Sergel
we care

Company Presentation

May 2022

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01

Company intro

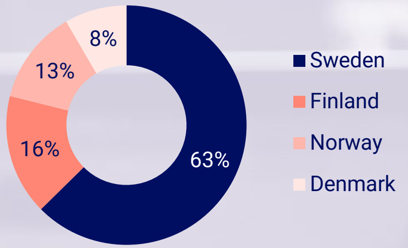
Sergel at a glance

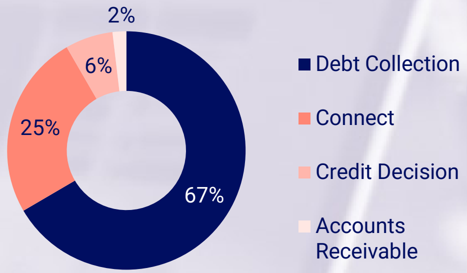
Overview

- Sergel is one of the leading credit management services players in the Nordics and provides services across the entire credit life cycle; **1. Credit Decision**, **2. Accounts Receivable**, **3. Debt Collection**, and digital messaging services and mobile invoicing through **4. Connect**
- Sergel does not acquire or own any past due debt, but do provide services supporting debt purchase. The business is a pure capital-light servicing business with sticky revenues, where debt collection is the very backbone
- The company focuses on serving clients in transaction-intensive industries e.g., banking and finance, insurance, utilities, retail and telecom
- Sergel started out as Televerket's (now Telia) in-house collection department in 1988 and was sold to Marginalen Group AB (now Zostera AB) in 2017. Today, the company has around 330 employees and ~900 customers
- It has a strong and longstanding relationship with most of its customers, including Telia, as well as long customer contracts in general. The average client relationship lasts ≥ 5 years, and more often end up lasting 10-15 years

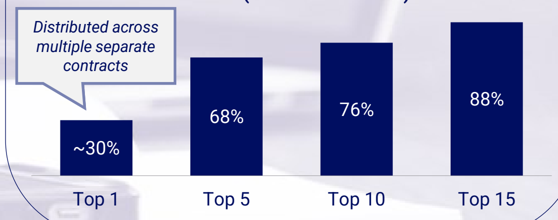
Geographical footprint

Revenue split 2021





Customer concentration (% of 2021 revenue)[4]



Key metrics

SEK 714m Revenue LTM Q1'22	**SEK 120m** EBITDA[1] LTM Q1'22	**~17%** EBITDA[1] margin LTM Q1'22
~3.1x NIBD/adj. EBITDA[2] LTM Q1'22	**~3.0x** Interest coverage ratio[3] LTM Q1'22	**~10-15 years** Typical length of a client relationship

Selected customers

Telia, Elgiganten, Verisure, Skagerak Nett, Q8, Fjellinjen, Komplett, Nordax Bank, Stockholms stad

Source: Company info

Note: 1. Reported EBITDA adj. for NRIs of ~SEK 4m in costs, 2. NIBD calculated as long-term and short-term interest bearing debt (excl. IFRS16) less cash and cash equivalents, Adj. EBITDA as per company definition; reported EBITDA less IFRS16 and NRIs, 3. calculated as ratio of adj. EBITDA to net finance charges (relating to bond), 4. note that several of the larger customers have a group structure where e.g. individual countries have individual contracts, hence, concentration based on individual customers is lower (e.g. the largest individual customer accounts for ~11-12% of 2021 revenue)

Customer overview

Selected clients

Trygg-Hansa, Telia, Herrfors, Nordax Bank, Verisure, Elgiganten, Stockholms stad, Kymenlaakson Sähkö, Fjellinjen, Com Hem, Q8, Egmont, Komplett

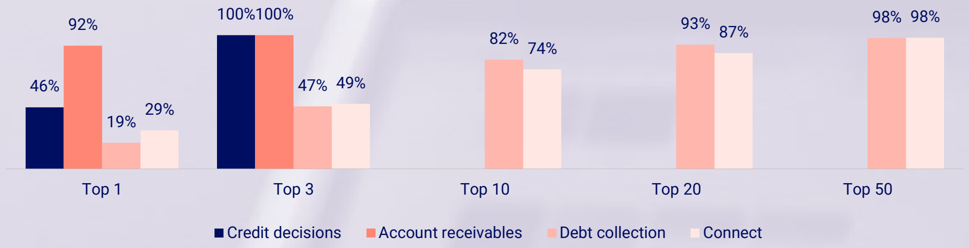
~10-15 years
Typical length of client relationship

SEK >10m
Size of largest contract

SEK ~0.75m
Average contract size

~3-5 years
Spinoff period in case of contract termination

Revenue from top clients



Number of clients per segment

Industry diversification[1]

Source: Company info
Note: 1. Based on 2021 revenue

Overview of largest contracts and structure

Contract structure

Background

- Sergel have a well diversified contract structure distributed over different geographical markets and service areas
- This reduces the Company's exposure to individual customers and provides Sergel with stable and predictable cash flows
- In addition, the Company's largest customers are well diversified in terms of various sectors ranging from telecom to the public sector with high credit worthiness

Contract structure

- Contracts typically runs according to industry standards with a duration of at least 12 months from signing and are thereafter prolonged on a yearly basis
- Several of Sergel's largest contracts have a duration of approximately 18 months
- The initial contract signed for larger clients tend to be 1-3 years in length, before transitioning to annual contracts

Current status

- Sergel is currently negotiating the renewal of two contracts with a combined revenue of approximately SEK 100 million[1]. Parties have agreed on commercial terms and are currently finalising legal details
- The new contracts are expected to have a duration of 18 months from signing and expires on 31 December 2023, whereafter the contracts will run until terminated with 6 months notice. Termination is normally not to end the cooperation but to renegotiate terms and conditions

Source: Company info
Note: 1. 2021 management accounts

Sergel we care

From in-house collector to pan-Nordic credit management player

1988 – Founded
Sergel Kredittjänster AB is founded as part of Telia's internal debt collector

1996 – Broadens offering
Sergel introduces credit decision and invoice administration as part of its offering

2006 – Expansion
Sergel expands into the Finish credit management services market

2007 – Expansion
Sergel expands into the Norwegian credit management services market through the acquisition of Moneto Kapital

2010 – Strategic change
Sergel decides to focus on credit management systems for Telia

2012 – Strategic change
The company decides to target external customers in the Swedish market

2014 – Expansion
Sergel expands into the Danish credit management services market

2017 – Change of owner
Zostera AB acquires Sergel

1st bond issue
Issues a SEK 490m bond maturing 2020

2018 – Establish independence
Establishment of independent company structure, new IT-platform, and implementation of Sergel House is initiated

2019 – Strategic change
Focus on a wide and unified offering across all Nordic countries, becoming pan-Nordic

2nd bond issue
Issues a SEK 550m bond maturing 2022, refinancing 2017 bond

2020 – End of AR agreement with Telia
In October 2020, the Accounts Receivable contract with Telia ended due to Telia wanting to insource these services

2022 – Newly appointed CEO
Klaus Reimer (background from Sergel, Intrum and Accenture) appointed new CEO.
Isak Åsbrink headhunted by a company outside of the industry

2022+
Sergel we care
Pan-Nordic with wide offering

Source: Company info

02

Business overview

Sergel's service offering – covering the entire CMS value chain

Overview

- Sergel has a holistic credit management services offering (CMS), covering the entire value chain from the initial credit decision and receivables management, to hands-on debt collection of past due claims, as well as supporting on debt purchase deals. Sergel does not acquire or own any past due debt, the business is a pure servicing business
  - The company focuses on serving clients in transaction-intensive industries e.g., banking and finance, insurance, utilities and telecom
  - The large amount of proprietary credit and collection data enables Sergel to provide accurate and reliable credit scoring models and solutions to its clients
  - Has invested heavily in its current core collection system in Sweden and Finland during 2019-2021, enhancing quality, efficiency and client satisfaction
  - Long-standing relationship with Telia and most of its customers in general. The typical client relationship often end up being 10-15 years
- In addition, Sergel has a digital messaging service, which offers billing services, mobile invoicing and payments, as well as message distribution and campaigns

Offering by markets

Debt collection	✓	✓	✓	✓
Connect	✓			
Credit Decision	✓	✓		✓
Accounts Receivable	✓	✓		✓

Credit Decision	Accounts Receivable	Debt Collection	*Debt Purchase*	Connect
▪ Credit check and scoring models ▪ Credit monitoring and decisions ▪ Customer validation and automatic credit system	▪ Ledger services and reporting ▪ Payment plans, reminders and payment matching ▪ Customer support	▪ Collection and debt surveillance ▪ Payment plans and debtor support / advisory ▪ Legal services ▪ Servicing debt purchase	▪ Acquisition of non-performing debt, both one-off acquisitions and forward flow (committed levels at predetermined prices and volume)	▪ Billing services and message distribution ▪ Mobile payment and SMS invoicing ▪ Global messaging campaigns
Credit Management Services in Sergel			*Several financing partners*	Connect in Sergel

Customer value proposition:

- ***Controlled credit risk***
- ***Customer retention***
- ***Reduced credit losses***
- ***Increased cash flow***
- ***Improved cost-efficiency***
- ***Enhanced quality***

Source: Company info

Debt Collection – third-party collection, capital-light and sticky

Description and revenue model

- Traditional collection of outstanding claims (past due) on behalf of third-parties, referred to as debt collection, constitutes the majority of revenue and is the very backbone of Sergel's business today
- This is a capital-light business and does not entail any ownership of debt. In addition, debt collection is typically characterised by long-term customer relationships, as switching costs tend to be high. Systems and processes are often deeply integrated between end-customers and debt collectors. In addition, the spinoff period following ending contracts is often as long as 3-5 years
- Most common to use a "no cure – no pay" structure, thus no revenue unless Sergel succeeds to collect the claim. Most revenue is paid by end-customers via fees, of which the structure depend upon local legislation and regulations (e.g., on reminders, collection fees etc.)

Services

- Debt surveillance
- Collection
- Legal services
- International collection
- Servicing debt purchase deals
- Payment plans

Key stats

SEK 467m
Service area revenue in 2021

~93%
First call resolution in collection cases

~67%
Debt collection share of 2021 revenues

~10-15 years
Typical length of a client relationship

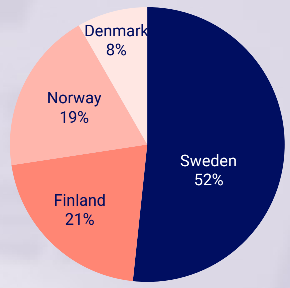
419
Number of Debt Collection customers

~3-5 years
Spinoff period in case of contract termination

Development and contribution by geography

SEKm	2019	2020	2021
Sweden	221	174	241
Finland	116	114	98
Norway	158	133	89
Denmark	42	47	39

Main development drivers:
- *Regulatory changes in Norway during 2020 with full effect vs. 2019 seen in 2021*
- *System change at one larger customer in Sweden led to volume decline in 2020*
- *Covid-19 dampened new flow of volumes*



The collection process:

Initial phase – contact debtor & identify actions

- Initial overview of case
  - Debt outstanding
  - Info from avail. data sources
- Contact debtor
  - Omni-channel approach
  - Gather info
- Seek amicable solution
  - Default is always to seek a mutual beneficial result
- Debtor able or willing to pay?

No → Identify potential for legal recovery → Legal process → Payments / foreclosure

Yes → Proposal / payment plan → Payment agreement → Payments

- Proposal / payment plan
  - Work out payment plan or explore legal recovery
- Payment agreement
  - If there is no agreement, start legal process
- Payments
  - Payment according to plan, legal recovery or no solution

Source: Company info

Connect – content billing and SMS distribution services

Description and revenue model

- Through its digital payment- and messaging services, Sergel provides content billing and SMS distribution services. The services entails individual messaging, campaign messaging in bulk and globally, invoicing and payment via SMS and phone bills
- Sergel acts as an intermediary between the content provider and the operator billing the end customers
- Services are delivered via a commission-based fee structure where the content provider pays a percentage of the invoiced amount

Services

Billing services

Message distribution

SMS

Email

Global messaging campaigns

Mobile invoice

Key stats

SEK 176m
Service area revenue in 2021

100%
Revenue contribution from Sweden

~25%
Connect share of 2021 revenues

~56%
Y-o-y growth in revenues 2021

473
Number of Connect customers

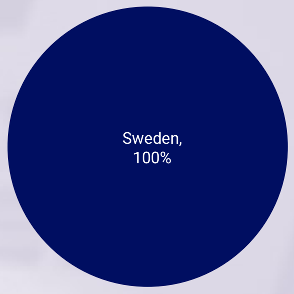
~10-15 years
Typical length of a client relationship

Development and contribution by geography

SEKm	2019	2020	2021
Sweden	110	112	176

***Main development drivers**:*

- *A 56% y-o-y growth in revenue during 2021, benefitting from increased digitalisation in society and demand for automated services, this was only fuelled further by Covid-19*



Source: Company info

Credit Decision – helping clients balance profitability and risk

Description and revenue model

- In brief, Sergel seeks to predict who will be likely to pay their invoices and who won't. This is done by combining credit information, the respective client's customer insight and data, with Sergel's analytical knowledge to provide scoring solutions and credit information. Sergel manages a proprietary database to support new credit decisions and is a licensed credit check company in both Sweden and Norway. In Sweden, Sergel has a fully functioning automatic credit system almost solely for Telia
- Similar to Accounts Receivable, contracts typically specify a service package incl. service level agreements and KPIs, and are invoiced on a recurring monthly basis, but often these vary due to the number of requests. Some consultancy work can be added, leading to non-recurring invoicing
- Some tasks are paid per action, but most are paid as a fixed fee level. The revenue structure consist of a fixed price for use of the platform in combination with a variable cost per credit decision

Services

- Credit check
- Scoring models
- Credit monitoring
- Credit decision
- Customer validation
- Automatic credit system

Key stats

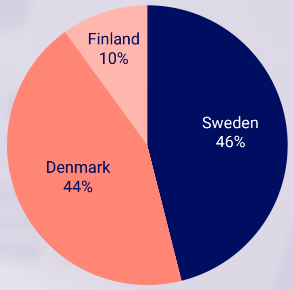
SEK 45m Service area revenue in 2021	**~46%** Revenue contribution from Sweden
~6% Credit Decision share of 2021 revenues	**~6m** Credit decisions
3 Number of Credit Decision customers	**~10-15 years** Typical length of a client relationship

Development and contribution by geography

SEKm	2019	2020	2021
Sweden	23	24	21
Denmark	21	21	20
Finland	5	5	5

***Main development drivers**:*

- *Fairly stable development in recent years, has seen a revenue CAGR of ~0% from 2017 to 2021. Telia accounts for the majority of revenue in Sweden*



Source: Company info

Accounts Receivable – handling the entire lifecycle of receivables

Description and revenue model

- As part of its Accounts Receivable offering, Sergel delivers payment processing services throughout the lifecycle of receivables, meaning before, in connection with and after the due date. These services entail date reminders, payment plans and matching, ledgers and customer support, all to enable efficient and smooth handling of receivables and payments
- Contracts typically specify a service package incl. service level agreements and KPIs, and are invoiced on a recurring monthly basis. Some consultancy work can be added, leading to non-recurring invoicing
- Some tasks are paid per action, but most are paid as a fixed fee level based on pre-determined activity / volume levels

Services

Ledger services

Reminders

Payment plans

Payment matching

Reporting

Customer support

Key stats

SEK 13m
Service area revenue in 2021

~94%
Revenue contribution from Finland

~2%
Accounts Receivable share of 2021 revenues

~14%
Accounts Receivable share of 2020 revenues

4
Number of Accounts Receivable customers

~10-15 years
Typical length of a client relationship

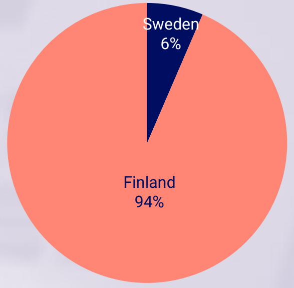
Source: Company info

Development and contribution by geography

SEKm	2019	2020	2021
Sweden	115	83	1
Finland	16	15	12

***Main development drivers**:*

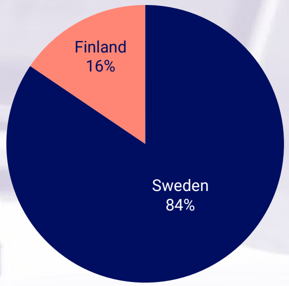
- *Development explained by the loss of Telia contract in Oct 2020. Since 2017, Telia has insourced Accounts Receivable mgmt. to increase control**



*The Telia contract**

- Historically, Telia has accounted for the majority of revenue within this service area, before the agreement ended in October 2020. The reason for this is that Telia since 2017 has insourced accounts receivable management to increase internal control

Contribution in 2020

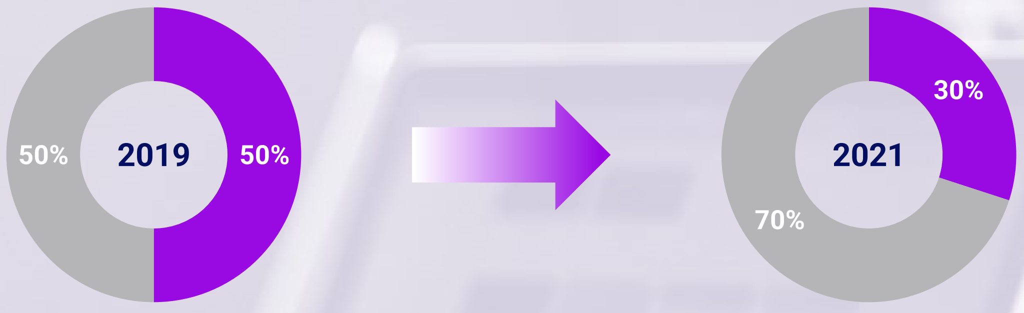


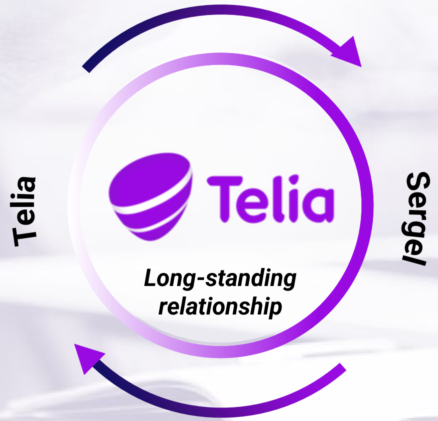
Highly integrated with Telia, having served them since 1988

Telia relationship

- Zostera acquired Sergel from Telia back in 2017, as the collection business was considered a non-core business within Telia
- Although considered "non-core business", it was plausible that Telia was planning to pursue certain insourcing to increase control. One area that the insourcing affected was the AR which lead Sergel to lose one of its contracts with Telia
- Due to Sergel's deep relationship with Telia dating all the way back to 1988, all other agreements remains strong and there has been no indications of Telia pursuing further insourcing of services
- As demonstrated below, Sergel has significant stickiness in their offering due to its close collaboration with Telia meeting on an operational level approximately 4-12 per annum. Sergel is highly integrated with Telia on systems and processes, having served them since 1988

Strong relationship but less dependent[1]





Services

- Debt collection
- Connect
- Credit decision

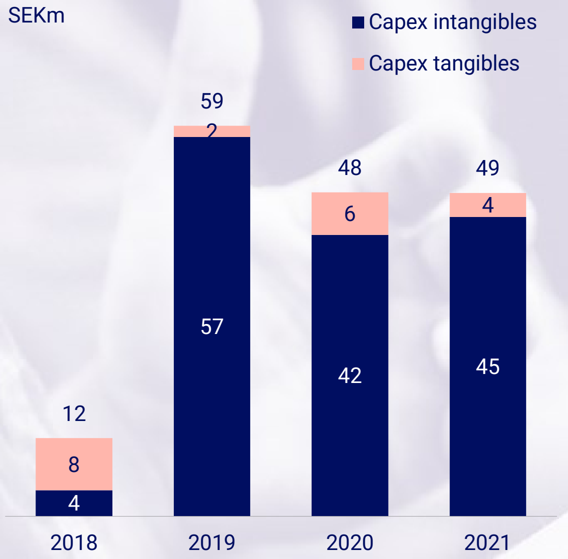
Key stats

~30% FY21 revenue contribution	**4** Number of active markets for Telia
3 Number of services provided	

Source: Company info
Note: 1. Approximate numbers

Investments in core collection system– reaping the benefits

Historical capex



- In the period 2019-2021, Sergel has invested heavily in developing its core collection system in Sweden and Finland. Development of the system is now close to finalised
- The intangibles capex in this period is mainly driven by these investments

Benefits

Enhanced efficiency in collection

Improved collection outcome

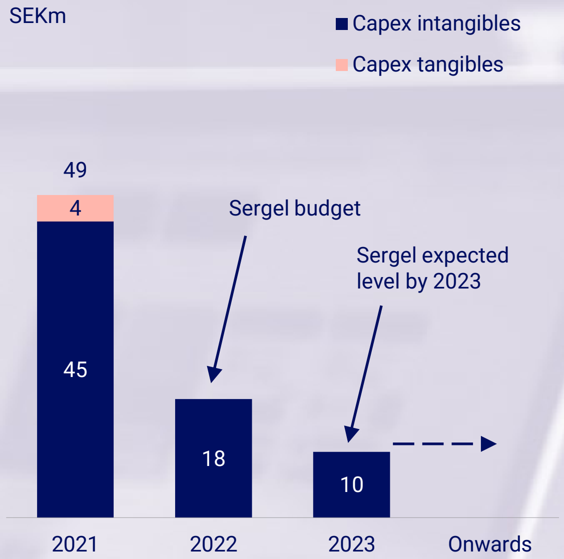
Better operational control

Higher customer satisfaction

Higher profitability

- This is expected to improve profitability and customer satisfaction through enhanced efficiency in collection, better quality and control, as well as improved collection outcome

Capex outlook



- Capex is budgeted to decrease significantly in 2022 vs. 2021, as the development of the core collection system is close to finalised
- Development capex relating to the core collection system is budgeted at SEK 18 million for 2022. This should over time approach SEK 10 million (expected by 2023)
- Intangibles capex was SEK 3.5 million and tangibles was SEK 6.1 million in Q1'22

Source: Company info

03

Market overview

Strong platform to capitalise on the attractive Nordic CMS market

Nordic market characteristics

- Well developed credit markets with consumers custom to using credits and with a culture to repay outstanding debt
- Favourable legal framework with strong creditor protection, suitable for debt collection
- Fairly mature market with strong local players and some larger international players, some consolidation taking place (e.g., merger of Kredinor and Mohdi Finance in Norway)
- Sergel stands out as the only Nordic-focused CMS player with presence throughout the CMS value chain and presence in all of the Nordic markets
- The CMS market in 2020 and 2021, has been adversely impacted by Covid-19 and regulatory changes in Norway, conditions are now starting to normalise in the Nordics

Competitive landscape

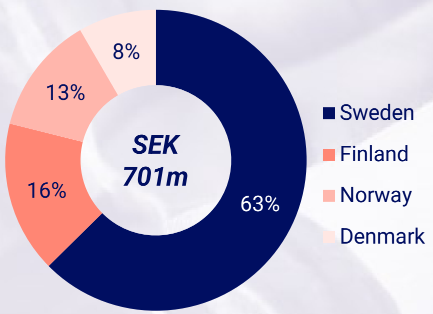
Sergel, intrum, Lowell, arvato Bertelsmann, SVEA, PayEx, VISMA, Alektum Group, Axactor, Prioritet Finans

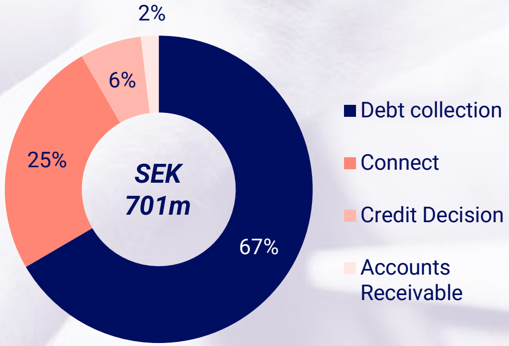
Sergel, convene, Kredinor, intrum, Lowell, arvato Bertelsmann, Axactor, PayEx, VISMA, Alektum Group

Sergel, intrum, Lowell, arvato Bertelsmann, SVEA, PayEx, PRA Group, OK Perintä, Alektum Group

Sergel, intrum, Lowell, arvato Bertelsmann, SVEA, PayEx, Kredinor, Alektum Group, NO DE CO, Collectia

Revenue split Sergel 2021





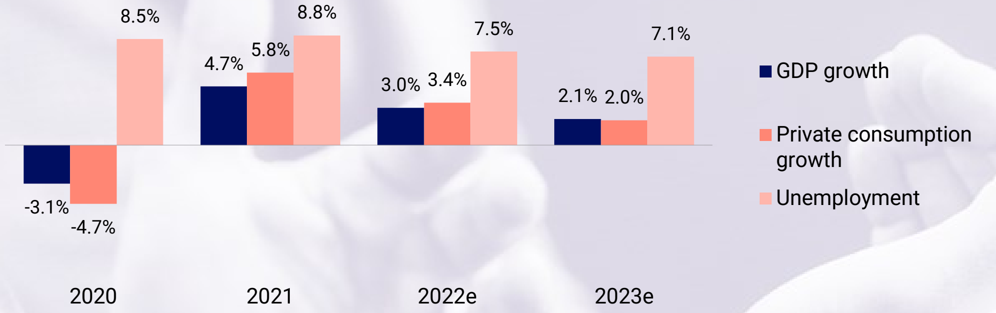
Service offering of key peers[1]

		Sergel	intrum	Lowell	SVEA	Alektum Group	Kredinor
HQ		Sweden	Sweden	UK	Sweden	Sweden	Norway
Revenue (SEKm)		SEK 714m[2]	SEK 17,789m	SEK 10,776m	SEK 3,609m	SEK 1,357m	SEK 1,023m
Products	Credit decisions	✓	✓	✓	✓	✓	✓
	Account receivables	✓	✓	✓	✓	✓	✓
	Debt collection	✓	✓	✓	✓	✓	✓
	Payment & communication	✓	✗	✗	✗	✗	✗

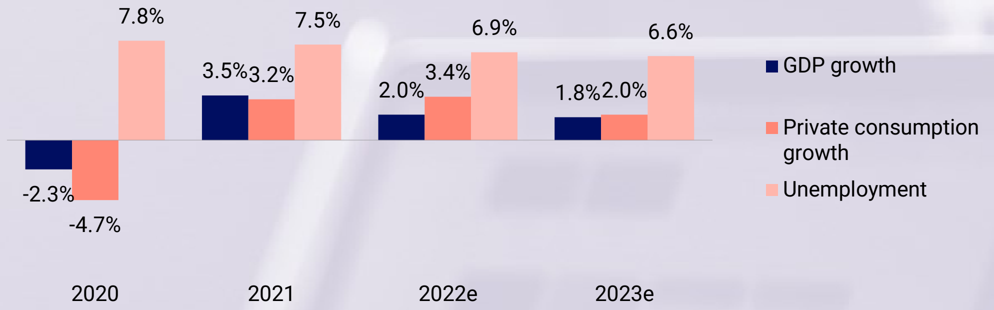
Source: Company info
Note: 1. Latest available financial report, 2. LTM Q1'22

Market fundamentals for the Nordics

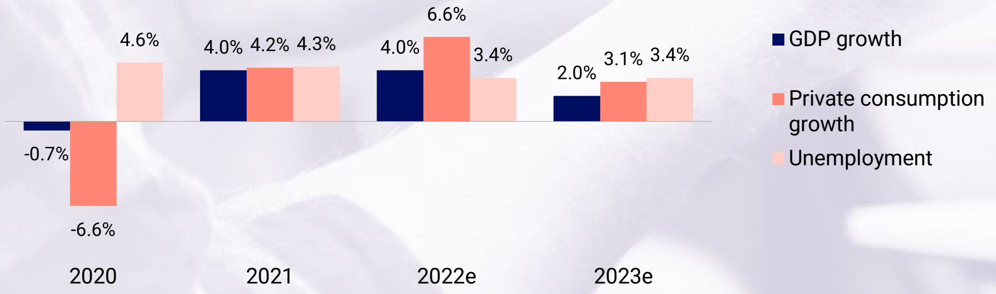
Sweden



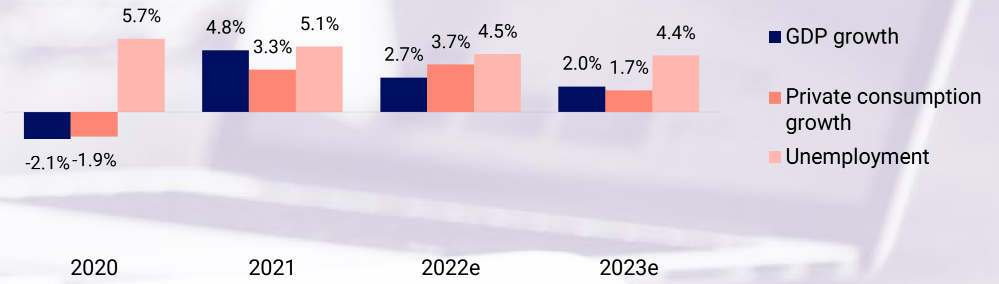
Finland



Norway



Denmark



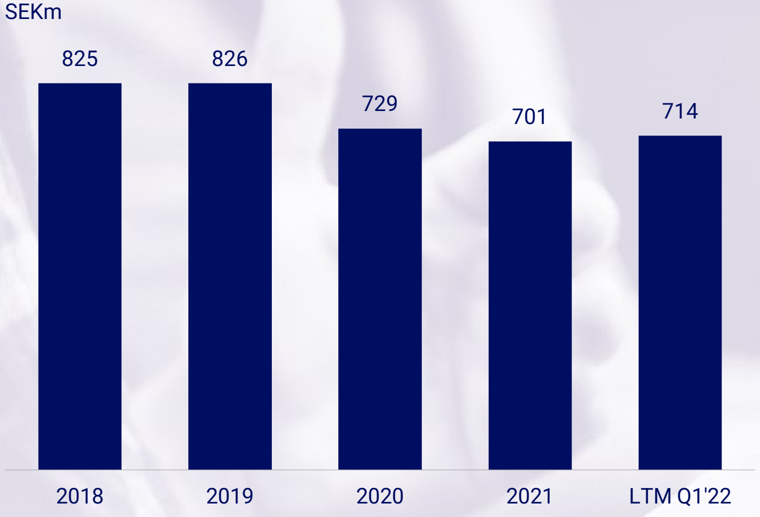
Source: Bloomberg, OECD, SSB, Tilastokeskus

04

Financial performance

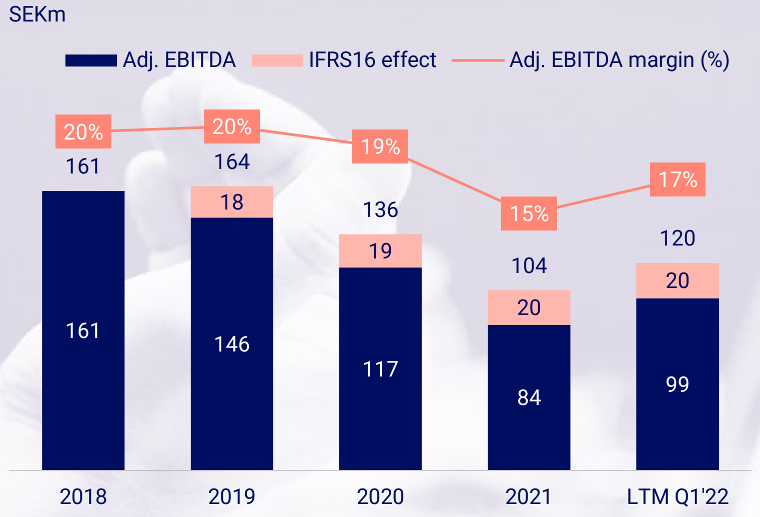
Returning to growth and margin expansion, having bottomed-out in 2021

Revenue development



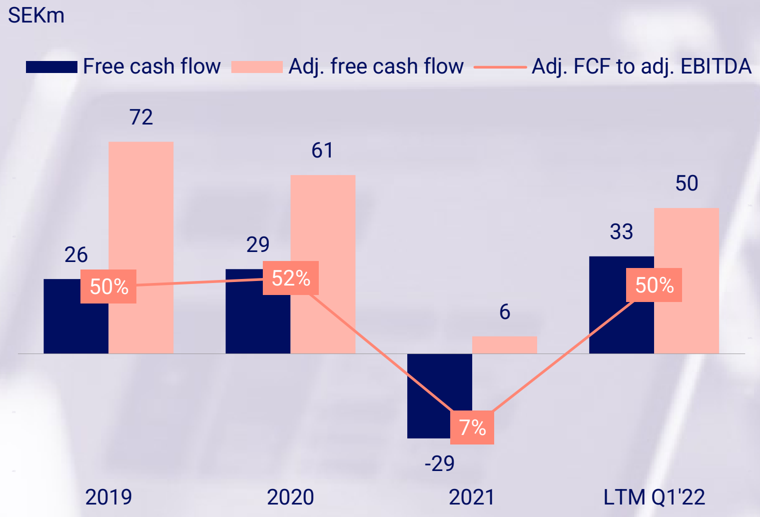
- The negative trend of declining revenue has shifted, and the business has returned to growth following negative impact from Covid-19, as well as regulatory changes in Norway; which adversely affected collection revenues in 2021. On top of this, the Accounts Receivable agreement with Telia ended in October 2020, as Telia wanted to insource these services
- The growth LTM has been driven by increasing volumes in debt collection and settlement with a customer in Finland
- Sweden has increased due to an increasing volume from existing and new customers, especially in Connect

Adj. EBITDA[1] & margin (%)



- The decreasing profitability trend has turned as well, with adj. EBITDA LTM Q1'22 being up ~19% vs. 2021, driven by growing revenue and an increasing EBITDA margin
- Costs have also decreased y-o-y in Q1, which is mainly due to lower IT costs and slightly lower personnel costs

Cash conversion[2]



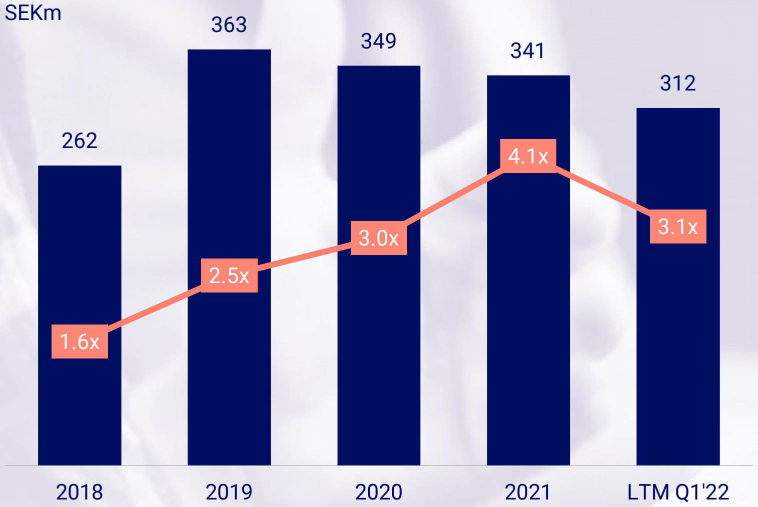
- Cash conversion based on LTM Q1'22 figures, is back to the levels seen in 2019 and 2020, driven by improving profitability and improved working capital position
- Adj. free cash flow is calculated as free cash flow adjusted for the difference between reported intangibles capex (related to development of the core collection system in Finland and Sweden, already in place in Denmark and Norway) and the assumed normalised level at ~SEK 10m (expected long-term level by Sergel)

Source: Company info

Note: 1. Adj. EBITDA as per company definition; reported EBITDA less IFRS16 and NRIs. Figure on above columns in the second chart, represents adj. reported EBITDA (adj. for NRIs), 2. Adj. FCF calculated as FCF adjusted for the difference between reported intangibles capex (related to development of the core collection system in Finland and Sweden) and normalised level at ~SEK 10m

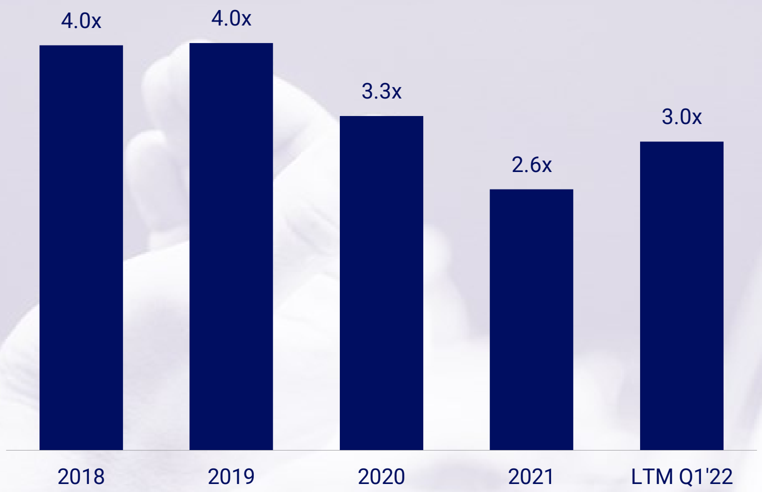
Deleveraging through increasing EBITDA and decreasing capex

NIBD[1] and leverage ratio[2]



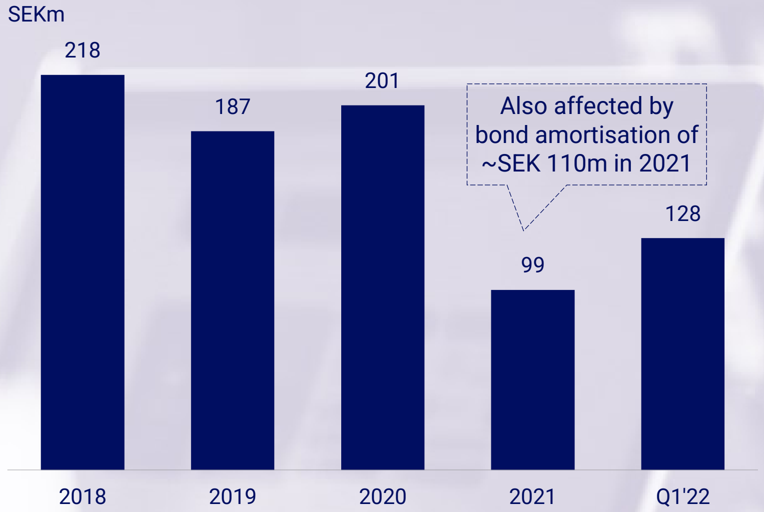
- Significant deleveraging due to increased financial performance LTM Q1’22 vs. 2021, driven by return to growth and a decreasing capex level
- Following a shortfall in adj. EBITDA in 2021 and high development capex (relating to core collection system), the leverage ratio increased from 2.9x in 2020 to 4.1x in 2021 (4.4x incl. pension liabilities). Still, this was well below the amended covenant of 5.5x for Q4’21 (back to 3.75x in Q2’22)
- Based in LTM Q1’22 figures, the leverage ratio is calculated at 3.1x, significantly down from the level in 2021

Interest coverage ratio[3]



- The interest coverage ratio implies that the company has a good capacity to service its interest payments on the bond loan. The ratio must exceed 2.0x based on the amended terms in 2021 (will be back at 2.5x in Q2’22)
- ICR calculated at 3.0x LTM Q1’22 based on net finance charges LTM of ~SEK 33m and an adj. EBITDA of SEK 99.4m

Cash position



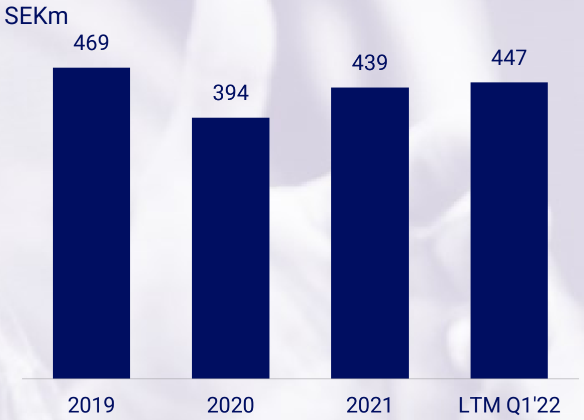
- Due to improved cash flow and significantly lower capex, the cash position has increased by SEK 29m q-o-q in Q1’22 to SEK 128m. The cash position is expected to be positively affected by the significantly lower capex requirement going forward, as the development of the core collection system in Sweden and Finland is now close to finalised
- Hence, Sergel has ample headroom to its cash balance covenant, which stipulates a minimum level of SEK 20m
- The decline in 2021 was largely driven by the ~SEK 110m in bond amortisation

Source: Company info

Note: 1. calculated as long-term and short-term interest bearing debt (excl. IFRS16) less cash and cash equivalents, 2. calculated as ratio of NIBD to adj. EBITDA (EBITDA less IFRS16 and before NRIs), 3. calculated as ratio of adj. EBITDA to net finance charges (relating to bond)

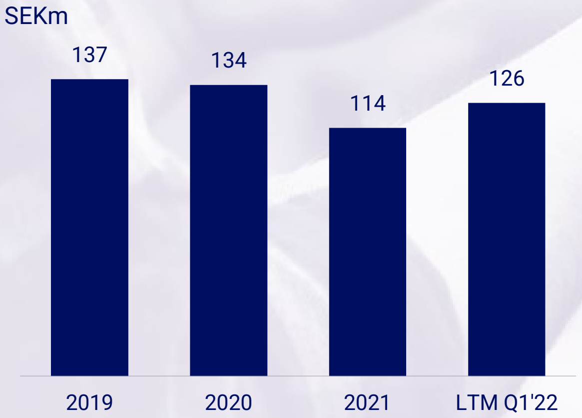
Countries – recent revenue development

Sweden

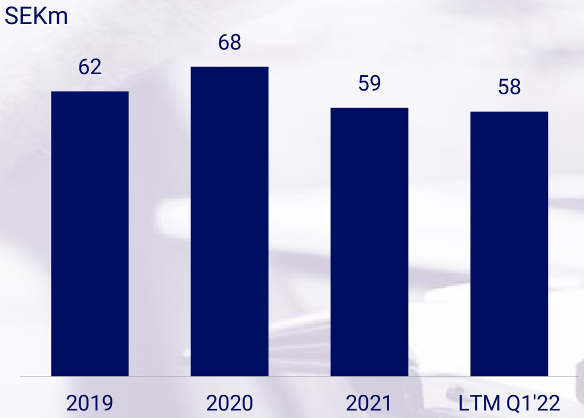


Norway

Finland



Denmark



Source: Company info

Description

Sweden
- Sergel's business in Sweden was affected by Telia's decision to not prolong the Accounts Receivable contract. Telia insourced these services gradually and the agreement ended in October 2020
- In 2021, the Segment Connect showed a significant sales increase in Sweden
- Sales in Debt Collection also constituted a large part of the increase in 2021

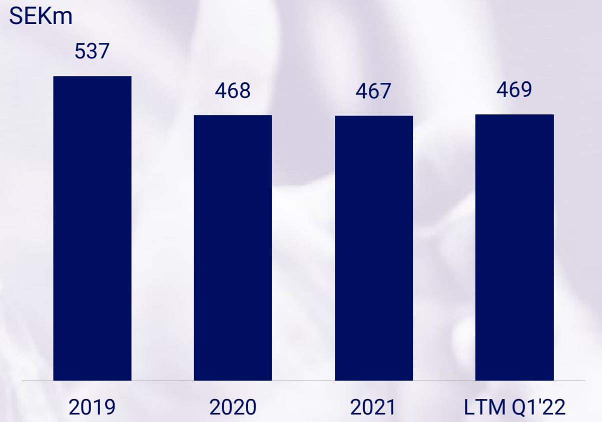
Norway
- New regulation decreased revenue of debt collection by 30% through lower legislated debtor fees
- Covid-19 affected sales strongly through less commerce and companies' aversion to offer credit

Finland
- Y-o-y development in Q4'21 and Q1'22 has been quite strong, driven by growth with existing customers, new volumes in collection and settlement with one customer

Denmark
- Higher revenue in 2020 within Debt Collection due to increased efficiency towards end-customers
- Efficient handling of Covid-19 in combination with newly signed contracts minimised downside in 2021

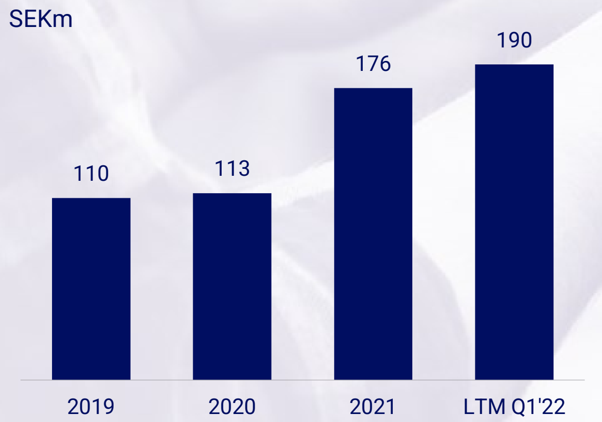
Segments – recent revenue development

Debt collection

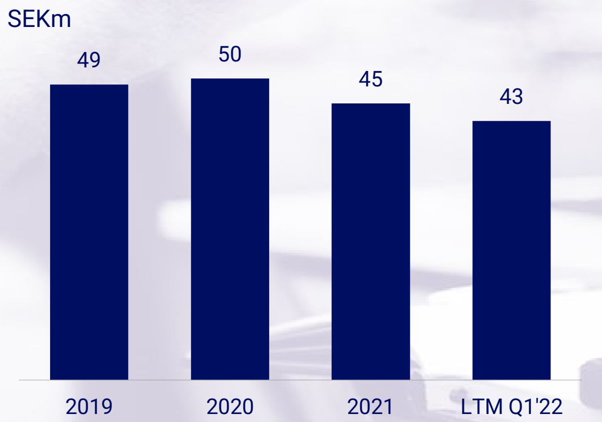


Accounts receivable

Connect



Credit decisions



Source: Company info

Description

Debt collection

- Due to Covid-19, consumption and credit growth decreased significantly resulting in lower volumes in 2020 and 2021
- New regulation in Norway decreased revenue from the debt collection segment, 2021 fully reflect these changes
- In Q1’22, Sergel experienced increasing volumes in debt collection

Accounts receivable

- Telia’s decision to not prolong account receivables contract resulted in a decreased revenue in 2020 and 2021
- Telia insourced the AR service in order to increase internal control
- The expired agreement stems from the period when Telia owned Sergel

Connect

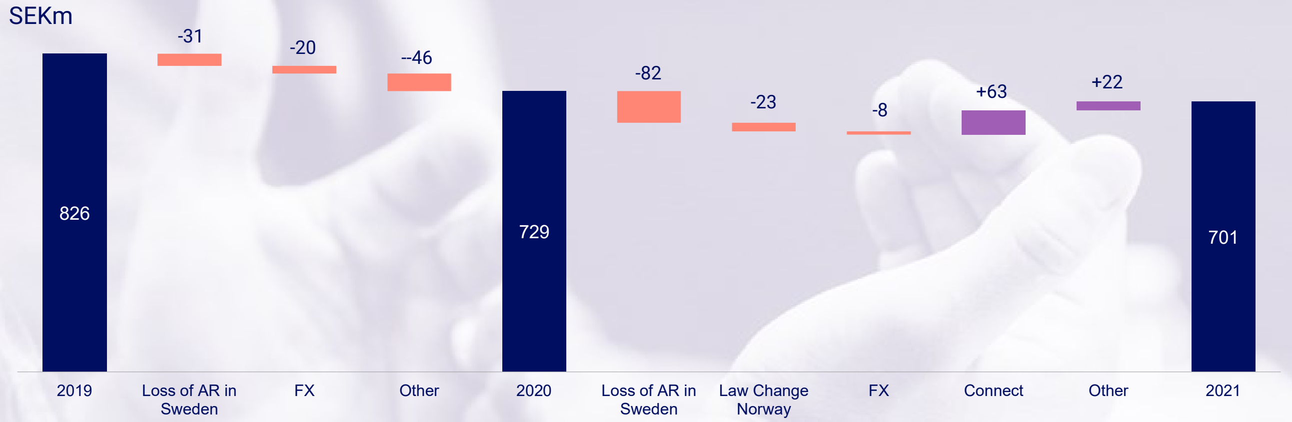
- As a consequence of Covid-19, SMS-volumes and number of customers increased in 2020 and 2021, still growth has remained strong, and the positive trend has continued in Q1’22
- Covid-19 has only accelerated the need for mobile payment- and messaging services

Credit decisions

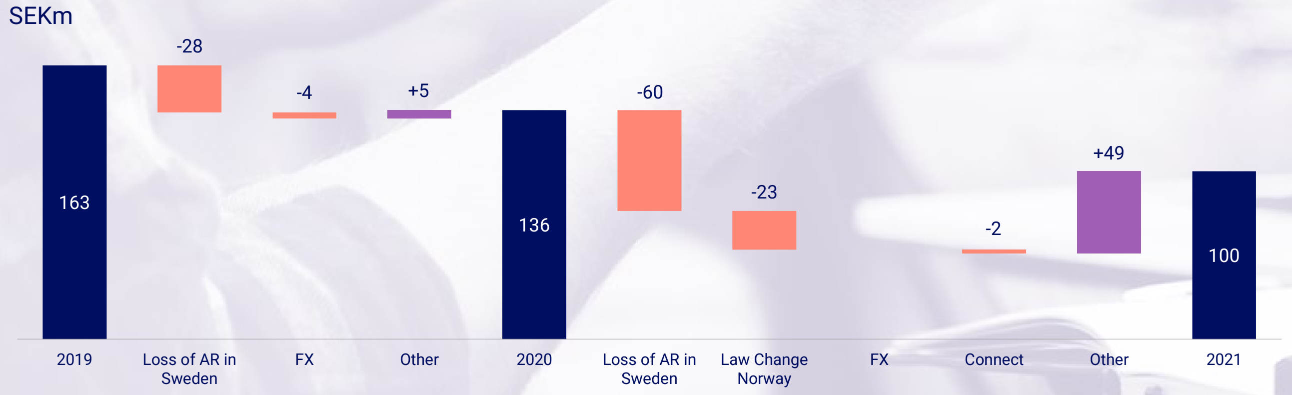
- Improvements in the BI & analytics and Data Science activities enabled better and more efficient reports of credit decisions

Revenue and EBITDA bridge – 2019-2021

Revenue 2019-2021



EBITDA[1] 2019-2021



Description

Revenue 2019-2020
- Decline primarily driven by lower debt collection revenues due to Covid-19 and loss of the Accounts Receivable contract in Sweden (Telia contract), as well as significant FX-effects

Revenue 2020-2021
- Decline driven primarily driven by loss of the Telia contract in Accounts Receivable and regulatory changes in Norway which adversely affected debt collection revenue (lowered fees)
- Strong growth within Connect driven by increased demand for messaging services, as well as revenue growth in Sweden, contributed positively during 2021

EBITDA 2019-2020
- Decline driven largely by loss of Accounts Receivable contract and FX, while growth in Denmark contributed positively

EBITDA 2020-2021
- Development explained by loss of Accounts Receivable contract in Sweden and regulatory changes in Norway which adversely affected debt collection revenues and margin
- Overall revenue growth in Sweden contributed positively in 2021

Source: Company info
Note: 1. Reported EBITDA incl. IFRS16

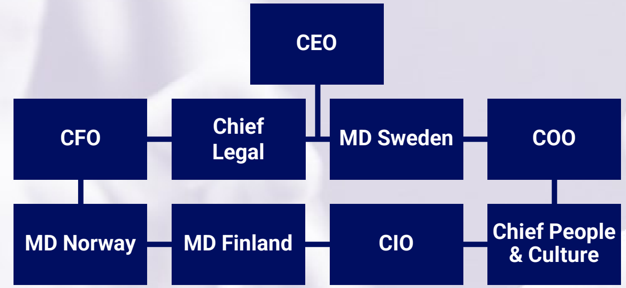
05

Appendices

Committed Management Team and Board of Directors

Overview of organisation

Management Team



Klaus Reimer
CEO

Niklas Unden
CFO

Anette Klingensjö
Chief Legal/ Compliance

Erik Wennhall
MD, Sweden

Laila Svahn
COO

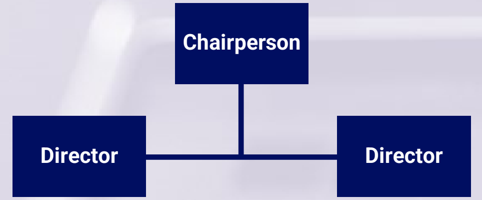
Sven Ingebretsen
MD Norway & Sergel Finans AS

Kristiina Airaksinen
MD, Finland

Martin Koch
CIO

Anne Kristi Rimeslåtten
Chief People/Culture

Board of Directors



Ewa Glennow
Chairperson

Klaus Reimer
CEO

Per Örtlund
Director

Source: Company info

Income statement

Income statement (SEKm)	2019	2020	2021	Q1 2021	Q1 2022
Net sales	825.7	728.8	701.3	173.5	185.7
Production cost	-538.4	-491.1	-503.9	-130.0	-128.7
Gross profit	**287.3**	**237.7**	**197.4**	**43.5**	**57.0**
Administrative expenses	-174.3	-159.0	-163.1	-42.0	-41.7
Operating results	**113.0**	**78.7**	**34.3**	**1.5**	**15.3**
Financial Net	-83.5	-54.0	-64.3	-18.3	-18.0
-Whereof Secured Bonds	-64.5	-38.2	-42.9	-11.7	-9.8
-Whereof Shareholder loans	-14.8	-11.7	-12.5	-3.0	-3.2
-Whereof other	-4.2	-4.1	-8.9	-3.6	-5.0
Result before tax	**29.5**	**24.7**	**-29.9**	**-16.8**	**-2.7**
Tax	-17.9	-7.0	-9.2	3.3	0.5
Net result	**11.6**	**17.7**	**-39.1**	**-13.5**	**-2.2**

EBITDA	2019	2020	2021	Q1 2021	Q1 2022
Operating results	113.0	78.7	34.3	1.5	15.3
Depreciation	51.1	57.7	65.7	14.5	16.6
IFRS EBITDA	**164.1**	**136.4**	**100.0**	**16.0**	**31.9**
IFRS effect	-18.2	-19.2	-20.0	-5.0	-5.3
Pre-IFRS EBITDA	**145.9**	**117.2**	**80.0**	**11.0**	**26.6**

Source: Company info

Balance sheet

Balance Sheet (SEKm)	2019	2020	2021	Q1 2021	Q1 2022
Assets					
Non-current assets					
Goodwill	302.4	302.4	302.4	302.4	302.4
Other intangible assets	347.3	341.5	340.1	356.9	334.2
Property. plant and equipment	4.6	3.1	1.8	2.9	1.4
Right-of-use assets	109.7	100.4	88.3	96.8	90.1
Other long-term receivables	7.1	5.0	4.7	5.1	5.0
Deferred tax assets	22.4	19.3	12.1	20.9	14.8
Sum of Non-current assets	**793.5**	**771.7**	**749.4**	**785.0**	***747.9***
Current assets					
Accounts Receivable	60.0	51.6	65.2	60.4	53.6
Prepaid expenses & Accrued revenues	43.0	49.1	61.1	45.0	50.1
Other receivables	106.1	90.6	99.0	97.0	87.5
Cash & bank	186.6	200.9	99.1	186.4	127.6
Sum of Current assets	**395.7**	**392.2**	**324.4**	**388.8**	***318.9***
Sum of Total Assets	**1,189.2**	**1,163.9**	**1,073.8**	**1,173.8**	**1,066.8**
Equity	**58.8**	**60.9**	**62.1**	**87.5**	**69.7**
Liabilities					
Non-current liabilities					
Provisions for pensions	39.6	37.8	29.8	30.4	25.3
Long-term interest-bearing liabilities	541.4	544.6	-	545.5	-
Subordinated liabilities	140.5	152.2	164.7	155.2	168.0
Long-term lease liabilities	100.7	93.7	84.2	91.1	85.9
Deferred tax liabilities	68.2	53.6	46.7	53.0	45.6
Sum of Non-current liabilities	**890.4**	**881.9**	**325.4**	**875.2**	***324.8***
Current liabilities					
Short-term interest-bearing liabilities		-	436.2		438.0
Current lease liabilities	11.9	12.4	12.7	12.2	13.5
Accounts Payable	35.1	44.6	75.6	46.5	67.6
Current tax liabilities	9.2	-	3.9	-	3.2
Accrued expenses & Deferred revenues	96.0	64.1	50.7	58.2	51.3
Other liabilities	87.8	100.0	107.2	94.2	98.7
Sum of Current liabilities	**240.0**	**221.1**	**686.3**	**211.1**	***672.3***
Total liabilities	**1,130.4**	**1,103.0**	**1,011.7**	**1,086.3**	**997.1**
Sum of Total Liabilities & Equity	**1,189.2**	**1,163.9**	**1,073.8**	**1,173.8**	**1,066.8**

Source: Company info

Cash flow statement

Cashflow statement (SEKm)	2019	2020	2021
Operating activities			
Operating result	**113.0**	**78.7**	**34.3**
Adjustments – items not included in the cash flow			
-whereof depreciation	51.1	57.7	65.7
-whereof re-evaluation of net pension	0.2	0.1	-1.5
-whereof other	-	-3.1	2.7
Interest received	3.3	5.4	0.3
Interest paid	-61.6	-44.0	-64.0
Taxes paid	-23.0	-29.5	-5.3
Cash flow from operating activities before change in working capital	**83.0**	**65.3**	**32.2**
Other operating assets (incr- / decr+)	-25.5	21.0	-34.2
Other operating liabilities (incr- / decr+)	26.6	-8.8	21.5
Cash flow from operating activities	**84.1**	**77.5**	**19.5**
Investing activities			
Acquisition of intangible assets	-56.9	-42.2	-44.9
Acquisition of tangible assets	-1.7	-6.4	-3.9
Changes in financial assets	-	-	0.3
Payment of pension liabilities	-	-	-
Cash flow from investing activities	**-58.6**	**-48.6**	**-48.5**
Financing activities			
Paid-in share capital	-	-	-
New issue bonds	-	-	-
Transaction acquisition costs	-10.1	-	-
Obtained bond financing	550	-	-
Redemption of bond financing	-490	-	-118.7
Repayment of shareholder loan	-100	-	-
Shareholder contribution	-	-	25.0
Other borrowings	-	6.3	16.7
Redemption of pension debt	-	-	-
Repayment of other loans	-10.5	-12.8	-
Cash flow from Financing activities	**-60.6**	**-6.5**	**-77.0**
Cash flow for the period	**-35.1**	**22.4**	**-106.0**
Cash and cash equivalents at the beginning of the period	**217.5**	**186.6**	**200.9**
Exchange rate differences	4.2	-8.1	4.2
Cash and cash equivalents at the end of the period	**186.6**	**200.9**	**99.1**

Source: Company info

Cash flow statement – Q1

Cashflow statement (SEKm)	Q1 2021	Q1 2022
Operating activities		
Result before tax	**-16.8**	**-2.7**
Adjustments – items not included in the cash flow	21.7	19.2
-Whereof depreciation	14.5	16.6
-Whereof capitalized and accrued interest	3.9	3.2
-Whereof re-evaluation of net pension	0.1	-0.6
-Whereof other	3.2	-
Taxes paid	-8.0	-5.6
Cash flow from operating activities before change in working capital	**-3.1**	**10.9**
Other operating assets (incr- / decr+)	-2.5	36.0
Other operating liabilities (incr- / decr+)	-12.3	-14.8
Cash flow from operating activities	**-17.9**	**32.1**
Investing activities		
Acquisition of intangible assets	-22.0	-3.5
Acquisition of tangible assets	-0.3	-6.1
Changes in financial assets	-	-0.4
Payment of pension liabilities	-	-
Cash flow from investing activities	**-22.3**	**-10.0**
Financing activities		
Transaction acquisition costs	-	-
Obtained bond financing	-	-
Redemption of bond financing	-	-
Repayment of shareholder loan	-	-
Shareholder contribution	25.0	-
Other borrowings	0.3	1.0
Repayment of other loans	-3.1	4.4
Cash flow from Financing activities	**22.2**	**5.4**
Cash flow for the period	**-18.0**	**27.5**
Cash and cash equivalents at the beginning of the period	**200.9**	**99.1**
Exchange rate differences	3.5	1.0
Cash and cash equivalents at the end of the period	**186.4**	**127.6**

Source: Company info


Sergel
we care