

# **INTERIM REPORT**

**January – June 2021**

**Legres AB (publ)**

**559085-4773**

**Published August 27, 2021**

## INTERIM REPORT JANUARY – JUNE 2021

### APRIL – JUNE 2021

- Net sales amounted to SEK 172,1 million (187,7)
- Operating result amounted to SEK 7,8 million (16,6)
- Net result amounted to SEK -3,6 million (4,2)
- Cash flow from operating activities amounted to SEK 11,4 million (42,6)

### JANUARY – JUNE 2021

- Net sales amounted to SEK 345,6 million (361,5)
- Operating result amounted to SEK 9,3 million (20,9)
- Net result amounted to SEK -17,1 million (-6,6)
- Cash flow from operating activities amounted to SEK -6,5 million (21,6)

### SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- On October 1, 2020, the agreement with Telia Company regarding account receivable administration and customer service ended.
- As of 1 October 2020, a new legislation was introduced in Norway, which reduces debt collection revenues, and during the second part of 2020, the pandemic began to have a greater impact on operations, which also remained during this half-year.
- In the beginning of January, the company has conducted a written process with the bond owners to renegotiate the terms and conditions of the secured bond. The process ended on January 28 with new terms and conditions for the bond. For further information see [www.sergel.com/investor-relations/](http://www.sergel.com/investor-relations/).
- During the second quarter, the company has amortized SEK 110 million on the bond, as per the new terms and conditions of the bond. After the amortization the nominal amount of the bond is SEK 440 million.

KEY FIGURES (SEK million)	APRIL – JUNE 2021	APRIL – JUNE 2020	JANUARY – JUNE 2021	JANUARY – JUNE 2020
Net sales	172,1	187,7	345,6	361,5
EBITDA	22,4	31,9	38,5	49,0
Adjusted EBITDA	17,7	24,5	28,9	39,4
Operating result	7,8	16,6	9,3	20,9
Net result	-3,6	4,2	-17,1	-6,6
Cash flow from operating activities	11,4	42,6	-6,5	21,6
Interest coverage ratio	2,99x	3,43x	2,99x	3,43x
Net interest-bearing debt to EBITDA	3,63x	3,20x	3,63x	3,20x
Cash and cash equivalents	83,2	182,9	83,2	182,9

See side 17 for definition on key figures

### **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

No significant event has occurred after the reporting period.

### **ABOUT LEGRES AB (publ)**

Legres AB (publ) is the parent company of the Sergel companies in the Nordic region. These were acquired in June 2017 from Telia Company. The Sergel companies have approximately 351 employees and consist of Sergel Kreditjänster AB in Sweden, Sergel Oy in Finland, Sergel Norge AS in Norway and Sergel A/S in Denmark. The Sergel companies market services within credit scoring, AR, debt collection and payment- and message services.

## CEO's comments

Sergel shows a good development during the second quarter. In Sweden, we have stable growth with increased debt collection volumes and continued strong development in the Connect business area, which continues to grow with a large number of new customers. The success is partly explained by a changed and more digitalized way of working in the wake of the pandemic.

Denmark also delivers good results to the Group as a result of hard work with cost savings and streamlining of business operations.

The development is somewhat weaker in Norway and Finland, but based on the conditions, we also perform in these markets. In Finland, several agreements are signed with new customers and we also have a strong market presence and conduct a large number of new customer meetings. The change in the law that was introduced in Norway continues to affect this quarter as well with lower collection fees.

We continuously adapt the operations in the Group with a more automated and efficient way of working and implement ongoing cost efficiencies. All in all, this contributes positively to the earnings trend within the Group. Sergel shows an operating profit for the second quarter of SEK 7.8 million and stable net sales of SEK 172.1 million. That we succeed in this despite an ongoing pandemic that affects our volumes and the Norwegian law change that lowers our debt collection margin in Norway is an achievement.

During the quarter, we will continue to work in our four focus areas with an emphasis on developing cooperation with our existing customers and on broadening the customer base. We reorganize the sales organization and give the salespeople a clearer industry responsibility, as a way to further improve the competence of the customers' operations. We believe that this will lead to a good development of our business relationships.

We are also advancing our positions in the area of sustainability by being the first Swedish debt collection company to sign the EU initiative "Science Based Targets". This means that our goal is to become carbon neutral by 2030 and we will continuously report on our path towards this goal.

We work hard and purposefully to strengthen our position as a leading Nordic credit management company with a comprehensive offering. An important part of this work is the development of our common IT platform - Sergel House. During the quarter, a Nordic IT department will be launched, as well as a major upgrade of our core system, which means more efficient and more automated processes for customers, end customers and employees.

The constant improvements that we implement in the business can be seen in both customer and employee surveys and testify to a company in strong development with a genuine desire to live up to the motto "we care".

/Isak Åsbrink

## INCOME AND EARNINGS

The Group's net sales in the second quarter amounted to SEK 172,1 million (187,7). The loss of the accounts receivable agreement with Telia and the change in the law in Norway are to some extent offset by a continued strong development for the Connect product area (payment- and messaging services). Regarding debt collection operations, we see a continued impact of the pandemic with reduced volumes during the quarter as a result, especially in Finland and Norway.

Operating profit for the second quarter amounted to SEK 7.8 million (16.6). The lower operating profit is primarily due to lower sales and a slightly lower gross margin than in the previous year, partly related to the increased share of sales from Connect, which has slightly lower margins.

For the first half of the year, sales amounted to SEK 345.6 million (361.5), which is a decrease of 4.4% compared with the previous year. Operating profit amounted to SEK 9.3 million (20.9) and is mainly due to lower sales and partly also lower margins regarding Connect.

## FINANCIAL NET

The Group's financial net in the second quarter amounted to SEK -12,7 million (-13,7) whereof financial costs for the Bond amounted to SEK -9,5 million (-10,8) and financial costs for the Shareholder Loan amounted to SEK -3.1 million (-2,7). The lower financial net this quarter primarily relates to amortization of SEK 110 million on the bond.

For the first half year the financial net amounted to SEK -31 million (-28,7) whereof financial costs for the Bond amounted to SEK -21,2 million (-19,7) and financial cost for the Shareholders Loan amounted to SEK -6,1 million (-5,5). The increased financial costs are primarily due to costs related to the renegotiation of the Bond terms and conditions.

The interest on the Bond is set to a floating rate of three-month STIBOR plus a margin of 7.00 per cent per annum from April 2021 (previously 6.00 per cent) and will be paid on a quarterly basis. The Bond matures on July 9, 2022. The interest on the Shareholder Loan is set to 8.00 per cent per annum. The interest on the Shareholder Loan will be paid on the date following the full redemption of the Bond.

## TAX

The Group's tax expense for the second quarter amounted to SEK 1,3 million (1,3) and consisted of current tax of SEK -4,4 million (-7,7) and deferred tax of SEK 5,7 million (9,0).

For the first half year the Group's tax expense amounted to SEK 4,6 million (1,2) and consisted of current tax of SEK -6,4 million (-7,8) and deferred tax of SEK 11,0 million (9,0).

## CASH FLOW AND FINANCIAL POSITION

For the second quarter, cash flow from operating activities decreased to SEK 11.4 million (42.6). The difference is mainly due to changes in working capital.

Investments in fixed assets were higher this quarter this year compared with the same quarter last year, mainly due to the larger investments in connection with Finland going live with the new technical platform. Cash flow from financing activities decreased from SEK -3.3 million to SEK -103.4 million during the second quarter due to amortization of the bond loan.

For the first half of the year, cash flow from operating activities amounts to SEK -6.5 million (21.6). The decrease is mainly due to the lower result in combination with a lower capital tied up.

Investments in fixed assets for the half year are higher than last year, mainly due to higher investments in the technical platform. Cash flow from financing activities amounts to -81.2 (-0.2) during the first half of the year and the decrease is mainly due to amortization of the bond loan, which is offset by a shareholder contribution from the parent company in accordance with the renegotiated bond terms.

**OTHER FINANCIAL INDICATORS** *(not defined by IFRS)*

**Interest Coverage Ratio** is included in the maintenance test that, according to the Bond terms and conditions, shall be reported on quarterly basis. The interest coverage ratio must exceed 2.00x (previously 2,50x for June and Dec 2020 and 2,25x for March 2021).

<b>INTEREST COVERAGE RATIO (SEK million)</b>	<b>30 JUN 2021</b>	<b>30 JUN 2020</b>	<b>31 DEC 2020</b>
Adjusted EBITDA on rolling twelve months	106.5	127.4	117.1
Adjusted Net Finance charges on rolling twelve months	35.7	37.1	35.7
<b>Interest Coverage Ratio</b>	<b>2.99x</b>	<b>3.43x</b>	<b>3.28x</b>

**Net Interest-Bearing Debt to EBITDA** is included in the maintenance test that, according to the Bond terms and conditions, shall be reported on quarterly basis. The indicator must not exceed 5.50x (3.75x for 30 June 2020, 4.50x for 31 December 2020 and 5.00x for March 2021). Net interest-bearing debt does not include debt relating to obligations to pay future leasing fees according to IFRS 16.

<b>NET INTEREST BEARING DEBT TO EBITDA (SEK million)</b>	<b>30 JUN 2021</b>	<b>30 JUN 2020</b>	<b>31 DEC 2020</b>
Net interest-bearing debt	386.4	407.4	386.9
Adjusted EBITDA on rolling twelve months	106.5	127.4	117.1
<b>Net interest-bearing debt to EBITDA</b>	<b>3.63x</b>	<b>3.20x</b>	<b>3.30x</b>

**Cash and cash equivalents** are included in the maintenance test that, according to the Bond terms and conditions, shall be reported on quarterly basis. Cash and cash equivalents must amount to at least SEK 20.0 million. Cash and cash equivalents amounted to SEK 83.2 million per 30 June 2021 (SEK 200.9 million per 31 December 2020 and SEK 182,9 million per 30 June 2020).

## **PUBLICATION OF FINANCIAL INFORMATION**

Interim reports and other financial information are available at Legres AB (publ) website at [www.sergel.com](http://www.sergel.com).

The interim report for the third quarter 2021 will be published on 26 November 2021.

The Board of Directors provide their assurance that this Interim report provides an accurate overview of the operations of the Parent Company and the Group and that it also describes the principal risks faced by the Parent Company and the Group.

Stockholm August 27, 2021

Ewa Glennow  
*Chairman of the Board*

Per Örtlund  
*Board Member*

Isak Åsbrink  
*Board Member, Chief Executive Officer*

The Interim report has not been audited by the Group's auditors.

### **CONTACT DETAILS**

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**GROUP FINANCIAL STATEMENTS****GROUP INCOME STATEMENT**

<b>INCOME STATEMENT (SEK million)</b>	<b>Note</b>	<b>APRIL – JUNE 2021</b>	<b>APRIL – JUNE 2020</b>	<b>JANUARY – JUNE 2021</b>	<b>JANUARY – JUNE 2020</b>
Net sales	4	172,1	187,7	345,6	361,5
Production cost		-124,1	-129,2	-254,1	-257,3
<b>Gross result</b>		<b>48,0</b>	<b>58,5</b>	<b>91,5</b>	<b>104,2</b>
Administrative expenses		-40,2	-41,9	-82,2	-83,3
<b>Operating result</b>		<b>7,8</b>	<b>16,6</b>	<b>9,3</b>	<b>20,9</b>
Financial net		-12,7	-13,7	-31,0	-28,7
- <i>whereof Secured Bonds</i>		-9,5	-10,8	-21,2	-19,7
- <i>whereof Shareholder loans</i>		-3,1	-2,7	-6,1	-5,5
<b>Result before tax</b>		<b>-4,9</b>	<b>2,9</b>	<b>-21,7</b>	<b>-7,8</b>
Tax		1,3	1,3	4,6	1,2
<b>Net result</b>		<b>-3,6</b>	<b>4,2</b>	<b>-17,1</b>	<b>-6,6</b>

**GROUP STATEMENT OF COMPREHENSIVE INCOME**

<b>COMPREHENSIVE INCOME (SEK million)</b>	<b>APRIL – JUNE 2021</b>	<b>APRIL – JUNE 2020</b>	<b>JANUARY – JUNE 2021</b>	<b>JANUARY – JUNE 2020</b>
<b>Net Result</b>	<b>-3,6</b>	<b>4,2</b>	<b>-17,1</b>	<b>-6,6</b>
<b>Items that can be reclassified into profit and loss</b>				
Currency translation differences	-4,5	-6,0	5,2	-9,4
<b>Items that cannot be reclassified into profit and loss</b>				
Re-evaluation of pensions liability	0,2	0,2	7,0	-2,1
Tax effect re-evaluation of pension liability	0	-0,1	-1,4	0,4
<b>Total other comprehensive income</b>	<b>-4,3</b>	<b>-5,9</b>	<b>10,8</b>	<b>-11,1</b>
<b>Comprehensive income for the period</b>	<b>-7,9</b>	<b>-1,7</b>	<b>-6,3</b>	<b>-17,7</b>

**GROUP BALANCE SHEET**

<b>BALANCE SHEET (SEK million)</b>	<b>30 JUN 2021</b>	<b>30 JUN 2020</b>	<b>31 DEC 2020</b>
<b>Assets</b>			
<i>Non-current assets</i>			
Goodwill	302,4	302,4	302,4
Other intangible assets	355,5	337,2	341,5
Property, plant and equipment	2,1	3,8	3,1
Right-of-use assets	93,2	108,2	100,4
Other long-term receivables	4,8	6,1	5,0
Deferred tax assets	22,9	24,6	19,3
<b>Sum of Non-current assets</b>	<b>780,9</b>	<b>782,3</b>	<b>771,7</b>
<i>Current assets</i>			
Accounts Receivable	60,3	62,0	51,6
Prepaid expenses & Accrued revenues	45,3	28,6	49,1
Other receivables	150,9	125,1	90,6
Cash & bank	83,2	182,9	200,9
<b>Sum of Current assets</b>	<b>339,7</b>	<b>398,6</b>	<b>392,2</b>
<b>Sum of Total Assets</b>	<b>1 120,6</b>	<b>1 180,9</b>	<b>1 163,9</b>
<b>Equity</b>	<b>79,5</b>	<b>41,1</b>	<b>60,9</b>
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Provisions for pensions	29,5	40,3	37,8
Long-term interest-bearing liabilities	436,3	543,0	544,6
Subordinated liabilities	158,3	146,0	152,2
Long-term lease liabilities	88,3	99,8	93,7
Deferred tax liabilities	49,0	59,6	53,6
<b>Sum of Non-current liabilities</b>	<b>761,4</b>	<b>888,7</b>	<b>881,9</b>
<i>Current liabilities</i>			
Current lease liabilities	12,2	12,6	12,4
Accounts Payable	60,0	31,9	44,6
Current tax liabilities	-	5,5	-
Accrued expenses & Deferred revenues	55,7	71,7	64,1
Other liabilities	151,8	129,4	100,0
<b>Sum of Current liabilities</b>	<b>279,7</b>	<b>251,1</b>	<b>221,1</b>
<b>Total liabilities</b>	<b>1 041,1</b>	<b>1 139,8</b>	<b>1 103,0</b>
<b>Sum of Total Liabilities &amp; Equity</b>	<b>1 120,6</b>	<b>1 180,9</b>	<b>1 163,9</b>

**GROUP STATEMENT OF CHANGES IN EQUITY**

<b>CHANGES IN EQUITY (SEK million)</b>	<b>30 JUN 2021</b>	<b>30 JUN 2020</b>	<b>31 DEC 2020</b>
Equity at the beginning of the period	60,9	58,8	58,8
Comprehensive income for the period	-6,3	-17,7	2,1
Shareholder contribution	25,0	-	-
<b>Equity at the end of the period</b>	<b>79,5</b>	<b>41,1</b>	<b>60,9</b>

**GROUP CASH FLOW STATEMENT**

<b>CASH FLOW (SEK million)</b>	<b>APRIL – JUNE 2021</b>	<b>APRIL – JUNE 2020</b>	<b>JANUARY – JUNE 2021</b>	<b>JANUARY – JUNE 2020</b>
<b>Operating activities</b>				
Result before tax	-4,9	2,9	-21,7	-7,8
Adjustments – items not included in the cash flow	17,2	17,2	38,9	33,5
-whereof depreciation	14,7	15,4	29,2	28,1
-whereof capitalized and accrued interest	3,1	2,7	7,0	5,5
-whereof re-evaluation of net pension	-0,6	0,2	-0,5	0,3
-whereof other	-	-1,1	3,2	-0,4
Taxes paid	-14,6	-4,9	-22,6	-10,5
<b>Cash flow from operating activities before change in working capital</b>	<b>-2,3</b>	<b>15,2</b>	<b>-5,4</b>	<b>15,2</b>
Other operating assets (incr- / decr+)	-55,1	26,1	-57,6	-8,1
Other operating liabilities (incr- / decr+)	68,8	1,3	56,5	14,5
<b>Cash flow from operating activities</b>	<b>11,4</b>	<b>42,6</b>	<b>-6,5</b>	<b>21,6</b>
<b>Investing activities</b>				
Acquisition of intangible assets	-10,5	-5,8	-32,5	-15,0
Acquisition of tangible assets	-0,2	-0,0	-0,5	-6,3
Payment of pension liabilities	-	-0,2	-	-
<b>Cash flow from investing activities</b>	<b>-10,7</b>	<b>-6,0</b>	<b>-33,0</b>	<b>-21,3</b>
<b>Financing activities</b>				
Shareholder contribution	-	-	25,0	-
Other borrowings	-	-	0,3	6,3
Repayment of other loans	103,4	3,3	-106,5	-6,5
<b>Cash flow from Financing activities</b>	<b>103,4</b>	<b>-3,3</b>	<b>-81,2</b>	<b>-0,2</b>
<b>Cash flow for the period</b>	<b>-02,7</b>	<b>33,3</b>	<b>-120,7</b>	<b>0,1</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>186,4</b>	<b>152,7</b>	<b>200,9</b>	<b>186,6</b>
Exchange rate differences	-0,4	-3,1	3,1	-3,8
<b>Cash and cash equivalents at the end of the period</b>	<b>83,2</b>	<b>182,9</b>	<b>83,2</b>	<b>182,9</b>

**PARENT COMPANY FINANCIAL STATEMENTS****PARENT COMPANY INCOME STATEMENT**

<b>INCOME STATEMENT (SEK million)</b>	<b>APRIL – JUNE 2021</b>	<b>APRIL – JUNE 2020</b>	<b>JANUARY – JUNE 2021</b>	<b>JANUARY – JUNE 2020</b>
Net sales	18,1	33,5	36,0	44,0
Production cost	-	-	-	-
<b>Gross result</b>	<b>18,1</b>	<b>33,5</b>	<b>36,0</b>	<b>44,0</b>
Administrative expenses	-16,9	-14,7	-32,5	-25,5
Depreciation	-2,1	-2,8	-4,3	-2,8
<b>Operating result</b>	<b>-0,9</b>	<b>16,0</b>	<b>-0,8</b>	<b>15,7</b>
Financial net	-12,3	-14,1	-28,8	-26,3
- whereof Secured bonds	-9,5	-10,8	-21,2	-19,7
- whereof Shareholder loans	-3,1	-2,7	-6,1	-5,5
- whereof Dividends	-	-	-	-
- whereof Other	-	-0,6	-	-1,1
<b>Result before tax</b>	<b>-13,2</b>	<b>1,9</b>	<b>-29,6</b>	<b>-10,6</b>
Appropriations	-	-	-	-
Tax	2,7	-0,4	6,1	2,3
<b>Net result</b>	<b>-10,5</b>	<b>1,5</b>	<b>-23,5</b>	<b>-8,3</b>

**PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME**

<b>COMPREHENSIVE INCOME (SEK million)</b>	<b>APRIL – JUNE 2021</b>	<b>APRIL – JUNE 2020</b>	<b>JANUARY – JUNE 2021</b>	<b>JANUARY – JUNE 2020</b>
Net Result	-10,5	1,5	-23,5	-8,3
<b>Comprehensive income for the period</b>	<b>-10,5</b>	<b>1,5</b>	<b>-23,5</b>	<b>-8,3</b>

For the parent company, the first quarter resulted in a net result of SEK -10.5 million, which can be compared with SEK 1,5 million for the same quarter in 2020. The parent company does not conduct its own operations, the income consists mainly of dividends and any group contributions.

## PARENT COMPANY BALANCE SHEET

<b>BALANCE SHEET</b> <b>(SEK million)</b>	<b>30 JUN 2021</b>	<b>30 JUN 2020</b>	<b>31 DEC 2020</b>
<b>Assets</b>			
<i>Non-current assets</i>			
Intangible assets	123,1	72,7	95,6
Shares in subsidiaries	684,1	684,1	684,1
Deferred tax assets	17,1	16,3	11,0
<b>Sum of Non-current assets</b>	<b>824,3</b>	<b>773,1</b>	<b>790,7</b>
<i>Current assets</i>			
Prepaid expenses & Accrued revenues	3,9	1,2	0,3
Other receivables	122,0	82,4	127,4
Cash & bank	7,7	10,7	0,7
<b>Sum of Current assets</b>	<b>133,6</b>	<b>94,3</b>	<b>128,4</b>
<b>Sum of Total Assets</b>	<b>957,9</b>	<b>867,4</b>	<b>919,1</b>
<b>Equity</b>	<b>70,7</b>	<b>52,9</b>	<b>69,2</b>
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Long-term interest-bearing liabilities	436,3	543,0	544,6
Subordinated liabilities	264,1	233,4	235,6
<b>Sum of Non-current liabilities</b>	<b>700,4</b>	<b>776,4</b>	<b>780,2</b>
<i>Current liabilities</i>			
Accrued expenses & deferred revenues	13,4	13,6	14,8
Other liabilities	173,4	24,5	54,9
<b>Sum of Current liabilities</b>	<b>186,8</b>	<b>38,1</b>	<b>69,7</b>
<b>Total liabilities</b>	<b>887,2</b>	<b>814,5</b>	<b>849,9</b>
<b>Sum of Total Liabilities &amp; Equity</b>	<b>957,9</b>	<b>867,4</b>	<b>919,1</b>

## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

<b>CHANGES IN EQUITY</b> <b>(SEK million)</b>	<b>30 JUN 2021</b>	<b>30 JUN 2020</b>	<b>31 DEC 2020</b>
<b>Equity at the beginning of the period</b>	<b>69,2</b>	<b>61,2</b>	<b>61,2</b>
Comprehensive income for the period	-23,5	-8,3	8,0
Shareholder contribution	25,0	-	-
<b>Equity at the end of the period</b>	<b>70,7</b>	<b>52,9</b>	<b>69,2</b>

## NOTES

### NOTE 1 General information

Legres AB (publ) is a Swedish public limited liability company operating under the laws of Sweden with corporate ID no. 559085-4773. The registered office of the company is Box 26134, 100 41 Stockholm and the company's headquarters are located at Adolf Fredriks Kyrkogata 8, 111 37 Stockholm with telephone number 010-495 10 00.

The objective of the company is to serve as parent company for a group of companies delivering services within the areas of credit scoring, accounts receivable, debt collections and payment- and message services in the Nordic countries.

Legres AB (Publ) is a fully owned subsidiary of Legres Holding AB, corporate ID no. 559093-6596, located in Stockholm. Legres Holding AB is in turn a fully owned subsidiary of Zostera AB (formerly Marginalen Group AB), corporate ID no. 556587-0242, also located in Stockholm.

### NOTE 2 Accounting Principles

This interim report has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting for the Group and in accordance with Chapter 9 of the Annual Accounts Act for the Parent Company. The Group applies IFRS as adopted by the EU. The parent company applies RFR 2 Accounting for legal entities.

The group applies the same accounting principles as stated in the annual report for 2020.

### NOTE 3 Risks

The group annual report describes the risks per 31 December 2020 and contains sensitivity analyses. It is the view of the group that the risks have not changed in any material way during 2021.

**NOTE 4 Segment Information****GROUP SEGMENT INFORMATION IN SUMMARY**

<b>NET SALES FROM EXTERNAL CLIENTS BY REGION (SEK million)</b>	<b>APRIL – JUNE 2021</b>	<b>APRIL – JUNE 2020</b>	<b>JANUARI – JUNE 2021</b>	<b>JANUARI – JUNE 2020</b>
Sweden	109,2	105,1	215,7	195,0
Norway	23,0	34,8	48,1	69,1
Finland	24,4	31,1	50,6	65,5
Denmark	15,5	16,7	31,2	31,9
<b>Total Net Sales from external clients by region</b>	<b>172,1</b>	<b>187,7</b>	<b>345,6</b>	<b>361,5</b>

  

<b>NET SALES DIVIDED BY SERVICE (SEK million)</b>	<b>APRIL – JUNE 2021</b>	<b>APRIL – JUNE 2020</b>	<b>JANUARI – JUNE 2021</b>	<b>JANUARI – JUNE 2020</b>
Debt Collection	115,6	116,3	236,0	221,9
Payment- and message services	42,2	27,8	78,9	52,7
Accounts Receivable	3,4	31,7	7,2	62,9
Credit Decision	10,9	11,9	23,5	24,0
<b>Total Net Sales from external clients by region</b>	<b>172,1</b>	<b>187,7</b>	<b>345,6</b>	<b>361,5</b>

All revenue is recognized at a specific point in time.

<b>OPERATING RESULT (SEK million)</b>	<b>APRIL – JUNE 2021</b>	<b>APRIL – JUNE 2020</b>	<b>JANUARI – JUNE 2021</b>	<b>JANUARI – JUNE 2020</b>
Sweden	-6,9	4,1	-7,8	5,2
Norway	2,0	11,5	4,1	17,0
Finland	0,9	6,9	3,7	11,1
Denmark	3,3	2,1	7,4	2,8
Group items and eliminations	8,5	-8,0	1,3	-15,2
<b>Operating result</b>	<b>7,8</b>	<b>16,6</b>	<b>9,3</b>	<b>20,9</b>
Financial net	-12,7	-13,7	-31,0	-28,7
Tax	1,3	1,3	4,6	1,2
<b>Net Result</b>	<b>-3,6</b>	<b>4,2</b>	<b>-17,1</b>	<b>-6,6</b>

**NOTE 5 Related Party transactions**

Legres AB (publ) has received Shareholder Loan from Legres Holding AB which as of the balance sheet date amounts to SEK 158.3 million in connection with the acquisition of Sergel Companies. The interest on the subordinated loan is set to 8.00% and is capitalized until full redemption of the Bonds.

**NOTE 6 Classification of Financial Assets and Liabilities**

<b>Classification (SEK million)</b>	<b>Fair value via P&amp;L</b>	<b>Amortized cost via P&amp;L</b>	<b>Fair value via OCI</b>	<b>Total</b>
<b>2021-06-30</b>				
<b>Financial assets</b>				
Other long-term receivables		4,8		4,8
Accounts Receivable		60,3		60,3
Other receivables		150,9		150,9
Prepaid expenses & accrued revenues		45,3		45,3
Cash & bank		83,2		83,2
<b>Total</b>		<b>344,5</b>		<b>344,5</b>
<b>Financial liabilities</b>				
Long-term interest-bearing liabilities		436,3		436,3
Subordinated debt		158,3		158,3
Lease liabilities		100,5		100,5
Accounts Payable		60,0		60,0
Other current liabilities		151,8		151,8
Accrued expenses & deferred revenues		55,7		55,7
<b>Total</b>		<b>962,6</b>		<b>962,6</b>
<b>2020-06-30</b>				
<b>Financial assets</b>				
Other long-term receivables		6,1		6,1
Accounts Receivable		62,0		62,0
Other receivables		125,1		125,1
Prepaid expenses & accrued revenues		28,6		28,6
Cash & bank		182,9		182,9
<b>Total</b>		<b>404,7</b>		<b>404,7</b>
<b>Financial liabilities</b>				
Long-term interest-bearing liabilities		543,0		543,0
Subordinated debt		146,0		146,0
Lease liabilities		112,4		112,4
Accounts Payable		31,9		31,9
Other current liabilities		129,4		129,4
Accrued expenses & deferred revenues		71,7		71,7
<b>Total</b>		<b>1 034,4</b>		<b>1 034,4</b>



## DEFINITIONS OF ALTERNATIVE PERFORMANCE INDICATORS

"**Adjusted EBITDA**" means EBITDA excluding Non-recurring items and effects caused by IFRS 16. The measure is disclosed since the financial covenants in the group's bond terms requires adjustments of certain kinds of non-recurring items.

"**Cash Equivalents**" means in respect of the Group and at any time. (i) immediately available funds to which a Group Company is alone (or together with other Group Companies) beneficially entitled at bank or postal accounts and (ii) marketable debt securities held for cash management purposes that can be realized promptly and which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited. The indicator is disclosed as it is part of the financial covenants as defined in the terms of the bond.

"**EBITDA**" means operating earnings before depreciation and amortization. The indicator is disclosed to provide a supplemental view of the operating result.

"**Interest Coverage Ratio**" means the ratio of adjusted EBITDA on rolling twelve months to Net Finance Charges on rolling twelve months. The indicator is presented as it is part of the financial covenants in the terms of the bond.

"**Net Finance Charges**" means financial charges related to the Bond and related transaction cost. Net finance charges are presented as they are part of calculations of the bond financial covenants.

"**Net Interest-Bearing Debt**" means the aggregate interest-bearing debt and pension provision less Cash and Cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time. Subordinated liabilities and lease liabilities are excluded. The indicator is disclosed as it is part of the calculation of the financial covenants of the issued bond.

"**Net Interest-Bearing Debt to EBITDA**" means the ratio of Net Interest-Bearing Debt to adjusted EBITDA. The indicator is disclosed as it is part of the financial covenants of the issued bond.

"**Non-recurring items**" means significant events that are not included in the Group's normal recurring operations and that are not expected to return on a regular basis. Non-recurring items include separation and integration costs, extraordinary projects and acquisition and divestment expenses. The term is described since the financial covenants of the issued bond are to be adjusted by certain types of non-recurring items.