

INTERIM REPORT

January – September 2018

Legres AB (publ)

559085-4773

Published November 29, 2018

INTERIM REPORT JANUARY – SEPTEMBER 2018

SUMMARY: JULY – SEPTEMBER 2018 COMPARED TO JULY – SEPTEMBER 2017

- Net sales amounted to SEK 213.1 million (164.1)
- Operating result amounted to SEK 23.4 million (29.4)
- Net result amounted to SEK 7.5 million (11.1)
- Cash flow from operating activities amounted to SEK 7.9 million (-26.0)

SUMMARY: JANUARY – SEPTEMBER 2018

- Net sales amounted to SEK 605.3 million
- Operating result amounted to SEK 98.0 million
- Net result amounted to SEK 41.0 million
- Cash flow from operating activities amounted to SEK 48.3 million

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- Isak Åsbrink has been appointed new CEO and succeeds acting CEO Charlotte Strandberg. Isak started his employment in October.
- Tiina Salum-Dömstedt has been appointed new CFO and succeeds acting CFO Per Örtlund. Tiina started her employment in September.
- Sergel Kreditjänster AB has carried out partial redemption of the corporate pension liability with Alecta in July and August. This means that a large part of the pension liability in the balance sheet was replaced by purchasing insurance with Alecta to cover the historic earnings for pensions. The redemption amount totaled 116.8 million.

KEY FIGURES (SEK million)	JULY - SEPTEMBER 2018	JANUARY - SEPTEMBER 2018	JULY - SEPTEMBER 2017	JANUARY- SEPTEMBER 2017
Net sales	213.1	605.3	164.1	164.1
EBITDA	35.4	133.5	29.8	29.8
Adjusted EBITDA	35.4	110.4	29.8	29.8
Operating result	23.4	98.0	29.4	29.4
Net result	7.5	41.0	11.1	11.1
Interest coverage ratio	3.60x	3.60x	3.74x	3.74x
Net interest bearing debt to EBITDA	2.02x	2.02x	2.63x	2.63x
Cash and cash equivalents	221.7	221.7	247.0	247.0

The acquisition of the Sergel companies was completed on 30 June 2017. Therefore, the comparison figures for 2017 contain only the period of July – September.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place 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 almost 350 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 SMS- and Voice-services.

COMMENTS FROM THE CEO

I am very excited to assume leadership over a growing group within Credit Management Services, which has the clear ambition to become one of the leading operators in the Nordic region. I am especially attracted by the care and concern to help the clients' clients – the debtors – with paying their debts and contributing to their financial stability. The perspective is vital to the Sergel DNA and is manifested in our common values as expressed in our motto "We care".

During the third quarter, the net sales amounted to SEK 213.1 million, compared to SEK 199.5 million in the second quarter, which is the equivalent a growth of 7 %. Compared to the net sales of the same quarter last year, the growth amounted to 30 %, which is a success and evidence that the group is moving in the right direction. The growth in the quarter was mainly driven by strong development of the group's debt collection income, where Norway delivered above plan. Finland also outperformed their targets while Denmark and Sweden developed according to plan. In Sweden, the business area Connect, which provides SMS- and Voice services performed above plan.

The operating result amounted to SEK 23.4 million compared to SEK 58.9 million in the second quarter. However, the second quarter benefited from pension-related non-recurring items of SEK 23.1 million in connection to the ending of possibilities to accrue future pensions in the corporate pension plan ITP2. During the third quarter, a partial redemption of SEK 116.8 million was carried out for the ITP2 plan, which caused negative non-recurring costs of SEK 6.3 million. Furthermore, another SEK 5.0 million of non-recurring IT costs were accounted for in the quarter.

During the third quarter, we worked intensively with creating our future common IT platform – Sergel House. Many systems will be replaced with new ones, including supporting systems and web interfaces. A common IT platform creates excellent opportunities for successful cooperation between the Nordic companies and thereby also the possibility to work with clients on a Nordic basis. It is also a great asset when four companies develop into one, common Nordic organization with a common service offer. Ultimately, it is not systems that build companies, people do. Considerable progress was made during the third quarter to build and strengthen the Sergel business culture, which does not know national boundaries and consists of strong values, a common vision and common targets.

As the CEO, I have vast experience from sales and marketing, which is an area that will increase in importance as the Sergel companies broaden their client base. During the next quarters, we will focus on increasing growth by being more active in the market, while also delivering excellent services to our current clients and working to strengthen our long-term relations to them.

Isak Åsbrink
CEO
Legres AB (Publ)

GROUP FINANCIALS

GROUP FINANCIALS (SEK million)	JULY - SEPTEMBER 2018	JANUARY - SEPTEMBER 2018	JULY - SEPTEMBER 2017	JANUARY - SEPTEMBER 2017
Net sales	213.1	605.3	164.1	164.1
EBITDA	35.4	133.5	29.8	29.8
Adjusted EBITDA	35.4	110.4	29.8	29.8
Operating result	23.4	98.0	29.4	29.4
Financial net	-13.9	-45.3	-14.7	-14.7
Tax	-2.0	-11.7	-3.7	-3.7
Net result	7.5	41.0	11.1	11.1
Average no of employees	346.0	353.5	322.0	322.0

The acquisition of the Sergel companies was completed on 30 June 2017. Therefore, the comparison figures for 2017 contain only the period of July – September.

INCOME AND EARNINGS

The Group's net sales in the third quarter amounted to SEK 213.1 million, which is an improvement by 7 % compared to the previous quarter. The operating result for the third quarter was SEK 23.4 million, which is SEK 35.5 million lower than the second quarter. However, the second quarter contained non-recurring income of SEK 23.1 million from the cancellation of possibilities to accrue future pensions for the ITP2 plan. Furthermore, the third quarter contained non-recurring costs of SEK 6.3 million in connection to the partial redemption of the ITP 2 plan of SEK 116.8 million. Additionally, SEK 5.0 million of non-recurring IT costs were also reported.

For the period of January – September, net sales amounted to SEK 605.3 million. The group lacked business activities during the first two quarters of 2017, meaning that a comparison can only be made with the third quarter 2017. The operating result for January – September 2018 amounted to SEK 98.0 million.

FINANCIAL NET

The Group's financial net in the third quarter amounted to SEK -13.9 million whereof financial costs for Bonds amounted to SEK -10.4 million and financial costs for Shareholder Loan amounted to SEK -4.4 million.

The interest on the Bonds is set to a floating rate of three-month STIBOR with floor at 0.00 per cent plus a margin of 7.25 per cent per annum and will be paid on quarterly basis. The Bonds matures on December 29, 2020. The interest on the Shareholder Loan is set to 8.00 per cent per annum. The interest on the Shareholder Loan should be paid on the date following the full redemption of the Bonds.

TAX

The Group's tax expense for the third quarter amounted to SEK -2.0 million. The Group's earnings was charged with an effective tax rate of 22.2%.

PENSION LIABILITY

The pension liability in Sergel Kreditjänster AB relates to the ITP2 pension plan, which is secured through a pension foundation (Sw. pensionsstiftelse), and credit insurance with PRI Pensionsgaranti. Furthermore, Sergel Kreditjänster AB shares in Telia's pension foundation. The net pension liability per 30 September amounted to SEK 27.3 million including special salary tax, which can be compared to SEK 154.0 million per 30 June. The size of the decrease can be attributed to the partial redemption of SEK 116.8 million carried out in July and August. This means that a large part of the pension liability in the balance sheet was replaced by purchasing insurance with Alecta to cover the historic earnings for pensions.

CASH FLOW

CASH FLOW (SEK million)	JULY- SEPTEMBER 2018	JANUARY- SEPTEMBER 2018	JULY- SEPTEMBER 2017	JANUARY- SEPTEMBER 2017
Cash and cash equivalents at the start of the period	336.3	297.8	274.5	0.5
Cash flow from operating activities	7.9	48.3	-26.0	-26.0
Cash flow from investing activities	-116.8	-116.8	-	-401.0
Cash flow from financing activities	-	-	-	675.0
Cash flow for the period	-108.9	-68.5	-26.0	248.0
Exchange rate differences	-5.7	-7.6	-1.5	-1.5
Cash and cash equivalents at the end of the period	221.7	221.7	247.0	247.0

OTHER FINANCIAL INDICATORS *(not defined by IFRS)*

Interest Coverage Ratio is included in the maintenance test that, according to the Bonds terms and conditions, shall be reported on quarterly basis. The interest coverage ratio must exceed 2.50x.

INTEREST COVERAGE RATIO (SEK million)	30 Sep 2018	31 Dec 2017	30 Sep 2017
Adjusted EBITDA on rolling twelve months	146.4	147.0	148.8
Adjusted Net Finance charges on rolling twelve months	40.7	40.9	39.8
Interest Coverage Ratio	3.60x	3.59x	3.74x

Net Interest Bearing Debt to EBITDA is included in the maintenance test that, according to the Bonds terms and conditions, shall be reported on quarterly basis. The indicator must not exceed 3.75x.

NET INTEREST BEARING DEBT TO EBITDA (SEK million)	30 Sep 2018	31 Dec 2017	30 Sep 2017
Net interest bearing debt	295.6	358.7	391.9
Adjusted EBITDA on rolling twelve months	146.4	147.0	148.8
Net interest bearing debt to EBITDA	2.02X	2.44x	2.63x

Cash and cash equivalents are included in the maintenance test that, according to the Bonds 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 221.7 million per 30 September 2018 (SEK 297.8 million per 31 December 2017 and SEK 247.0 million per 30 September 2017).

PUBLICATION OF FINANCIAL INFORMATION

Interim reports and other financial information are available at Legres AB (publ) website at www.legres.se.

The interim report for the fourth quarter, 2018 will be published February 28, 2019.

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, November 29, 2018

Ewa Glennow
Chairman of the Board

Charlotte Strandberg
Board Member

Per Örtlund
Board Member

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

CONTACT DETAILS

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GROUP FINANCIAL STATEMENTS**GROUP INCOME STATEMENT IN SUMMARY**

INCOME STATEMENT (SEK million)	JULY - SEPTEMBER 2018	JANUARY - SEPTEMBER 2018	JULY - SEPTEMBER 2017	JANUARY - SEPTEMBER 2017
Net sales	213.1	605.3	164.1	164.1
Production cost	-151.6	-398.2	-109.7	-109.7
Gross result	61.5	207.1	54.4	54.4
Administrative expenses	-38.1	-109.1	-29.3	-29.3
Other operating income			4.3	4.3
Other operating costs			-	-
Operating result	23.4	98.0	29.4	29.4
Financial net	-13.9	-45.3	-14.7	-14.7
- <i>whereof contemplated Bonds</i>	-10.4	-30.4	-10.1	-10.1
- <i>whereof Shareholder loans</i>	-4.4	-12.9	-4.1	-4.1
Result before tax	9.5	52.7	14.8	14.8
Tax	-2.0	-11.7	-3.7	-3.7
Net result	7.5	41.0	11.1	11.1

The acquisition of the Sergel companies was completed on 30 June 2017. Therefore, the comparison figures for 2017 contain only the period of July – September.

GROUP STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

COMPREHENSIVE INCOME (SEK million)	JULY - SEPTEMBER 2018	JANUARY - SEPTEMBER 2018	JULY - SEPTEMBER 2017	JANUARY - SEPTEMBER 2017
Net Result	7.5	41.0	11.1	11.1
Items that can be reclassified into profit and loss				
Currency translation differences	-2.7	12.7	-0.4	-0.4
Re-evaluation of pensions liability	0.4	-14.5	-	-
Tax effect re-evaluation of pensions liability	-0.1	3.2	-	-
Total other comprehensive income	-2.4	1.4	-0.4	-0.4
Comprehensive income for the period	5.1	42.4	10.7	10.7

GROUP BALANCE SHEET IN SUMMARY

BALANCE SHEET (SEK million)	30 Sep 2018	31 Dec 2017	30 Sep 2017
Assets			
<i>Non-current assets</i>			
Intangible assets	331.4	355.2	16.6
Goodwill	302.4	302.4	570.2
Property, plant and equipment	4.4	3.7	1.6
Other long-term receivables	6.0	5.8	0.9
Deferred tax assets	28.9	27.7	23.9
Sum of Non-current assets	673.1	694.9	613.4
<i>Current assets</i>			
Prepaid expenses & accrued revenues	38.5	43.5	80.3
Other receivables	185.9	179.7	130.2
Cash & bank	221.7	297.8	247.0
Sum of Current assets	446.1	521.0	457.5
Sum of Total Assets	1 119.2	1 215.8	1 070.9
Equity	45.1	2.7	11.2
Liabilities			
<i>Non-current liabilities</i>			
Provisions for pensions	27.3	166.4	162.9
Long interest-bearing liabilities	478.3	476.8	475.9
Subordinated liabilities	221.2	208.3	204.1
Deferred tax liabilities	73.8	75.2	0.0
Sum of Non-current liabilities	800.6	926.8	843.0
<i>Current liabilities</i>			
Current tax liabilities	47.8	48.6	25.8
Deferred revenues & accrued expenses	93.7	89.3	80.1
Other liabilities	132.0	148.4	110.7
Sum of Current liabilities	273.5	286.3	216.6
Total liabilities	1 074.1	1 213.1	1 059.7
Sum of Total Liabilities & Equity	1 119.2	1 215.8	1 070.9

GROUP STATEMENT OF CHANGES IN EQUITY IN SUMMARY

CHANGES IN EQUITY (SEK million)	30 Sep 2018	31 Dec 2017	30 Sep 2017
Equity at the beginning of the period	2.7	0.5	0.5
Net result for the period	42.4	2.2	10.7
Equity at the end of the period	45.1	2.7	11.2

GROUP CASH FLOW STATEMENT IN SUMMARY

CASH FLOW (SEK million)	JULY - SEPTEMBER 2018	JANUARY – SEPTEMBER 2018	JULY - SEPTEMBER 2017	JANUARY - SEPTEMBER 2017
<i>Operating activities</i>				
Result before tax	9.6	52.7	14.8	14.8
Adjustments – items not included in the cash flow	5.4	12.4	5.4	5.4
-whereof depreciation and impairment of assets	12.0	35.5	0.4	0.4
-capitalized and accrued interest	4.4	12.8	4.1	4.1
-other	-11.0	-35.9	0.9	0.9
<i>Cash flow from operating activities before change in working capital</i>	15.0	65.1	20.2	20.2
Other operating assets (incr - / decr+)	-7.1	-1.3	-92.7	-92.7
Other operating liabilities (incr - / decr+)	0.0	-15.5	46.6	46.6
<i>Cash flow from operating activities</i>	7.9	48.3	-26.0	-26.0
<i>Investing activities</i>				
Acquisitions/divestments of subsidiaries, Net of cash acquired				-401.0
<i>Cash flow from investing activities</i>	-	-	-	-401.0
<i>Financing activities</i>				
Received bond funding	-	-	-	490.0
Received shareholder loan	-	-	-	200.0
Paid bond transaction fees	-	-	-	-15.0
Lösen av pensionskulder	-116.8	-116.8	-	-
<i>Cash flow from Financing activities</i>	-116.8	-116.8	-	675.0
Cash flow for the period	-108.9	-68.5	-26.0	248.0
Cash and cash equivalents at the beginning of the period	336.3	297.8	274.5	0.5
Exchange rate difference in cash and cash equivalents	-5.7	-7.6	-1.5	-1.5
Cash and cash equivalents at the end of the period	221.7	221.7	247.0	247.0

PARENT COMPANY FINANCIAL STATEMENTS**PARENT COMPANY INCOME STATEMENT IN SUMMARY**

INCOME STATEMENT (SEK million)	JULY - SEPTEMBER 2018	JANUARY - SEPTEMBER 2018	JULY - SEPTEMBER 2017	JANUARY - SEPTEMBER 2017
Net sales	15.2	32.3	-	-
Production cost	-	-	-	-
Gross result	15.2	32.3	-	-
Other administrative expenses	-15.6	-33.5	-0.9	-0.9
Operating result	-0.4	-1.2	-0.9	-0.9
Financial net	-14.8	-22.7	37.2	37.2
- whereof contemplated bonds	-10.4	-30.4	-10.0	-10.0
- whereof shareholder loans	-4.4	-12.9	-4.3	-4.2
- whereof dividends	-	20.6	51.5	51.5
Result before tax	-15.2	-23.9	36.4	36.4
Tax	3.3	9.8	3.3	3.3
Net result	-11.9	-14.1	39.7	39.7

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

COMPREHENSIVE INCOME (SEK million)	JULY - SEPTEMBER 2018	JANUARY - SEPTEMBER 2018	JULY - SEPTEMBER 2017	JANUARY - SEPTEMBER 2017
Net Result	-11.9	-14.1	39.7	39.7
Comprehensive income for the period	-11.9	-14.1	39.7	39.7

PARENT COMPANY BALANCE SHEET IN SUMMARY

BALANCE SHEET (SEK million)	30 Sep 2018	31 Dec 2017	30 Sep 2017
Assets			
<i>Non-current assets</i>			
Shares in subsidiaries	684.1	684.1	674.7
Deferred tax assets	16.2	6.5	3.3
Sum of Non-current assets	700.3	690.6	678.0
<i>Current assets</i>			
Prepaid expenses & accrued revenues	0.0	-	-
Other receivables	29.5	10.3	0.4
Cash & bank	1.8	33.0	44.5
Sum of Current assets	31.3	43.3	44.9
Sum of Total Assets	731.6	733.9	723.0
Equity	15.1	29.2	40.2
Liabilities			
<i>Non-current liabilities</i>			
Long interest-bearing liabilities	478.3	476.8	475.9
Subordinated liabilities	221.2	208.3	204.1
Sum of Non-current liabilities	699.5	685.1	680.1
<i>Current liabilities</i>			
Deferred revenues & accrued expenses	6.5	0.4	2.7
Other liabilities	10.5	19.2	0.0
Sum of Current liabilities	17.0	19.6	2.7
Total liabilities	716.5	704.7	682.8
Sum of Total Liabilities & Equity	731.6	733.9	723.0

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 is located at Adolf Fredriks Kyrkogata 8, 111 37 Stockholm with telephone number 010-495 10 00.

In accordance with the articles of association of the company, adopted on April 27, 2017, 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 receivables, debt collections and SMS- and Voice services in Sweden and abroad.

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 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.

With the exceptions of IFRS 9 and IFRS 15, the group applies the same accounting principles as stated in the annual accounts for 2017.

IFRS 9 Financial Instruments came into force January 1 2018. According to IAS 39, all financial instruments were classified as loans and receivables or other liabilities, and were therefore valued according to amortized cost. For IFRS 9, all financial instruments are categorized and valued according to amortized cost via the income statement. Thus, there are no differences compared to 2017.

IFRS 15 also came into force on January 1, 2018. The services performed for the group clients constitute a performance obligation and the effects of the transition to IFRS 15 have not caused any material differences regarding identification of performance obligations, or allocation of the transaction price to performance obligations. Furthermore, no differences arise in the timing of revenue recognition. IFRS 15 has therefore not had any material effects on the group compared to the previous standard.

NOTE 3 RISKS

The group annual report describes the risks per 31 December 2017 and contains sensitivity analyses. It is the view of the group that the risks have not changed in any material way during 2018.

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

NET SALES FROM EXTERNAL CLIENTS BY REGION (SEK million)	JULY - SEPTEMBER	JANUARY – SEPTEMBER	JULY – SEPTEMBER	JANUARY - SEPTEMBER
	2018	2018	2017	2017
Sweden	116.7	336.8	94.3	94.3
Norway	43.1	127.8	33.9	13.7
Finland	37.8	94.6	22.2	33.9
Denmark	15.5	46.1	13.7	22.2
Total Net sales from external clients by region	213.1	605.3	164.1	164.1

OPERATING RESULT BY REGION (SEK million)	JULY - SEPTEMBER	JANUARY – SEPTEMBER	JULY – SEPTEMBER	JANUARY - SEPTEMBER
	2018	2018	2017	2017
Sweden	1.9	33.4	12.7	12.7
Norway	13.1	46.1	10.7	10.7
Finland	7.2	16.3	3.7	3.7
Denmark	1.2	2.2	2.3	2.3
Operating Result by region	23.4	98.0	29.4	29.4
Financial net	-13.9	-45.3	-14.7	-14.7
Tax	-2.0	-11.7	-3.7	-3.7
Net result	7.5	41.0	11.1	11.1

NOTE 5 RELATED PARTY TRANSACTIONS

Legres AB (publ) has received Shareholder Loan from Legres Holding AB with nominal amount of SEK 200.0 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**IFRS 9**

Classification (SEK million) 2018-09-30	Fair value via P&L	Amortized cost via P&L	Fair value via OCI	Total
Financial assets				
Other long-term receivables		6.0		6.0
Prepaid expenses & accrued revenues		38.5		38.5
Other receivables				
Cash & bank		185.9		185.9
		221.7		221.7
Total		452.1		452.1
Financial liabilities				
Long interest-bearing liabilities		478.3		478.3
to group companies		221.2		221.2
Accounts Payable		40.3		40.3
Other current liabilities		93.7		93.7
Deferred revenues & accrued expenses		91.7		91.7
Total		925.2		925.2

IAS 39

Classification (SEK million) 2017-09-30	Fair value P&L Held for trading	Fair value P&L Fair value option	Loans & receivables	Other liabilities	Total
Financial assets					
Other long-term receivables			0.9		0.9
Prepaid expenses & accrued revenues			80.3		80.3
Other receivables			130.2		130.2
Cash & bank			247.0		247.0
Total			458.4		458.4
Financial liabilities					
Long interest-bearing liabilities				475.9	475.9
to group companies				204.1	204.1
Other current liabilities				110.7	110.7
Deferred revenues & accrued expenses				80.1	80.1
Total				870.8	870.8

DEFINITIONS OF ALTERNATIVE PERFORMANCE INDICATORS

"**Adjusted EBITDA**" means EBITDA excluding Non-recurring items. The measure is disclosed since the financial covenants in the group's bond 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 realised 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 amortisation. 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 Transaction Cost. Disclosed 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. 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, acquisition and divestment expenses. The term is described as the financial covenants of the issued bond are to be adjusted by certain types of non-recurring items.