as the Nordic region, Central Europe with Germany at the forefront, together with the addition from the acquisition of Gosocket, contributed to a 18% increase in sales for the Group with an EBITDA margin of 35%. It should be noted that the mentioned markets are still early in their degree of maturity in the digitalization of business messages.

Investment markets such as the USA, Western Europe including the UK, the Middle East, Africa and Asia/Pacific where we continue to invest, heavily increased sales organically to SEK 78.0 million (SEK 41.5 million), corresponding to 88%.

## Operations

Pagero Group AB has been on the Nasdaq First North Growth Market in Stockholm since 22 October 2021. The company is headquartered in Gothenburg.

Pagero is a global SaaS company (Software as a Service, i.e. cloud-based-services and products via a subscription-based business model) whose vision is to make the buying and selling process easy and efficient for companies. Today, the process from purchase-to-pay ("P2P") and from the moment of sale until

the money is at the checkout (order-to-cash, "O2C") is highly complex and is covered by a huge range of business systems, specialized solutions and older outdated systems that use a variety of document formats in different countries which must be adapted to unique laws and protocols for handling e-documents.

Pagero offers a Smart Business Network that connects buyers and sellers around the world for automated and secure communication of business documents (orders, invoices, payment files) in accordance with local requirements under the slogan "One Connection – Global Reach".

The company provides a format- and system-agnostic solution for the delivery of digital business documents which at the same time enables its customers to meet constantly changing regulations in e-document management. Pagero's open and cloud-based network seamlessly connects buyers, suppliers, partners, banks and authorities to digitalize and automate the P2P and O2C process, including communication of order messages, delivery documents, price catalogues, invoices and payments. The company's proprietary network is purposefully built to be quickly and easily integrated with customers' existing business systems for secure and seamless communication with suppliers and customers – regardless of which formats or service providers are used.

Our open network, combined with a large range of apps, helps our customers streamline their purchase and sales processes and take advantage of accurate and reliable data – independent of business systems.

Pagero Group AB is the parent company of a group consisting of companies in 35 countries as of 31 December 2022. In 2022, subsidiaries were established in Poland and Saudi Arabia.

As of 1 February 2022, Pagero has acquired Creative Solution's development organization, with which Pagero has collaborated for many years. See the acquisition analysis in Note 32 for more information about the acquisition.

In the first quarter, Pagero's platform was ISO 27001 and ISO 27701 certified as a step in the active commitment to deliver data protection and security at the highest level.

## Multi-year comparison, Group

	2022	2021	2020	2019	2018
Annualized recurring revenue (ARR)	604,222	475,202	337,425	295,660	241,684
Net sales	600,127	441,786	348,207	310,260	264,936
Operating profit/loss after depreciation (EBITA)	-103,012	-39,620	621	-689	8,162
Profit/loss after financial items	-273,972	-159,782	-86,250	-73,607	-27,121
Profit/loss after financial items as a percentage of net sales	-45.7%	-36.2%	-24.8%	-23.7%	-10.2%
Total assets	1,584,910	1,415,016	867,759	624,226	556,858
Equity ratio	36.5%	56.2%	52.7%	41.7%	43.9%
Average number of employees	711	496	341	281	248



## DIRECTORS' REPORT

In 2022, Pagero has continued its work on sustainability, and the Board of Directors has decided that the company will apply to join the Science Based Target Initiative (SBTi) in 2023. See the sustainability report starting on page 20 for more information.

### Sales and earnings for the financial year

Net sales amounted to SEK 600.1 million (SEK 441.8 million), resulting in sales growth of 36% (27%) and 31% adjusted for currency. Of the Group's net sales, 87% (89%) is recurring revenue in the form of licence and transaction revenue. Organic growth increased strongly in 2022 and amounts to 23% (13%).

Recurring revenue amounted to SEK 520.7 million (SEK 392.4 million), an increase of 33% (30%) and 28% adjusted for currency. The increase is mainly a result of strong growth of transactions in the Pagero Network. Organic growth of recurring revenue amounted to 20% (14%).

Operating loss before depreciation/amortization (EBITDA) amounted to SEK -73.8 million (SEK -14.6 million). EBITDA is affected by non-recurring costs of SEK 16.9 million in connection with the attempt to acquire Tungsten; adjusted EBITDA amounted to a loss of SEK -56.8 million. The result is in line with the international expansion strategy.

Operating loss after depreciation/amortization (EBITA) amounted to SEK -103.0 million (SEK -39.6 million). EBITA is affected by non-recurring costs of SEK 16.9 million in connection with the attempt to acquire Tungsten; adjusted EBITA amounted to a loss of SEK -86.1 million. The result is in line with the international expansion strategy.

The negative net financial result is mainly attributable to borrowing costs in connection with the attempted acquisition of Tungsten and revaluation of liabilities in foreign currency (USD).

The negative tax recognised in the result for the period is attributable to an increase in deferred tax as an effect of increased capitalization of customer acquisition expenses.

There was a loss for the period in an amount of SEK -275.8 million (SEK -158.4 million). Comprehensive income for the period after adjustment for exchange differences amounted to SEK 216.5 million (SEK 134.3 million).

The Parent Company's operations consist of performing Group-wide services. Net sales for the Parent Company amounted to SEK 3.7 million (SEK 2.0 million) and there was a loss before tax of SEK -43.2 million (SEK -2.1 million). The result before tax was affected by non-recurring costs in connection with the attempted acquisition of Tungsten, which amounted to SEK 19.3 million.

### Financial position and liquidity

The company's earning capacity and liquid position were managed during the year and were satisfactory. Cash and cash equivalents amounted to SEK 383.9 million (SEK 424.6 million). Available liquidity, including unutilised overdraft facilities amounted to SEK 386.4 million (SEK 477.1 million). The Group has interest-bearing liabilities to credit institutions amounting to SEK 323.0 million (SEK 102.0 million), of which utilized overdraft facilities amounted to SEK 0 million (SEK 0 million) out of a total of SEK 2.6 million (SEK 2.6 million) in overdraft facilities. Other long-term liabilities of SEK 196.4 million are additional considerations

as part of the acquisition of Gosocket in 2021 and for the acquisition of the development operations in Sri Lanka in 2022. Liabilities are in USD and are recognized at fair value at the end of each accounting period.

Pagero has entered into a new financing agreement of SEK 1,500 million with Ture Invest. Of this, SEK 300 million was used as a loan in 2022.

Cash flow from operating activities amounted to an outflow of SEK -7.8 million (inflow SEK 21.0 million), which is attributable to the loss.

Cash flow from investing activities amounted to an outflow of SEK -202.1 million (SEK -207.0 million). The majority, SEK -105.4 million, is an investment in the development of the Pagero Network and the cash flow effect from the payment of the first part of the acquisition purchase price of the developer organization in Sri Lanka of SEK 14.2 million.

Cash flow from financing activities amounted to SEK 169.3 million (SEK 399.7 million), explained mainly by new loan financing of SEK 300 million from Ture Invest, which was raised in connection with the attempt to acquire Tungsten. Initially, SEK 750 million was raised, amortized during the year by SEK 450 million. In connection with the new loan, previous loans of SEK 100.8 million were also amortized.

Total cash flow for the period amounted to an outflow of SEK -40.6 million (inflow SEK 213.7 million).

The Parent Company's financial position and liquidity is a reflection of the Group's.

### Acquisitions and investments

As of 1 February, 2022, Pagero has acquired the leased development business from Creative Solution. See the acquisition analysis in Note 32.

During the financial year, investments mainly consisted of capitalising development costs, implementing a new CRM system and investing in computers and equipment.

### Product development

During the year, the company's product development organisation was strengthened with new employees. Development of Pagero Network is continuously under way to adapt the product to new markets, new customers, new formats and legal requirements and integration with new applications.

### Multi-year comparison, Parent Company <sup>1)</sup>

	2022	2021	2020	2019
Net sales	3,703	1,991	1,797	340
Profit/loss after financial items	-43,162	-2,056	-720	-1,917
Total assets	2,209,754	1,893,841	1,279,879	976,478
Equity ratio, %	77.1%	92.3%	99.8%	99.9%

1) Definitions of key figures: see additional information.

## DIRECTORS' REPORT

During the year, the product development organization was strengthened with new employees and the cost represents 24% (23%) of the Group's net sales.

### Personnel

The number of employees in the Group as of 31 December 2022 was 781 (610). The average number of employees was 711 (496). During the year, the staff increased by 171 employees, mainly as a result of international expansion.

### Pagero shares

The company's shares are listed on Nasdaq First North from 22 October 2021 under the ticker PAGERO.

The company's shareholder list consists of approximately 4,000 shareholders as of 31 December 2022.

Name	Number	% of total
Summa Equity through companies	51,976,150	33.7%
Swedbank Robur through funds	14,246,300	9.2%
Bengt Nilsson through companies	13,211,400	8.6%
Sixth AP fund	10,609,920	6.9%
Harbour Vest through companies	9,832,720	6.4%
Other shareholders	54,345,773	35.2%
<b>Total number of shares</b>	<b>154,222,263</b>	<b>100.0%</b>

Information on new issues and option programmes can be found in Notes 25 and 26.

### Significant events after the end of the financial year

- Pagero established offices in Minneapolis, USA.
- The subscription period for Pagero's warrants programme (2020/2023) is ongoing and will end on 3 March 2023. The programme was fully subscribed. The share capital increased by SEK 41,700 to SEK 1,583,922.63 and the number of shares increased by 4,170,000 to 158,392,263.
- Thomson Reuters entered into partnership and launched a joint offering.

### The Group's financial targets

**Growth:** Increase ARR to at least SEK 1,500 million at the end of the 2025 financial year.

**Profitability:** Achieve an EBITA margin of around 20% at the end of the 2025 financial year with retained focus on growth.

**Dividend policy:** Pagero intends to reinvest its cash flow in growth initiatives and will therefore not apply any annual dividend within the foreseeable future.

### Sustainability report

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Pagero Group AB has chosen to prepare the sustainability report as a separate report from the annual report. The sustainability report can be found on pages 20–30 of the Annual Report.

### Environmental impact

The Group does not conduct operations subject to registration under the Environmental Code.

### Financial risks

A finance policy for the Group was introduced during the year.

### Currency risk

The Group currently has sales and purchases in several different currencies, such as EUR, NOK, DKK, USD and GBP. As of 31 December 2022, the Group does not hedge any currency flows.

### Credit risks

The company works methodically with the demand and reminder routines and the Board closely monitors the development of the sales ledger. During the financial year, the Group has become more international, which has entailed longer payment periods. Our assessment is that credit risks remain limited. During the 2022 financial year, the Group only reported minor credit losses.

### Liquidity risks

The Group's liquidity and financial position are good and ensure continued growth. Ongoing and future projects are planned to be financed with equity and expanded and existing credit facilities. The process of securing long-term operating financing is continuously ongoing, and during the year an agreement was signed with Ture Invest for a credit line of up to SEK 1,500 million, of which SEK 300 million is utilized in 2022. The overdraft facility for the Group amounts to SEK 2.6 million (SEK 2.6 million).

### Cash flow risks

Cash flow from operations is somewhat negative on a full-year basis. We see that larger transactions with international customers bind capital in accounts receivable for a longer time than before.

The Group works continuously with the management of the working capital process.

Should the business cycle deteriorate significantly or currently unplanned major investments be made, a larger negative cash flow cannot be ruled out on a yearly basis.

### Appropriation of earnings

Proposed profit appropriation	
Share premium reserve	1,449,273,607
Retained earnings	296,201,675
Profit/loss for the year	-43,162,304
<b>SEK</b>	<b>1,702,312,978</b>
The Board proposes that the profits be appropriated as follows	
<b>SEK</b>	<b>1,702,312,978</b>

As for the company's performance and position otherwise, please refer to the following income statements and balance sheets with associated supplementary disclosures.



# Consolidated statement of comprehensive income

Amounts in KSEK	Note	Financial year	
		2022-01-01 2022-12-31	2021-01-01 2021-12-31
<b>Operating income</b>			
Net sales	5, 6	600,127	441,786
Capitalized work on own behalf	16	105,406	83,722
Customer acquisition expenses	16	30,627	18,210
Other operating income	7	5,277	1,665
		<b>741,437</b>	<b>545,382</b>
<b>Operating costs</b>			
Direct sales costs		-80,558	-56,474
Other external expenses	8, 9	-184,505	-130,221
Personnel costs	11	-533,219	-373,309
Other operating costs		-16,917	0
<b>Operating profit/loss before depreciation (EBITDA)</b>		<b>-73,762</b>	<b>-14,621</b>
Depreciation of tangible assets	17	-29,250	-24,999
<b>Operating profit/loss after depreciation (EBITA)</b>		<b>-103,012</b>	<b>-39,620</b>

Amounts in KSEK	Note	Financial year	
		2022-01-01 2022-12-31	2021-01-01 2021-12-31
Amortization of intangible assets	16	-114,137	-91,413
<b>Operating profit/loss</b>		<b>-217,149</b>	<b>-131,032</b>
Financial income	12	7,938	24
Financial expenses	13	-64,761	-28,774
<b>Profit/loss before tax</b>		<b>-273,972</b>	<b>-159,782</b>
Income tax	14	-1,850	1,358
<b>Profit/loss for the year</b>		<b>-275,822</b>	<b>-158,424</b>
<b>Items that may subsequently be reclassified to profit or loss</b>			
Exchange rate differences for the year in conversions of foreign operations		59,275	24,095
<b>Total comprehensive income for the year</b>		<b>-216,547</b>	<b>-134,329</b>
<b>Total comprehensive income attributable to Parent Company shareholders</b>		<b>-216,547</b>	<b>-134,329</b>

# Consolidated balance sheet

Amounts in KSEK	Note	2022-12-31	2021-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Capitalized development expenditures	16	277,734	223,480
Technology	16	38,943	40,705
Customer relationships	16	130,137	124,179
Trade marks	16	21,138	22,828
Goodwill	16	376,485	313,040
Customer acquisition expenses	16	23,325	11,741
<b>Tangible assets</b>			
Rights of use	17	37,906	54,348
Equipment, tools, fixtures and fittings	17	27,574	23,889
Other financial assets	18	8,857	7,514
Deferred tax assets	19	20,179	19,912
<b>Total fixed assets</b>		<b>962,278</b>	<b>841,637</b>
<b>Current receivables</b>			
Accounts receivable	22	200,079	125,138
Current tax assets		2,021	3,986
Other receivables		3,985	3,383
Prepaid expenses and accrued income	23	32,627	16,309
<b>Total current receivables</b>		<b>238,711</b>	<b>148,816</b>
Cash and cash equivalents	24	383,921	424,563
<b>Total current assets</b>		<b>622,632</b>	<b>573,379</b>
<b>TOTAL ASSETS</b>		<b>1,584,910</b>	<b>1,415,016</b>

Amounts in KSEK	Note	2022-12-31	2021-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	25		
Share capital		1,542	1,542
Other contributed capital		1,320,672	1,320,851
Reserves		84,363	25,087
Retained earnings (including profit/loss for the year)		-827,966	-552,144
<b>Total equity</b>		<b>578,611</b>	<b>795,336</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	27	323,030	54,172
Deferred tax liabilities	19	56,181	50,391
Other non-current liabilities	27	196,064	145,857
Leasing liability	8	19,021	33,570
<b>Total non-current liabilities</b>		<b>594,295</b>	<b>283,990</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	27	0	47,798
Leasing liability	8	19,505	21,122
Accounts payable		68,382	42,653
Other liabilities		49,518	37,338
Accrued expenses and deferred income	28	274,600	186,780
<b>Total current liabilities</b>		<b>412,004</b>	<b>335,690</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,584,910</b>	<b>1,415,016</b>



# Consolidated financial statement of changes in equity

Amounts in KSEK	Share capital	Other contributed capital	Reserves	Retained earnings including profit or loss for the year	Total equity
<b>Opening balance on 1 January 2021</b>	<b>1,302</b>	<b>848,702</b>	<b>993</b>	<b>-393,721</b>	<b>457,276</b>
Profit/loss for the year	0	0	0	-158,424	-158,424
Other comprehensive income for the year	0	0	24,095	0	24,095
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>24,095</b>	<b>-158,424</b>	<b>-134,329</b>
Ongoing new share issue	32	-32	0	0	0
New share issue	208	499,792	0	0	500,000
Transaction costs, new share issue	0	-32,359	0	0	-32,359
Warrant programme	0	4,748	0	0	4,748
<b>Total transactions with shareholders, recognized directly in equity</b>	<b>240</b>	<b>472,149</b>	<b>0</b>	<b>0</b>	<b>472,389</b>
<b>Closing balance on 31 December 2021</b>	<b>1,542</b>	<b>1,320,851</b>	<b>25,088</b>	<b>-552,145</b>	<b>795,336</b>
<b>Opening balance on 1 January 2022</b>	<b>1,542</b>	<b>1,320,851</b>	<b>25,088</b>	<b>-552,145</b>	<b>795,336</b>
Profit/loss for the year	0	0	0	-275,821	-275,821
Other comprehensive income for the year	0	0	59,275	0	59,275
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>59,275</b>	<b>-275,821</b>	<b>-216,546</b>
Transaction costs, new share issue	0	-179	0	0	-179
<b>Total transactions with shareholders, recognized directly in equity</b>	<b>0</b>	<b>-179</b>	<b>0</b>	<b>0</b>	<b>-179</b>
<b>Closing balance on 31 December 2022</b>	<b>1,542</b>	<b>1,320,672</b>	<b>84,363</b>	<b>-827,966</b>	<b>578,611</b>

# Consolidated cash flow statement

Amounts in KSEK	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
<b>Operating activities</b>			
Operating profit/loss		-217,149	-131,032
Non-cash items	30	143,387	116,411
Interest received		7,938	24
Interest paid		-7,461	-8,337
Income tax paid		-7,922	-4,906
<b>Cash flow from operating activities before changes in working capital</b>		<b>-81,208</b>	<b>-27,840</b>
Increase (-)/decrease (+) in inventories		0	61
Increase (-)/decrease (+) in accounts receivable		-74,941	-21,180
Increase (-)/decrease (+) in other operating receivables		-8,079	3,115
Increase (+)/decrease (-) in accounts payable		25,729	10,196
Increase (+)/decrease (-) in other operating liabilities		130,657	56,608
<b>Cash flow from changes in working capital</b>		<b>73,365</b>	<b>48,801</b>
<b>Cash flow from operating activities</b>		<b>-7,843</b>	<b>20,961</b>
<b>Investment activities</b>			
Acquisition of intangible assets	16	-151,857	-112,147
Acquisition of tangible assets	17	-34,882	-32,520
Acquisition of subsidiaries, less acquired cash and cash equivalents	32	-14,219	-58,711
Change in financial assets		-1,130	-3,590
<b>Cash flow from investing activities</b>		<b>-202,088</b>	<b>-206,967</b>
<b>Financing activities</b>			
Loans raised	27, 31	741,855	1,133
Amortization of loans	27, 31	-572,387	-101,834
Shareholders' contributions received	25	-179	500,421
<b>Cash flow from financing activities</b>		<b>169,289</b>	<b>399,720</b>
<b>Change in cash and cash equivalents</b>		<b>-40,642</b>	<b>213,714</b>
Cash and cash equivalents at the beginning of the period	24	424,563	210,849
<b>Cash and cash equivalents at the end of the period</b>	<b>24</b>	<b>383,921</b>	<b>424,563</b>



# Group key performance indicators

Amounts in SEKm	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
<b>Key performance indicators (IFRS)</b>	35		
Net sales		600.1	441.8
Operating profit/loss (EBIT)		-217.1	-131.0
Profit/loss for the year		-275.8	-158.4
Earnings per share before dilution (SEK)		-1.79	-1.15
Earnings per share after dilution (SEK)		-1.78	-1.14
Equity ratio, %		36.5%	56.2%

Amounts in SEKm	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
<b>Selected financial data for the Group</b>			
Number of customers, thousands		85.9	75.3
Growth in number of customers, %		14%	52%
Number of e-transactions, millions		64.4	53.5
Growth in number of e-transactions, %		20%	26%
Net sales growth, %		36%	27%
Organic net sales growth, %		23%	13%
Recurring revenue		520.7	392.4
Growth in recurring revenue, %		33%	30%
Annualized recurring revenue (ARR)		604.2	475.2
Growth in ARR		27%	41%
Gross profit		519.6	385.3
Gross margin, %		87%	87%
EBITDA		-73.8	-14.6
EBITDA margin, %		-12.3%	-3.3%
EBITA		-103.0	-39.6
EBITA margin, %		-17.2%	-9.0%
Net working capital		153.8	-118.0
Net working capital as a share of net sales, %		-26%	-27%
Net debt		60.9	322.6

# Parent Company income statement

Amounts in KSEK	Note	Financial year	
		2022-01-01 2022-12-31	2021-01-01 2021-12-31
Operating income			
Other operating income		3,703	1,991
		<b>3,703</b>	<b>1,991</b>
<b>Operating costs</b>			
Other external expenses		-4,883	-3,497
Personnel costs		-5,413	0
Other operating costs		-16,715	0
<b>Operating profit/loss</b>		<b>-23,308</b>	<b>-1,506</b>
<b>Profit/loss from financial items</b>			
Financial income	12	7,712	2
Financial expenses	13	-27,566	-551
<b>Profit/loss after financial items</b>		<b>-43,162</b>	<b>-2,056</b>
<b>Profit/loss for the year</b>		<b>-43,162</b>	<b>-2,056</b>

The company has no items recognized as other comprehensive income, which is why total comprehensive income is the same as profit/loss for the year.



# Parent Company balance sheet

Amounts in KSEK	Note	2022-12-31	2021-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
Participations in Group companies	20	2,000,780	1,589,500
<b>Total of other financial assets</b>		<b>2,000,780</b>	<b>1,589,500</b>
<b>Total fixed assets</b>		<b>2,000,780</b>	<b>1,589,500</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Other receivables		48	2,061
Prepaid expenses and accrued income	23	7,271	131
<b>Total current receivables</b>		<b>7,319</b>	<b>2,192</b>
<b>Cash and bank balances</b>	<b>24</b>	<b>201,655</b>	<b>302,149</b>
<b>Total current assets</b>		<b>208,974</b>	<b>304,341</b>
<b>TOTAL ASSETS</b>		<b>2,209,754</b>	<b>1,893,841</b>

Amounts in KSEK	Note	2022-12-31	2021-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	25	1,542	1,542
<b>Total restricted equity</b>		<b>1,542</b>	<b>1,542</b>
<b>Non-restricted equity</b>			
Share premium reserve		1,449,274	1,449,453
Profit/loss brought forward from previous year		296,202	298,257
Profit/loss for the year		-43,162	-2,056
<b>Total equity</b>		<b>1,703,855</b>	<b>1,747,197</b>
<b>Liabilities to credit institutions</b>			
		322,424	0
<b>Non-current liabilities</b>			
		181,696	145,857
<b>Total non-current liabilities</b>		<b>504,120</b>	<b>145,857</b>
<b>Current liabilities</b>			
Accounts payable		1,153	629
Accrued expenses and deferred income	28	625	158
<b>Total current liabilities</b>		<b>1,778</b>	<b>787</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,209,754</b>	<b>1,893,841</b>

# Parent Company statement of changes in equity

Amounts in KSEK	Restricted equity		Non-restricted equity	
	Share capital	Share premium reserve	Profit brought forward from previous year and profit for the year	Total equity
<b>Opening balance on 1 January 2021</b>	<b>1,302</b>	<b>982,052</b>	<b>293,509</b>	<b>1,276,863</b>
Profit/loss for the year	0	0	-2,056	-2,056
<b>Transactions with shareholders</b>				
Ongoing new share issue	32	-32	0	0
New share issue	208	499,792	0	500,000
Transaction costs, new share issue	0	-32,359	0	-32,359
Warrant programme	0	0	4,748	4,748
<b>Total transactions with shareholders, recognized directly in equity</b>	<b>240</b>	<b>467,401</b>	<b>4,748</b>	<b>472,389</b>
<b>Closing balance on 31 December 2021</b>	<b>1,542</b>	<b>1,449,453</b>	<b>296,202</b>	<b>1,747,197</b>
<b>Opening balance on 1 January 2022</b>	<b>1,542</b>	<b>1,449,453</b>	<b>296,202</b>	<b>1,747,197</b>
Profit/loss for the year	0	0	-43,162	-43,162
<b>Transactions with shareholders</b>				
Transaction costs, new share issue		-179	0	-179
<b>Total transactions with shareholders, recognized directly in equity</b>	<b>0</b>	<b>-179</b>	<b>0</b>	<b>-179</b>
<b>Closing balance on 31 December 2022</b>	<b>1,542</b>	<b>1,449,274</b>	<b>253,039</b>	<b>1,703,855</b>



# Parent Company cash flow statement

Amounts in KSEK	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
<b>Operating activities</b>			
Operating profit/loss		-23,308	-1,506
Interest income and similar profit/loss items		7,712	-1,506
Interest expenses and similar profit/loss items		-3,767	-551
<b>Cash flow from operating activities before changes in working capital</b>		<b>-19,363</b>	<b>-2,056</b>
<b>Cash flow before changes in working capital</b>			
Increase (-)/decrease (+) in other operating receivables		1,748	-1,086
Increase (+)/decrease (-) in accounts payable		524	-134
Increase (+)/decrease (-) in other operating liabilities		467	-2,094
<b>Cash flow from changes in working capital</b>		<b>2,739</b>	<b>-3,314</b>
<b>Cash flow from operating activities</b>		<b>-16,624</b>	<b>-5,370</b>
<b>Investment activities</b>			
Acquisition of subsidiaries		0	-144,477
Submitted shareholders' contributions		-375,441	-190,339
<b>Cash flow from investing activities</b>		<b>-375,441</b>	<b>-334,816</b>
<b>Financing activities</b>			
Loans raised		291,750	0
New share issues for the period	25	-179	500,421
<b>Cash flow from financing activities</b>		<b>291,571</b>	<b>500,421</b>
<b>Change in cash and cash equivalents</b>		<b>-100,494</b>	<b>160,235</b>
Cash and cash equivalents at the beginning of the period	24	302,149	141,914
<b>Cash and cash equivalents at the end of the period</b>	24	<b>201,655</b>	<b>302,149</b>

# Notes

Pagero Group AB (publ)  
Company reg. no. 559189-9173

## Note 1 General information

The consolidated financial statements cover the parent company, Pagero Group AB (“the Parent Company”), with corp. ID no. 559189-9173, and its subsidiaries (“the Group”). The Parent Company is a limited liability company registered in Sweden with its registered office in Gothenburg at the address Västra Hamngatan 1, SE-411 17 Gothenburg, Sweden.

The Board of Directors gave its approval for publication of these consolidated financial statements.

All amounts are presented in SEK thousands (SEK 000s) unless otherwise stated. Information in parentheses refers to the previous year unless otherwise stated.

## Note 2 Summary of important accounting principles

The most important accounting principles applied in preparing these consolidated accounts are described below. These principles have been applied consistently to all the years presented, unless otherwise stated.

### 2.1 Grounds for the preparation of the reports

The consolidated financial statements for Pagero Group AB have been prepared in compliance with the International Financial Reporting Standards (IFRS) and the interpretation statements of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU, the Swedish Financial Reporting Board’s recommendation RFR 1, Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act.

The consolidated financial statements have been prepared using the cost method except for financial assets/liabilities measured at fair value through profit or loss.

The Parent Company’s financial statements have been prepared in compliance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The application of RFR 2 means that the Parent Company, in the Annual Report for the legal entity, applies all IFRS and statements adopted by the EU to the furthest extent possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act and taking into account the relationship between accounting and taxation.

The preparation of financial statements in compliance with IFRS requires the use of certain key estimates for accounting purposes. In addition, the management must make certain assessments in the application of the Group’s accounting policies, see Note 3.

### 2.1.1 Changes to accounting principles and disclosures

None of the IFRS or IFRIC interpretations published, but not yet in effect, are expected to have any material impact on the Group.

### *New standards and interpretations, 1 January 2022.*

The IASB issued amended accounting standards and interpretations that were approved by the EU, effective on 1 January 2022. None of these have had any material impact on the Pagero Group’s financial statements.

### 2.2 Consolidated financial statements

#### 2.2.1 Basic accounting principles

##### *Subsidiaries*

Subsidiaries are all companies (including structured companies) over which the Group has control. The Group controls a company when it is exposed or entitled to a variable return from its holdings in the company and is able to influence the return through its influence over the company.

Subsidiaries are included in the consolidated financial statements as of the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements as of the date on which control ceases.

The purchase method is used for reporting the Group’s business combinations. The purchase consideration for the acquisition of a subsidiary is the fair value of the transferred assets, the liabilities assumed by the Group to the former owners of the acquired company and the shares issued by the Group. The consideration also includes the fair value of all liabilities that are a consequence of a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. The Group determines separately for each acquisition whether non-controlling interests in the acquired entity are recognized at fair value or the holdings’ proportionate share of the carrying amount of the identifiable net assets of the acquired entity.

Acquisition-related costs are expensed as they arise.

Contingent consideration to be transferred by the Group is recognized at fair value on the acquisition date. Subsequent changes in the fair value of a contingent consideration classified as a liability are recognized in compliance with IAS 39 in the income statement.

**NOTE 2 (Cont'd).**

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of any non-controlling interest at the acquisition date over the fair value of identifiable net assets acquired. If the purchase price is lower than the fair value of the acquired company's net assets, the difference is recognized directly in profit and loss.

Intra-Group transactions, balance sheet items, and income and expenses from transactions between Group companies are eliminated. Gains and losses resulting from intra-Group transactions that are recognised in assets are also eliminated. Where applicable, the accounting principles of subsidiaries have been amended to guarantee a consistent application of the Group's principles.

**2.3 Revenue recognition****Revenue**

The company has three main types of revenue: Licence sales, Transaction sales and Service sales.

**Licence sales**

Licensing agreements are entered into with the customer for the possibility of using the Pagero Network digital messaging service. The licence is a "right to access" licence where Pagero has a commitment to maintain access to the service during the term of the agreement. The revenue is therefore recognized straight-line over the term of the agreement.

**Transactions**

Revenues from transactions refer to sales of transactions, such as the creation of invoices, etc. The revenue from this takes place in the period in which the transaction is created.

**Service sales**

Service sales in Pagero are mainly the implementation of Pagero Network.

The revenue from the services rendered is recognised in the period in which they are provided. For fixed-price agreements, the revenue is recognised based on the percentage of the total agreed service that has been provided during the financial year as the customer receives and uses the services at the same time. This is based on the working hours actually used compared with the total expected working hours for the assignment.

In fixed-price agreements, the customer pays the agreed price at certain payment times. If the services that Pagero provided exceed the payment, a contract asset is recognised. If the payments exceed the services provided, a contract liability is recognised.

If the agreement is on a current account basis based on price per hour, the revenue is recognised according to time spent and if Pagero has a right to invoice the customer.

**Customer acquisition expenses**

Customer acquisition expenses refer to commissions, for example. This is capitalised as an asset to fulfil an agreement. The expenses are written off during the term of the agreement, which is normally 12 months.

**2.4 Leasing****Leasing according to IFRS 16**

The Group leases premises and vehicles. Leases are recognised as rights of use and a corresponding liability, the date the leased asset is available for use by the Group. Each lease payment is allocated among the repayment of debt and financial expense. The financial expense is distributed across the leasing period so that each accounting period is burdened by an amount equal to a fixed interest rate for the liability reported in each period. The right of use is depreciated straight-line over the shorter of the asset's useful life and the term of the lease. Assets and liabilities that arise from leases are initially recognised at present value.

The lease liabilities include the present value of the following lease payments:

- fixed charges

The leasing payments are discounted with the marginal loan interest rate. The assets with right of use are measured at cost and include the following:

- the initial measurement of the lease liability,

Leases of minor value are expensed on a straight-line basis in the statement of comprehensive income.

**2.5 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of the operating segments. Within the Group, this function has been identified as the President and CEO, who makes strategic decisions. Pagero's operations consist of the operating segment of digital business messages.

**2.6 Foreign currency translation****Functional currency and presentation currency**

The different units of the Group have the local currency as their functional currency, as the local currency has been defined as the currency used in the primary economic environment in which the unit mainly operates. The Swedish krona (SEK) is used in the consolidated financial statements. This is the functional currency of the Parent Company and the presentation currency of the Group.

**Transactions and balance sheet items**

Transactions in foreign currency are translated into the functional currency at the exchange rates prevailing on the date of the transaction. Any gain or loss arising from the payment of such transactions and in the restatement of monetary assets and liabilities in foreign currencies at the rate on the balance sheet date is recognised in operating profit in the income statement.

**Translation of foreign Group companies**

The financial position and performance of all Group companies with a functional currency different than the presentation currency are translated to the Group's presentation currency. The assets and liabilities on each balance sheet are translated from the functional currency of the foreign operation to the Group's presentation currency, Swedish kronor, at the exchange rate prevailing on the balance sheet date. The income and expenses in each income statement are translated to Swedish kronor at the average exchange rate prevailing at each transaction date. Translation differences arising on the translation of foreign operations are recognised in other comprehensive income.

**2.7 Intangible assets****Capitalised development expenditures**

Costs for maintenance are expensed as they arise. Development costs that are directly attributable to development of the product portfolio including Pagero Network and associated applications under the Group's control, are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete them so they are available for use,
- the company intends to complete them and to use or sell them,
- there are conditions to use or sell them,
- it can be demonstrated how they generate probable future economic benefits,



**NOTE 2** (Cont'd).

- adequate technical, financial and other resources to complete development and to use or sell them are available, and
- the expenses directly attributable to them during their development can be measured reliably.

Directly attributable expenses that are capitalised as part of the development work include costs for employees and external consultants. Other development expenditures, which do not fulfil these criteria, are expensed when they arise. Development expenditures that were previously expensed are not reported as an asset in the ensuing period.

Capitalised development expenditures are recognised as intangible assets and amortised from the time that the asset is ready to be used commercially. The useful life amounts to five years.

Trademarks, customer relationships and technology, which are acquired through business combinations, are recognised at fair value on the acquisition date. Trademarks and customer relationships have a determinable useful life and are recognised at cost less accumulated amortization and any impairment losses. Amortization is applied straight-line to distribute the cost of brands over 5 years and customer relationships over their assessed useful life of 10–20 years. Amortization is applied straight-line in order to allocate the cost of technology over their estimated useful life of 5–7.5 years.

**Goodwill**

Goodwill arises on the acquisition of subsidiaries and is the amount by which the consideration exceeds Pagero's share of the fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity and the fair value of any non-controlling interests in the acquired entity.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored for internal management. Goodwill is to be distributed over cash-generating units.

Goodwill is impairment tested annually or more often if events or changes in circumstances indicate a possible decrease in value. The carrying amount of goodwill is compared with the recoverable amount, which is the higher of the value in use and the fair value less selling expenses.

**2.8 Tangible assets**

Tangible assets are recognised at cost less depreciation and any impairment losses. Cost includes expenditure directly attributable to the acquisition of the asset.

Subsequent costs are added to the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Group and that the cost of the asset can be measured reliably. The carrying amount of a replaced part is removed from the balance sheet. All other repairs and maintenance are recognised as costs in the income statement in the period in which they occur.

Straight-line depreciation is applied as follows:

Plant and machinery	3–5 years
Equipment, tools, fixtures and fittings	3–5 years

Assets' residual values and useful lives are reviewed annually and adjusted if necessary. If an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is immediately written down to its recoverable amount.

Gains and losses on the sale of tangible assets are determined by comparing the sale proceeds and the carrying amount, whereby the difference is recognised in other operating income or other operating expenses in profit and loss.

**2.9 Impairment of non-financial assets**

Intangible assets that have an indefinite useful life or intangible assets that are not ready for use are not amortised, but are tested annually for impairment. Assets that are amortised are assessed for a reduction in value whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss is applied in the amount with which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and the value in use. When assessing impairment requirements, assets are grouped at the lowest level at which there are separate identifiable cash flows (cash-generating units). Assets, other than financial assets, that were previously impaired are reviewed for possible reversal of the impairment at each balance sheet date. Goodwill impairment losses previously recognised are not reversed.

**2.10 Financial instruments**

Pagero divides its financial instruments into the following categories in accordance with IFRS 9, amortised cost. The classification is based on the nature of the asset's cash flows and on the business model the asset is covered by.

**2.10.1 Financial assets at amortised cost**

Interest-bearing assets (debt instruments) held for the purpose of collecting contractual cash flows and where these cash flows solely consist of principal and

interest are measured at amortised cost. The carrying amount of these assets is adjusted with any expected credit losses that have been recognised (see the section on impairment below). Interest income from these financial assets is recognised using the effective interest method and recognised as financial income. The Group's financial assets valued at amortised cost are comprised of Other financial assets, Accounts receivable, Other receivables and Cash and cash equivalents.

**2.10.2 Financial liabilities at amortised cost**

The Group's other financial liabilities are classified as measured at amortised cost using the effective interest rate method. Financial liabilities at amortised cost consist of Liabilities to credit institutions, Overdraft facilities, Accounts payable and Other liabilities. Borrowing is initially recognised at fair value, net of transaction expenses. Borrowing is subsequently recognised at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the borrowing period using the effective interest method. Borrowing is classified as a current item in the balance sheet if the company does not have an unconditional right to postpone the settlement of the liability for at least 12 months after the reporting period. Dividends paid are recognised as a liability after the General Meeting has approved the dividend. Accounts payable and other operating liabilities have a short expected term and are measured undiscounted in nominal amounts.

**2.10.3 Financial liabilities recognised at fair value via the income statement**

Financial liabilities recognised at fair value via the income statement consist of additional purchase considerations and acquisition options for business combinations. Financial liabilities recognised at fair value via the income statement are also recognised in subsequent periods at fair value and the change in value is recognised in profit or loss for the year. Liabilities in this category are classified as short-term liabilities if they fall due within 12 months of the balance sheet date. If they fall due after 12 months from the balance sheet date, they are classified as long-term. The Group's financial liabilities recognised at fair value via the income statement consist of the buy/sell option vis-à-vis Gosocket's minority shareholders, which is classified in the balance sheet as other long-term liabilities.

## NOTE 2 (Cont'd).

**Impairment of financial instruments****2.10.4 Impairment testing of financial assets*****Assets recognised at amortised cost***

At each reporting occasion, the Group assesses the future expected credit losses that are linked to assets recognised at amortised cost based on future-oriented information. The Group's financial assets for which expected credit losses are deemed to essentially be comprised of rent receivables. The Group's reserve method is based on whether or not a material change in the credit risk has occurred. The Group recognises a credit reserve for such expected credit losses at each reporting date. For the Group's financial assets, essentially accounts receivable, the Group applies the simplified approach for credit reserves, meaning that the reserve will correspond to the expected loss over the entire lifetime of the account receivable. In order to measure the expected credit losses, accounts receivable have been grouped based on allocated credit risk characteristics and days overdue. The Group uses future-oriented variables for expected credit losses.

**2.11 Borrowing expenses**

General and specific borrowing expenses which are directly attributable to the purchase, establishment or production of qualified assets, that is, assets which necessarily require a considerable amount of time to prepare for their intended purpose or sale, are recognised as a portion of their acquisition cost. Capitalization ceases when all activities required to prepare the asset for its intended use or sale have largely been completed.

Financial income that has arisen when specially borrowed capital is temporarily invested while waiting to be used for financing of the asset reduces the borrowing expenses that can be capitalised. All other borrowing expenses are expensed as they arise.

**2.12 Current and deferred tax**

Tax expense for the period comprises current and deferred tax. The current tax expense is calculated on the basis of the tax regulations enacted or substantively enacted at the balance sheet date in the countries where the Parent Company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised in accordance with the balance sheet method for all temporary differences between the tax values of assets and liabilities and their

carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates that have been enacted or announced by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets on loss carry-forwards are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle these balances on a net basis.

**2.13 Employee benefits****Pension obligations**

The Group only has defined-contribution pension plans. A defined-contribution pension plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligations to pay additional contributions if this legal entity does not have sufficient assets to pay all employee benefits associated with the employees' service during the current or previous periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The Group has no additional payment obligations once the contributions have been paid. The contributions are recognised as personnel costs when they fall due for payment. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments may benefit the Group.

**2.14 Cash flow statement**

The cash flow statement is prepared using the indirect method. The recognised cash flow only includes transactions that have involved payments in or out.

**Parent Company accounting principles**

The Parent Company applies different accounting principles than the Group in the cases stated below.

**Leasing**

The parent company has chosen not to apply IFRS 16 Leases, but has instead chosen to apply RFR 2 IFRS 16 Leases p. 2-12 which means that all lease payments are recognised as an expense linearly over the lease term.

**Presentation**

The income statement and balance sheet are presented in accordance with the form of presentation prescribed in the Swedish Annual Accounts Act. The form of presentation for the statement of changes in equity is consistent with the Group's form of presentation, but must include the columns stated in the Swedish Annual Accounts Act. Moreover, there is a difference in terms, compared with the consolidated financial statements, mainly with regard to financial income and expense, and equity.

**Participations in subsidiaries**

Participations in subsidiaries are recognised at cost less potential impairment losses. Cost includes acquisition-related costs and any additional consideration.

Where there is an indication that participations in subsidiaries have decreased in value, their recoverable amount is calculated. An impairment loss is recognised if the recoverable amount is less than the carrying amount. Impairment losses are recognised in the item "Profit/loss from participations in Group companies".

**Group contributions**

Group contributions made by the Parent Company to subsidiaries and Group contributions received by the Parent Company from subsidiaries are recognised as appropriations.

**Financial instruments**

IFRS 9 is not applied at the Parent Company and financial instruments are valued at cost.

## Note 3 Financial risk assessment

### 3.1 Financial risk factors

The Group's activities expose it to various financial risks, such as market risk (currency risk and interest-rate risk), credit risk and cash flow and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial results.

The risk management is handled centrally by the Parent Company Pagero Group AB with the CEO and CFO in charge, according to policies established by the Board. The CEO and CFO approve the risk management measures carried out according to the policy, and the President of the respective subsidiary has the operational responsibility for compliance to the policy in the daily work. The Board tasked the management with preparing written policies for overall risk management, as well as for specific areas.

#### 3.1.1 Market risk

##### Currency risk

Pagero is active on a global market with a large part of sales and purchases in currencies other than SEK. Besides SEK, sales and purchases are predominantly made in USD and EUR. Currency risk arises from future business transactions, recognised assets and liabilities, and net investments in foreign operations. As at 31 December 2022, there is no currency hedging.

If the SEK were to become weaker/stronger by 10% in relation to the EUR with all other variables held constant, the profit/loss for the year at 31 December 2022 would have been KSEK 5,514 (5,856) higher/lower, largely as a result of gains/losses in the translation of accounts receivable and accounts payable in EUR.

If the SEK were to become weaker/stronger by 10% in relation to the USD with all other variables held constant, the profit/loss for the year at 31 December 2022 would have been KSEK 1,190 (2,226) higher/lower, largely as a result of gains/losses in the translation of accounts receivable and accounts payable in USD.

##### Interest-rate risk in borrowing

The Group's interest rate risk arises in its long-term borrowing. A Board decision is required to raise new loans in addition to granted credits. As a main rule, Pagero does not use derivative instruments to adjust underlying interest rate exposure since this only arises in exceptional cases. In 2022, Group borrowing was at fixed and variable rates of interest in Swedish Kronor.

Simulations conducted indicate that the effect on profit/loss of a change of 0.5 percentage points would be a maximal increase of KSEK 1,615 (KSEK 510) or decrease of KSEK 1,615 (KSEK 510) in actual debt on the closing date.

#### 3.1.2 Credit risk

Credit risk is handled at Group level except for credit risk regarding outstanding accounts receivable. Each Group company is responsible for examining and analysing the credit risk of each new customer before the standard terms of payment and delivery are offered. Credit risk arises from cash and cash equivalents, derivative instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and agreed transactions. The use of credit limits is regularly monitored and management does not expect any losses due to non-payment by counterparties.

#### 3.1.3 Cash flow and liquidity risk

Cash flow forecasts are prepared by the Group's operating companies and are aggregated by the Group's CFO. The Group's CFO continually monitors forecasts for the Group's liquidity reserve to ensure that the Group has adequate liquid funds to meet its operational requirements at the same time that it maintains sufficient latitude in its unutilised contractual credit facilities to ensure that the Group does not breach borrowing limits or borrowing terms (where applicable) on any of the Group's loan facilities. Such forecasts take into account the Group's plans for debt restructuring, fulfilment of loan terms, fulfilment of internal balance-sheet-based earnings measurements and, if applicable, external supervisory and statutory requirements – such as currency restrictions.

In the following table, the Group's financial liabilities are analysed according to the period which remains on the balance sheet date until the contractual maturity date. The amounts presented in the table are the contractual, undiscounted cash flows.

#### Group

Group, 31 December 2022	Less than 1 year	1–2 years	2–5 years
Liabilities to credit institutions	0	0	351,134
Other non-current liabilities	0	0	240,183
Leasing liability	19,505	17,535	1,465
Accounts payable	68,382	0	0
Other current liabilities	49,518	0	0
<b>Total</b>	<b>137,404</b>	<b>17,535</b>	<b>592,781</b>

Group, 31 December 2021	Less than 1 year	1–2 years	2–5 years
Liabilities to credit institutions	0	57,471	0
Other non-current liabilities	0	0	145,857
Leasing liability	21,122	16,532	17,038
Liabilities to credit institutions	49,231	0	0
Accounts payable	42,653	0	0
Other current liabilities	37,338	0	0
<b>Total</b>	<b>150,344</b>	<b>74,003</b>	<b>162,895</b>

#### Parent Company

Parent Company, 31 December 2022	Less than 1 year	1–2 years	2–5 years
Accounts payable	1,153	0	0
Liabilities to credit institutions	0	0	351,134
Other non-current liabilities	0	0	224,527
Accrued expenses and deferred income	625	0	0
<b>Total</b>	<b>1,778</b>	<b>0</b>	<b>517,661</b>

Parent Company, 31 December 2021	Less than 1 year	1–2 years	2–5 years
Accounts payable	629	0	0
Accrued expenses and deferred income	158	0	0
<b>Total</b>	<b>787</b>	<b>0</b>	<b>0</b>



## Note 4 Summary of significant estimates and assessments

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the current circumstances.

### Significant accounting estimates and assessments

The Group makes estimates and assumptions about the future. The resulting accounting estimates will by definition seldom correspond to the actual outcome. Estimates and assumptions which involve a significant risk of material adjustments to the carrying amounts of assets and liabilities in the coming financial year are addressed in general below.

### Impairment testing of goodwill

The Group annually tests whether there are any impairment requirements for goodwill, in accordance with the accounting policy described in Note 2. The recoverable amount for cash-generating units has been established by calculating value in use. These calculations require the use of certain estimates.

### Intangible assets

Intangible assets in the Group amount to a substantial value and consist mainly of capitalised expenditures for development work. This development work is the prerequisite for the Group to be competitive in the international market for digital messaging services. Every year, the Group assesses if the capitalisation of the development work is justified based on forecasts made over a certain period of time.

### Valuation of deferred tax assets

Every year, the Group assesses if the capitalization of deferred tax assets is justified based on forecasts made over a certain period of time.

### Valuation of additional purchase consideration

The valuation of additional purchase consideration linked to acquisitions made is carried at fair value.

## Note 5 Segment information

Pagero is an innovative Swedish corporate group specialised in digital business messaging services. The Group delivers solutions for digital business messaging services and provides a complete range of messaging services to all kinds of companies and organizations. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of the operating segments. Pagero's operations consist of the operating segment of digital business messaging services.

The operating segment is reported according to the same accounting principles as the Group.

A breakdown of the revenue from all products and services is as follows:

Analysis of revenues by revenue type	Group		Parent Company	
	2022	2021	2022	2021
Licence sales	239,789	194,678	0	0
Transaction sales	280,864	197,751	0	0
Service sales	79,474	49,357	3,703	1,991
<b>Total</b>	<b>600,127</b>	<b>441,786</b>	<b>3,703</b>	<b>1,991</b>

The Group has its registered office in Sweden. Revenues from external customers in Sweden is KSEK 146,532 (137,322), and total revenues from external customers in other countries is KSEK 453,595 (304,464).

Total fixed assets, other than financial instruments and deferred tax assets (there are no assets in connection with benefits after the end of employment or rights arising under insurance contracts), located in Sweden amount to KSEK 906,888 (793,547) and the total of such fixed assets located in other countries amounts to KSEK 26,355 (20,664).

Licence sales are recognised over the term of the agreement, most often 12 months, and service revenues are recognised in step with the provision of the services.

### Contract assets and contract liabilities

	31 Dec 2022	Group		1 Jan 2022
		Falling due within 12 months	Falling due within 12 months	
Contract assets				
Accrued income	612	612	0	1,705
Customer acquisition expense	23,325	23,325	0	11,741
Contract liabilities – deferred income	188,808	188,808	0	129,720

Contract assets include recognised service revenues that have not yet been invoiced.

## Note 6 Net sales by geographical region

Distribution of net sales	Group	
	2022	2021
Scandinavia	186,134	166,212
Central Europe	137,029	116,020
Latin America	118,032	48,837
Eastern Europe	57,302	45,151
Western Europe	41,419	35,034
Northern America	33,307	14,100
Southern Europe	8,532	7,360
MEEA	13,516	5,895
ANZ	4,856	3,177
<b>Total</b>	<b>600,127</b>	<b>441,786</b>

The Parent Company mainly has service revenues from subsidiaries in the Group.

## Note 7 Other operating income

Other operating income broken down by revenue type	Group		Parent Company	
	2022	2021	2022	2021
Rental income	399	398	0	0
Foreign exchange differences	1,867	354	-136	6
Intra-Group services	0	0	3,839	1,986
Other (cost recharges)	3,012	912	0	0
<b>Total</b>	<b>5,277</b>	<b>1,665</b>	<b>3,703</b>	<b>1,991</b>

## Note 8 Leases

In the balance sheet, the following amounts are recognised related to leases:

Right of use assets	Group	
	2022	2021
Properties	36,248	50,406
Equipment	1,112	2,040
Vehicles	547	1,902
<b>Group total</b>	<b>37,906</b>	<b>54,348</b>

Lease liabilities	Group	
	2022	2021
Short-term	19,505	21,122
Long-term	19,021	33,570
<b>Group total</b>	<b>38,525</b>	<b>54,692</b>

In the income statement, the following amounts are recognised related to leases:

Amortization on ROU	Group	
	2022	2021
Properties	-18,619	14,799
Equipment	-1,219	1,505
Vehicles	-1,356	1,580
<b>Group total</b>	<b>-21,193</b>	<b>17,884</b>

The total cash flow for leases in 2022 was SEK 22.2 million (SEK 18.5 million) for amortization and SEK 1.3 million (SEK 0.7 million) for interest. Rights of use were added during the year in the amount of SEK 13.2 million. Costs during the year for low-value leases are SEK 1.0 million.

## Note 9 Auditor remuneration

	Group		Parent Company	
	2022	2021	2022	2021
PWC				
Audit engagements	1,157	1,314	577	555
Audit activities in addition to the audit engagements	0	402	0	363
Tax consultation	584	2,088	98	2,063
Other services	3,405	1,166	3,405	1,025
<b>Total</b>	<b>5,146</b>	<b>4,970</b>	<b>4,080</b>	<b>4,006</b>

Foreign subsidiaries' local audit firms	Group		Parent Company	
	2022	2021	2022	2021
Audit engagements	604	457	0	0
<b>Total</b>	<b>604</b>	<b>457</b>	<b>0</b>	<b>0</b>

## Note 10 Related party transactions

Summa Equity owns 33.7% through companies, Swedbank Robur through funds owns 9.2%, Bengt Nilsson through companies owns 8.6%, the Sixth Swedish National Pension Fund (Sixth AP fund) owns 6.9%, Harbour Vest owns 6.4% of the shares in Pagero Group AB and are deemed to have a significant influence over the Group. For the remaining 35.2% of the shares, the spread is extensive, where no single person has a larger ownership share than 5.0%. Other related parties are all subsidiaries in the Group and senior executives in the Group, i.e. the Board and company management, and their family members.

The following transactions took place with related parties:

	Group		Parent Company	
	2022	2021	2022	2021
Sales of goods and services				
Sales of Group-wide services to subsidiaries	0	0	3,839	1,986
<b>Total</b>	<b>0</b>	<b>0</b>	<b>3,839</b>	<b>1,986</b>

	Group		Parent Company	
	2022	2021	2022	2021
Purchases of goods and services				
Purchase of services from Greentrade	448	674	0	0
<b>Total</b>	<b>448</b>	<b>674</b>	<b>0</b>	<b>0</b>

	Group		Parent Company	
	2022	2021	2022	2021
Receivables and liabilities at year-end resulting from the sale and purchase of goods and services				
Liabilities to related parties:				
Greentrade Aviation AB	0	70	0	0
<b>Total</b>	<b>0</b>	<b>70</b>	<b>0</b>	<b>0</b>

Sales to Group companies constitute 100% (100%) of the Parent Company's revenues, and purchases from Group companies constitute 0% (0%) of the Parent Company's purchases.

Related party transactions are carried out with companies owned by the CEO for the purchase of HR services. The agreement with the related company was entered on commercial terms and commercial grounds. Services are bought and sold to subsidiaries at normal commercial terms.

Information on the remuneration of senior executives is provided in Note 11.

## Note 11 Employee benefits, etc.

### Group

	2022	2021
Salaries and other benefits	390,006	271,400
Social security contributions	32,518	23,476
Pension expenses – defined-contribution plans	83,236	63,460
<b>Group total</b>	<b>505,760</b>	<b>358,336</b>

	2022		2021	
	Salaries and other benefits (of which bonus)	Pension costs	Salaries and other benefits (of which bonus)	Pension costs
Board members, CEO and other senior executives	17,072	3,849	16,236	3,948
of which bonuses	0	0	0	0
Other employees	372,934	79,387	255,164	59,512
<b>Group total</b>	<b>390,006</b>	<b>83,236</b>	<b>271,400</b>	<b>63,460</b>

### Gender distribution in the Group (including subsidiaries) for Board members and other senior executives

	2022		2021	
	No. at closing date	Of which, women	No. at closing date	Of which, women
Board members	7	2	7	1
CEO and other senior executives	12	2	12	2

### Average number of employees with geographic distribution by country

	2022		2021	
	Average number of employees	Of which, women	Average number of employees	Of which, women
Parent Company				
Sweden	1	0	0	0
<b>Total Parent Company</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Subsidiaries

Sweden	288	89	253	84
Norway	4	0	3	0
Finland	32	12	28	10
Ireland	2	1	1	0
Denmark	0	0	0	0
United Kingdom	17	6	12	5
United Arab Emirates	11	1	7	1
Spain	51	15	40	12
France	3	1	2	0
United States	18	3	11	2
Germany	72	28	65	24
Italy	2	0	2	0
Australia	11	4	8	2
Singapore	3	1	3	0
Poland	2	1	0	0
Sri Lanka	36	7	0	0
Chile	53	19	25	10
Colombia	42	6	9	2
Costa Rica	24	11	9	4
Mexico	28	9	14	4
Peru	9	3	4	2
Panama	1	1	0	0
Guatemala	2	0	0	0
Uruguay	1	1	0	0
<b>Total subsidiaries</b>	<b>710</b>	<b>219</b>	<b>496</b>	<b>162</b>
<b>Group total</b>	<b>711</b>	<b>219</b>	<b>496</b>	<b>162</b>

The CEO and Group CEO were employed by the parent company Pagero Group AB in 2022.



NOTE 11 (Cont'd).

Parent Company

Parent Company	2022	2021
Salaries and other benefits	-3,185	0
Social security contributions	-428	0
Pension expenses – defined-contribution plans	-1,800	0
<b>Total</b>	<b>-5,413</b>	<b>0</b>

	2022		2021	
	Salaries and other benefits (of which bonus)	Pension expenses	Salaries and other benefits (of which bonus)	Pension expenses
Salaries and other benefits				
Board members, CEO and other senior executives	2,882	1,800	0	0
(of which bonus)	0	0	0	0
<b>Total</b>	<b>2,882</b>	<b>1,800</b>	<b>0</b>	<b>0</b>

Gender distribution in the Parent Company of Board members and other senior executives	2022		2021	
	No. at closing date	Of which, women	No. at closing date	Of which, women
Board members	7	2	7	1
CEO and other senior executives	1	0	0	0
<b>Total</b>	<b>8</b>	<b>2</b>	<b>7</b>	<b>1</b>

Parent Company	2022		2021	
	Average number of employees	Of which, women	Average number of employees	Of which, women
Sweden	1	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

Pensions

The Group has defined-contribution pension plans. The pension cost refers to the cost affecting the profit for the year.

Remuneration of senior executives

Guidelines

Fees are paid to the Chairman of the Board and Board members as per General Meeting resolutions.

The General Meeting decided on the following guidelines regarding remuneration of management.

Remuneration of the CEO and other senior executives is comprised of base pay, variable remuneration, other benefits, etc. Other senior executives refers to one person who together with the CEO is a member of the Board.

The breakdown between base pay and variable remuneration must be in proportion to the senior executive's responsibility and authority. For the CEO, the variable remuneration may be a maximum of 50% of the base pay. For other senior executives, the variable remuneration may not be a maximum of 50% of the base pay. The variable remuneration is based on the outcome in relation to individually set targets.

Other benefits for the CEO and other senior executives are paid as part of the overall remuneration package.

Remuneration and other benefits in 2022	Base pay/ Board fees	Variable remuneration	Other benefits	Pension expenses	Total
Birger Steen, Chairman of the Board	0	0	0	0	0
Marianne Knudsen, Board Member	0	0	0	0	0
Christian Melby, Board Member	0	0	0	0	0
Fredrik Vom Hofe, Board Member	160	0	0	0	160
Mats Ryding, Board Member	150	0	0	0	150
Karin Sandsjö, Board Member	165	0	0	0	165
Bengt Nilsson, CEO and Board Member	2,407	0	0	1,800	4,207
Other holders of key management positions	13,412	777	0	2,049	16,238
<b>Total</b>	<b>16,294</b>	<b>777</b>	<b>0</b>	<b>3,849</b>	<b>20,921</b>

Remuneration and other benefits in 2021	Base pay/ Board fees	Variable remuneration	Other benefits	Pension expenses	Total
Birger Steen, Chairman of the Board	0	0	0	0	0
Jonas Edlund, Board Member	814	0	0	268	1,081
Christian Melby, Board Member	0	0	0	0	0
Mats Claesson, Board Member	0	0	0	0	0
Mats Ryding, Board Member	0	0	0	0	0
Karin Sandsjö, Board Member	0	0	0	0	0
Bengt Nilsson, CEO and Board Member	1,812	0	0	430	2,243
Other holders of key management positions	10,304	2,159	0	1,564	14,027
<b>Total</b>	<b>12,930</b>	<b>2,159</b>	<b>0</b>	<b>2,262</b>	<b>17,352</b>

On 1 January 2021, the CEO entered into a new permanent employment agreement, valid for two years with the possibility of extension by one year. The salary of SEK 194,000 and the pension of SEK 150,000 are paid per month. No bonus is paid.

Pensions

The CEO has entered into a new permanent employment agreement after the age of 65 with the above pension terms.

The pension agreement for other senior executives states that the pension premium varies between 14% and 25% of the pensionable salary.

Severance pay

There is a mutual notice period of 18 months between the company and the CEO. There is no severance pay except salary and other remuneration according to the employment contract.

A mutual period of notice of three to six months applies between the company and other senior executives. No agreement on severance pay has been reached with the other senior executives.

## Note 12 Financial income/Interest income and similar items

	Group		Parent Company	
	2022	2021	2022	2021
Interest	1,345	24	1,120	2
Realised exchange rate gains	6,592	0	6,592	0
<b>Total</b>	<b>7,938</b>	<b>24</b>	<b>7,712</b>	<b>2</b>

## Note 13 Financial expenses/Interest expenses and similar profit/loss items

	Group		Parent Company	
	2022	2021	2022	2021
Exchange differences on receivables	373	8,139	0	0
Other interest expenses	24,711	7,590	27,566	0
Exchange differences on liabilities	39,218	0	0	0
Other financial expenses	458	13,045	0	551
<b>Total</b>	<b>64,761</b>	<b>28,774</b>	<b>27,566</b>	<b>551</b>

## Note 14 Income tax/Tax on profit for the year

	Group		Parent Company	
	2022	2021	2022	2021
<b>Current tax:</b>				
Current tax on profit for the year	-5,780	-1,095	0	0
Deferred tax	3,931	2,514	0	0
<b>Income tax</b>	<b>-1,850</b>	<b>1,358</b>	<b>0</b>	<b>0</b>

Income tax on profit differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

	Group		Parent Company	
	2022	2021	2022	2021
Profit/loss before tax	-273,972	-159,782	-43,162	-2,056
Income tax calculated at 20.6% (21.4%).	56,438	32,915	8,891	423
<b>Tax effects of:</b>				
Tax effects of non-deductible expenses	-1,537	83	1	1
Tax effects due to other tax rates abroad	1,964	319	0	0
Tax loss carry-forwards for which no deferred tax asset was recognised	-59,297	-32,121	-8,893	-425
Utilization of tax loss carry-forwards not previously recognised	582	162	0	0
<b>Tax expense</b>	<b>-1,850</b>	<b>1,358</b>	<b>0</b>	<b>0</b>

## Note 15 Profit per share

Pagero was listed on the Nasdaq First North Growth Market on 22 October 2021.

### Before dilution

Earnings per share before dilution are calculated by dividing the earnings attributable to the Parent Company's shareholders by a weighted average number of shares outstanding during the period. There have been no repurchased shares held as treasury shares by the Parent Company during the period.

	Group	
	2022	2021
Earnings per share before dilution (SEK)	-1.79	-1.15
Earnings per share after dilution (SEK)	-1.78	-1.14

### Measurements of earnings used in calculating earnings per share before and after dilution (KSEK)

Profit/loss for the period (KSEK)	-275,822	-158,424
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The result above is attributable to the Parent Company's shareholders in its entirety.

	Group	
	2022	2021

### Weighted average number of shares before and after dilution

Weighted average number of shares when calculating earnings per share before dilution	154,222,263	137,441,441
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### Warrants

Adjustments for calculation of earnings per share after dilution for warrants	335,039	1,280,294
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### After dilution

Weighted average number of shares and potential shares used as the denominator in calculating earnings per share after dilution	154,557,302	138,721,735
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## Note 16 Intangible assets

Group	Capitalised development expenditures	Customer acquisition expenses	Total
<b>2021</b>			
Opening cost	420,081	40,505	460,586
Purchase/refinement	93,937	18,210	112,147
Acquired assets	2,744	0	2,744
<b>Closing cost</b>	<b>516,762</b>	<b>58,714</b>	<b>575,476</b>
Opening accumulated amortization	-237,712	-29,783	-267,495
Amortization during the year	-55,658	-17,190	-72,848
Translation difference	88	0	88
<b>Closing accumulated amortization</b>	<b>-293,282</b>	<b>-46,973</b>	<b>-340,255</b>
<b>Carrying amount</b>	<b>223,480</b>	<b>11,741</b>	<b>235,222</b>
<b>2022</b>			
Opening cost	516,762	58,714	575,477
Purchase/refinement	121,230	30,627	151,857
Adjustment of acquired assets	1,000	0	1,000
Translation difference	349	0	349
<b>Closing cost</b>	<b>639,342</b>	<b>89,341</b>	<b>728,683</b>
Opening accumulated amortization	-293,282	-46,973	-340,255
Amortization during the year	-68,368	-19,043	-87,411
Translation difference	42		42
<b>Closing accumulated amortization</b>	<b>-361,608</b>	<b>-66,016</b>	<b>-427,624</b>
<b>Carrying amount</b>	<b>277,734</b>	<b>23,325</b>	<b>301,059</b>

Group	Technology	Customer relationships	Trade marks	Goodwill	Total
<b>2021</b>					
Opening cost	14,040	73,448	27,961	178,943	294,391
Translation difference	2,653	6,106	824	10,771	20,355
<b>Closing cost</b>	<b>54,990</b>	<b>156,146</b>	<b>35,593</b>	<b>313,040</b>	<b>559,769</b>
Opening accumulated amortization	-8,786	-22,457	-9,207	0	-40,450
Amortization during the year	-5,498	-9,508	-3,558	0	-18,565
Translation difference	-1	-2	-1	0	-3
<b>Closing accumulated amortization</b>	<b>-14,285</b>	<b>-31,967</b>	<b>-12,765</b>	<b>0</b>	<b>-59,017</b>
<b>Carrying amount</b>	<b>40,705</b>	<b>124,179</b>	<b>22,828</b>	<b>313,040</b>	<b>500,752</b>
<b>2022</b>					
Opening cost	54,990	156,146	35,593	313,040	559,769
Increase through business acquisitions	0	0	0	28,781	28,781
Translation difference	7,475	18,752	3,006	34,664	63,897
<b>Closing cost</b>	<b>62,465</b>	<b>174,898</b>	<b>38,600</b>	<b>376,485</b>	<b>652,448</b>
Opening accumulated amortization	-14,285	-31,967	-12,765	0.00	-59,017
Amortization during the year	-9,237	-12,793	-4,695	0.00	-26,725
Translation difference	0	-1	-1	0.00	-2
<b>Closing accumulated amortization</b>	<b>-23,522</b>	<b>-44,761</b>	<b>-17,462</b>	<b>0.00</b>	<b>-85,744</b>
<b>Carrying amount</b>	<b>38,943</b>	<b>130,137</b>	<b>21,138</b>	<b>376,485</b>	<b>566,703</b>



## NOTE 16 (Cont'd).

**Impairment testing of goodwill**

Goodwill is monitored by the management at Group level, which coincides with the cash-generating unit (CGU) over which goodwill is distributed. The following is a summary of the goodwill items of the cash-generating unit:

2021	Opening carrying amount	Acquisitions	Sales	Translation difference	Closing carrying amount
Primelog Software	15,850	0	0	0	15,850
Health Business System GmbH	161,152	0	0	3,041	164,194
Palette Network	1,940	0	0	0	1,940
Gosocket Corporation SA	0	123,326	0	7,730	123,326
<b>Group total</b>	<b>178,943</b>	<b>123,326</b>	<b>0</b>	<b>10,771</b>	<b>313,040</b>

2022	Opening carrying amount	Acquisitions	Sales	Translation difference	Closing carrying amount
Primelog Software	15,850	0	0	0	15,850
Health Business System GmbH	164,194	0	0	14,472	178,666
Palette Network	1,940	0	0	0	1,940
Gosocket Corporation SA	131,056	0	0	20,192	151,247
Creative Technologies (Pagero Lanka)	0	28,781	0	0	28,781
<b>Group total</b>	<b>313,040</b>	<b>28,781</b>	<b>0</b>	<b>34,664</b>	<b>376,485</b>

Significant assumptions used to calculate value in use:

- Annual volume growth on average for the first five years is 24% (24%).
- Weighted average growth rate is 2% (2%) used to extrapolate the cash flows beyond the budget period.
- Discount rate of 10.5% (10.5%) before tax used in the present value calculation of estimated future cash flows.

It is the assessment of the management that the annual volume growth for cash-generating units over the five-year

forecast period is a significant assumption. Sales volumes in the respective period are the main cause for the development of income and expenses. The annual volume growth is based on previous results and the management's expectations of market trends. The long-term rate of growth used agrees with the forecasts contained in industry reports. The discount rates used are specified before tax and reflect specific risks that apply to the operating segment.

No reasonably possible change in important assumptions would mean that the carrying amount would exceed the recoverable amount.

**Note 17 Tangible assets**

Group	Rights of use	Equipment, tools, fixtures and fittings	Total
<b>At 1 January 2021</b>			
Cost	58,439	43,196.5	<b>101,635</b>
Accumulated depreciation/amortization and impairment	-32,007	-29,059.5	<b>-61,066</b>
<b>Carrying amount</b>	<b>26,432</b>	<b>14,137.0</b>	<b>40,569</b>
<b>Financial year 2021</b>			
Opening carrying amount	26,432	14,137	<b>40,569</b>
Purchases	18,757	13,763	<b>32,519</b>
New agreements	49,688	2,784	<b>49,688</b>
Sales and disposals	-22,644	0	<b>-22,644</b>
Conversion differences	0	320	<b>320</b>
Depreciation	-17,884	-7,114	<b>-24,999</b>
<b>Closing carrying amount</b>	<b>54,348</b>	<b>23,889</b>	<b>78,238</b>
<b>As at 31 December 2021</b>			
Cost	104,239	60,063	<b>164,302</b>
Accumulated depreciation/amortization and impairment	-49,891	-36,174	<b>-86,065</b>
<b>Carrying amount</b>	<b>54,348</b>	<b>23,889</b>	<b>78,238</b>
<b>Financial year 2022</b>			
Opening carrying amount	54,348	23,889	<b>78,238</b>
Purchases	22,248	12,634	<b>34,882</b>
New agreements	13,157	0	<b>13,157</b>
Sales and disposals	-30,654	0	<b>-30,654</b>
Exchange-rate differences	0	-892	<b>-892</b>
Depreciation	-21,193	-8,057	<b>-29,250</b>
<b>Closing carrying amount</b>	<b>37,906</b>	<b>27,574</b>	<b>65,481</b>
<b>As at 31 December 2022</b>			
Cost	108,991	71,805	<b>180,795</b>
Accumulated depreciation/amortization and impairment	-71,084	-44,231	<b>-115,315</b>
<b>Carrying amount</b>	<b>37,906</b>	<b>27,574</b>	<b>65,481</b>

## Note 18 Other financial assets

Financial assets are distributed as follows:

Other financial assets	Group		Parent Company	
	2022-12-31	2021-12-31	2022	2021
Shares in unlisted holdings	1	1	0	0
Rent deposits	6,719	6,399	0	0
Other	2,137	1,114	0	0
<b>Total other financial assets</b>	<b>8,857</b>	<b>7,514</b>	<b>0</b>	<b>0</b>

## Note 19 Deferred tax

Deferred tax assets and liabilities are distributed as follows:

Deferred tax assets	Group		Parent Company	
	2022-12-31	2021-12-31	2022	2021
Deferred tax assets to be paid after 12 months	20,179	19,912	0	0
<b>Total deferred tax assets</b>	<b>20,179</b>	<b>19,912</b>	<b>0</b>	<b>0</b>
<b>Deferred tax liabilities</b>				
Deferred tax liabilities to be paid after more than 12 months	44,930	43,790	0	0
Deferred tax liabilities to be paid within 12 months	11,250	6,601	0	0
<b>Total deferred tax liabilities</b>	<b>56,181</b>	<b>50,391</b>	<b>0</b>	<b>0</b>

Changes in deferred tax assets and liabilities during the year, without taking into account offsets made within the same tax jurisdiction, are shown below:

### Group

Deferred tax assets	Deficit deductions	Total
<b>At 1 January 2021</b>	<b>19,916</b>	<b>19,916</b>
Recognised in profit or loss	41	41
Translation difference	-45	-45
<b>At 31 December 2021</b>	<b>19,912</b>	<b>19,912</b>
Recognised in profit or loss	324	324
Translation difference	-57	-57
<b>As at 31 December 2022</b>	<b>20,179</b>	<b>20,179</b>
Deferred tax liabilities	Intangible assets	Total
<b>At 1 January 2021</b>	<b>17,221</b>	<b>20,292</b>
Recognised in profit or loss	-3,961	-3,961
Increase through business acquisitions	34,560	-2,230
Translation difference	2,571	-842
<b>At 31 December 2021</b>	<b>50,391</b>	<b>50,391</b>
Recognised in profit or loss	-1,850	-1,850
Translation difference	7,639	7,639
<b>At 31 December 2022</b>	<b>56,181</b>	<b>56,181</b>

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The capitalization is motivated by future forecasts for the Group. The Group recognised deferred tax assets of KSEK 20,179 (KSEK 19,912), in respect of losses amounting to KSEK 733,877 (KSEK 508,628) that can be used against future taxable profits. Loss carry-forwards in Swedish companies do not expire at any given time.

## Note 20 Participations in Group companies

Parent Company	2022-12-31	2021-12-31
Opening cost	1,589,500	1,108,827
Shareholder contributions given	375,441	190,339
Acquired subsidiary	0	276,770
Acquired subsidiary – revaluation	35,839	13,564
<b>Closing accumulated cost</b>	<b>2,000,780</b>	<b>1,589,500</b>
<b>Closing carrying amount</b>	<b>2,000,780</b>	<b>1,589,500</b>

Further information on acquisitions is provided in Note 32.

### Parent Company

Company Corporate identity number	Domicile	Number/ Cap.	Stake as a %	2022-12-31	2021-12-31
Pagero AB, 556581-4695	Gothenburg	10,909,634	100%	1,674,608	1,299,166
Gosocket Corporation SA, 3-101-398564	San José	24,484,062	69%	326,173	290,334
<b>Total</b>				<b>2,000,780</b>	<b>1,589,500</b>

## Note 21 Financial instruments by category

### Group

Assets in the balance sheet	Amortised cost	Total
<b>31 December 2022</b>		
Other financial assets	8,857	<b>8,857</b>
Accounts receivable	200,079	<b>200,079</b>
Other receivables	3,985	<b>3,985</b>
Cash and cash equivalents	383,921	<b>383,921</b>
<b>Total</b>	<b>596,841</b>	<b>596,841</b>

### 31 December 2021

Other financial assets	7,514	<b>7,514</b>
Accounts receivable	200,079	<b>200,079</b>
Other receivables	3,383	<b>3,383</b>
Cash and cash equivalents	424,563	<b>424,563</b>
<b>Total</b>	<b>635,539</b>	<b>635,539</b>

### Group

Liabilities in the balance sheet	Amortised cost	Liabilities recognised at fair value via the income statement	Total
<b>31 December 2022</b>			
Liabilities to credit institutions	323,030	0	<b>323,030</b>
Other non-current liabilities	0	196,064	<b>196,064</b>
Accounts payable	68,382	0	<b>68,382</b>
Other current liabilities	49,518	0	<b>49,518</b>
<b>Total</b>	<b>440,929</b>	<b>196,064</b>	<b>440,929</b>

### 31 December 2021

Liabilities to credit institutions	101,970	0	<b>101,970</b>
Other non-current liabilities	0	145,857	<b>145,857</b>
Accounts payable	42,653	0	<b>42,653</b>
Other current liabilities	37,338	0	<b>37,338</b>
<b>Total</b>	<b>181,960</b>	<b>145,857</b>	<b>181,960</b>



## Note 22 Accounts receivable

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Accounts receivable	206,238	127,793	0	0
Minus: reservation, loss reserve	-6,159	-2,655	0	0
<b>Accounts receivable – net</b>	<b>200,079</b>	<b>125,138</b>	<b>0</b>	<b>0</b>

As at 31 December 2022, satisfactory accounts receivable amounted to KSEK 200,079 (KSEK 125,138) for the Group. As at 31 December 2022, satisfactory accounts receivable amounted to KSEK 0 (0) for the Parent Company.

As at 31 December 2022, accounts receivable amounting to KSEK 53,634 (KSEK 38,059) were overdue, of which KSEK 6,159 (KSEK 2,655) is to be considered a loss reserve for the Group. For the Parent Company, this amounted to KSEK 0 (0). The reserve is assessed based on the maturity structure of the accounts receivable.

The age analysis of these accounts receivable is shown below:

Group	2022-12-31	2021-12-31
1–30 days	15,730	14,888
31–60 days	6,661	3,515
>60 days	31,243	19,656
<b>Total accounts receivable overdue</b>	<b>53,634</b>	<b>38,059</b>

As at 31 December 2022, the Group recognized accounts receivable where there is an impairment requirement amounting to KSEK 6,159 (KSEK 2,655). For the Parent Company, this amounted to KSEK 0 (0). The total loss level as of 31 December 2022 was 1.0% (0.6%), which is considered insignificant. The expected level of loss per category is therefore not reported.

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
EUR	96,850	57,735	0	0
USD	47,488	17,140	0	0
SEK	24,417	31,157	0	0
GBP	10,179	3,013	0	0
NOK	6,420	4,368	0	0
CLP	4,252	5,774	0	0
AUD	2,340	685	0	0
SAR	1,782	276	0	0
COP	1,588	1,265	0	0
DKK	1,518	2,547	0	0
AED	962	0	0	0
MXN	591	476	0	0
NZD	445	20	0	0
SGD	361	7	0	0
CHF	339	254	0	0
CRC	239	192	0	0
PEN	200	146	0	0
INR	52	29	0	0
GTQ	33	25	0	0
TRY	13	16	0	0
CAD	7	6	0	0
PLN	3	6	0	0
<b>Total</b>	<b>200,079</b>	<b>125,138</b>	<b>0</b>	<b>0</b>

Provisions for respective reversal of reserves for doubtful receivables are included in the item other external costs in the income statement.

## Note 23 Prepaid expenses and accrued income

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Prepaid rents	6,167	4,318	0	0
Prepaid lease charges	304	243	0	0
Prepaid insurance policies	584	1,297	91	72
Prepaid remuneration	7,180	0	7,180	0
Accrued income	612	1,705	0	0
Other	17,780	8,746	0	59
<b>Total</b>	<b>32,627</b>	<b>16,309</b>	<b>7,271</b>	<b>131</b>

## Note 24 Cash and cash equivalents

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Bank balances	383,921	424,563	201,655	302,149
<b>Total</b>	<b>383,921</b>	<b>424,563</b>	<b>201,655</b>	<b>302,149</b>

## Note 25 Share capital and other contributed capital

Group	Number of shares	Share capital	Other contributed capital	Total
<b>As at 1 January 2021</b>	<b>13,338,894</b>	<b>1,302</b>	<b>848,702</b>	<b>850,004</b>
Ongoing new share issue	0	32	-32	0
Split 1:10	133,388,940			0
New share issue	20,833,323	208	499,792	500,000
Warrant programme	0	0	4,748	4,748
Transaction costs, new share issue	0	0	-32,359	-32,359
<b>As at 31 December 2021</b>	<b>154,222,263</b>	<b>1,542</b>	<b>1,320,851</b>	<b>1,322,393</b>
Transaction costs, new share issue	0	0	-179	-179
<b>As at 31 December 2022</b>	<b>154,222,263</b>	<b>1,542</b>	<b>1,320,672</b>	<b>1,322,214</b>

The company's share has been listed on Nasdaq First North Growth Market under the ticker PAGERO since 22 October 2021. The share capital in Pagero Group AB amounts to SEK 1,542,223 divided into a total of 154,222,263 shares. The quotient value of the shares is SEK 0.01. The shares have a voting value of one vote/share.

## Note 26 Warrant programme

In March 2020, a warrant programme for 417,000 warrants was extended, directed at the company's employees with an exercise price of SEK 130, and a redemption period of 2 December 2022 to 1 March 2023. The redemption price of the warrant was SEK 5.43, which corresponds to fair value.

In March 2021, a warrant programme for 500,000 warrants was issued directed at the company's employees with an exercise price of SEK 250, and a redemption period of 1 May 2024 to 31 July 2024. The redemption price of the warrant was SEK 9.50, which corresponds to fair value.

## Note 27 Borrowing

Group	Carrying amount		Fair value	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Liabilities to credit institutions	323,030	54,172	323,030	54,172
<b>Long-term borrowing</b>	<b>323,030</b>	<b>54,172</b>	<b>323,030</b>	<b>54,172</b>
Liabilities to credit institutions	0	47,798	0	47,798
<b>Total current borrowing</b>	<b>0</b>	<b>47,798</b>	<b>0</b>	<b>47,798</b>
<b>Total borrowing</b>	<b>323,030</b>	<b>101,970</b>	<b>323,030</b>	<b>101,970</b>

The fair value of short-term borrowing corresponds to its carrying amount since the discount effect is not material.

The fair value of long-term borrowing corresponds to the carrying amount because the interest rate on this borrowing is in parity with current market interest rates.

### Group

#### Liabilities to credit institutions

The Group's borrowing is in SEK. The Group's borrowing consists of loans from Ture Invest of SEK 300 million and an acquisition framework of SEK 1,200 million. In 2022, the entire loan from Nordea was amortized. The loans run with an interest corresponding to STIBOR 30–90 days + 6.7 percentage points.

#### Overdraft facilities

The Group has an overdraft facility of KEUR 250 in Germany.

## Note 28 Accrued expenses and deferred income

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Accrued salaries	22,118	9,822	0	0
Accrued holiday pay	28,712	24,398	299	0
Accrued social security contributions	13,824	13,427	51	0
Accrued interest expenses	0	3	0	3
Prepaid revenue from customer	188,808	129,720	0	0
Other accrued expenses	21,138	9,409	275	155
<b>Total</b>	<b>274,600</b>	<b>186,780</b>	<b>625</b>	<b>158</b>

## Note 29 Pledged assets

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Floating charges	30,050	30,050	0	0
<b>Total</b>	<b>30,050</b>	<b>30,050</b>	<b>0</b>	<b>0</b>

## Note 30 Non-cash items

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Depreciation	143,387	116,411	0	0
<b>Total</b>	<b>143,387</b>	<b>116,411</b>	<b>0</b>	<b>0</b>

## Note 31 Statement of changes in financial cash flows

### Group

	Opening balance, 1 January 2022	Cash flow			Non-cash items				Closing balance, 31 December 2022
		Loans raised	Amortization	Reclassification	Additional leasing	Acquired loans	Exchange rate changes	Financing expenses	
Non-current liabilities to credit institutions	54,172	741,855	-496,027	501	0	0	105	30,569	323,030
Current liabilities to credit institutions	47,798	0	-47,297	-501	0	0	0	0	0
Long-term leasing liability	33,570	0	0	-19,300	4,751	0	0	0	19,021
Short-term leasing liability	21,122	0	-20,918	19,300	0	0	0	0	19,505
<b>Total</b>	<b>156,662</b>	<b>741,855</b>	<b>-572,387</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>105</b>	<b>30,569</b>	<b>361,556</b>

The parent company has no debts to credit institutions or leasing liabilities.

	Opening balance, 1 January 2021	Cash flow			Non-cash items				Closing balance, 31 December 2021
		Loans raised	Amortization	Reclassification	Additional leasing	Acquired loans	Exchange rate changes	Financing expenses	
Non-current liabilities to credit institutions	100,836	0	0	-46,664	0	0	0	0	54,172
Current liabilities to credit institutions	46,702	0	-83,748	46,664	38,180	38,180	0	0	47,798
Long-term leasing liability	10,580	0	0	-16,680	39,671	0	0	0	33,570
Short-term leasing liability	16,398	0	-18,086	16,680	6,131	0	0	0	21,122
<b>Total</b>	<b>174,515</b>	<b>0</b>	<b>-101,834</b>	<b>0</b>	<b>45,802</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>156,662</b>



## Note 32 Business acquisitions

### Pagero Lanka (Creative Technologies)

On 1 February 2022, Pagero AB acquired 75% of the share capital in Pagero Lanka, hereafter called Lanka, for SEK 28,826 thousand. As a result of the acquisition, the Group is strengthening its product development organization. The acquisition will be consolidated 100% according to the agreement structure, which means that the remaining 25% will be purchased for a fixed purchase price of USD 1.5 million in January 2026. This means that no minority is accounted for without a liability being recognized for the commitment to buy the remaining 25%.

The goodwill of a total of SEK 28,826 thousand arising from the acquisition relates to the increase in knowledge and competence the company will receive. No part of the recognized goodwill is expected to be deductible in the taxation of income.

The table below summarizes the purchase consideration paid for Lanka and the fair value of acquired assets and assumed liabilities that are recognized on the acquisition date. The acquisition calculation below is preliminary.

Purchase consideration as at 1 February 2022 (KSEK)	
Cash and cash equivalents	14,413
Conditional purchase consideration	14,413
<b>Total purchase consideration paid</b>	<b>28,826</b>
Carrying amount of identifiable acquired assets and assumed liabilities	
Tangible assets	188
Other receivables	1,095
Other liabilities	-1,283
<b>Total identifiable net assets</b>	<b>0</b>
<b>Goodwill</b>	<b>28,826</b>

In the period, SEK 62.6 thousand is recognized in acquisition-related costs in connection with the acquisition.

Total cash flow excluding acquisition-related costs attributable to the business acquisition amounted to SEK 14.4 million.

The fair value of other receivables is SEK 1,095 thousand.

## Note 33 Group structure

Name	Corporate identity no.	Domicile	Group's ownership share
<b>Pagero AB, parent company in a sub-group.</b>	<b>556581-4695</b>	<b>Gothenburg</b>	<b>100 %</b>
Pagero Sverige AB	556752-2981	Gothenburg	100%
Pagero Norway AS	994 194 585	Oslo	100%
Pagero OY	2360990-0	Helsingfors	100%
Pagero e-Invoice Ltd	553 375	Dublin	100%
Pagero Danmark ApS	36 951 931	Copenhagen	100%
Pagero UK Ltd	09507974	London	100%
Pagero Gulf FZ-LLC	93061	Dubai	100%
Pagero Ibérica S.L.	B87579181	Madrid	100%
Pagero France SAS	822339511	Paris	100%
Pagero Inc	35-2603702	Chicago	100%
Pagero Enetwork Iletisim Limited Sirketi	111495-5	Istanbul	100%
Pagero SRL	0685.907.487	Waterloo	100%
Pagero GmbH	HRB 20660	Oberhausen	100%
Pagero Italy S.R.L.	MI-2530624	Milano	100%
Pagero e-Business Network Pvt Ltd	U74999MH2018FTC312263	Mumbai	99%
Pagero Australia PTY LTD	628758857	Melbourne	100%
Pagero Singapore Pte. Ltd.	201907267M	Singapore	100%
Pagero Switzerland AG	CHE-496.092.726	Chur	100%
Pagero (PTY) Ltd	2021/500165/07	Johannesburg	100%
Pagero Poland SPZ O.O	389868955	Warsaw	100%
Pagero Lanka (PVT) LTD	PV 00252490	Colombo	100%
Pagero Asia PTE. Ltd	202202470R	Singapore	75%
Pagero Middle East Information Technology Company	1010802341	Riyadh	100%

Name	Corporate identity no.	Domicile	Group's ownership share
<b>Gosocket Corporation SA, parent company of sub-group.</b>	<b>3-101-398564</b>	<b>San José</b>	<b>69%</b>
Signature South Consulting Costa Rica S.A.	3-101-595167	San José	100%
South Consulting Signature Chile S.A.	76.243.124-6	Santiago	100%
Gosocket Corp. SPA (Chile)	77.586.860-0	Santiago	100%
Grupo Yacord SC SA de C.V	GYS101001512	Mexico City	99%
South Consulting Signature Perú S.A.C.	20556695548	Lima	100%
Technosignature Ecuador de FE S.A.	179514266001	Quito	100%
Signature South Consulting Colombia S.A.S.	900.508.908-9	Bogotá	100%
Gosocket Guatemala, S.A.	104525746	Ciudad de Guatemala	100%
Gosocket Panamá S.A	155707757-2-2021	Ciudad de Panama	100%
Gosocket El Salvador S.A. de C.V.	0614-270921-109-0	San Salvador	100%
Gosocket Dominicana S.A.S	132482166	Santo Domingo	100%
Derciel S.A.	21-911849-0013	Monte Video	100%
Gosocket Paraguay S.A	80128822-3	La Asuncion	100%
Gosocket Bolivia S.R.L	464270021	Santa Cruz	100%
Gosocket Share Services SRL	3-101-844680	San Jose	100%
Grupo Gosocket SLU	B-09658899	Madrid	100%

## Note 34 Events after the closing date

Pagero established offices in Minneapolis, USA.

The subscription period for Pagero's warrant programme (2020/2023) ended on 3 March 2023. The programme was fully subscribed and the share capital increased by SEK 41,700 to SEK 1,583,922.63 and the number of shares by 4,170,000 to 158,392,263.

## Note 35 Definition of key performance indicators

Key performance indicators	Definition
Annualized Recurring Revenue (ARR)	Contracted recurring revenue and R12 transaction revenue (SAAS). Historical figures are adjusted for comparability.
Net revenue growth	Net sales of current year/net sales of the previous period.
Recurrent revenues	Revenues of an annual nature and refer to income from licence and transaction sales.
Gross profit	Net sales less direct sales costs.
Gross profit margin	Operating profit before amortization/net sales
EBITDA margin	Operating profit/loss before depreciation/net sales
EBITA	Operating profit before amortization of intangible assets
EBITA margin	Operating profit before amortization/net sales
EBITA (Adjusted)	Operating profit/loss after depreciation of tangible assets, adjusted for Other non-recurring operating expenses.
EBITA margin (adjusted)	Adjusted EBITA % as a percentage of net sales.
Operating margin	Operating profit/loss before financial items/net sales
Profit/loss after financial items as a percentage of net sales	Profit/loss for the period after financial items/net sales
Equity/assets ratio	Adjusted equity/total assets
Number of e-transactions, millions	E-transactions in the Pagero Network platform.
Organic growth	Growth calculated without acquisitions.
FTE	Full-time equivalents.
Customer turnover	Rolling 12-month sales value of customers who have terminated their contracts in relation to rolling 12-month recurring sales.
CLV/CAC	Customer lifetime value/customer acquisition cost. CLV is calculated as a new annual contract over a rolling period of 12 months multiplied by the gross margin and divided by customer turnover. CAC is calculated as sales and marketing expenses during the previous rolling 12 months.
Net working capital	Current assets, excluding cash and cash equivalents, less non-interest-bearing current liabilities.
Net debt	Current and non-current interest-bearing liabilities to credit institutions less financial assets.
Established markets	Pagero companies that are well established in a geographic market where they serve and invoice customers in the geography in which they are registered and in other geographic markets and generate positive results.
Investment markets	Pagero companies in the build-up phase that have not yet reached maturity according to the established market definition.
Rule of 40	Net sales growth (pro forma) plus EBITDA margin.

## Note 36 Appropriation of earnings

Appropriation of earnings	
The following profit is at the disposal of the Annual General Meeting	
Share premium reserve	1,449,273,607
Retained earnings	296,201,675
Profit/loss for the year	-43,162,304
<b>SEK</b>	<b>1,702,312,978</b>
The Board proposes that the profits be appropriated as follows:	
to be carried forward	1,702,312,978
<b>SEK</b>	<b>1,702,312,978</b>



Gothenburg on the date stated in the signature of the board members

Birger Steen  
Chairman of the Board

Bengt Nilsson  
Board Member and CEO

Fredrik Vom Hofe  
Member and Vice Chair of the Board

Karin Sandsjö  
Board Member

Christian Melby  
Board Member

Mats Ryding  
Board Member

Marianne K. Knudsen  
Board Member

Our audit report was filed on the date stated in our signature  
Öhrlings PricewaterhouseCoopers AB

Patrik Resebo  
Authorized Public Accountant



# Auditors' report

To the general meeting of the shareholders of Pagero Group AB (publ), corporate identity number 559189-9173

## Report on the annual accounts and consolidated accounts Opinions

We have audited the annual accounts and consolidated accounts of Pagero Group AB (publ), for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 35–66 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

## Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1–34. The Board of Directors and the Managing Director are responsible for the other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Pagero Group AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which

the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website [www.revisorsinspektionen.se/revisorsansvar](http://www.revisorsinspektionen.se/revisorsansvar). This description is part of the auditor's report.

Gothenburg on the date shown in our electronic signature

Öhrlings PricewaterhouseCoopers AB

Patrik Resebo  
Authorized Public Accountant



# Annual General Meeting and financial calendar

## Annual General Meeting 2023

The Annual General Meeting will be held on Thursday, 11 May 2023.

## Attendance

To be able to participate in the Annual General Meeting, shareholders must: (i) be registered in the shareholder register maintained by Euroclear Sweden AB as per 4 May 2023 and (ii) have submitted their postal votes in accordance with the instructions in the AGM notice.

## Financial calendar

Annual General Meeting	11 May 2023
Q1 interim report January–March	11 May 2023
Q2 interim report January–June	24 August 2023
Q3 interim report January–September	2 November 2023

Interim reports and other information from Pagero are published regularly on [www.pagero.com](http://www.pagero.com) on the Investors page. It is also possible to subscribe to information published by Pagero in the form of press releases. All interim reports and press releases intended for the capital market are published in Swedish and English.

## Contact

Bengt Nilsson, CEO  
Jan-Olof Ohlsson, CFO

PAGERO





**PAGERO**

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