

# **INTERIM REPORT**

**JANUARY – JUNE 2022**

**LEGRES AB (publ)**

**559085-4773**

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## INTERIM REPORT JANUARY – JUNE 2022

### APRIL – JUNE 2022

- Net sales amounted to SEK 175.3 million (172.1)
- Operating result amounted to SEK 4.9 million (7.8)
- Net result amounted to SEK -11.1 million (-3.6)
- Cash flow from operating activities amounted to SEK -2.7 million (11.4)

### JANUARY – JUNE 2022

- Net sales amounted to SEK 361.0 million (345.6)
- Operating result amounted to SEK 20.2 million (9.3)
- Net result amounted to SEK -13.3 million (-17.1)
- Cash flow from operating activities amounted to SEK 29.4 million (-6.5)

### SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- During the second quarter Legres AB (Publ) announced that the Company, through a written procedure, is seeking approval from bondholders to give their consent to certain changes to the Bond terms. On June 22, 2022, Legres AB received approval from bondholders to change the Bond terms and in connection with this, the Bond was extended for a maximum of one year. For further information see [www.sergel.com/investor-relations/](http://www.sergel.com/investor-relations/).
- During the second quarter, Legres AB's subsidiary Sergel Kreditjänster has extended an agreement with a larger partner regarding traditional collection matters and credit information until December 31, 2023. For further information see [www.sergel.com/investor-relations/](http://www.sergel.com/investor-relations/).
- During the second quarter, Denmark signed an agreement with a new large customer in debt collection operations, which is very pleasing.

KEY FIGURES (SEK million)	APRIL – JUNE 2022	APRIL – JUNE 2021	JANUARY – JUNE 2022	JANUARY – JUNE 2021
Net sales	175.3	172.1	361.0	345.6
EBITDA	21.5	22.4	53.5	38.5
Adjusted EBITDA	16.2	17.7	42.8	28.9
Operating result	4.9	7.8	20.2	9.3
Net result	-11.1	-3.6	-13.3	-17.1
Cash flow from operating activities	-2.7	11.4	29.4	-6.5
Interest coverage ratio	2.92x	2.99x	2.92x	2.99x
Net interest-bearing debt to EBITDA	3.26x	3.63x	3.26x	3.63x
Cash and cash equivalents	124.0	83.2	124.0	83.2

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 310 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 (Connect).

## CEO's comments

It was an intense quarter for the entire group and we are now seeing the first results of both our strategic work with our new vision with underlying focus areas as well as the investments we have made in our new core system over the past three years. Coming together under a new common vision and strategic platform for all markets in the Nordics and starting to translate these into concrete activities both internally and in the market, is extremely stimulating. A focus area that we devoted special effort to was "effortless experience", which means that it should be easy to be a customer and end customer with us. As part of this work, we increased the degree of self-service via our website and introduced new payment options in Sweden, among others, via Kivra.

During the second quarter, two significant agreements in Sweden within debt collection and credit decisions were extended with an important customer for the Company, which is very pleasing. In Denmark, an agreement was signed with a new large customer, which is also a step in the right direction. Furthermore, our bond terms were extended with certain adjustments that were accepted by a majority of our investors. This shows that they believe in our business operations and our ability to make customers satisfied and thus create strong financial development going forward.

Our environment and the market are characterized by increasingly higher inflation and higher interest rates and we already see tendencies that this development will lead to more credits and thus more collection cases, at the same time we have to spend more time helping both customers and end customers to constructive solutions.

We have a very strong development in Sweden during the second quarter, which contributes to net sales in the Group increasing to SEK 175.3 million (172.1). This is due to that both debt collection and Connect are growing thanks to a stable inflow of assignments from both existing and new customers, but also our focus on helping the end customer to meet their commitments and providing simple payment solutions, affects the development. Denmark also continues to deliver very stable results and grows with new customers while maintaining good cost control.

If we look at the period January-June, turnover amounts to SEK 361.0 million (345.6), which is an increase of 4.5 % compared to the previous year. The operating profit for the second quarter amounted to SEK 4.9 million (7.8) and for the first half of the year to SEK 20.2 million (9.3). The quarterly result is partly explained by slightly higher production costs within Connect and debt collection, while the half-year result is affected by a settlement with a customer during the first quarter, which resulted in a positive impact on turnover and profit of SEK 13 million.

We have made most of the significant investments in our new core system in Sweden and Finland, which will have a positive impact on the cost base as well as on our ability to streamline and further improve our processes internally and towards our customers and end customers. This, together with the fact that our new vision is increasingly implemented in the market, means that we assess that our conditions for growth and stable profit development in the future will be further strengthened.

/ Klaus Reimer

## INCOME AND EARNINGS

The Group's net sales during the second quarter amounted to SEK 175.3 million (172.1). The growth is primarily explained by a strong quarter in Sweden, which saw growth in both debt collection operations and Connect. Sweden has increased mainly due to volume growth from existing customers but also as a result of several new customers, primarily within Connect but also in the other business areas.

The costs have increased compared to the same period last year, which is due to higher direct production costs mainly in Connect, where the cost is directly volume-driven, but also in debt collection, where the cost of legal actions has increased. Depreciation has also increased, which is explained by previous years' large and significant investments in the core system. On the other hand, IT costs and personnel-related costs are lower than last year, partly as a result of previous investments in the core systems, which gives a positive effect.

The operating profit for the first quarter amounted to SEK 4.9 million (7.8) and is explained by the above. The result is positively affected by changes in the pension liability (reduction) by SEK 2 million, and negatively by a revaluation of the claim against an external supplier by SEK -2 million.

For the period January-June, 2022, turnover amounted to SEK 361.0 million (345.6), which is an increase of 4.5% compared to the previous year. Operating profit amounted to SEK 20.2 million (9.3). The growth in turnover and profit is largely driven by a settlement with a customer during the first quarter, which resulted in a positive impact on turnover and profit of SEK 13 million.

## FINANCIAL NET

The Group's financial net during the second quarter amounted to SEK -17.5 million (-12.7), whereof financial costs for the Bond amounted to SEK -10.0 million (-9.5) and financial costs for the Shareholder Loan amounted to SEK -3.3 million (-3.1). The increased financial net this quarter is mainly due to unrealized exchange rate effects on the revaluation of loans in other currencies. The increase regarding the Bond is due to costs incurred in connection with the extension of the Bond in June 2022 and also that the interest on the Bond has increased as a result of increased STIBOR.

For the first half of the year the financial net amounted to SEK -35.5 million (-31.0), whereof financial costs for the Bond amounted to SEK -19.8 million (-21.2) and financial cost for the Shareholders Loan amounted to SEK -6.5 million (-6.1). The increased financial costs are mainly due to increased unrealized exchange rate effects. Reduced financial net regarding the Bond is due to the amortization made in April 2021.

The interest on the Bond is set to a floating rate of three-month STIBOR plus a margin of 7.00% per annum from April 2021 (originally 6%). Coupon is paid quarterly. The Bond was due on 9 July 2022 but has been extended for a maximum of one year. In connection with the extension, the Bond terms have changed slightly. The interest on the Shareholder Loan amounts to 8.00% per year. The interest on the Shareholder Loan must be paid at the earliest on the day following full redemption of the Bond.

## TAX

The Group's tax expense during the second quarter amounted to SEK 1.5 million (1.3) and consisted of current tax of SEK -3.0 million (-4.4) and deferred tax of SEK 4.5 million (5.7). For the first half of the Group's tax expense amounted to SEK 2.0 million (4.6) and consisted of current tax of SEK -7.6 million (-6.4) and deferred tax of SEK 9.6 million (11.0).

## **CASH FLOW AND FINANCIAL POSITION**

During the period April-June, the cash flow has improved from SEK -102.7 million the previous year to SEK -4.0 million this year. The difference between the years is primarily due to a large amortization of the Bond that was made in 2021 (-110m SEK). Adjusted for this, the cash flow is slightly lower, -4.0 (7.3). This is mainly driven by a slightly lower result as well as a lower cash flow from changes in working capital offset by significantly lower investments in fixed assets, which is explained by significantly lower development costs in the core systems.

For the period January-June, the cash flow has increased from SEK -120.7 million to SEK 23.4 million, which is mainly driven by a better result, lower investments in fixed assets (development in the core system) and a higher cash flow from changes in working capital. Even adjusted for the large negative cash flow from investment activities (SEK -81.2m - net of bond amortization -SEK 110m and shareholder contribution +SEK 25m and other +SEK 3.8m), the increase is significant (SEK 63m higher) which is explained by the above.

**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 2.50x (2.00x for June and Dec 2021 and 2,25x for March 2022).

<b>INTEREST COVERAGE RATIO (SEK million)</b>	<b>30 JUN 2022</b>	<b>30 JUN 2021</b>	<b>31 DEC 2021</b>
Adjusted EBITDA on rolling twelve months	96.9	106.5	84.0
Adjusted Net Finance charges on rolling twelve months	33.2	35.7	32.8
<b>Interest Coverage Ratio</b>	<b>2.92x</b>	<b>2.99x</b>	<b>2.56x</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.

In connection with the extension of our bond, several conditions were changed, including the future exclusion of the pension obligation in the calculation of our interest-bearing debt. For the second quarter, however, it has no direct impact on meeting the measure, partly as the pension liability only amounts to SEK 12.6 million as of June 30, 2022.

Interest-bearing net debt to EBITDA must not exceed 3.75x (5.50x for 30 June 2021 and 31 December 2021 and 4.00x for March 2022). Net interest-bearing debt does not include debt relating to obligations to pay future leasing fees according to IFRS 16, in accordance with the bond terms.

<b>NET INTEREST BEARING DEBT TO EBITDA (SEK million)</b>	<b>30 JUN 2022</b>	<b>30 JUN 2021</b>	<b>31 DEC 2021</b>
Net interest-bearing debt	316.0*	386.4	370.7
Adjusted EBITDA on rolling twelve months	96.9	106.5	84.0
<b>Net interest-bearing debt to EBITDA</b>	<b>3.26x</b>	<b>3.63x</b>	<b>4.41x</b>

\*The pension debt is not included in the calculation of interest-bearing net debt from 30 June 2022 due to changed bond terms, see also above.

**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 amount to SEK 124.0 million as of June 30, 2022 (SEK 99.1 million as of December 31, 2021, SEK 83.2 million as of June 30, 2021).

## **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).

Invitation and presentation for the second quarter of 2022 will be sent out during September.

The interim report for the third quarter 2022 will be published on 28 November 2022.

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 29, 2022

Ewa Glennow  
*Chairman of the Board*

Per Örtlund  
*Board Member*

Klaus Reimer  
*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 2022</b>	<b>APRIL – JUNE 2021</b>	<b>JANUARY – JUNE 2022</b>	<b>JANUARY – JUNE 2021</b>
Net sales	4	175.3	172.1	361.0	345.6
Production cost		-128.8	-124.1	-257.5	-254.1
<b>Gross result</b>		<b>46.5</b>	<b>48.0</b>	<b>103.5</b>	<b>91.5</b>
Administrative expenses		-41.6	-40.2	-83.3	-82.2
<b>Operating result</b>		<b>4.9</b>	<b>7.8</b>	<b>20.2</b>	<b>9.3</b>
Financial net		-17.5	-12.7	-35.5	-31.0
- <i>whereof Secured Bonds</i>		-10.0	-9.5	-19.8	-21.2
- <i>whereof Shareholder Loans</i>		-3.3	-3.1	-6.5	-6.1
- <i>whereof other</i>		-4.2	-0.1	-9.2	-3.7
<b>Result before tax</b>		<b>-12.6</b>	<b>-4.9</b>	<b>-15.3</b>	<b>-21.7</b>
Tax		1.5	1.3	2.0	4.6
<b>Net result</b>		<b>-11.1</b>	<b>-3.6</b>	<b>-13.3</b>	<b>-17.1</b>

**GROUP STATEMENT OF COMPREHENSIVE INCOME**

<b>COMPREHENSIVE INCOME (SEK million)</b>	<b>APRIL – JUNE 2022</b>	<b>APRIL – JUNE 2021</b>	<b>JANUARY – JUNE 2022</b>	<b>JANUARY – JUNE 2021</b>
<b>Net Result</b>	<b>-11.1</b>	<b>-3.6</b>	<b>-13.3</b>	<b>-17.1</b>
<b>Items that can be reclassified into profit and loss</b>				
Currency translation differences	0.8	-4.5	7.9	5.2
<b>Items that cannot be reclassified into profit and loss</b>				
Re-evaluation of pensions liability	11.4	0.2	15.3	7.0
Tax effect re-evaluation of pension liability	-2.4	0.0	-3.2	-1.4
<b>Total other comprehensive income</b>	<b>9.8</b>	<b>-4.3</b>	<b>19.6</b>	<b>10.8</b>
<b>Comprehensive income for the period</b>	<b>-1.3</b>	<b>-7.9</b>	<b>6.7</b>	<b>-6.3</b>

**GROUP BALANCE SHEET**

<b>BALANCE SHEET (SEK million)</b>	<b>30 JUN 2022</b>	<b>30 JUN 2021</b>	<b>31 DEC 2021</b>
<b>Assets</b>			
<i>Non-current assets</i>			
Goodwill	302.4	302.4	302.4
Other intangible assets	325.5	355.5	340.1
Property, plant and equipment	1.0	2.1	1.8
Right-of-use assets	85.9	93.2	88.3
Other long-term receivables	5.2	4.8	4.7
Deferred tax assets	15.3	22.9	12.1
<b>Sum of Non-current assets</b>	<b>735.3</b>	<b>780.9</b>	<b>749.4</b>
<i>Current assets</i>			
Accounts Receivable	54.5	60.3	65.2
Prepaid expenses & Accrued revenues	57.1	45.3	61.1
Other receivables	84.8	150.9	99.0
Cash & bank	124.0	83.2	99.1
<b>Sum of Current assets</b>	<b>320.4</b>	<b>339.7</b>	<b>324.4</b>
<b>Sum of Total Assets</b>	<b>1 055.7</b>	<b>1 120.6</b>	<b>1 073.8</b>
<b>Equity</b>	<b>68.8</b>	<b>79.5</b>	<b>62.1</b>
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Provisions for pensions	12.6	29.5	29.8
Long-term interest-bearing liabilities	-	436.3	-
Subordinated liabilities	168.1	158.3	164.7
Long-term lease liabilities	83.8	88.3	84.2
Deferred tax liabilities	43.7	49.0	46.7
<b>Sum of Non-current liabilities</b>	<b>308.2</b>	<b>761.4</b>	<b>325.4</b>
<i>Current liabilities</i>			
Short-term interest-bearing liabilities	439.8	-	436.2
Current lease liabilities	12.2	12.2	12.7
Accounts Payable	75.0	60.0	75.6
Current tax liabilities	4.0	-	3.9
Accrued expenses & Deferred revenues	51.7	55.7	50.7
Other liabilities	96.0	151.8	107.2
<b>Sum of Current liabilities</b>	<b>678.7</b>	<b>279.7</b>	<b>686.3</b>
<b>Total liabilities</b>	<b>986.9</b>	<b>1 041.1</b>	<b>1 011.7</b>
<b>Sum of Total Liabilities &amp; Equity</b>	<b>1 055.7</b>	<b>1 120.6</b>	<b>1 073.8</b>

**GROUP STATEMENT OF CHANGES IN EQUITY**

<b>CHANGES IN EQUITY (SEK million)</b>	<b>30 JUN 2022</b>	<b>30 JUN 2021</b>	<b>31 DEC 2021</b>
Equity at the beginning of the period	62.1	60.9	60.9
Comprehensive income for the period	6.7	-6.3	-23.8
Shareholder contribution	-	25.0	25.0
<b>Equity at the end of the period</b>	<b>68.8</b>	<b>79.5</b>	<b>62.1</b>

**GROUP CASH FLOW STATEMENT**

<b>CASH FLOW (SEK million)</b>	<b>APRIL – JUNE 2022</b>	<b>APRIL – JUNE 2021</b>	<b>JANUARY – JUNE 2022</b>	<b>JANUARY – JUNE 2021</b>
<b>Operating activities</b>				
Result before tax	-12.6	-4.9	-15.3	-21.7
Adjustments – items not included in the cash flow	7.1	17.2	26.3	38.9
-whereof depreciation	16.6	14.7	33.3	29.2
-whereof capitalized and accrued interest	-3.0	3.1	0.2	7.0
-whereof re-evaluation of net pension	-1.0	-0.6	-1.6	-0.5
-whereof other	-5.5	-	-5.6	3.2
Taxes paid	-2.2	-14.6	-7.8	-22.6
<b>Cash flow from operating activities before change in working capital</b>	<b>-7.7</b>	<b>-2.3</b>	<b>3.2</b>	<b>-5.4</b>
Other operating assets (incr- / decr+)	-	-55.1	36.0	-57.6
Other operating liabilities (incr- / decr+)	5.0	68.8	-9.8	56.5
<b>Cash flow from operating activities</b>	<b>-2.7</b>	<b>11.4</b>	<b>29.4</b>	<b>-6.5</b>
<b>Investing activities</b>				
Acquisition of intangible assets	-3.9	-10.5	-7.4	-32.5
Acquisition of tangible assets	-	-0.2	-	-0.5
Payment of pension liabilities	-	-	-0.4	-
<b>Cash flow from investing activities</b>	<b>-3.9</b>	<b>-10.7</b>	<b>-7.8</b>	<b>-33.0</b>
<b>Financing activities</b>				
Shareholder contribution	-	-	-	25.0
Other borrowings	4.4	-	5.4	0.3
Repayment of other loans	-1.8	-103.4	-3.6	-106.5
<b>Cash flow from Financing activities</b>	<b>2.6</b>	<b>-103.4</b>	<b>1.8</b>	<b>-81.2</b>
<b>Cash flow for the period</b>	<b>-4.0</b>	<b>-102.7</b>	<b>23.4</b>	<b>-120.7</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>127.6</b>	<b>186.4</b>	<b>99.1</b>	<b>200.9</b>
Exchange rate differences	0.4	-0.5	1.5	3.1
<b>Cash and cash equivalents at the end of the period</b>	<b>124.0</b>	<b>83.2</b>	<b>124.0</b>	<b>83.2</b>

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

<b>INCOME STATEMENT (SEK million)</b>	<b>APRIL – JUNE 2022</b>	<b>APRIL – JUNE 2021</b>	<b>JANUARY – JUNE 2022</b>	<b>JANUARY – JUNE 2021</b>
Net sales	16.3	18.1	32.5	36.0
Production cost	-	-	-	-
<b>Gross result</b>	<b>16.3</b>	<b>18.1</b>	<b>32.5</b>	<b>36.0</b>
Administrative expenses	-13.0	-16.9	-26.1	-32.5
Depreciation	-3.7	-2.1	-7.4	-4.3
<b>Operating result</b>	<b>-0.4</b>	<b>-0.9</b>	<b>-1.0</b>	<b>-0.8</b>
Financial net	-15.9	-12.3	-32.9	-28.8
- whereof Secured bonds	-10.0	-9.5	-19.8	-21.2
- whereof Shareholder Loans	-3.3	-3.1	-6.5	-6.1
- whereof Dividends	-	-	-	-
- whereof Other	-2.6	-	-6.6	-
<b>Result before tax</b>	<b>-16.3</b>	<b>-13.2</b>	<b>-33.9</b>	<b>-29.6</b>
Appropriations	-	-	-	-
Tax	3.4	2.7	7.0	6.1
<b>Net result</b>	<b>-12.9</b>	<b>-10.5</b>	<b>-26.9</b>	<b>-23.5</b>

**PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME**

<b>COMPREHENSIVE INCOME (SEK million)</b>	<b>APRIL – JUNE 2022</b>	<b>APRIL – JUNE 2021</b>	<b>JANUARY – JUNE 2022</b>	<b>JANUARY – JUNE 2021</b>
Net Result	-12.9	-10.5	-26.9	-23.5
<b>Comprehensive income for the period</b>	<b>-12.9</b>	<b>-10.5</b>	<b>-26.9</b>	<b>-23.5</b>

For the parent company, the first quarter resulted in a net result of SEK -12.9 million, which can be compared with SEK -10.5 million for the same quarter in 2021. The parent company does not conduct its own operations, the income consists mainly of dividends and any group contributions. Depending on when the dividends are determined, the result from quarter to quarter may vary.

**PARENT COMPANY BALANCE SHEET**

<b>BALANCE SHEET (SEK million)</b>	<b>30 JUN 2022</b>	<b>30 JUN 2021</b>	<b>31 DEC 2021</b>
<b>Assets</b>			
<i>Non-current assets</i>			
Intangible assets	122.9	123.1	123.1
Shares in subsidiaries	684.2	684.1	684.1
Deferred tax assets	13.4	17.1	6.4
<b>Sum of Non-current assets</b>	<b>820.5</b>	<b>824.3</b>	<b>813.6</b>
<i>Current assets</i>			
Accounts receivable from group companies	13.7	19.2	25.5
Prepaid expenses & Accrued revenues	5.5	3.9	0.2
Other receivables	131.8	102.8	135.9
Cash & bank	11.7	7.7	3.7
<b>Sum of Current assets</b>	<b>162.7</b>	<b>133.6</b>	<b>165.3</b>
<b>Sum of Total Assets</b>	<b>983.2</b>	<b>957.9</b>	<b>978.9</b>
<b>Equity</b>	<b>15.7</b>	<b>70.7</b>	<b>42.6</b>
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Long-term interest-bearing liabilities	-	436.3	-
Subordinated liabilities	297.2	264.1	289.8
<b>Sum of Non-current liabilities</b>	<b>297.2</b>	<b>700.4</b>	<b>289.8</b>
<i>Current liabilities</i>			
Short-term interest-bearing liabilities	439.8	-	436.2
Accounts payable to group companies	11.7	9.0	11.7
Accounts Payable	13.9	22.9	17.8
Accrued expenses & deferred revenues	17.7	13.4	15.6
Other liabilities	187.2	141.8	165.2
<b>Sum of Current liabilities</b>	<b>670.3</b>	<b>186.8</b>	<b>646.5</b>
<b>Total liabilities</b>	<b>967.5</b>	<b>887.2</b>	<b>936.3</b>
<b>Sum of Total Liabilities &amp; Equity</b>	<b>983.2</b>	<b>957.9</b>	<b>978.9</b>

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**

<b>CHANGES IN EQUITY (SEK million)</b>	<b>30 JUN 2022</b>	<b>30 JUN 2021</b>	<b>31 DEC 2021</b>
<b>Equity at the beginning of the period</b>	<b>42.6</b>	<b>69.2</b>	<b>69.2</b>
Comprehensive income for the period	-26.9	-23.5	-51.6
Shareholder contribution	-	25.0	25.0
<b>Equity at the end of the period</b>	<b>15.7</b>	<b>70.7</b>	<b>42.6</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, 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 2021.

### NOTE 3 Risks

The Group annual report describes the risks per 31 December 2021 and contains sensitivity analyses. It is the view of the Group that the risks have not changed in any material way during 2022.

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

<b>NET SALES FROM EXTERNAL CLIENTS BY REGION (SEK million)</b>	<b>APRIL – JUNE 2022</b>	<b>APRIL – JUNE 2021</b>	<b>JANUARI – JUNE 2022</b>	<b>JANUARI – JUNE 2021</b>
Sweden	115.9	109.2	229.9	215.7
Norway	20.8	23.0	39.9	48.1
Finland	23.5	24.4	61.2	50.6
Denmark	15.1	15.5	29.9	31.2
<b>Total Net Sales from external clients by region</b>	<b>175.3</b>	<b>172.1</b>	<b>361.0</b>	<b>345.6</b>

<b>NET SALES DIVIDED BY SERVICE (SEK million)</b>	<b>APRIL – JUNE 2022</b>	<b>APRIL – JUNE 2021</b>	<b>JANUARI – JUNE 2022</b>	<b>JANUARI – JUNE 2021</b>
Debt Collection	114.7	115.6	237.1	236.0
Payment- and message services	47.5	42.2	98.3	78.9
Accounts Receivable	3.0	3.4	5.8	7.2
Credit Decision	10.1	10.9	19.8	23.5
<b>Total Net Sales from external clients by region</b>	<b>175.3</b>	<b>172.1</b>	<b>361.0</b>	<b>345.6</b>

All revenue is recognized at a specific point in time.

<b>OPERATING RESULT (SEK million)</b>	<b>APRIL – JUNE 2022</b>	<b>APRIL – JUNE 2021*</b>	<b>JANUARI – JUNE 2022</b>	<b>JANUARI – JUNE 2021*</b>
Sweden	7.1	2.9	10.4	2.0
Norway	6.4	6.7	6.4	8.8
Finland	-3.1	2.7	12.2	5.5
Denmark	2.9	3.4	7.0	7.4
Group items and eliminations	-8.4	-7.8	-15.8	-14.4
<b>Operating result</b>	<b>4.9</b>	<b>7.8</b>	<b>20.2</b>	<b>9.3</b>
Financial net	-17.5	-12.7	-35.5	-31.0
Tax	1.5	1.3	2.0	4.6
<b>Net Result</b>	<b>-11.1</b>	<b>-3.6</b>	<b>-13.3</b>	<b>-17.1</b>

\*Reclassified figures in accordance with the current distribution of country and group common costs.

**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 168.1 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>2022-06-30</b>				
<b>Financial assets</b>				
Other long-term receivables		5.2		5.2
Accounts Receivable		54.5		54.5
Other receivables		84.8		84.8
Prepaid expenses & accrued revenues		57.1		57.1
Cash & bank		124.0		124.0
<b>Total</b>		<b>325.6</b>		<b>325.6</b>
<b>Financial liabilities</b>				
Short-term interest-bearing liabilities		439.8		439.8
Subordinated debt		168.1		168.1
Lease liabilities		96.0		96.0
Accounts Payable		75.0		75.0
Other current liabilities		96.0		96.0
Accrued expenses & deferred revenues		51.7		51.7
<b>Total</b>		<b>926.6</b>		<b>926.6</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>



## 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.

"**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..

"**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**" refers to the total interest-bearing debt and the pension provision with deductions for the Group's cash and cash equivalents in accordance with the applicable accounting principles for the Group from time to time. Shareholder Loans and leasing debts are excluded. The concept is presented because it is part of the covenant Interest-bearing net debt to EBITDA. From the second quarter 2022, the pension liability is not included, in accordance with adjusted bond terms.

"**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.