

SSCP Lager BidCo AB (publ)

Interim report for the Second quarter and half year of 2020

Second quarter, April - June 2020*

- Net sales amounted to SEK 332 223 thousand.
- Operating profit/loss amounted to SEK 12 076 thousand.
- Profit/loss for the period amounted to SEK (11 320) thousand.
- Adjusted EBITDA excluding IFRS 16-effect amounted to SEK 30 119 thousand (9.1%).
- Adjusted EBITA excluding IFRS 16-effect amounted to SEK 26 491 thousand (8.0%).
- Cash flow from operating activities amounted to SEK 37 235 thousand.

First half of the year, January - June 2020*

- Net sales amounted to SEK 664 287 thousand.
- Operating profit/loss amounted to SEK 24 887 thousand.
- Profit/loss for the period amounted to SEK (12 889) thousand.
- Adjusted EBITDA excluding IFRS 16-effect amounted to SEK 60 913 thousand (9.2%).
- Adjusted EBITA excluding IFRS 16-effect amounted to SEK 53 694 thousand (8.1%).
- Cash flow from operating activities amounted to SEK 49 111 thousand.

*The Parent Company SSCP Lager BidCo AB (publ) was formed on 24 April 2017 and was a so-called shelf company until 28 June 2019. On 28 June 2019, the Parent Company acquired the Entlog Holding AB Group ('Logent'). As the Group did not exist during January-June 2019, no comparative figures for quarter 2 or the period accumulated (January-June) are presented in this interim report.

Financial overview

SEK thousand	Apr-Jun 2020	Jan-Jun 2020
Net sales	332 223	664 287
EBITDA	49 041	99 120
EBITA	27 667	56 068
Adjusted EBITDA excluding IFRS 16	30 119	60 913
Adjusted EBITA excluding IFRS 16	26 491	53 694
Operating profit/loss	12 076	24 887
Profit/loss for the period	(11 320)	(12 889)
Cash flow from operating activities	37 235	49 111
Net debt	1 096 429	1 096 429
Net debt excluding IFRS 16	744 170	744 170

For definitions, see page 15.

Significant events during the second quarter, April - June 2020

Corona pandemic

Logent has continued to have challenges with Corona, mainly within Automotive during April, but since then the demand for Logent's services have gradually increased and the measures taken have had full effect.

During the first half of 2020, the focus has been on restructuring the business to manage the effects of the pandemic. The effects of the pandemic vary considerably as some parts have not been affected at all, some parts such as Staffing and E-commerce have generally increased in volumes, while some parts have shown a sharp decline, for instance Automotive. The focus on the restructuring has during Q1 been to reduce variable costs, where mainly short-term layoffs have been introduced and included about 350 people across the Group. During Q2, these short-term layoffs have gradually decreased in several areas.

Project implementations

The project to start a new e-commerce warehouse in Landskrona for NA-KD has started and will be ready in Q3 2020. The implementation of internal logistics for Saab is ongoing and follow project plan.

Lost business

Logent has supported Boozt in building up their logistics since 2011. Starting from 2021 Boozt has decided to insource their logistics and therefore the cooperation with Logent will be terminated.

Significant events after the end of the reporting period

Adjustments of short-term layoffs were made during Q2 and beginning of Q3 to match the increased demand for Logent's services when the negative effects of Covid-19 gradually decreased. Logent also sees an increased marketing activity with new sales opportunities ahead.

In August, Logent's bond was listed on Nasdaq. The first day of trading was August 19th.

Significant risks and uncertainties

Risks related to macroeconomic factors and cyclical demand

Through its various operating segments, the Group is active in the logistics market. Like other companies operating in the logistics market, the Group is affected by the general financial and political situation at global, regional and local levels. The general demand for logistics services usually follows the trend in the gross domestic product (GDP) and the levels of trade volumes within the geographical regions where the Group provides its logistics services. The Group is thus mainly dependent on the GDP development and the related development of trade volumes in Sweden and Norway, as well as the development in the geographical regions and markets in which the Group's customers operate, as the demand for the Group's logistics services is ultimately affected by the demand for its customers' products. In view of the above, there is a risk that such decrease in demand for the Group's logistics services could affect the business, the operating profit, and the financial position of the Group. For further description of significant risks and uncertainties, see the Annual Report 2019.

Risks related to Corona

During the end of Q1, the work to minimise the effect of the Corona pandemic was initiated. A number of measures have been introduced which include short-term layoffs that helped to mitigate the effects of volume decline, among others within Automotive where the pandemic had the greatest effect on Logent. During Q2, a gradual reduction of short-term layoffs was initiated.

The long-term risks and impact on Logent as a consequence of the Corona pandemic are difficult to assess. Logent continues to monitor the development closely and are continually adopting new measures when needed.

Outlook

SSCP Lager BidCo AB (publ) does not provide any forecast.

Transactions with related parties

SSCP Lager BidCo AB (publ) has a shareholder loan from its parent company SSCP Lager MidCo AB amounting to SEK 250 000 thousand as of 31 June 2020.

Sales and earnings second quarter 2020

Sales and earnings for the Group, whose operations commenced on 28 June 2019 are presented on the first page of this interim report.

PARENT COMPANY

Operations

The Parent Company was formed in 2017 and was a shelf company until 28 June 2019. Since June, the Company's business has been to own and manage shares in subsidiaries.

Net sales and earnings trend

The Parent Company became operational 28 June 2019 in connection to the acquisition of Entlog Holding AB Group and the earnings trend appears in the Parent Company's income statement in this interim report.

Investments

The Parent Company acquired Entlog Holding AB Group on 28 June 2019.

Liquidity and financial position

The Parent Company raised a bank loan in connection to the acquisition of Entlog Holding AB Group to finance the acquisition. The Parent Company settled the bank loan and issued a bond on 31 October 2019 amounting to SEK 900,000 thousand with ISIN: SE0013358686. The bond is intended to be listed on Nasdaq Stockholm within a year of issuance.

Signifiant risk and uncertainties

The Parent Company's significant risks and uncertainties are the same as the Group as a whole.

Significant transactions with closely related parties

The Parent Company has a shareholder loan from its parent company SSCP Lager MidCo AB amounting to SEK 250,000 thousand.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousands of SEK

	Note	Apr-Jun 2020	Jan-Jun 2020	28 Jun-31 Dec 2019
Operating income				
Net sales	2	332 223	664 287	658 168
Other operating income		362	1 081	453
Gross profit		332 585	665 368	658 621
Operating expenses				
Other external expenses		(93 755)	(196 623)	(228 596)
Personnel expenses		(189 338)	(368 914)	(367 101)
Other operating expenses		(451)	(711)	(702)
Earnings before depreciation and amortisation		49 041	99 120	62 222
Depreciation and amortisation of tangible assets and intangible assets as well as right-of-use assets		(36 965)	(74 233)	(70 067)
Operating profit		12 076	24 887	(7 845)
Profit/loss from financial items				
Financial income		(1 504)	1 356	206
Financial expenses		(25 421)	(50 734)	(44 101)
Financial items - net		(26 925)	(49 379)	(43 895)
Profit before tax		(14 849)	(24 492)	(51 740)
Income tax		3 529	11 603	(7 125)
Profit for the period		(11 320)	(12 889)	(58 865)
Profit/loss for the period is attributable to:				
The Parent Company's shareholders		(11 320)	(12 889)	(58 865)
Non-controlling interests		-	-	-
Other comprehensive income:				
<i>Items that may be reclassified to profit or loss for the period</i>				
Exchange rate differences in translation of foreign operations		(135)	(2 778)	(727)
Other comprehensive income for the period		(135)	(2 778)	(727)
Total comprehensive income for the period		(11 455)	(15 667)	(59 592)
Total comprehensive income attributable to:				
The Parent Company's shareholders		(11 455)	(15 667)	(59 592)
Non-controlling interests		-	-	-

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of SEK	Note	30/06/2020	31/03/2020	31/12/2019
ASSETS				
Non-current assets				
<i>Intangible assets</i>				
Trademarks		135 894	135 894	135 894
Customer contracts		478 361	493 951	509 542
Goodwill		940 939	940 939	940 939
Other intangible assets		5 599	5 680	5 069
Total intangible assets		1 560 793	1 576 465	1 591 444
<i>Property, Plant and Equipment (PPE)</i>				
Buildings and land		4 074	4 113	4 073
Improvement fees on the property of others		1 810	1 924	2 037
Plant and machinery		20 186	21 069	15 953
Equipment, tools, fixtures and fittings		17 003	17 876	4 805
Total property, plant and equipment		43 073	44 982	26 868
Right-of-use assets		356 934	371 450	352 856
<i>Financial fixed assets</i>				
Other long-term receivables		1 428	1 428	1 432
Total financial fixed assets		1 428	1 428	1 432
Deferred tax assets		753	554	482
Total non-current assets		1 962 982	1 994 879	1 973 052
Current assets				
<i>Inventories, etc.</i>				
Raw materials and consumables		426	430	346
Total inventories		426	430	346
<i>Current receivables</i>				
Accounts receivables		120 939	122 630	114 527
Current tax assets		8 824	10 596	8 811
Other receivables		3 181	3 375	4 257
Prepaid expenses and accrued income		79 116	71 273	66 784
Cash and cash equivalents		155 830	138 444	168 358
Total current receivables		367 890	346 318	362 737
Total current assets		368 316	346 748	363 083
TOTAL ASSETS		2 331 298	2 341 627	2 336 135

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of SEK	Note	30/06/2020	31/03/2020	31/12/2019
EQUITY				
Equity attributable to shareholders of the Parent Company				
Share capital		5 565	5 565	5 565
Other contributed capital		465 086	465 086	465 086
Reserves		(3 505)	(3 370)	(727)
Retained earnings including profit for the period		(71 755)	(60 435)	(58 865)
Total equity		395 392	406 847	411 059
LIABILITIES				
Non-current liabilities				
Bond loans	3	879 115	877 886	877 484
Liabilities to shareholders	3	284 201	276 302	268 403
Deferred tax liabilities		130 422	133 696	141 697
Non-current lease liabilities		288 496	301 198	287 712
Total non-current lease liabilities		1 582 234	1 589 083	1 575 296
Current liabilities				
Accounts payables		67 619	78 617	99 138
Current lease liabilities		63 763	64 438	58 906
Income tax liabilities		10 119	10 256	11 215
Other current liabilities		59 763	48 091	54 914
Accrued expenses and deferred income		152 408	144 295	125 608
Total current liabilities		353 672	345 698	349 780
TOTAL EQUITY AND LIABILITIES		2 331 298	2 341 627	2 336 135

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of
SEK

Attributable to Parent Company's shareholders

Note	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit for the period	Total equity
Opening balance as of 28 June 2019	50				50
Profit for the period				(58 865)	(58 865)
Other comprehensive income for the period			(727)		(727)
Total comprehensive income for the period	50		(727)	(58 865)	(59 593)
Transactions with shareholders in their role as owners					
Shareholder contribution		415 449			415 449
Issue for non-cash consideration	5 515	49 637			55 152
Closing balance as of 31 December 2019	5 565	465 086	(727)	(58 865)	411 059
Profit Jan-Mar 2020				(1 569)	(1 569)
Other comprehensive income Jan-Mar 2020			(2 643)		(2 643)
Total comprehensive income Jan-Mar 2020			(2 643)	(1 569)	(4 212)
Closing balance as of 31 March 2020	5 565	465 086	(3 370)	(60 435)	406 847
Profit Apr-Jun 2020				(11 320)	(11 320)
Other comprehensive income Apr-Jun 2020			(135)		(135)
Total comprehensive income Apr-Jun 2020			(135)	(11 320)	(11 455)
Closing balance as of 30 June 2020	5 565	465 086	(3 505)	(71 755)	395 392

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in thousands of SEK

	Note	Apr-Jun 2020	Jan-Jun 2020	28 Jun-31 Dec 2019
Cash flow from operating activities				
Operating profit/loss		12 076	24 887	(7 847)
<i>Adjustments for items not included in cash flow:</i>				
- Depreciation of tangible assets and amortization of intangible assets and right-of-use assets		36 965	74 233	70 067
-Capital gain/loss disposal of non-current assets		-	12	-
- Exchange rate differences in translation of profit for the year		(35)	(16)	(727)
Interest received		(24)	117	206
Interest paid		(15 998)	(31 962)	(15 039)
Income tax paid		1 690	(1 053)	3 030
Cash flow from operating activities before changes in working capital		34 673	66 218	49 690
Cash flow from changes in working capital				
Increase/decrease in inventories		6	(90)	61
Increase/decrease in accounts receivables		1 903	(8 284)	32 843
Increase/decrease in other current receivables		(7 737)	(11 799)	22 228
Increase/decrease in accounts payables		(11 032)	(31 443)	4 633
Increase/decrease in other current operating liabilities		19 422	34 510	2 473
Total change in working capital		2 562	(17 107)	62 238
Cash flow from operating activities		37 235	49 111	111 928
Cash flow from investing activities				
Acquisitions of subsidiaries less acquired cash and cash equivalents		-	-	(784 221)
Investments in intangible assets		(196)	(1 086)	-
Investments in property, plant and equipment		(1 454)	(22 953)	(4 087)
Cash flow from investing activities		(1 650)	(24 038)	(788 308)
Cash flow from financing activities				
Borrowings		-	-	1 200 000
Repayment of borrowings		-	-	(712 798)
Transactions costs loans paid		-	(900)	(23 701)
Shareholder contributions received		-	-	415 449
Lease liabilities paid		(16 609)	(34 311)	(33 385)
Cash flow from financing activities		(16 609)	(35 211)	845 565
Decrease/increase in cash and cash equivalents		18 977	(10 139)	169 185
Cash and cash equivalents at year-start		138 444	168 358	50
Exchange rate differences in cash and cash equivalents		(1 591)	(2 390)	(877)
Cash and cash equivalents at year-end		155 830	155 830	168 358

CONDENSED PARENT COMPANY INCOME STATEMENT

Amounts in thousands of SEK	Note	Financial period		
		Apr-Jun 2020	Jan-Jun 2020	1 Jan-31 Dec 2019
Operating income				
Net sales		5 557	7 097	604
Gross profit		5 557	7 097	604
Operating expenses				
Other external expenses		(171)	(912)	(1 663)
Personnel costs		(5 122)	(5 848)	(567)
Other operating expenses		-	-	-
Operating profit/loss		265	338	(1 626)
Profit/loss from financial items				
Other interest income and similar income statement items		8 604	16 952	16 918
Interest expenses and similar income statement items		(23 118)	(46 012)	(38 465)
Total profit/loss from financial items		(14 514)	(29 061)	(21 547)
Profit/loss after financial items		(14 250)	(28 723)	(23 173)
Tax on profit for the period		-	-	-
Profit/loss for the period		(14 250)	(28 723)	(23 173)

The Parent Company has no items that are recognised as other comprehensive income. Total comprehensive income for the period is therefore the same as net profit for the period.

CONDENSED PARENT COMPANY BALANCE SHEET

Amounts in thousands of SEK

Note	30/06/2020	31/12/2019
ASSETS		
Non-current assets		
<i>Financial fixed assets</i>		
Participation in Group companies	947 535	947 535
Receivables from Group companies	613 066	613 066
Total financial fixed assets	1 560 600	1 560 600
Total non-current assets	1 560 600	1 560 600
Current assets		
<i>Current receivables</i>		
Receivables from Group companies	15 799	11 678
Other current receivables	2	-
Prepaid expenses and accrued income	63	157
Total current receivables	15 865	11 836
Cash and bank balances	23 100	48 005
Total current assets	38 965	59 841
TOTAL ASSETS	1 599 565	1 620 441

CONDENSED PARENT COMPANY BALANCE SHEET

Amounts in thousands of SEK	Note	30/06/2020	31/12/2019
EQUITY AND LIABILITIES			
Restricted equity			
Share capital		5 565	5 565
Non-restricted equity			
Shareholder contributions		415 449	415 449
Share premium reserve		49 637	49 637
Retained earnings		(23 173)	-
Profit/loss for the year		(28 723)	(23 173)
Total equity		418 756	447 479
LIABILITIES			
Non-current liabilities			
Liabilities to shareholders		284 201	268 403
Bond loans		879 115	877 484
Liabilities to credit institutions		-	-
Total non-current liabilities		1 163 316	1 145 886
Current liabilities			
Accounts payables		-	15 353
Other current liabilities		3 833	1 810
Accrued expenses and deferred income		13 660	9 913
Total current liabilities		17 493	27 076
Total liabilities		1 180 809	1 172 963
TOTAL EQUITY AND LIABILITIES		1 599 565	1 620 441

CONDENSED PARENT COMPANY CASH FLOW STATEMENT

Amounts in thousands of SEK

Note	Apr-Jun 2020	Jan-Jun 2020	1 Jan-31 Dec 2019
Cash flow from operating activities			
Operating profit/loss	265	338	(1 626)
Items not affecting liquidity			
-Exchange-rate differences	2	(4)	(178)
Interest received	6 258	18 188	6 046
Interest paid	(13 689)	(27 233)	(9 739)
Income tax paid	-	-	-
Cash flow from operating activities before changes in working capital	(7 164)	(8 711)	(5 498)
Cash flow from changes in working capital			
Changes in current operating receivables	(4 486)	(5 269)	(964)
Changes in accounts payable	(447)	(15 353)	15 353
Changes in current operating liabilities	5 618	5 328	2 764
Total changes in working capital	685	(15 294)	17 153
Cash flow from operating activities	(6 479)	(24 005)	11 656
Cash flow from investing activities			
Acquisition of subsidiaries	-	-	(892 382)
Cash flow from investing activities	-	-	(892 382)
Cash flow from financing activities			
Borrowings	-	-	1 200 000
Amortisation of loans	-	-	(50 000)
Transaction costs loan paid	-	(900)	(23 702)
Lending	-	-	(613 066)
Shareholder contributions received	-	-	415 449
Cash flow from financing activities	-	(900)	928 682
Decrease/increase in cash and bank balances	(6 479)	(24 905)	47 955
Cash and bank balances at year-start	29 579	48 005	50
Exchange rate differences in cash and bank balances	-	-	-
Cash and bank balances at year-end	23 100	23 100	48 005

1. Notes to the consolidated accounts

1.1 General information

SSCP Lager BidCo AB (publ), corporate ID number 559109-9154, is a limited company registered in Sweden with registered office in Stockholm. The address of the head office is SSCP Lager BidCo AB, c/o Logent AB Hammarby Kaj 14, SE-120 30 Stockholm, Sweden. The Parent Company and its subsidiaries' operations comprise logistics services.

Unless otherwise stated, all amounts are in thousands of SEK (KSEK).

1.2 Accounting principles

These consolidated accounts were prepared pursuant to the Swedish Annual Accounts Act, RFR 1 Supplementary Financial Reporting Rules for Corporate Groups, and the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee interpretations (IFRS IC) as approved by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The Parent Company applies RFR 2 Financial Reporting for Legal Entities and the Annual Accounts Act. The interim report for the Parent Company has been prepared pursuant to the Annual Accounts Act.

Applied accounting principles are consistent with those described in SSCP Lager BidCo Group's annual report for 2019 except below.

During the second quarter, government grants were received. The following accounting principle has been applied when reporting these:

Government grants are financial contributions from government agencies that are received in exchange for the Group fulfilling certain set conditions. All grants are attributable to the statement of comprehensive income. The grant is not reported in the balance sheet or income statement until there is a reasonable assurance that the conditions associated with the grants will be met and the grants will be received. The grant is presented as prepaid income in the statement of financial position and is deducted when reporting corresponding costs so that they match the cost that the grant intends to cover in the statement of comprehensive income.

1.3 Significant accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom correspond to the actual results. Estimates and assumptions that entail a significant risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year are outlined below.

(a) Test of impairment of goodwill and trademarks

The Group tests each year whether any impairment requirement exists for goodwill and trademarks in accordance with the accounting policy described in the annual report 2019. The recoverable amounts for the cash-generating units were established by calculating the value in use. Certain assumptions must be made for these calculations, of which the most important assumptions are the discount rate and the long-term rate of growth. The carrying amount of goodwill amounted to SEK 940 939 thousand and the carrying amount of trademarks amounted to SEK 135 894 thousand as of 31 June 2019. An impairment test has been performed based on the first quarter of 2020 and revised forecast with respect to covid-19, which shows that there is no need for impairment.

1.4 Segment information

Two reportable segments, Contract Logistics and Staffing, were identified in the Group:

Contracts Logistics

Contract Logistics-solutions relating to dedicated warehouse solutions, transport management, customs and ports.

Staffing

Staffing solutions related to logistics built to manage volume fluctuations. Both external and internal staffing (e.g. to Contract Logistics) and for recruitment services.

The Managing Director primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortization (EBITDA, see below) to assess the performance of the operating segments excluding effect of IFRS 16 (see Note 6 and 7).

Adjusted EBITDA excluding effect of IFRS 16

	Apr-Jun 2020	Jan-Jun 2020	28 Jun-31 Dec 2019
Contract Logistics	24 060	55 400	54 522
Staffing	6 088	8 685	8 685
Other	(29)	(3 172)	538
Total Adjusted EBITDA excluding effect of IFRS 16	30 119	60 913	63 745

A reconciliation of the Group's earnings before tax and EBITDA is shown below.

	Apr-Jun 2020	Jan-Jun 2020	28 Jun-31 Dec 2019
Total Adjusted EBITDA excluding effect of IFRS 16	30 119	60 913	63 745
Reversal adjustments for items affecting comparability (Note 6)	-	-	(39 358)
Reversal effect of IFRS 16 excluding depreciation (Note 7)	18 922	38 207	37 833
Total EBITDA	49 041	99 120	62 221
Depreciation and amortisation of tangible, intangible and right-of-use assets	(36 965)	(74 233)	(70 067)
Financial items – net	(26 925)	(49 379)	(43 895)
Profit before tax	(14 849)	(24 492)	(51 740)

2. Net sales

Division of revenue from customer contracts

Revenue from contracts with customers essentially comprises the sale of services. The Group's revenue from contracts with customers is distributed among the categories described below. The majority of the Group's revenue is recognized over time. External revenue per segment is reported below.

Apr-Jun 2020	Contract Logistics	Staffing	Other	Total
Segment revenue	256 230	75 993	-	332 223
Income from external customers				
Warehousing	140 224			
Transport Management	83 662			
Ports	25 535			
Customs	6 808			
Staffing		75 993		
Total	256 230	75 993	-	332 223
Jan-Jun 2020	Contract Logistics	Staffing	Other	Total
Segment revenue	526 184	138 103	-	664 287
Income from external customers				
Warehousing	282 231			
Transport Management	165 413			
Ports	65 270			
Customs	13 271			
Staffing		138 103		
Total	526 184	138 103	-	664 287

28 Jun-31 Dec 2019	Contract Logistics	Staffing	Other	Total
Segment revenue	518 644	139 422	102	658 168
Income from external customers				
Warehousing	273 052			
Transport Management	153 943			
Ports	79 828			
Customs	11 821			
Staffing		139 422	102	
Total	518 644	139 422	102	658 168

3. Borrowing

	30/06/2020 Carrying amount	30/06/2020 Fair value	31/12/2019 Carrying amount	31/12/2019 Fair value
Non-current				
Bond loans	900 000	900 000	900 000	900 000
Bond loans - accrued transaction costs	(20 885)	(20 885)	(22 516)	(22 516)
Liabilities to shareholders	284 201	284 201	268 403	268 403
Total	1 163 316	1 163 316	1 145 887	1 145 887

Current

Total borrowing	1 163 316	1 163 316	1 145 887	1 145 887
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The fair value of non-current borrowing corresponds to the carrying amount since the discount effect is not material. The fair value of other financial assets, which are current in their entirety, corresponds to their carrying amount since the discount effect is not material.

4. Events occurring after the reporting period

Events after the end of the reporting period are described on page 2 of the interim report.

5. Alternative Performance Measures

The Group applies ESMA's (European Securities and Markets Authority) guidelines for alternative performance measures. An alternative performance measure is a financial measure of historical or future earnings development, financial position or cash flow that is not defined or specified in IFRS. The interim report contains financial performance measures that are not defined in accordance with IFRS so-called alternative performance measures. These alternative performance measures are considered to be important performance indicators for investors and other users of the interim report. The primary alternative performance measures presented relate to EBITA, EBITDA, net debt, adjusted EBITA and EBITDA excluding items affecting comparability and effect of IFRS 16. Below is a reconciliation of the alternative performance measures and a description of the purpose of these. The Group's definition of these performance measures that are not defined in accordance with IFRS are described in this note. These terms can be defined differently by other companies and are therefore not always comparable with similar measures used by other companies.

Performance measure	Definition	Explanation
EBITDA	Profit or loss before depreciation, amortization, net financial items and taxes.	EBITDA is intended to show an understanding of the Group's operating activities, independent of depreciation of fixed assets and the Group's financing.
EBITA	Profit or loss before depreciation/amortization of trademarks, customer contracts and goodwill, net financial items and taxes.	EBITA is considered relevant by investors who want to understand earnings after investments of tangible and intangible assets but before intangible assets attributable to company acquisitions.
Adjusted EBITDA excluding IFRS 16	EBITDA including adjustments for items affecting comparability (see Note 6) and excluding effect of IFRS 16 (see Note 7).	The measure is relevant for complying with EBITDA excluding items affecting comparability and the effect of IFRS 16 for complying with the historical figures in accordance with bond terms and conditions.
Adjusted EBITA excluding IFRS 16	EBITA including adjustments for items affecting comparability (see Note 6) and excluding effect of IFRS 16 (see Note 7).	The measure is relevant for complying with EBITA excluding items affecting comparability and the effect of IFRS 16 for complying with the

Adjusted EBITDA excluding IFRS 16 (%)	Adjusted EBITDA excluding IFRS 16 related to Net sales.	historical figures in accordance with bond terms and conditions. The performance measure is relevant for creating an understand of operating profitability excluding depreciation in relation to the Group's net sales. The effect of IFRS 16 is excluded to report earnings in accordance with bond terms and conditions.
Adjusted EBITA excluding IFRS 16 (%)	Adjusted EBITA excluding IFRS 16 related to Net sales.	The performance measure is relevant for creating an understand of operating profitability excluding depreciation/amortisation linked to company acquisitions in relation to the Group's net sales. The effect of IFRS 16 is excluded to report earnings in accordance with bond terms and conditions.
Net debt	Interest-bearing financial indebtedness excluding liabilities to shareholders less cash and cash equivalents.	Measures external financing, taking into account own cash and cash equivalents, and is useful to users of the financial statements as a complement to assessing the Group's ability to meet financial commitments.
Net debt excluding IFRS 16	Net debt excluding effect of IFRS 16 (see Note 7).	Measures external financing, taking into account own cash and cash equivalents, but excluding lease liabilities incurred as a result of IFRS 16 to report net debt in accordance with bond terms and conditions.

Reconciliation of alternative performance measures	Q2-2020	Jan-Jun 2020	28 Jun-31 Dec 2019
1) EBITDA			
Operating profit	12 076	24 887	(7 847)
Depreciation/amortisation	36 965	74 233	70 067
EBITDA	49 041	99 120	62 221
2) EBITA			
Operating profit	12 076	24 887	(7 847)
Amortisation/impairment of trademarks, customers contracts and goodwill	15 591	31 181	31 181
EBITA	27 667	56 068	23 335
3) Adjusted EBITDA excluding IFRS 16			
Operating profit	12 076	24 887	(7 847)
Depreciation/amortisation	36 965	74 233	70 067
Items affecting comparability (see Note 6)	0	0	39 358
IFRS 16 effects (see Note 7)	(18 922)	(38 207)	(37 833)
Adjusted EBITDA excluding IFRS 16	30 119	60 913	63 745
4) Adjusted EBITA excluding IFRS 16			
Operating profit	12 076	24 887	(7 847)
Amortisation/impairment of trademarks, customers contracts and goodwill	15 591	31 181	31 181
Items affecting comparability (see Note 6)	0	0	39 358
IFRS 16 effects (see Note 7)	(1 175)	(2 375)	(2 174)
Adjusted EBITA excluding IFRS 16	26 491	53 694	60 519
5) Adjusted EBITDA excluding IFRS 16 (%)			
Net sales	332 223	664 287	658 168
Adjusted EBITDA excluding IFRS 16	30 119	60 913	63 745
Adjusted EBITDA excluding IFRS 16 (%)	9,1%	9,2%	9,7%

6) Adjusted EBITA excluding IFRS 16 (%)

Net sales	332 223	664 287	658 168
Adjusted EBITA excluding IFRS 16	26 491	53 694	60 519
Adjusted EBITA excluding IFRS 16 (%)	8,0%	8,1%	9,2%

7) Net debt

Bond loan	879 115	879 115	877 484
Bond loan – transaction costs (see Note 3)	20 885	20 885	22 516
Lease liabilities	352 259	352 259	346 618
Cash and cash equivalents	(155 830)	(155 830)	(168 358)
Net debt	1 096 429	1 096 429	1 078 260
Lease liabilities	(352 259)	(352 259)	(346 618)
Net debt excluding IFRS 16	744 170	744 170	731 642

6. Adjustments for items affecting comparability

	Apr-Jun 2020	Jan-Jun 2020	28 Jun-31 Dec 2019
Acquisition-related costs	-	-	32 747
Financing-related costs	-	-	4 925
Other non-recurring costs	-	-	1 686
Total Adjustments for items affecting comparability	-	-	39 358

7. Effect of IFRS 16

	Apr-Jun 2020	Jan-Jun 2020	28 Jun-31 Dec 2019
Other external costs	18 922	38 219	37 826
Other operating expenses	0	(12)	7
Depreciation	(17 747)	(38 219)	(35 660)
Total Effect EBIT of IFRS 16	1 175	2 375	2 174

Effect in EBITDA

Effect in EBITDA	18 922	38 207	37 833
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Effect in EBITA

Effect in EBITA	1 175	2 375	2 174
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Current lease liabilities

Current lease liabilities	63 763	63 763	58 906
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Non-current lease liabilities

Non-current lease liabilities	288 496	288 496	287 712
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Total lease liabilities

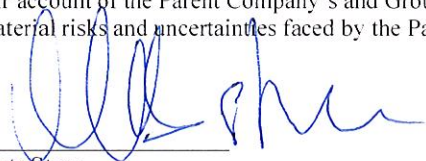
Total lease liabilities	352 259	352 259	346 618
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Forthcoming reports

- The interim report for the third quarter will be published on 27 November 2020.

Stockholm on 28 August 2020

The Managing Director give his assurance that the interim report for the period 1 January – 31 June 2020 provides a true and fair account of the Parent Company's and Group's operations, financial position and earnings, and that it describes the material risks and uncertainties faced by the Parent Company and the companies that form the Group.



Mats Steen
CEO / Managing Director

This interim report has not been subject to review by the company's auditor.