

INTERIM REPORT

JANUARY – JUNE 2025

Legres AB (publ)

559085-4773

Published 27 August 2025

CEO's comments

During the second quarter of 2025, we took important steps to strengthen Legres' position in the Nordic debt collection market. We initiated our Nordic reorganisation, developed our sales strategies and service areas, and launched a comprehensive savings programme to streamline operations and reduce our cost base.

The macroeconomic situation remains volatile and challenging, but developments are pointing towards increased stability. Legres' financial performance continues to be affected by a weaker Swedish market, particularly within the Connect business area and due to changes involving our largest debt collection client. A weak inflow of new receivables portfolios under our administration is also impacting performance. At the same time, it is encouraging to see stable development in our other markets.

Revenue for the quarter amounted to SEK 127.5 million (161.1), and operating profit to SEK -5.2 million (13.5). The financial situation therefore remains strained, but we see a clear improvement compared to the first quarter of 2025, when operating profit was SEK -17.6 million. The strategic review is ongoing, which also includes the development of a long-term sustainable business plan focused on increased revenue, reduced costs, and improved liquidity.

The most significant measures to reduce the cost base are:

- We are introducing a new Nordic organisation with fewer employees, where functions are centralised at the Nordic level and duplicate roles are eliminated to increase synergies and efficiency. This means that management levels in the local markets will be phased out, along with certain specialist and operations roles. The new organisation is built on synergies, best practices, and shared development. Despite having fewer employees, continued progress is ensured through retained competencies and a strong development focus, supported by an established governance model. The organisation will come into effect on 1 September.
- Continued focus on internalising IT operations and renegotiating the scope and pricing of services, making us more independent, reducing external costs, and strengthening internal control.
- All licence agreements have been reviewed and several terminated, along with a number of external consultancy agreements. These measures also contribute to reducing ongoing costs.

These structural changes will result in lasting savings and lay the foundation for a more competitive and cost-efficient business.

At the same time, we are building for growth. Our sales organisation has been restructured into a Nordic strategic unit with the capacity to manage assignments across borders, while maintaining a strong focus on local delivery. We are intensifying our focus on consultancy services in the acquisition and sale of overdue receivables, where we act as a strategic intermediary connecting sellers and buyers – with Sergel as a reliable and development-oriented servicing partner.

During the quarter, four major customer contracts were extended, with a total value of approximately SEK 30 million, while several smaller contracts were signed in other markets. We also decided to accelerate the launch of our accounts receivable services across all markets, strengthening our offering and broadening our business potential.

With a robust business plan, a new organisation, clear cost savings, and a more aggressive sales strategy, I believe we are well equipped not only to meet but also to shape the future. I am convinced that the changes we are now implementing will create a stronger, more competitive, and long-term sustainable platform for Sergel.

Finally, I would like to extend my heartfelt thanks to all employees who are making this transformation possible. We know that this journey may also bring uncertainty for many, but with your commitment, expertise, and professionalism, we are building the Sergel of the future together.

Klaus Reimer

INTERIM REPORT JANUARY – JUNE 2025

APRIL – JUNE 2025

- Net sales amounted to SEK 127.5 million (161.1)
- Operating result amounted to SEK -5.2 million (13.5)
- Net result amounted to MSEK -26.3 million (-9.5)
- Comprehensive income amounted to SEK -23.5 million (-11.4)
- Cash flow from the operating activities amounted to SEK 3.9 million (-0.8)

JANUARY – JUNE 2025

- Net sales amounted to SEK 255.7 million (333.1)
- Operating result amounted to SEK -22.8 million (29.2)
- Net result amounted to MSEK -49.5 million (-20.1)
- Comprehensive income amounted to SEK -55.9 million (-12.7)
- Cash flow from the operating activities amounted to SEK -10.0 million (11.7)

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

During the second quarter, work began on a Nordic reorganisation, and a comprehensive savings programme was launched to streamline operations and reduce the cost base.

KEY FIGURES (SEK million)	APRIL – JUNE 2025	APRIL – JUNE 2024	JANUARY – JUNE 2025	JANUARY – JUNE 2024
Net sales	127.5	161.1	255.7	333.1
EBITDA	11.9	28.9	10.0	60.6
Adjusted EBITDA	6.3	24.5	4.1	54.6
Operating result	-5.2	13.5	-22.8	29.2
Net result	- 26.3	- 9.5	-49.5	-20.1
Cash flow from the operating activities	3.9	-0.8	-10.0	11.7
Interest coverage ratio	1.04x	2.01x	1.04x	2.01x
Interest-bearing net debt to EBITDA	7.72x	3.24x	7.72x	3.24x
Cash and cash equivalents	16.4	44.2	16.4	44.2

See page 16 for definition of key figures

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The new Nordic organisation has been implemented, with centralised functions and fewer management levels, to leverage synergies and increase efficiency.

Liquidity remains strained, and the interest payment on the secured bond due in July was suspended.

FAKTA OM 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. The companies were acquired by Zostera AB in June 2017 from Telia Company. Number of employees in the Sergel companies per March 2025 were 240 (259). The Sergel companies market services within the credit scoring, accounts receivables, debt collection and payment- and message services (Connect).

FINANCIAL POSITION

INCOME AND EARNINGS

Revenue for the quarter amounted to SEK 127.5 million (161.1), and operating profit to SEK -5.2 million (13.5). Compared to the same period last year, the decline is primarily due to lower income in Sweden, driven by a continued weak Swedish market within the Connect business area and changes involving our largest debt collection client. There has also been a weak inflow of receivables portfolios under our administration.

FINANCIAL NET

The Group's net financial items for the second quarter amounted to SEK -20.2 million (-20.0), of which financial costs related to bond financing accounted for SEK -10.8 million (-12.1), the subordinated bond SEK -2.1 million (-1.9), and the subordinated shareholder loan SEK -4.2 million (-6.0). The unrealised foreign exchange effect was SEK -2.8 million (1.2).

The interest on the secured bond is variable, based on three-month STIBOR plus a margin of 9.00% per annum. The bond matures on December 30, 2025. Coupons are paid quarterly. The interest on the subordinated bond is 9% per annum, and the interest on the subordinated shareholder loan is 8.00% per annum. Interest on the subordinated bond and the subordinated shareholder loan may be paid no earlier than the day following full redemption of the secured bond.

TAX

The Group's tax expense for the second quarter amounted to SEK -1.0 million (-3.0), consisting of current tax of SEK 5.6 million (-3.8) and deferred tax of SEK -6.6 million (0.8).

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities decreased to SEK 2.3 million (12.1) due to lower net revenue.

Cash flow from financing activities decreased by SEK -8.4 million (-4.2), as a result of the activated amortisations.

FINANCIAL METRICS

The **interest coverage ratio** is included in the maintenance test according to the terms of the Bond and is reported quarterly. The interest coverage ratio must exceed 2.00x.

INTEREST COVERAGE RATIO (MSEK)	30 JUN 2025	30 JUN 2024	31 DEC 2024
Adjusted EBITDA on rolling last twelve months	40.0	86.6	90.9
Net financial charges on rolling twelve months	38.3	43.0	39.5
Interest coverage ratio	1.04x	2.01x	2.30x

The **interest-bearing net debt to EBITDA ratio** is included in the maintenance test according to the terms of the bond and is reported quarterly.

The interest-bearing net debt to EBITDA ratio must not exceed 3.25x. Interest-bearing net debt does not include liabilities related to commitments to pay future lease fees under IFRS 16, in accordance with the bond terms.

INTEREST-BEARING NET DEBT TO EBITDA (MSEK)	30 JUN 2025	30 JUN 2024	31 DEC 2024
Interest-bearing net debt	308.6	280.8	283.1
Adjusted EBITDA on rolling twelve months	40.0	86.6	90.9
Interest-bearing net debt on rolling twelve months	7.72x	3.24x	3.11x

Cash and cash equivalents are included in the maintenance test according to the terms of the Bond and are reported quarterly. Cash and cash equivalents must amount to at least SEK 20.0 million. As of June 30, 2025, cash and cash equivalents amounted to SEK 16.4 million (SEK 44.2 million as of June 30, 2024, and SEK 41.9 million as of December 31, 2024).

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 third quarter 2025 will be published no later than 28 November, 2025.

The Year-end report for the full year and the fourth quarter of 2025 will be published no later than, February 27, 2026.

The board assures that this interim report gives a fair picture of the parent company's and the group's operations and that it also describes the main risks that the parent company and the group are facing.

Stockholm August 27, 2025

Ewa Glennow
Chairman of the Board

Per Örtlund
Board Member

Klaus Reimer
Board Member, Chief Executive Officer

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

CONTACT INFORMATION

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GROUP FINANCIAL STATEMENTS

GROUP INCOME STATEMENT

INCOME STATEMENT (SEK million)	Note	APRIL – JUNE 2025	APRIL – JUNE 2024	JANUARY – JUNE 2025	JANUARY – JUNE 2024
Net sales	4	127.5	161.1	255.7	333.1
Production cost		-99.4	-116.9	-210.9	-238.4
Gross result		28.1	44.2	44.8	94.7
Administrative expenses		-33.3	-30.7	-67.6	-65.5
Operating result		-5.2	13.5	-22.8	29.2
Financial net		-20.2	-20.0	-31.1	-44.1
- of which Secured bond		-10.8	-12.1	-21.9	-24.2
- of which Subordinated Bond		-2.1	-1.9	-3.4	-3.8
- of which Shareholder loan		-4.2	-6.0	-8.4	-9.8
- of which Other		-3.0	-0.1	2.6	-6.3
Result before tax		-25.3	-6.5	-53.9	-14.9
Tax		-1.0	-3.0	4.4	-5.2
Net result		-26.3	-9.5	-49.5	-20.1

GROUP STATEMENT OF COMPREHENSIVE INCOME

COMPREHENSIVE INCOME (SEK million)	APRIL – JUNE 2025	APRIL – JUNE 2024	JANUARY – JUNE 2025	JANUARY – JUNE 2024
Net result	-26.3	-9.5	-49.5	-20.1
Comprehensive income, items that can be reclassified into profit and loss				
Currency translation effects related to foreign subsidiaries	3.0	-2.1	-6.2	3.3
Comprehensive income, items that cannot be reclassified into profit and loss				
Re-evaluation of pensions liability	-0.4	-1.3	-0.5	3.6
Tax effect re-evaluation of pension liability	0.2	1.5	0.3	0.5
Total other comprehensive income	2.9	-1.9	-6.4	7.4
Comprehensive income for the period	-23.5	-11.4	-55.9	-12.7

GROUP BALANCE SHEET

BALANCE SHEET (SEK million)	30 JUN 2025	30 JUN 2024	31 DEC 2024
Assets			
<i>Non-current assets</i>			
Goodwill	302.4	302.4	302.4
Other intangible assets	246.7	282.8	266.0
Property, plant and equipment	0.5	0.8	0.7
Right-of-use assets	63.5	71.5	63.6
Other long-term receivables	4.8	5.0	5.1
Deferred tax assets	22.2	26.9	10.9
Sum Non-current assets	640.1	698.3	648.7
<i>Current assets</i>			
Accounts Receivable	38.0	51.9	47.9
Prepayments and accrued income	81.9	68.2	86.5
Other receivables	64.5	63.2	62.5
Cash at bank	16.4	44.2	41.9
Sum Current assets	200.9	227.5	238.8
Total assets	840.9	916.8	887.5
Equity	-90.3	-17.7	-33.7
Liabilities			
<i>Long-term liabilities</i>			
Secured bond	-	317.7	-
Subordinated shareholder loan	213.1	200.4	204.2
Subordinated bond	-	75.0	-
Long-term lease liabilities	56.2	65.0	58.6
Deferred tax liability	29.2	48.7	31.4
Provisions for pensions	7.0	5.9	8.1
Total long-term liabilities	305.6	712.6	302.3
<i>Current liabilities</i>			
Secured bond	322.1	-	320.5
Subordinated bond	75.0	-	75.0
Short-term lease liabilities	13.9	13.9	12.9
Tax liabilities	6.6	11.0	5.8
Accounts payable	76.8	73.0	75.4
Accrued costs and prepaid income	70.3	54.2	60.0
Other liabilities	61.0	69.8	69.3
Total current liabilities	625.6	221.9	618.9
Total liabilities	931.2	934.5	921.2
Total Liabilities and Equity	840.9	916.8	887.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHANGES IN EQUITY (SEK million)	30 JUN 2025	30 JUN 2024	31 DEC 2024
Equity at beginning of period	-33.7	-6.8	-6.8
Comprehensive income for the period	-55.9	-12.7	-26.9
Adjustment	-0.7	1.8	-
Equity at end of period	-90.3	-17.7	-33.7

CONSOLIDATED STATEMENT OF CASH FLOWS

CASH FLOW (SEK million)	APRIL – JUNE 2025	APRIL – JUNE 2024	JANUARY– JUNE 2025	JANUARY – JUNE 2024
<i>Operating activities</i>				
Result before tax	-25.4	-6.5	-53.9	-14.9
Adjustments for non-cash items	29.6	21.2	50.8	42.2
-of which depreciation	17.1	15.5	32.8	31.5
-of which capitalised and accrued interest	11.5	5.7	17.2	11.5
-of which revaluation effects pension	-2.0	0.0	-2.3	-0.8
-of which other	2.9	0.0	3.0	1.9
Paid Tax	-1.9	-2.6	-4.7	-3.2
<i>Cash flow from operating activities before changes in working capital</i>	2.3	12.1	-7.8	24.1
Increase(-)/Decrease(+) in operating receivables	2.4	-8.8	10.0	-15.0
Increase(+)/Decrease(-) in operating liabilities	-0.8	-4.1	-12.2	2.6
<i>Cash flow from operating activities</i>	3.9	-0.8	-10.0	11.7
<i>Investing activities</i>				
Investments in intangible assets	-3.1	-4.5	-6.1	-9.1
Investments in property, plant and equipment	-	-0.6	-	-0.6
Change in financial assets	0.1	0.0	0.3	0.0
<i>Cash flow from investing activities</i>	-3.0	-5.2	-5.8	-9.8
<i>Financing activities</i>				
Amortisation lease liability	-10.0	-4.2	-13.3	-8.5
Amortisation	1.6	0.0	4.2	0.0
<i>Cash flow from financing activities</i>	-8.4	-4.2	-9.1	-8.5
Cash flow for the period	-0.9	-10.1	-24.9	-6.5
Cash and cash equivalents at beginning of period	17.2	53.7	41.9	50.5
Exchange rate differences	0.1	0.7	-0.6	0.3
Cash and cash equivalents at end of period	16.4	44.2	16.4	44.2

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

INCOME STATEMENT (SEK million)	APRIL – JUNE 2025	APRIL – JUNE 2024	JANUARY – JUNE 2025	JANUARY – JUNE 2024
Net sales	19.2	19.9	37.5	40.9
Gross result	19.2	19.9	37.5	40.9
Administrative expenses	-13.0	-13.4	-25.3	-28.7
Depreciation	-6.5	-6.6	-13.9	-13.1
Operating result	-0.4	-0.1	-1.7	-0.9
Financial net	-20.6	-18.9	-33.6	-42.4
- of which Secured bond	-10.8	-12.1	-21.9	-24.2
- of which Subordinated Bond	-2.1		-3.4	-3.8
- of which Subordinated Shareholder loan	-4.2	-6.0	-8.4	-9.8
- of which Dividends from subsidiaries	-	2.6	-	2.6
- of which Other	3.7	-3.4	-0.1	-7.3
Result after financial net	-20.9	-18.9	-35.3	-43.3
Tax	-3.3	0.3	-0.8	1.3
Net result	-24.2	-18.6	-36.1	-42.0

The parent company does not conduct its own operations but owns the majority of the group's common IT systems, which generates costs and depreciation that are invoiced to the subsidiaries. The income mainly consists of these onward invoicing as well as any dividends and group contributions. The parent company also holds a secured bond, a subordinated bond and a subordinated shareholder loan. The interest for subordinated bonds and shareholder loan may be paid at the earliest on the day on which the secured bond is repaid in full.

For the parent company, the second quarter resulted in a result after tax of SEK -24.2 million, compared to SEK -18.6 million for the same quarter in 2024.

PARENT COMPANY BALANCE SHEET

BALANCE SHEET (SEK million)	30 JUN 2025	30 JUN 2024	31 DEC 2024
Assets			
<i>Non-current assets</i>			
Intangible assets	96.7	111.3	104.8
Shares in subsidiaries	684.1	684.1	684.1
Deferred tax assets	7.8	9.9	8.5
Sum of Non-current assets	788.6	805.3	797.4
<i>Current assets</i>			
Receivables group companies	29.4	12.0	14.2
Prepaid expenses & Accrued revenues	0.1	0.1	0.6
Other receivables	0.0	0.6	0.5
Cash at bank	- 7.3	-5.8	0.0
Sum of Current assets	22.3	6.8	15.3
Total Assets	810.9	812.1	812.7
Equity	5.3	15.4	41.3
Liabilities			
<i>Long-term liabilities</i>			
Secured bond	-	317.7	-
Subordinated shareholder loan	208.4	200.4	204.2
Subordinated bond	-	75.0	-
Loan Group Companies	35.0	51.6	33.8
Sum of Long-term liabilities	243.4	644.6	238.0
<i>Current liabilities</i>			
Secured bond	322.1	-	320.5
Subordinated bond	75.0	-	75.0
Other liabilities from group companies	120.9	122.3	91.3
Accounts payable	19.4	11.3	15.1
Accrued costs and prepaid income	25.7	18.6	22.2
Other liabilities	-0.9	-	9.2
Sum of Current liabilities	562.2	152.2	533.4
Total Liabilities	805.6	796.8	771.4
Total Liabilities and Equity	810.9	812.1	812.7

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

CHANGES IN EQUITY (SEK million)	30 JUN 2025	30 JUN 2024	31 DEC 2024
Equity at beginning of period	41.3	57.3	57.3
Comprehensive income for the period	-36.1	-42.0	-16.0
Equity at end of period	5.3	15.4	41.3

NOTES

NOTE 1 GENERAL INFORMATION

Legres AB (publ) is a Swedish public limited liability company operating under the laws of Sweden with corporate ID no. 559085-4773. The registered office of the company is Box 26134, 100 41 Stockholm and the company's headquarter 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 the Nordic countries.

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

NOTE 2 ACCOUNTING PRINCIPALS

This interim report has been prepared in accordance with the Annual Accounts Act and IAS 34 and in accordance with ch. 9. The Annual Accounts Act (ÅRL) 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 reports all assets and liabilities at amortised cost.

The Group applies the same accounting principles as in the annual report of 2024.

NOTE 3 RISKS

The group annual report describes the risks per 31 December 2024 and contains sensitivity analyses. It is the view of the group that the risks have not changed in any material way during 2025.

NOTE 4 SEGMENT INFORMATION

GROUP SEGMENT INFORMATION IN SUMMARY

NET SALES FROM EXTERNAL CUSTOMERS (SEK million)	APRIL – JUNE 2025	APRIL – JUNE 2024	JANUARY – JUNE 2025	JANUARY – JUNE 2024
Sweden	65.6	93.2	132.7	205.4
Norway	18.4	20.8	33.9	38.4
Finland	26.1	27.7	55.0	52.8
Denmark	17.4	19.3	34.1	36.4
Total net sales from external customers	127.5	161.1	255.7	333.1

NET SALES DIVIDED INTO SERVICES (SEK million)	APRIL – JUNE 2025	APRIL – JUNE 2024	JANUARY – JUNE 2025	JANUARY – JUNE 2024
Debt Collection	94.6	109.4	189.5	230.9
Payment- and message services	23.5	36.3	48.0	72.0
Accounts Receivable	6.7	7.2	12.1	14.4
Credit Decision	2.7	8.1	6.1	15.8
Total Net sales	127.5	161.1	255.7	333.1

All revenue is recognised at a point in time.

OPERATING RESULT (SEK million)	APRIL – JUNE 2025	APRIL – JUNE 2024	JANUARY – JUNE 2025	JANUARY – JUNE 2024
Sweden	-8.1	2.3	-22.0	18.3
Norway	5.5	8.1	5.6	8.8
Finland	-0.8	2.3	-3.9	0.7
Denmark	3.1	4.1	7.2	9.1
Group wide items	- 5.0	- 3.3	- 9.7	- 7.7
Operating result	-5.2	13.5	-22.8	29.2
Financial net	- 20.2	- 20.0	-31.1	- 44.1
Tax	-1.0	-3.0	4.4	-5.2
Net result	- 26.3	- 9.5	- 49.5	- 20.1

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 208.4 (200.4) million. The loan was obtained to finance the acquisition of the Sergel companies. The interest on the loan amounts to 8.00 percent per year and is capitalised until full redemption of the Bonds.

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 nonrecurring 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.

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

"Interest-Bearing Net 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.

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