

YEAR-END REPORT

JANUARY-DECEMBER, 2022

Legres AB (publ)

559085-4773

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YEAR-END REPORT 2022

OCTOBER – DECEMBER 2022

- Net sales amounted to SEK 178.2 million (189.8)
- Operating result amounted to SEK 3.2 million (24.3)
- Net result amounted to SEK -25.0 million (-9.1)
- Comprehensive income for the period amounted to -20.7 million (-6.0)
- Cash flow from operating activities amounted to SEK 21.5 million (21.7)

JANUARY – DECEMBER 2022

- Net sales amounted to SEK 701.5 million (701.3)
- Operating result amounted to SEK 40.1 million (34.4)
- Net result amounted to SEK -39.4 million (-39.1)
- Comprehensive income for the period amounted to SEK -5.8 million (-23.8)
- Cash flow from operating activities amounted to SEK 53.1 million (36.3)

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- On October 1, 2022, Laila Svahn took office as the new CEO of Sergel Kreditjänster AB in Sweden. She most recently came from a position as COO within the company. Laila has broad industry experience and has held leading positions in the credit management industry for a long time.
- In October 2022, the bond loan has been repaid with SEK 12.5 million and SEK 5.8 million has been repurchased.
- In July 2022, part of the bond was exchanged for subordinated unsecured bonds of SEK 40 million. For further information see www.sergel.com/investor-relations/.
- In July 2022, Legres AB's subsidiary Sergel Kreditjänster extended its agreement with a large partner regarding traditional collection matters and credit information until 12/31/2023. For further information see www.sergel.com/investor-relations/.
- In May 2022, Legres AB (publ), announced through a written procedure that the company is seeking approval from bondholders to give their consent to certain changes to the bond terms. On June 22, 2022, Legres AB (publ), received approval from bondholders to change the bond terms and in connection with this, the bond was extended for a maximum of one year.
- On April 6, 2022, Klaus Reimer took office as the new CEO of Legres AB (publ) and Sergel Group, thereby replacing Isak Åsbrink, who is moving on outside the company. Klaus has extensive experience from senior positions in the credit management and finance industry and comes most recently from a position as CEO of Sergel A/S in Denmark. In addition to his new role, Klaus will continue as CEO of Sergel A/S in Denmark.

KEY FIGURES (SEK million)	OCTOBER – DECEMBER 2022	OCTOBER – DECEMBER 2021	JANUARY – DECEMBER 2022	JANUARY – DECEMBER 2021
Net sales	178.2	189.8	701.5	701.3
EBITDA	16.6	41.0	99.6	100.0
Adjusted EBITDA	12.6	39.7	80.6	84.0
Operating result	3.2	24.3	40.1	34.4
Net result	-25.0	-9.1	-39.4	-39.1
Cash flow from operating activities	21.5	21.7	53.1	36.3
Interest coverage ratio	2.78x	2.56x	2.78x	2.56x
Net interest-bearing debt to EBITDA	3.49x	4.41x	3.49x	4.41x
Cash and cash equivalents	101.8	99.1	101.8	99.1

See side 17 for key figures definitions

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In January 2023, repayment of the bond loan has taken place with SEK 12.5 million.

Otherwise, no significant events have occurred after the balance sheet date.

ABOUT LEGRES AB (publ)

Legres AB (publ) is the parent company of the Sergel companies in the Nordic region, Sergel Kredittjänster AB in Sweden, Sergel Oy in Finland, Sergel Norge AS in Norway and Sergel A/S in Denmark. These were acquired by Zostera AB in June 2017 from Telia Company. The average number of employees during 2022 in the Sergel companies was 301. The Sergel companies market services within credit scoring, account receivables, debt collection and payment- and message services (Connect).

CEO's comments

I am very proud to be able present a good financial development during the year, despite a challenging year with changed conditions on both a micro- and macro level. We see how the increasing inflation, the rising interest rates and the unstable world situation due to the war in Ukraine affect all sectors of society and also the Sergel Group.

During the whole year, we manage to keep turnover at a stable level of SEK 701.5 million (701.3), while the operating profit increases to SEK 40.1 million (34.4), which is primarily due to a very strong start of the year.

However, the fourth quarter is more affected than other quarters by the world situation. Net sales amount to SEK 178.2 million (189.8) and it is mostly Sweden and Finland that lose growth. Denmark and Norway, on the other hand, have a stronger development thanks to more cases from both existing and new customers. Our messaging service Connect, which had a big boost during the Covid pandemic, when the amount of messages from companies and authorities increased, has a weaker development during the quarter in connection with the number of distributed messages returning to pre-pandemic levels.

Operating profit decreases to SEK 3.2 million (24.3) during the quarter, which is due to fewer transactions and increased costs from our Connect business. Another reason for the decline is that the comparative quarter was strong. In Denmark, operating profit increased during the quarter thanks to a good sales trend. In Norway, the negative trend was reversed, and the number of debt collection cases is increasing significantly, which will also have a positive effect on the development going forward. At the same time, we manage to reduce costs in the entire operation because of increased digitization and more automation as well as optimized processes. Overall, we assess that these measures will have a positive effect on the financial development during the full year 2023.

The economic situation in the Nordics leads to tighter finances for our customers and their customers. This places even higher demands on us to be a responsive partner who actively supports and develops our customers' credit and recovery processes and thus contributes to securing a stable cash flow. An important part of this work is to take care of the customers' customers and create conditions so that they can resolve their financial obligations, for example through individual and sustainable agreements. This work puts the finger on the core of our "We Care" brand.

In the business, we have also worked to implement our vision with the associated focus areas in business plans and strategies and thus, by extension, increase the customers' business benefit from our services. An important part is to provide customers with data that optimizes their credit processes. Among other things, it is about developing risk profiles that contribute to lowering our customers' costs in their own customer acquisition process, this work is carried out within the framework of our focus area: "Your credit your control" which will develop the early stages of the collection process.

All in all, we believe that we are entering a very exciting time. We see how the implementation of our new vision, the use of data that increases the business benefit for our customers together with a focused market strategy throughout the Nordics will lead to several positive effects in the business during 2023.

The secured bond matures on July 9, 2023, and the company is reviewing various financing solutions to be able to repay the existing bond. It is currently too early in the process to provide any further comment.

In conclusion, a big thank you to all employees for a very fine effort throughout 2022, where changes and challenges have been handled brilliantly.

/Klaus Reimer

INCOME AND EARNINGS

The group's net sales during the fourth quarter amounted to SEK 178.2 million (189.8), which is 6% lower compared to the same quarter in 2021. This is explained by the fact that Connect in Sweden is slightly lower this quarter, mainly as a result of lower volumes. The slightly lower turnover is also due to Finland having a strong quarter in 2021, when there was a change in the application of the commission calculation in a large customer agreement, with a temporary positive impact on debt collection income. Norway and Denmark, on the other hand, have delivered a strong quarter and increased turnover compared to the previous year, which is mainly due to an increased number of cases.

Operating profit for the fourth quarter amounted to SEK 3.2 million (24.3). The reduction is partly due to a one-off effect linked to costs within the Connect business in Sweden as well as one-off costs in connection with termination of employment in Sweden and Finland. In addition, the comparative quarter (Q4 2021) had a number of components, which created a strong quarter, i.e. major adjustments to balance sheet items in Norway with a positive impact on costs and a strong quarter in Finland (described above).

However, the negative effect is offset by lower personnel and IT-related costs and lower depreciation compared to the previous year.

For the full year, turnover amounted to SEK 701.5 million (701.3), which is in line with the previous year. Operating profit for the full year amounted to SEK 40.1 million (34.4). Profit growth is primarily driven by optimized processes and thus higher cost efficiency.

FINANCIAL NET

During the fourth quarter, the group's financial net has decreased to SEK -20.2 million (-16.7) mainly due to unrealized currency effects amounting to SEK -3.8 million (-1.6). Financial costs for bond financing, i.e. interest and financing costs, amounts to SEK -9.7 million (-9.8) and for shareholder loans - SEK -3.8 million (-3.1).

The financial net for the full year amounts to SEK -74.6 million (-64.3), where unrealized currency effects affect the full year with SEK -12.5 million (-2.7). Financial costs for the bond financing amount to SEK -39.3 million (-42.9) and for the shareholder loan SEK -13.9 million (-12.5).

The interest on the bond is variable with a base of three months STIBOR plus a margin of 7.00% per annum from April 2021 (originally 6%). Coupon is paid quarterly. The bond had a maturity date of 9 July 2022 but was extended for a maximum of one year. In connection with the extension, the bond terms have changed in certain areas and parts of the bond have been converted into a subordinated bond with an interest rate of 9.00%. The interest on the shareholder loan amounts to 8.00% per year. The interest on the shareholder loan and the subordinated bond must be paid at the earliest on the day following full redemption of the bond.

TAX

The group's tax expense during the fourth quarter amounted to SEK -8.0 million (-16.7) and consists of current tax of SEK -2.2 million (-0.9) and deferred tax of SEK -5.8 million (-13.1). This is mainly due to a revaluation of the result that was booked during the fourth quarter of 2021.

For the full year, the tax cost amounted to SEK -4.9 million (-9.1) and consisted of current tax of SEK -13.7 million (-12.0) and deferred tax of SEK 8.8 million (2.8). An effect of SEK 1.7 million refers to the adjustment of changed tax rate on surplus values.

BALANCE SHEET

During 2022, several events have occurred that affect the results for 2022 and beyond, impairment testing has been done, but no impairment needs have been identified regarding goodwill, trademarks or any other intangible assets.

CASHFLOW

The period's cash flow compared to the previous year has decreased to SEK -8.3 million (8.8) mainly due to a reduced result before tax, which is however offset by a positive development in changes in working capital. Investment activities have decreased as a result of the acquisition/repurchase of the bond. The cash flow from financing activities has decreased, which is mainly due to amortization of the bond in the previous year.

For the full year, the cash flow from current operations has increased to SEK 53.1 million (36.3), which is mainly due to a positive development in changes in working capital. Investments in fixed assets are significantly lower than the previous year SEK -24.2 million (-48.5). This is primarily driven by the fact that the investments in the technical platform are significantly lower than the previous year. Cash flow from financing activities amounts to SEK -29.2 million (-93.8) and the decrease is mainly due to amortization of the bond loan in the previous year.

The secured bond matures on 9 July 2023 and the company is reviewing various financing solutions.

OTHER FINANCIAL INDICATORS

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 (2.0x for December 2021).

INTEREST COVERAGE RATIO (SEK million)	31 DEC 2022	31 DEC 2021
Adjusted EBITDA on rolling twelve months	80.6	84.0
Adjusted Net Finance charges on rolling twelve months	29.0	32.8
Räntetäckningsgrad	2.78x	2.56x

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.

Net Interest-Bearing Debt to EBITDA must not exceed 3.50x (5.50x for December 2021). Net interest-bearing debt does not include debt relating to obligations to pay future leasing fees according to IFRS 16.

NET INTEREST BEARING DEBT TO EBITDA (SEK million)	31 DEC 2022	31 DEC 2021
Net interest-bearing debt	280.9*	370.7
Adjusted EBITDA on rolling twelve months	80.6	84.0
Net interest-bearing debt to EBITDA	3,49x	4.41x

**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 amounted to SEK 101.8 million per 31 December 2022 (SEK 99.1 million per 31 December 2021).

PUBLICATION OF FINANCIAL INFORMATION

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

The interim report for the first quarter 2023 will be published on May 30, 2023

The interim report for the second quarter 2023 will be published on August 30, 2023

The interim report for the third quarter 2023 will be published on November 29, 2023

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 February 28, 2023

Ewa Glennow
Chairman of the Board

Per Örtlund
Board Member

Klaus Reimer
Board Member, Chief Executive Officer

The Year-end report has not been audited by the Group's auditors.

CONTACT DETAILS

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GROUP FINANCIAL STATEMENTS

GROUP INCOME STATEMENT

INCOME STATEMENT (SEK million)	Not	OCTOBER – DECEMBER 2022	OCTOBER – DECEMBER 2021	JANUARY – DECEMBER 2022	JANUARY – DECEMBER 2021
Net sales	4	178.2	189.8	701.5	701.3
*Production cost		-138.8	-128.0	-515.4	-520.4
Gross result		39.4	64.8	186.1	180.9
*Administrative expenses		-36.2	-37.5	-146.0	-146.5
Operating result		3.2	24.3	40.1	34.4
Financial net		-20.2	-16.7	-74.6	-64.3
- Secured Bonds		-9.7	-9.8	-39.3	-42.9
- Shareholder loans		-3.8	-3.1	-13.9	-12.5
- Other		-6.7	-3.8	-21.4	-8.9
Result before tax		-17.0	7.6	-34.5	-29.9
Tax		-8.0	-16.7	-4.9	-9.1
Net Result		-25.0	-9.1	-39.4	-39.1

*New classification between production costs and administrative costs has been made in 2022 to obtain a more accurate classification. The comparison figures are adjusted.

GROUP STATEMENT OF COMPREHENSIVE INCOME

COMPREHENSIVE INCOME (SEK million)	OCTOBER– DECEMBER 2022	OCTOBER – DECEMBER 2021	JANUARY – DECEMBER 2022	JANUARY – DECEMBER 2021
Net Result	-25.0	-9.1	-39.4	-39.1
Items that can be reclassified into profit and loss				
Currency translation differences	5.3	3.3	18.2	10.3
Items that cannot be reclassified into profit and loss				
Re-evaluation of pensions liability	-1.2	-0.3	19.5	6.3
Tax effect re-evaluation of pension liability	0.3	0.1	-4.1	-1.3
Total other comprehensive income	4.4	3.1	33.6	15.3
Comprehensive income for the period	-20.7	-6.0	-5.8	-23.8

GROUP BALANCE SHEET

BALANCE SHEET (SEK million)	31 DEC 2022	31 DEC 2021
Assets		
<i>Non-current assets</i>		
Goodwill	302.4	302.4
Other intangible assets	319.3	340.1
Property, plant and equipment	1.2	1.8
Right-of-use assets	77.7	88.3
Other long-term receivables	10.9	4.7
Deferred tax assets	9.2	12.1
Sum of Non-current assets	720.7	749.4
<i>Current assets</i>		
Accounts Receivable	54.1	65.2
Prepaid expenses & Accrued revenues	63.2	61.1
Other receivables	86.9	99.0
Cash & bank	101.8	99.1
Sum of Current assets	306.0	324.4
Sum of Total Assets	1 026.7	1073.8
Equity	56.3	62.1
Liabilities		
<i>Non-current liabilities</i>		
Provisions for pensions	7.1	29.8
Subordinated liabilities	178.1	164.7
Long-term lease liabilities	77.6	84.2
Deferred tax liabilities	39.9	46.7
Sum of Non-current liabilities	302.7	325.4
<i>Current liabilities</i>		
Subordinated bond loan	40.0	0.0
Short-term interest-bearing liabilities	384.9	436.2
Current lease liabilities	11.3	12.7
Accounts Payable	73.8	75.6
Current tax liabilities	3.5	3.9
Accrued expenses & Deferred revenues	54.4	50.7
Other liabilities	99.8	107.2
Sum of Current liabilities	667.7	686.3
Total liabilities	970.4	1 011.7
Sum of Total Liabilities & Equity	1 026.7	1 073.8

GROUP STATEMENT OF CHANGES IN EQUITY

CHANGES IN EQUITY (SEK million)	31 DEC 2022	31 DEC 2021
Equity at the beginning of the period	62.1	60.9
Comprehensive income for the period	-5.8	-23.8
Shareholder contribution		25.0
Equity at the end of the period	56.3	62.1

GROUP CASH FLOW STATEMENT

CASH FLOW (SEK million)	OCTOBER– DECEMBER 2022	OCTOBER – DECEMBER 2021	JANUARY – DECEMBER 2022	JANUARY – DECEMBER 2021
Operating activities				
Result before tax	-17.0	7.6	-34.5	-29.9
Adjustments – items not included in the cash flow	25.0	28.0	82.4	84.2
-depreciation and impairment of assets	13.0	16.7	59.5	65.7
-capitalized and accrued interest	5.8	9.7	19.4	17.3
-re-evaluation of net pension liabilities	1.4	-0.5	-1.4	-1.5
-other	4.9	2.1	4.9	2.7
Taxes paid	-1.5	9.6	-12.0	-5.3
Cash flow from operating activities before change in working capital	6.5	45.2	35.8	49.0
Other operating assets (incr- / decr+)	-4.6	-58.2	22.8	-34.2
Other operating liabilities (incr- / decr+)	19.6	34.6	-5.5	21.5
Cash flow from operating activities	21.5	21.7	53.1	36.3
Investing activities				
Acquisition of intangible assets	-5.6	-7.4	-17.7	-44.9
Acquisition of tangible assets	-0.5	-1.8	-0.5	-3.9
Changes in financial assets	-5.7	0.1	-6.0	0.3
Cash flow from investing activities	-11.9	-9.0	-24.2	-48.5
Financing activities				
Shareholder contribution	0.0	0.0	0.0	25.0
Amortization lease debt	-3.5	-5.4	-14.1	-13.3
Amortization other	-14.5	1.6	-15.1	-105.5
Cash flow from Financing activities	-18.0	-3.6	-29.2	-93.8
Cash flow for the period	-8.3	8.8	-0.3	-106.0
Cash and cash equivalents at the beginning of the period	109.8	89.5	99.1	200.9
Exchange rate differences	0.4	0.8	3.0	4.2
Cash and cash equivalents at the end of the period	101.8	99.1	101.8	99.1

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

INCOME STATEMENT (SEK million)	OCTOBER – DECEMBER 2022	OCTOBER – DECEMBER 2021	JANUARY – DECEMBER 2022	JANUARY – DECEMBER 2021
Net sales	18.4	12.7	67.2	68.9
Gross result	18.4	12.7	67.2	68.9
Administrative expenses	-14.9	-11.1	-55.0	-57.7
Depreciation	-3.8	-3.7	-14.9	-14.9
Operating result	-0.3	-2.1	-2.7	-3.7
Financial net	39.4	-10.0	23.4	-54.4
- Secured bonds	-9.7	-9.8	-39.3	-41.4
- Shareholder loans	-3.8	-3.1	-13.9	-12.5
- Dividends	60.0	5.5	95.0	5.5
- Other	-7.1	17.4	-18.4	-6.0
Result before tax	39.1	-12.1	20.7	-58.1
Appropriations	5.5	11.1	5.5	11.1
Tax	-9.1	-14.1	1.7	-4.6
Net result	35.5	-15.1	27.9	-51.6

For the parent company, the fourth quarter resulted in a loss after tax of SEK 35.5 million, which can be compared with SEK -15.1 million for the same quarter in 2021. In total, the parent company received dividends of SEK 95.0 million (5.5) and group contributions of SEK 5.5 million (11.1). The parent company does not conduct its own operations, the income consists mainly of dividends and any group contributions.

PARENT COMPANY BALANCE SHEET

BALANCE SHEET (SEK million)	31 DEC 2022	31 DEC 2021
Assets		
<i>Non-current assets</i>		
Intangible assets	124.8	123.1
Shares in subsidiaries	684.1	684.1
Deferred tax assets	8.0	6.4
Sum of Non-current assets	816.9	813.6
<i>Current assets</i>		
Prepaid expenses & Accrued revenues	0.3	0.2
Receivables from group companies	198.8	155.6
Other receivables	1.4	5.8
Cash & bank	12.1	3.7
Sum of Current assets	212.6	165.3
Sum of Total Assets	1 029.5	978.9
Equity	70.5	42.6
Liabilities		
<i>Non-current liabilities</i>		
Subordinated liabilities	324.3	289.8
Other long-term liabilities to group companies	179.6	172.4
Sum of Non-current liabilities	503.9	462.9
<i>Current liabilities</i>		
Subordinated bond loan	40.0	0.0
Bond loan	384.9	436.2
Accounts payable to group companies	10.5	11.7
Accounts payable	9.5	17.8
Accrued expenses & deferred revenues	10.2	8.4
Other liabilities to group companies	179.6	172.4
Sum of Current liabilities	455.1	474.1
Total liabilities	959.0	936.3
Sum of Total Liabilities & Equity	1 029.5	978.9

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

CHANGES IN EQUITY (SEK million)	31 DEC 2022	31 DEC 2021
Equity at the beginning of the period	42.6	69.2
Comprehensive income for the period	27.9	-51.6
Shareholder contribution	0	25.0
Equity at the end of the period	70.5	42.6

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.

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 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 Zostera AB (renamed from Marginalen Group AB), corporate ID no. 556587-0242, also located in Stockholm.

NOTE 2 Accounting Principles

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

The group applies the same accounting principles as stated in the annual report for 2021.

Bond loan

The company's bond loans are reported at amortized cost. Direct costs when taking out a loan are included in the acquisition value and are amortized over the term of the bond

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

NET SALES FROM EXTERNAL CLIENTS BY REGION (SEK million)	OKTOBER- DECEMBER 2022	OKTOBER- DECEMBER 2021	JANUARI- DECEMBER 2022	JANUARI- DECEMBER 2021
Sweden	111.0	120.2	436.5	439.0
Norway	22.2	19.4	83.7	89.2
Finland	28.0	36.4	118.0	114.4
Denmark	17.0	13.8	63.3	58.7
Total Net Sales from external clients by region	178.2	189.8	701.5	701.3

NET SALES DIVIDED BY SERVICE (SEK million)	OKTOBER- DECEMBER 2022	OKTOBER- DECEMBER 2021	JANUARI- DECEMBER 2022	JANUARI- DECEMBER 2021
Debt Collection	119.2	120.8	467.0	466.9
Payment- and message services	45.4	55.1	182.1	175.9
Accounts Receivable	3.0	3.0	11.5	13.1
Credit Decision	10.6	10.9	40.8	45.4
Total Net Sales	178.2	189.8	701.5	701.3

OPERATING RESULT (SEK million)	OCTOBER- DECEMBER 2022	OCTOBER- DECEMBER 2021	JANUARY - DECEMBER 2022	JANUARY- DECEMBER 2021
Sweden	-3.8	9.5	10.4	14.3
Norway	3.5	10.2	13.7	21.1
Finland	1.3	11.3	21.1	17.4
Denmark	5.8	2.4	18.3	12.7
Group items and eliminations	-3.6	-9.1	-23.4	-31.1
Operating result per region	3.2	24.3	40.1	34.4
Financial net	-20.2	-16.7	-74.6	-64.3
Tax	-8.0	-16.7	-4.9	-9.2
Net Result	-25.0	-9.1	-39.4	-39.1

NOTE 5 RELATED PARTY TRANSACTIONS

Legres AB (publ) has a Shareholder Loan from Legres Holding AB which as of the balance sheet date amounts to SEK 178.1 million. The loan was obtained to finance the acquisition of the Sergel Companies. The interest on the subordinated loan is set to 8.00 % and is capitalized until full redemption of the Bonds.

NOTE 6 CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES

IFRS 9

Classification (SEK million) 2022-12-31	Fair value via P&L	Amortized cost via P&L	Fair value via OCI	Total
Financial assets				
Other long-term receivables		10.9		10.9
Accounts Receivable		54.1		54.1
Other receivables		86.9		86.9
Cash & bank		101.8		101.8
Prepaid expenses & accrued revenues		63.2		63.2
Total		316.9		316.9
Financial liabilities				
Short-term interest-bearing liabilities		384.9		384.9
Subordinated bond loan		40.0		40.0
Subordinated debt		178.1		178.1
Lease liabilities		88.9		88.9
Accounts Payable		73.8		73.8
Other current liabilities		99.8		99.8
Accrued expenses & deferred revenues		54.4		54.4
Total		919.9		919.9

IFRS 9

Classification (SEK million) 2021-12-31	Fair value via P&L	Amortized cost via P&L	Fair value via OCI	Total
Financial assets				
Other long-term receivables		4.7		4.7
Accounts Receivable		65.2		65.2
Other receivables		99.0		99.0
Cash & bank		99.1		99.1
Prepaid expenses & accrued revenues		61.1		61.1
Total		329.1		329.1
Financial liabilities				
Short-term interest-bearing liabilities		436.2		436.2
Subordinated debt		164.7		164.7
Lease liabilities		96.9		96.9
Accounts Payable		75.6		75.6
Other current liabilities		107.2		107.2
Accrued expenses & deferred revenues		50.7		50.7
Total		931.3		931.3

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**" 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. Shareholder loans, subordinated bonds and lease liabilities are excluded. The indicator is disclosed as it is part of the calculation of the financial covenants of the issued bond. From the second quarter of 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.