

# INTERIM REPORT 2023 | Q2





# FOR A CIRCULAR AUTO PARTS INDUSTRY

## Events in the second quarter of 2023

In the second quarter, we made two Nordic acquisitions that significantly strengthen our influence in the vehicle parts sector. In May, we acquired the Swedish STS Group, a leading remanufacturer of transmissions in Europe which includes the subsidiaries STS AB (Scandinavian Transmission Service) and LBM Autoparts AB in Stenungsund, Sweden, as well as Vaihteistokeskus Oy in Finland.

Also in May, we completed our second acquisition by welcoming RM Trucks into the Autocirc Group. RM Trucks OY is a Finnish company specializing in dismantling, machinery and the sale of spare parts for heavy vehicles.

In early June, we continued our expansion in the Finnish market by acquiring Hinaus Sjöberg OY – a leading group of companies specializing in car transport and towing services. The acquisition encompasses the parent company, Hinaus Sjöberg OY, along with its subsidiaries: Autonkuljetus Sjöberg OY, Hinaus Sjöberg Itä-Suomi OY, and Konekuljetus Sjöberg OY. This sets the stage for more efficient logistics in the Finnish market.

On June 16th, we initiated trading of the Autocirc Group AB bond on the Nasdaq Stock Exchange in Stockholm. This was done in accordance with the requirements of the bond previously introduced on the Frankfurt Stock Exchange in June 2022.

## Events after the second quarter of 2023

In August, we expanded our central organisation by welcoming a Business Controller and appointing a new CFO for the Autocirc Group. These key recruitments will help support the integration and growth of our business units, providing the framework for our collective success.



Comments from our CEO

# A solid foundation for a lighter carbon footprint

Following our expansion into new European markets during the first quarter of the year, we proceeded to further strengthen our position in the Nordic region during the second quarter. By acquiring companies across multiple segments, we are now a more complete supplier of sustainable spare parts to the automotive industry. This provides a solid foundation for collaboration and synergies within the Autocirc Group, supporting our vision of a circular auto parts industry.

”Our organisation continues to deliver solid results despite a turbulent global operating environment.”

In June, we established the first of two new dismantlers in Norway: Bergen Bildemontering. This was the first car dismantler in the entire area, reflecting our commitment to building the infrastructure needed for efficient car part reuse and recycling. We are also finalizing a new central warehouse near Oslo, to be taken into operation in the coming months. During the fall of 2023, we will also open a second dismantler in Tromsø. All of these investments will contribute to our reaching the ambitious goals we have set for the Norwegian market.

In 2022, we launched a SEK 1 billion bond on the Frankfurt Stock Market. This year in June, we successfully introduced this bond on the Nasdaq Stock Exchange in Stockholm, fulfilling a vital requirement for the bond’s placement.

Also in June, our co-founder and colleague Mattias Pettersson was invited as a key speaker for the International Automotive Recycling congress in Geneva. His presentation was a part of the overarching theme ”The Growing Business of Vehicle Dismantling”. The congress gathers up to 300 decision-makers from the automotive and recycling sector, including car manufacturers, metal suppliers, plastic scrap traders, recyclers, policy makers and many more.

We are proud to be a part of this important platform for discussing the latest developments and challenges with regards to the circular economy and automotive recycling.

During the second quarter of 2023, Autocirc in Finland established a strategic partnership with one of the country’s largest insurance companies, Pohjola Insurance. By promoting and facilitating the use of quality-controlled and recycled original spare parts sourced from redeemed vehicles in repair activities, insurance companies like Pohjola Insurance contribute significantly to sustainable practices. We look forward to working closely with Pohjola Insurance to enhance the reuse and recycling of used auto parts in the Finnish market, contributing to a more sustainable future.

## Financial performance

Our financial performance in the second quarter of 2023 demonstrates stability, continuing the positive trend from the year’s initial report. Notably, this quarter has shown improved results driven by high and increased sales in many of our Scandinavian units. This indicates a growing demand for reused car parts in the market.

In general, the majority of our business units have maintained their strong performance and healthy sales levels from the previous quarter. However, we continue to face challenges affecting our gross profit, primarily due to elevated costs associated with vehicle and parts procurement. Additionally, our sales revenues in the scrap metal segment have been impacted by declining metal prices.

During May and June, we welcomed three new companies into Autocirc. While our goal is to maintain a swift pace of growth throughout the year, we recognize that acquisitions are just one aspect of our strategy. Equally vital are our efforts towards organic growth, achieved through strategic and operational collaboration within the Autocirc group.

Profitability is negatively impacted by higher freight costs across all segments.

The majority of our business units are delivering strong performances, although a few companies are currently undergoing reorganisation and development. These efforts are associated with costs that may have a short-term impact on our margins. Specifically, our



”It is with great confidence in our work and our organisation that we continue to take new steps towards a circular auto parts industry.”

company UBD Cleantech is in the final stages of its remanufacturing process and is soon to commence testing of its new production line. We anticipate that the financial benefits from this project will show early next year.

There is a slight seasonal fluctuation in the performance of our companies operating in the French and German markets. This can be attributed to a combination of factors, including increased personnel costs due to inflation when compared to 2022, as well as the low prices of scrap metal.

### Risk and risk management

In the second quarter, we continued to see the effects of increasing interest rates. This development was expected and we had already taken proactive action by injecting new capital to improve our equity. Through this strategic action we have ensured our capacity for future expansion.

Like many other businesses, we are affected by an uncertain global market where external factors make it challenging to predict future developments. Freight costs increased during the second quarter, negatively impacting our profitability. Meanwhile, we benefited from a drop in energy prices which had a balancing effect.

We look positively towards the future and have strong confidence in our organisation. As more companies and individuals choose to postpone investments, our offering becomes even more relevant. Instead of buying new vehicles, many are opting to keep and renovate their existing ones. This shift in behavior positions us favorably in the market and contributes to our continued success.

The risks associated with Autocirc are further outlined in our Annual & Sustainability Report for 2022.

### ESG achievements

The Esse Solar Energy Park, a joint venture owned by Esse Elektro-kraft, Autocirc and Pedersöre municipality in Finland, is now fully operational. We are proud that its renewable energy now powers a significant portion of our Finnish operations.

As a group and as individual companies, we are committed to ongoing improvements in efficiency and quality. A clear indicator of our dedication to this is the attainment of certifications. In this regard, one of our companies, Bil & Skadeservice, successfully achieved certification according to Quality-assured Accident Repair Shop (Kvalitetssäkrad Skadeverkstad) standards during the second quarter. The certification is a quality standard developed by Swedish industry stakeholders in the repair shop sector, aiming to facilitate systematic improvements and quality. We extend our congratulations to Bil & Skadeservice on this certification achievement.

Throughout the second quarter, the legal landscape witnessed noteworthy developments. Particularly within the EU there are notifications and signals of various forthcoming changes and regulations. These changes primarily pertain to battery regulations, End of Life Vehicles regulations, and sustainability reporting (CSRD). We are actively monitoring these developments and preparing the Autocirc Group to comply with evolving legal regulations and meet any new requirements.

### Looking ahead

Our organisation continues to deliver solid results despite a turbulent global operating environment. Our offering remains strong with several advantages, particularly in a climate where new investments are postponed. What sets our products apart is their inherent sustainability – they require no extraction of raw materials and are readily accessible near their point of need. This makes them not only an economically sound choice but also a sustainable one.

We see great potential in our business model and continue to pursue our expansion strategy through both acquisitions and organic growth. The Autocirc Group now consists of more than 50 companies and 900 co-workers. As we continue to grow, so does our value chain and its flow of component reuse and remanufacture. By further optimising our shared platform, we create new opportunities for our companies to streamline their processes and collaborate to increase the availability of used car parts.

We look forward to continuing a successful year. It is with great confidence in our work and our organisation that we continue to take new steps towards a circular auto parts industry.

**Johan Livered**  
CEO of Autocirc  
Borås, June 2023



930  
CO-WORKERS

53  
COMPANIES





## Financial summary

### April - June

Net sales for the Group amounted to SEK 456 million (268), and increase of 70% compared to the corresponding period last year. Acquired sales have contributed with SEK 210 million on net sales while organic sales is negative SEK 22 million. The Group's earnings before depreciation and amortisation amounted to SEK 55 million, equating to an EBITDA margin of 12,1% (6,4).

The quarterly earnings before depreciation have continued to be affected by a higher cost structure through acquisitions and increased cost for premises as well as one-off costs. Non-recurring items burdened the quarterly profit mainly relating to building up and developing the organisation. After adjustment on non-recurring items the underlying earnings before depreciation and amortisation amounted to SEK 76 million, which resulted in an underlying adjusted EBITDA margin of 16,7% (12,2).

### PF LTM

Net sales for the Group amounted to SEK 1992 million. Acquired sales have contributed with SEK 669 million. The Group's earnings before depreciation and amortisation amounted to SEK 248 million, equating to an EBITDA margin 12,4%.

The earnings before depreciation have been affected by a higher cost structure through acquisition and increased volumes as well as one-off costs. Non-recurring items that burdened the profit mainly relating to acquisitions and building up the organisation. After adjustment of non-recurring items the underlying earnings before depreciation and amortisation amounted to SEK 308 million, which resulted in an underlying EBITDA margin of 15,5%.

### Financial position

Autocirc Group AB placed a bond in the market during Q2 2022. The total aggregated nominal amount of the Initial Bond is SEK 1 billion with the possibility of issuing additional Bonds up to the maximum aggregated amount of SEK 1,5 SEK billion. The bond is listed on the corporate bond list of Frankfurt Open Market. The bond is, as of June 16th, 2023, admitted for trading on Nasdaq STO Corporate Bonds. The term of the bond is three years with an interest rate of 3-months STIBOR + 875 basis point. All conditions in the form of covenants are fulfilled as per 23-06-30. Complete Terms and Conditions can be found on our homepage:

<http://autocirc.com/wp-content/uploads/2022/07/Project-Circularity-Terms-and-Conditions.pdf>

In addition, Autocirc AB have a super senior revolving credit facility which at the end of Q2 2023 was 250 MSEK.

Financial summary	Q2			Q1-Q2			Full-year	
	2023	2022	Δ%	2023	2022	Δ%	PF LTM <sup>1)</sup>	2022
Net Sales	456	268	70%	882	498	77%	1992	1084
Organic growth	-22	-	-	39	-	-	239	156
Acquired growth	210	-	-	345	-	-	669	476
Gross Profit	302	156	94%	562	293	92%	1250	671
EBITDA	55	17	222%	105	58	79%	248 <sup>2)</sup>	126
EBITDA-margin, %	12,1%	6,4%	-	11,9%	11,7%	-	12,4%	11,6%
Adjusted EBITDA	76	33	131%	137	78	75%	308	175
Adj. EBITDA-margin, %	16,7%	12,2%	-	15,6%	15,7%	-	15,5%	16,1%
EBITA	24	6	320%	51	40	29%	139	68
EBITA-margin, %	5,2%	2,1%	-	5,8%	8,0%	-	7,0%	6,3%
Adjusted EBITA	44	21	108%	84	60	41%	200	117
Adj. EBITA-margin, %	9,7%	8,0%	-	9,5%	12,0%	-	10,1%	10,8%
Cash flow from operating activities	-192	-10	1792%	-253	13	-2019%	-38	-38
Adjusted Cash flow from operating activities	-145	22	-771%	-95	66	-244%	76	140
Cash conversion	-191%	66%	-	-69%	85%	-	25%	83%
Net Debt/ Adj. EBITDA	4,1x	-	-	4,1x	-	-	4,1x	-

<sup>1)</sup> These are alternative performance measures. Refer to Note 20 for definitions.

<sup>2)</sup> Adjusted for leasing depreciation.

# Income statements

Consolidated statements						
kSEK	Notes	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
<b>Operating income etc.</b>						
Revenue	6	433 457	262 305	849 532	488 361	1 069 681
Change in inventories of products in progress, finished goods and work in progress		2 300	-	4 583	-	1 348
Other operating income		19 911	6 061	27 698	9 670	12 906
<b>Total operating income etc.</b>		<b>455 668</b>	<b>268 366</b>	<b>881 813</b>	<b>498 031</b>	<b>1 083 935</b>
<b>Operating expenses</b>						
Raw materials and consumables		-40 624	-	-71 599	-	-6 016
Goods for resale		-112 899	-112 707	-248 470	-205 027	-401 147
Other external expenses		-112 537	-64 271	-208 035	-104 317	-233 514
Employee benefit expenses		-132 904	-72 432	-246 651	-128 182	-316 283
Depreciation, amortisation and impairment of tangible and intangible fixed assets		-31 520	-11 473	-53 165	-18 688	-57 941
Other operating expenses		-1 649	-1 876	-2 500	-2 111	-731
Total operating expenses		-432 133	-262 759	-830 421	-458 325	-1 015 632
<b>Operating profit</b>		<b>23 535</b>	<b>5 607</b>	<b>51 392</b>	<b>39 706</b>	<b>68 303</b>
<b>Gain (loss) from financial items:</b>						
Gain (loss) from participation in associates and joint ventures		33	-	-2	-	70
Gain (loss) from other securities and receivables classified as fixed assets		130	-	130	-	2
Finance income	7	5 143	546	5 604	192	2 533
Finance costs	8	-6 449	-16 940	-92 286	-25 085	-99 794
<b>Profit/Loss after financial items</b>		<b>22 392</b>	<b>-10 787</b>	<b>-35 162</b>	<b>14 813</b>	<b>-28 886</b>
Tax expense		-7 239	-35 259	-17 615	-43 809	-50 115
<b>Earnings for the interim period/year</b>		<b>15 154</b>	<b>-46 046</b>	<b>-52 777</b>	<b>-28 996</b>	<b>-79 001</b>

# Other comprehensive income

Consolidated statements						
kSEK	Notes	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
<b>Profit/Loss for the year</b>						
Profit/Loss for the year		15 154	-46 046	-52 777	-28 996	-79 001
Exchange differences on translating foreign operations		21 304	80	9 867	391	16 835
<b>Other comprehensive income for the interim period/year, net of tax</b>		<b>21 304</b>	<b>80</b>	<b>9 867</b>	<b>391</b>	<b>16 835</b>
<b>Total comprehensive income for the interim period/year</b>		<b>36 458</b>	<b>-45 966</b>	<b>-42 910</b>	<b>-28 605</b>	<b>-62 166</b>
<b>Earnings for the interim period/year attributable to:</b>						
Owners of the parent		15 146	-46 144	-52 793	-28 988	-79 116
Non-controlling interest		8	98	16	-8	115
		15 154	-46 046	-52 777	-28 996	-79 001
<b>Total comprehensive income for the interim period/year attributable to:</b>						
Owners of the parent		36 450	-46 064	-42 926	-28 597	-62 415
Non-controlling interest		8	98	16	-8	249
		36 458	-45 966	-42 910	-28 605	-62 166



# Balance sheets

Consolidated statements				
kSEK	Notes	2023-06-30	2022-06-30	2022-12-31
<b>ASSETS</b>				
<b>Fixed assets</b>				
<b>Intangible fixed assets</b>				
Capitalised expenditure for development and similar work		79	38 736	145
Software, licences and similar rights		443	-	411
Rights to tenancy and similar rights		1 341	477	1 021
Goodwill	11	1 903 831	1 012 884	1 283 246
<b>Total intangible fixed assets</b>		<b>1 905 694</b>	<b>1 052 097</b>	<b>1 284 823</b>
<b>Tangible fixed assets</b>				
Land and buildings		88 445	13 999	51 413
Right of use assets	12	551 214	338 294	431 881
Plant and machinery		122 792	31 732	48 539
Equipment, tools, fixtures and fittings		63 679	33 718	44 632
Construction in progress		4 592	384	969
<b>Total tangible fixed assets</b>		<b>830 722</b>	<b>418 127</b>	<b>577 434</b>
<b>Financial fixed assets</b>				
Shares in associated companies		2 594	-	2 504
Receivables from associates and joint ventures		60	-	60
Other participation interests		128	-	1 713
Other long-term securities		3 368	3 452	4 974
Deferred tax assets		-	220	-
Other long-term receivables		7 943	1 065	1 163
<b>Total financial fixed assets</b>		<b>14 093</b>	<b>4 737</b>	<b>10 414</b>
<b>Total fixed assets</b>		<b>2 750 509</b>	<b>1 474 961</b>	<b>1 872 671</b>

Consolidated statements				
kSEK	Notes	2023-06-30	2022-06-30	2022-12-31
<b>Current assets</b>				
<b>Inventories etc.</b>				
Finished products and goods for resale		339 022	135 365	182 943
Work in progress		12 290	-	-
Advance payments to suppliers		7 112	-	-
<b>Total inventories etc</b>		<b>358 424</b>	<b>135 365</b>	<b>182 943</b>
<b>Current receivables</b>				
Trade and other receivables		159 031	90 196	108 789
Receivables from group companies		48 503	-	21 003
Current tax receivable		7 456	-	957
Contract and other receivables		63 849	24 074	20 713
Prepaid expenses and accrued income		31 139	26 746	23 501
<b>Total current receivables</b>		<b>309 979</b>	<b>141 016</b>	<b>174 963</b>
<b>Short-term investments</b>				
Other short-term investments		-	18	-
<b>Total short-term investments</b>		<b>0</b>	<b>18</b>	<b>0</b>
<b>Cash and cash equivalents</b>		<b>248 534</b>	<b>560 751</b>	<b>168 962</b>
<b>Total current assets</b>		<b>916 936</b>	<b>837 150</b>	<b>526 868</b>
<b>TOTAL ASSETS</b>		<b>3 667 445</b>	<b>2 312 111</b>	<b>2 399 539</b>

# Balance sheets

Consolidated statements				
kSEK	Notes	2023-06-30	2022-06-30	2022-12-31
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		516	516	516
Other contributed capital		51 175	51 175	51 175
Reserves		29 793	3 616	19 926
Earnings brought forward		1 079 737	333 865	333 750
Earnings for the interim period/year		-52 777	-28 988	-79 001
Equity attributable to owners of the parent company		<b>1 108 444</b>	<b>360 184</b>	<b>326 366</b>
Non-controlling interest		3 473	878	1 135
<b>Total equity</b>		<b>1 111 917</b>	<b>361 062</b>	<b>327 501</b>
<b>Non-current liabilities</b>				
Warranty provision		3 910	-	320
Pensions and other employee obligations		6 380	246	8 020
Bond loans	13	967 077	1 000 000	962 885
Liabilities to credit institutions		121 350	8 893	14 991
Lease liabilities		508 055	326 023	404 268
Deferred tax liabilities	14	33 748	14 102	18 222
Other liabilities		575 265	251 112	273 910
<b>Total non-current liabilities</b>		<b>2 215 785</b>	<b>1 600 376</b>	<b>1 682 616</b>
<b>Current liabilities</b>				
Bank overdraft facilities		1 097	94 782	-
Liabilities to credit institutions		6 742	1 431	87 750
Lease liabilities		58 297	23 325	39 880
Advance payments from customers		4 446	4 587	5 928
Trade and other payables		94 114	60 619	74 071
Current tax liabilities		23 682	44 829	36 955
Other liabilities		73 342	67 159	81 156
Accrued expenses and deferred income		78 024	53 941	63 682
<b>Total current liabilities</b>		<b>339 743</b>	<b>350 673</b>	<b>389 422</b>
<b>Total liabilities</b>		<b>2 555 528</b>	<b>1 951 049</b>	<b>2 072 038</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3 667 445</b>	<b>2 312 111</b>	<b>2 399 539</b>

# Consolidated statement of changes in equity

Group	Notes	Share capital	Other contributed capital	Reserves	Retained earnings	Total attributable to owners of parent	Non-controlling interest	Total equity
<b>Opening balance</b>								
<b>2022-01-01</b>		<b>516</b>	<b>51 175</b>	<b>3 225</b>	<b>139 302</b>	<b>194 218</b>	<b>886</b>	<b>195 104</b>
Shareholders' contribution					194 563	194 563	-	194 563
<b>Transactions with owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>194 563</b>	<b>194 563</b>	<b>-</b>	<b>194 563</b>
Profit/loss for the period					-28 988	-28 988	-8	-28 996
Other comprehensive profit/loss for the period				391	-	391	-	391
<b>Total comprehensive income/(loss) for the period</b>				<b>391</b>	<b>-28 988</b>	<b>-28 597</b>	<b>-8</b>	<b>-28 605</b>
<b>Balance at</b>								
<b>2022-06-30</b>		<b>516</b>	<b>51 175</b>	<b>3 616</b>	<b>304 877</b>	<b>360 184</b>	<b>878</b>	<b>361 062</b>
Profit/loss for the period					-50 128	-50 128	123	-50 005
Other comprehensive profit/loss for the period				16 310	-	16 310	134	16 444
<b>Total comprehensive income/(loss) for the period</b>		<b>-</b>	<b>-</b>	<b>16 310</b>	<b>-50 128</b>	<b>-33 818</b>	<b>257</b>	<b>-33 561</b>
<b>Balance at</b>								
<b>2022-12-31</b>		<b>516</b>	<b>51 175</b>	<b>19 926</b>	<b>254 749</b>	<b>326 366</b>	<b>1 135</b>	<b>327 501</b>
<b>Opening balance at</b>								
<b>2023-01-01</b>		<b>516</b>	<b>51 175</b>	<b>19 926</b>	<b>254 749</b>	<b>326 366</b>	<b>1 135</b>	<b>327 501</b>
Shareholders' contribution					825 000	825 000	-	825 000
<b>Transactions with owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>825 000</b>	<b>825 000</b>	<b>-</b>	<b>825 000</b>
Profit/loss for the period					-52 793	-52 793	16	-52 777
Other comprehensive profit/loss for the period				9 867	-	-	2 322	12 189
<b>Total comprehensive income/(loss) for the period</b>				<b>9 867</b>	<b>-52 793</b>	<b>-42 926</b>	<b>2 338</b>	<b>-40 588</b>
<b>Balance at</b>								
<b>2023-06-30</b>		<b>516</b>	<b>51 175</b>	<b>29 793</b>	<b>1 026 960</b>	<b>1 108 444</b>	<b>3 473</b>	<b>1 111 917</b>



# Cash flow statements

Consolidated statements						
kSEK	Notes	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
Profit/Loss after financial items		22 392	-10 787	-35 162	14 813	-28 886
Non-cash adjustment		16 961	11 071	44 805	19 079	59 340
Income tax paid		-10 491	864	-30 667	-8 580	-26 565
<b>Cash flow from operating activities before changes in working capital</b>		<b>28 862</b>	<b>1 148</b>	<b>-21 024</b>	<b>25 312</b>	<b>3 889</b>
<b>Changes in working capital:</b>						
Change in inventories		-33 642	-3 292	-60 981	-5 522	-32 097
Change in trade and other receivables		-31 003	-19 558	-46 762	-16 238	-14 792
Change in trade and other payables		-155 950	11 567	-124 535	9 650	5 306
<b>Net cash flow from operating activities</b>		<b>-191 733</b>	<b>-10 135</b>	<b>-253 302</b>	<b>13 202</b>	<b>-37 694</b>
<b>Investing activities</b>						
Acquisition of participations in subsidiaries net of cash acquired		-176 154	-212 093	-533 685	-621 838	-824 887
Acquisition of intangible fixed assets		-509	-35 240	-509	-44 545	-615
Disposal of intangible fixed assets		130	-	130	-	-
Acquisition of tangible fixed assets		-40 391	-8 517	-43 254	-121	-19 578
Disposal of tangible fixed assets		4 182	-	4 182	-	189 230
Acquisition of financial assets		-	-329	-	-329	-
Disposal of financial assets		-	-	-	1 089	-
<b>Cash flow from investing activities</b>		<b>-212 742</b>	<b>-256 179</b>	<b>-573 136</b>	<b>-665 744</b>	<b>-655 850</b>
<b>Financing activities</b>						
Shareholders' contribution received		395 000	66 353	825 000	194 563	156 063
New borrowings and lease liabilities		117 300	591 175	117 300	884 866	1 036 631
Repayment of borrowings and lease liabilities		-21 363	-	-37 387	-	-367 838
Change in bank overdraft facilities		-5 746	-19 930	1 097	44 518	-51 696
<b>Cash flow from financing activities</b>		<b>485 191</b>	<b>637 598</b>	<b>906 010</b>	<b>1 123 947</b>	<b>773 160</b>
<b>Cash flow for the period</b>		<b>80 716</b>	<b>371 284</b>	<b>79 572</b>	<b>471 405</b>	<b>79 616</b>
Cash and cash equivalents at the beginning of the period		167 818	189 467	168 962	89 346	89 346
<b>Cash and cash equivalents at end of period</b>		<b>248 534</b>	<b>560 751</b>	<b>248 534</b>	<b>560 751</b>	<b>168 962</b>

# Income statements

Parent company						
kSEK	Notes	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
<i>Operating income etc.</i>						
Other operating income/Other income		4 996	-	4 996	-	-
<b>Total operating income etc.</b>		<b>4 996</b>	<b>0</b>	<b>4 996</b>	<b>0</b>	<b>0</b>
<i>Operating expenses</i>						
Other external expenses		-5 878	-28	-6 775	-31	-1 957
<b>Total operating expenses</b>		<b>-5 878</b>	<b>-28</b>	<b>-6 775</b>	<b>-31</b>	<b>-1 957</b>
<b>Operating profit</b>		<b>-882</b>	<b>-28</b>	<b>-1 779</b>	<b>-31</b>	<b>-1 957</b>
<i>Gain (loss) from financial items:</i>						
Other interest income and similar items	7	-131	1 042	53 329	1 042	42 029
Interest expense and similar items	8	-4 815	-2 863	-63 291	-2 863	-59 456
<b>Loss after financial items</b>		<b>-5 828</b>	<b>-1 849</b>	<b>-11 741</b>	<b>-1 852</b>	<b>-19 384</b>
<b>Profit/loss and total comprehensive income for the interim period/year</b>		<b>-5 828</b>	<b>-1 849</b>	<b>-11 741</b>	<b>-1 852</b>	<b>-19 384</b>



# Balance sheets

Parent company				
kSEK	Notes	2023-06-30	2022-06-30	2022-12-31
<b>ASSETS</b>				
<b>Financial fixed assets</b>				
Participations in group companies	16	1 264 892	401 392	439 892
Receivables from group companies		934 921	701 576	900 692
<b>Total financial fixed assets</b>		<b>2 199 813</b>	<b>1 102 968</b>	<b>1 340 584</b>
<b>Total fixed assets</b>		<b>2 199 813</b>	<b>1 102 968</b>	<b>1 340 584</b>
<b>Current assets</b>				
<b>Current receivables</b>				
Receivables from group companies		10 370	25	4 257
Contract and other receivables		179	-	-
Prepaid expenses and accrued income		-	1 042	-
<b>Total current receivables</b>		<b>10 549</b>	<b>1 067</b>	<b>4 257</b>
<b>Cash and bank</b>		<b>1 128</b>	<b>261 840</b>	<b>43 069</b>
<b>Total current assets</b>		<b>11 677</b>	<b>262 907</b>	<b>47 326</b>
<b>TOTAL ASSETS</b>		<b>2 211 490</b>	<b>1 365 875</b>	<b>1 387 910</b>

# Balance sheets

Parent company				
kSEK	Notes	2023-06-30	2022-06-30	2022-12-31
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Restricted equity</b>				
Share capital		516	516	516
<b>Total restricted equity</b>		<b>516</b>	<b>516</b>	<b>516</b>
<b>Non-restricted equity</b>				
Share premium		51 175	51 175	51 175
Profit (loss) brought forward		1 194 039	349 923	388 423
Profit (loss) for the year		-11 741	-1 852	-19 384
<b>Total non-restricted equity</b>		<b>1 233 473</b>	<b>399 246</b>	<b>420 214</b>
<b>Total equity</b>		<b>1 233 989</b>	<b>399 762</b>	<b>420 730</b>
<b>Non-current liabilities</b>				
Bond loans	13	967 077	963 863	962 885
<b>Total long-term liabilities/Total non-current liabilities</b>		<b>967 077</b>	<b>963 863</b>	<b>962 885</b>
<b>Current liabilities</b>				
Trade and other payables		6 297	-	236
Accrued expenses and deferred income		4 127	2 250	4 059
<b>Total current liabilities</b>		<b>10 424</b>	<b>2 250</b>	<b>4 295</b>
<b>Total liabilities</b>		<b>977 501</b>	<b>966 113</b>	<b>967 180</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 211 490</b>	<b>1 365 875</b>	<b>1 387 910</b>



## Statement of changes in equity

Parent company	Notes	Share capital	Share premium	Profit or loss brought forward	Net profit/loss for the period	Total equity
<b>Balance at</b>						
<b>2022-01-01</b>		516	51 175	193 862	-2	245 551
Transfer of previous years profit or loss				-2	2	-
Shareholders' contribution				156 063		156 063
Profit/loss for the period					-1 852	-1 852
<b>Balance at</b>						
<b>2022-06-30</b>		516	51 175	349 923	-1 852	399 762
Shareholders' contribution				38 500		38 500
Profit/loss for the period					-17 532	-17 532
<b>Balance at</b>						
<b>2022-12-31</b>		516	51 175	388 423	-19 384	420 730
<b>Opening balance</b>						
<b>2023-01-01</b>		516	51 175	388 423	-19 384	420 730
Transfer of previous years profit or loss				-19 384	19 384	-
Shareholders' contribution				825 000		825 000
Profit/loss for the period					-11 741	-11 741
<b>Balance at</b>						
<b>2023-06-30</b>		516	51 175	1 194 039	-11 741	1 233 989

## Cash flow statements

Parent company	Notes	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
<b>kSEK</b>						
<b>Operating activities</b>						
Profit/loss after financial items		-5 828	-1 852	-11 741	-1 852	-19 384
Non-cash adjustment		-	612	-	612	-
<b>Cash flow from operating activities before changes in working capital</b>		<b>-5 828</b>	<b>-1 240</b>	<b>-11 741</b>	<b>-1 240</b>	<b>-19 384</b>
<b>Changes in working capital:</b>						
Change in trade and other receivables		20 513	-1 042	-6 291	-1 042	-4 232
Change in trade and other payables		-22 454	2 248	6 128	2 248	4 292
<b>Net cash flow from operating activities</b>		<b>-7 769</b>	<b>-34</b>	<b>-11 904</b>	<b>-34</b>	<b>-19 324</b>
<b>Investing activities</b>						
Group loan paid		-	-701 576	-34 229	-701 576	-900 692
Group loan recieved		6 500	-	-	-	-
Acquisition of participations in subsidiaries net of cash acquired		-395 000	-155 863	-825 000	-155 863	-155 863
Acquisition of intangible fixed assets		-	-36 750	-	-36 750	-
<b>Cash flow from investing activities</b>		<b>-388 500</b>	<b>-894 189</b>	<b>-859 229</b>	<b>-894 189</b>	<b>-1 056 555</b>
<b>Financing activities</b>						
Shareholders' contribution received		395 000	156 063	825 000	156 063	156 063
New borrowings		2 097	1 000 000	4 192	1 000 000	962 885
<b>Cash flow from financing activities</b>		<b>397 097</b>	<b>1 156 063</b>	<b>829 192</b>	<b>1 156 063</b>	<b>1 118 948</b>
<b>Cash flow for the period</b>		<b>828</b>	<b>261 840</b>	<b>-41 941</b>	<b>261 840</b>	<b>43 069</b>
Cash and cash equivalents at the beginning of the period		300	-	43 069	-	-
<b>Cash and cash equivalents at end of period</b>		<b>1 128</b>	<b>261 840</b>	<b>1 128</b>	<b>261 840</b>	<b>43 069</b>





# Notes to the interim consolidated financial statements

## NOTE 1 Nature of operations

The Autocirc Group was formed in 2019 and its main activities is to develop and take advantage of the aftermarket found within the auto parts industry. By gathering individual actors under one roof, a traditionally fragmented industry could be tied together. The group's operations aim to create a cycle where the group reuses and extends the life of used spare parts. In the long term, this means that all parts of the vehicle can be utilized and used for a longer period of time. The principal activities of Autocirc Group AB (publ) and subsidiaries (the Group) include selling of merchandise, service/repair and freight. As the majority relates to merchandise sales, no such division (as required by IFRS 15) has been made.

## NOTE 2 General information, basis of preparation and statement of compliance with IFRS

The Interim Financial Statements are for the six months ended 30 June 2023 and are presented in Swedish krona (SEK), which is the accounting currency of the parent company. They have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022.

Autocirc Group AB (publ) is a wholly-owned subsidiary of Autocirc Industriutveckling AB (corp id no 559267-3452), which in turn is owned by Circauto BidCo AB (corp id no 559382-5689). Circauto BidCo AB is owned by Nordic Capital together with representatives from Autocirc's management. The consolidated accounts include Autocirc Group AB (publ) and its subsidiaries. It is a limited liability company incorporated and domiciled in Sweden. The address of its registered office and principal place of business is Österlånggatan 69, 503 37 Borås, Sweden. Autocirc Group AB (publ) has a bond issued on the Frankfurt stock exchange.

The Interim Financial Statements were approved for issue by the Board of Directors on 30 August 2023.

## NOTE 3 New Standards adopted at 1 January 2023

There are no accounting pronouncements which have become effective from 1 January 2023 that have a significant impact on the Group's interim condensed consolidated financial statements.

## NOTE 4 Significant accounting policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 December 2022.

## NOTE 5 Estimates and judgements

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements and the assessments made in the Interim Financial Statements, including the key sources of estimation uncertainty, are the same as those applied in the Group's previous annual financial statements for the year ended 31 December 2022.



**NOTE 6 Revenue**

According to IFRS 15, the note to net sales must contain a breakdown of the distribution between Sales of goods, Service/repair and Freight. As the majority relates to parts sales, no such division has been made.

Revenue from external customers broken down by country, based on where the customers are located:

	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
Sweden	181 333	182 918	393 526	313 306	636 101
Norway	74 241	19 323	132 459	37 003	111 952
Finland	28 325	19 491	56 874	41 202	71 846
Europe excl countries above	136 772	38 716	244 767	89 814	231 889
Other countries	12 786	1 857	21 906	7 036	17 893
<b>Total</b>	<b>433 457</b>	<b>262 305</b>	<b>849 532</b>	<b>488 361</b>	<b>1 069 681</b>

**NOTE 7 Finance income**

	Group				
	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
Interest income	193	204	521	204	1 026
Exchange gains	2 540	316	2 624	161	1 414
Exchange losses	-8	-78	-8	-278	-53
Other finance income	2 418	104	2 467	105	146
<b>Total</b>	<b>5 143</b>	<b>546</b>	<b>5 604</b>	<b>192</b>	<b>2 533</b>
	Parent company				
	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
Interest income from group companies	-131	1 042	53 329	1 042	42 029
<b>Total</b>	<b>-131</b>	<b>1 042</b>	<b>53 329</b>	<b>1 042</b>	<b>42 029</b>

**NOTE 8 Finance costs**

	Group				
	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
Interest expenses for leasing arrangements	7 792	4 130	14 425	6 826	17 435
Interest expenses, bond loans	4 815		63 291	-	59 456
Exchange gains	301	12	301	12	-
Exchange losses	-4 795	350	623	182	-
Other interest expenses	-7 484	6 355	6 020	10 306	12 528
Other financial expenses	5 820	6 093	7 626	7 759	10 375
<b>Total</b>	<b>6 449</b>	<b>16 940</b>	<b>92 286</b>	<b>25 085</b>	<b>99 794</b>
	Parent company				
	2023-04-01 2023-06-30	2022-04-01 2022-06-30	2023-01-01 2023-06-30	2022-01-01 2022-06-30	2022-01-01 2022-12-31
Interest expenses, bond loans	4 815	2 863	63 291	2 863	59 456
<b>Total</b>	<b>4 815</b>	<b>2 863</b>	<b>63 291</b>	<b>2 863</b>	<b>59 456</b>

There is no interest to group companies. Interest cost and thereby accrual posted for the period January to May 2023 has been overstated. Correction has had an impact on Q2 ISO result (Group and Parent company)

**NOTE 9 Acquisitions****Acquisition of 16 companies**

During the period January – June 2023 the group acquired 100% of the equity instruments of 16 companies with businesses in dismantling, remanufacturing and towing, thereby obtaining control. The companies are based in Sweden, Finland, Norway and France. The table below summarizes the purchase price paid for these companies as well as the fair value of acquired assets and assumed liabilities which are reported on the date of acquisition.

	Sweden 2023-06-30	Norway 2023-06-30	Finland 2023-06-30	France 2023-06-30	Total 2023-06-30
<b>Purchase price</b>					
Amount settled in cash	146 302	92 773	191 333	225 348	655 755
Fair value of contingent consideration	51 000	35 294	40 071	112 674	239 039
<b>Total sum</b>	<b>197 302</b>	<b>128 067</b>	<b>231 404</b>	<b>338 022</b>	<b>894 794</b>
<b>Recognized amounts of identifiable net assets</b>					
Cash and cash equivalents	19 605	1 387	77 864	22 981	121 837
Total non-current assets	25 192	2 810	47 551	27 875	103 428
Total current assets	46 819	16 775	37 933	97 789	199 316
Loans	-4 732	-	-	-28 610	-33 342
Deferred tax liabilities	-3 291	-139	-7 696	-132	-11 258
Trade and other payables	-24 863	-6 311	-22 517	-51 191	-104 882
<b>Identifiable Net Assets</b>	<b>58 730</b>	<b>14 521</b>	<b>133 135</b>	<b>68 712</b>	<b>275 098</b>
<b>Goodwill on acquisition</b>	<b>138 572</b>	<b>113 546</b>	<b>98 269</b>	<b>269 310</b>	<b>619 697</b>
Consideration transferred settled in cash	146 302	92 773	191 333	225 348	655 755
Cash and cash equivalents acquired	-19 605	-1 387	-77 864	-22 981	-121 837
<b>Net cash outflow on acquisition</b>	<b>126 697</b>	<b>91 386</b>	<b>113 469</b>	<b>202 367</b>	<b>533 919</b>
Acquisition costs charged to expenses	85 285	8 666	3 679	2 752	23 625
Net payment on acquisition	135 225	100 052	117 148	205 119	557 544

**Acquisition-related costs**

Acquisition-related costs amounting to SEK 23 625 thousand are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss, as part of other expenses and as well as in the ongoing operations in the cash flow statement.

**Goodwill**

Goodwill is attributable to large synergy effects, above all in the form of increased market shares, high profitability in acquired businesses, specific skills of the employees in the acquired companies and expected synergy effects on the cost side. No part of reported goodwill is expected to be tax deductible.

**The companies contribution to the Group results**

The acquired companies incurred a profit (before tax) of SEK 10 615 thousand to the reporting date. Revenue for the months when the companies have been within the group to 30th of June 2023 was SEK 205 120 thousand. If the companies had been acquired on 1 January 2023, revenue for the Group would have been SEK 1 121 411 thousand, and profit (before tax) for the year would have increased by SEK 15 633 thousand.

**Acquisition after Q2 2023**

There has been no acquisitions after the end of the period and before reporting date.

**NOTE 10 Segment reporting**

The Group operating segments are reported in a manner consistent with the internal reporting provided to the operating decision makers. As a result of the organisational development in the Group, Country managers has been assigned with the responsibility to monitor the performance and drive the business improvements. Thereby the operating segments are defined by Country.

The chief operating decision makers, who are responsible for financial performance follow up and resource allocation, has been identified as Group Executive members and Country managers.

Each of the Country segments is managed separately as the segment requires different technologies, resources and marketing

strategies. These Country segments are managed and strategic decision are made based on the operating result for each Country segment.

The Group comprise of the following Country operating segments; Sweden, Norway, Finland and France. In addition, a segment named “Other segment”, which does not reach the quantified limit amounts for separate reporting, has been added. The main income for this segment is related to property rent and services provided to the main operating segments.

Revenues and results from each segment as well as the segments’ assets and liabilities are summarized below:

Interim period 2023-01-01 – 2023-06-30								
	Sweden	Norway	Finland	France	Others	IFRS 16	Intercompany transactions	Total
<b>Revenue</b>								
Revenue, external	422 213	132 515	70 446	107 078	117 280			849 532
Revenue, inter-company	31 039	4 028	9 114	18 761	23 772			86 714
Elimination of inter-company revenue within the segment	-21 532	-3 822	-5 844	-18 761	-1 273		-35 482	-86 714
Change in inventories of products in progress, finished goods and work in progress	92	4 491						4 583
Other operating income	4 793	3 000	5 808	8 884	5 213			27 698
<b>Segment total revenue</b>	<b>436 605</b>	<b>140 212</b>	<b>79 524</b>	<b>115 962</b>	<b>144 992</b>	<b>-</b>	<b>-35 482</b>	<b>881 813</b>
<b>Segment operating profit</b>	<b>50 783</b>	<b>9 917</b>	<b>2 018</b>	<b>-4 910</b>	<b>-17 916</b>	<b>11 500</b>	<b>0</b>	<b>51 392</b>
<b>Segment assets</b>	<b>1 431 492</b>	<b>617 555</b>	<b>400 926</b>	<b>444 068</b>	<b>222 190</b>	<b>551 214</b>	<b>0</b>	<b>3 667 445</b>
<b>Segment liabilities</b>	<b>109 323</b>	<b>87 767</b>	<b>67 227</b>	<b>191 214</b>	<b>1 420 095</b>	<b>679 902</b>	<b>0</b>	<b>2 555 528</b>

Interim period 2022-01-01 – 2022-06-30							
	Sweden	Norway	Finland	Others	IFRS16	Intercompany transaction	Total
<b>Revenue</b>							
Revenue, external	353 021	34 498	36 062	64 780			488 361
Revenue, inter-company	9 376	2 790	720	-			12 886
Elimination of inter-company revenue within the segment	-9 572	-	-257	-		-3 057	-12 886
Other operating income	2 871	-1	3 750	11 918	-8 868		9 670
<b>Segment total revenue</b>	<b>355 696</b>	<b>37 287</b>	<b>40 275</b>	<b>76 698</b>	<b>-8 868</b>	<b>-3 057</b>	<b>498 031</b>
<b>Segment operating profit</b>	<b>55 347</b>	<b>4 318</b>	<b>1 861</b>	<b>-18 831</b>	<b>-2 989</b>	<b>-</b>	<b>39 706</b>
<b>Segment assets</b>	<b>90 955</b>	<b>229 766</b>	<b>17 223</b>	<b>1 635 873</b>	<b>338 294</b>	<b>-</b>	<b>2 312 111</b>
<b>Segment liabilities</b>	<b>118 295</b>	<b>55 344</b>	<b>13 973</b>	<b>1 414 089</b>	<b>349 348</b>	<b>-</b>	<b>1 951 049</b>

Interim period 2022-01-01 – 2022-12-31							
	Sweden	Norway	Finland	Others	IFRS16	Intercompany transaction	Total
<b>Revenue</b>							
Revenue, external	685 677	141 623	67 029	175 352	-	-	1 069 681
Revenue, inter-company	31 531	594	12 902	41 492	-	-	86 519
Elimination of inter-company revenue within the segment	-25 172	-436	-9 432	-25 560	-	-25 919	-86 519
Other operating income	7 031	1 131	7 763	7 195	-8 867	-	14 253
<b>Segment total revenue</b>	<b>699 067</b>	<b>142 912</b>	<b>78 262</b>	<b>198 479</b>	<b>-8 867</b>	<b>-25 919</b>	<b>1 083 934</b>
<b>Segment operating profit</b>	<b>52 847</b>	<b>21 276</b>	<b>3 725</b>	<b>-15 296</b>	<b>5 751</b>	<b>-</b>	<b>68 303</b>
<b>Segment assets</b>	<b>1 158 686</b>	<b>495 523</b>	<b>107 700</b>	<b>205 749</b>	<b>431 881</b>	<b>-</b>	<b>2 399 539</b>
<b>Segment liabilities</b>	<b>149 166</b>	<b>62 187</b>	<b>18 776</b>	<b>1 400 288</b>	<b>441 621</b>	<b>-</b>	<b>2 072 038</b>



**NOTE 11 Goodwill**

Changes in the carrying amount for goodwill is as follows:

	Group		
	2023-06-30	2022-06-30	2022-12-31
Balance brought forward	1 283 246	478 186	478 186
Aquisitions through business combinations	619 697	532 935	784 594
Exchange rate differences	24 708	1 763	20 466
Reclassifications	-23 820	-	-
Balance carried forward	1 903 831	1 012 884	1 283 246
Carrying amount	1 903 831	1 012 884	1 283 246

An excess value has been identified in assets in an acquisition made in 2022. The excess value has only been calculated on assets that existed at the time of acquisition and this matter is handled as a changed assessment. Deferred tax has been considered.

**NOTE 12 Right of use assets**

The balance sheet of the Group contains the following amounts regarding the group's leasing agreement.

	Group		
	2023-06-30	2022-06-30	2022-12-31
Accumulated cost brought forward	477 173	207 550	207 550
Aquisitions through business combinations	146 073	209 611	121 234
Aquisitions	3 119	-	-
Reclassifications	-	-	209 611
Sales/disposals	-	-	-12 353
Exchange rate differences	353	-4 995	3 301
Effect from changed incremental borrowing rate	-	-52 170	-52 170
Accumulated cost carried forward	626 718	359 996	477 173
Accumulated depreciation brought forward	-45 292	-11 134	-11 134
Sales/disposals	-	-	2 360
Depreciation for the interim period/year	-30 212	-10 568	-36 518
Accumulated depreciation carried forward	-75 504	-21 702	-45 292
Carrying amount	551 214	338 294	431 881

	Amount	Remaining term	Group		
			2023-06-30	2022-06-30	2022-12-31
<i>Right of use assets</i>					
Buildings	77	2–20 years	529 194	335 338	418 931
Machinery	22	1–4 years	7 012	2 067	4 347
Vehicles	57	0–3 years	15 008	889	8 603
Total balance			551 214	338 294	431 881
<i>Lease liabilities</i>					
Long term			508 055	326 023	404 268
Short term			58 297	23 325	39 880
Total balance			566 352	349 348	444 148

The income statement includes the following amounts related to lease agreements:

	2023-04-01	2022-04-01	2023-01-01	2022-01-01	2022-01-01
	2023-06-30	2022-06-30	2023-06-30	2022-06-30	2022-12-31
<i>Depreciation of Right of use assets</i>					
Buildings	14 331	5 818	26 863	9 891	33 193
Machinery	686	162	1 275	280	1 249
Vehicles	1 253	203	2 074	397	2 076
<b>Total amount</b>	<b>16 270</b>	<b>6 183</b>	<b>30 212</b>	<b>10 568</b>	<b>36 518</b>
<i>Finance charges</i>					
Total amount	7 693	4 115	14 326	6 812	17 435

**NOTE 13 Bond loans**

During Q2 2022 the Group placed a bond in the market. The amount is SEK 1 billion with the possibility of increasing to SEK 1,5 SEK billion.

The bond is listed in Frankfurt. The bond is, as of June 16th, 2023, admitted for trading on Nasdaq STO Corporate Bonds. The term of the bond is three years and interest is market-based. All conditions in the form of covenants are fulfilled as of 2023-06-30.

Complete Terms and Conditions can be found on our homepage:

<http://autocirc.com/wp-content/uploads/2022/07/Project-Circularity-Terms-and-Conditions.pdf>

**NOTE 14 Deferred tax assets and liabilities**

Deferred taxes arising from temporary differences and unused tax losses are summarised as follows:

Changes during year:	Recorded in				2023-06-30
	2023-01-01	From acquisitions	Other comprehensive income	Profit or loss	
Tangible fixed assets	-	14 712	-	-1 069	13 643
Right of use assets	88 967	-	-	24 583	113 550
Lease liabilities	-91 495	-	-	-25 174	-116 669
From untaxed reserves	20 970	2 474	-	-	23 444
Unused tax losses carried forward	-220	-	-	-	-220
	18 222	17 186	-	-1 660	33 748

Changes during year:	Recorded in				2022-12-31
	2022-01-01	From acquisitions	Other comprehensive income	Profit or loss	
Right of use assets	-	-	-	88 967	88 967
Lease liabilities	-	-	-	-91 495	-91 495
From untaxed reserves	3 505	6 492	-	10 973	20 970
Unused tax losses carried forward	-220	-	-	-	-220
	3 285	6 492	-	8 445	18 222

**NOTE 15 Pledged assets and contingent liabilities**

The changes for the Group during the year/interim period are as follows:

Pledged assets	Group	
	2023-06-30	2022-12-31
<i>For own provisions and liabilities:</i>		
Property mortgage	11 850	-
Floating charge	14 600	-
Pledged shares in subsidiaries	1 076 474	308 486
Assets with ownership reservations	42 274	31 267
Others	424	353
Amount	1 145 622	340 106
<b>Contingent liabilities</b>		
Bank guarantee in favour of group companies	11 400	5 450
Bank guarantee	1 782	-
Others	3 940	4 012
Amount	17 122	9 462

**NOTE 16 Related party transactions**

Autocirc Industriutveckling AB owns 100% of the parent company's shares and has controlling influence over the group. Related parties are all subsidiaries within the group as well as senior executives in the group and their relatives. Transactions take place on market terms. The following transactions have taken place with related parties (normal transactions with key management personnel are excluded):

	Group		
	2023-06-30	2022-06-30	2022-12-31
Sales of goods and services between subsidiaries	86 714	12 886	86 519
Rent of premises from related party	19 548	5 504	25 805
Contracted managing director from related party	3 421	35	55
Other contracted staff from related party	1 382	1 061	2 553
Other services from related party	3 989	-	-
Liabilities to related party	423	2 736	17 140

**NOTE 17 Fair value measurement of financial instruments**

Debt regarding additional considerations regarding acquisitions is continuously measured at fair value and are included in the statement of profit/loss. The item has been classified to Level 3, ie where there are no observable inputs for liabilities. The amounts are as follows:

	Group		
	2023-06-30	2022-06-30	2022-12-31
Earn-outs	480 767	266 756	308 355

Bond loan, fair value as of June 30, 2023: 103,05% of the nominal amount 1 000 MSEK

The bond loan is reported at amortized cost with information of the fair value as of June 30th, 2023. The fair value of the bond loan is at level 1.



**NOTE 18 Shares in subsidiary**

The parent company holds shares in the following subsidiary:

Name	Corp. Id No.	Domicile	Number of shares	Parent company		
				2023-06-30	2022-06-30	2022-12-31
Autocirc AB	559214-4314	Borås, Sweden	1 032	1 264 892	401 392	439 892
				2023-06-30	2022-06-30	2022-12-31
Balance brought forward				439 892	245 529	245 529
Shareholders' contribution				825 000	155 863	194 363
Balance carried forward				1 264 892	401 392	439 892
Total balance carried forward				<b>1 264 892</b>	<b>401 392</b>	<b>439 892</b>

**NOTE 19 Significant events after the reporting period**

As a part of Autocirc's continued extensive growth journey, the company's organisation has been strengthened by appointing Gunilla Andersson as new Chief Financial Officer for the Group.

**NOTE 20 Definition of business ratios**

Net revenue growth, %	Change in reported net revenue compared with the same period in the preceding year.
Organic growth, %	Net revenue growth, adjusted for net revenue attributable to businesses acquired in the first twelve months after the acquisition date
EBITDA	Operating profit before depreciation/amortisation of property, plant and equipment and intangible non-current assets.
EBITDA margin	EBITDA as a percentage of the company's net revenue.
Adjusted EBITDA	Operating profit before depreciation/amortisation of property, plant and equipment and intangible non-current assets, adjusted for items affecting comparability
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of the company's net revenue
EBITA	Operating profit before amortisation of intangible assets.
EBITA margin, %	EBITA as a percentage of the company's net revenue.
Adjusted EBITA	Operating profit before amortisation of intangible assets, adjusted for items affecting comparability.
Adjusted EBITA margin, %	Adjusted EBITA as a percentage of the company's net revenue.
Net debt	Interest-bearing liabilities (due to credit institutions and lease liabilities), less cash and cash equivalents.
Adjusted Net debt	Interest-bearing liabilities (due to credit institutions and lease liabilities), less cash and cash equivalents, calculated according to the terms and conditions set forth in the compliance certificate.
PF LTM	Last twelve months reported figures adjusted for the contribution of the businesses contractually acquired or completed acquisitions by the Group as if they had been owned during the full last twelve months period.

**NOTE 21 Alternative performance measure****1. Adjusted EBITA and adjusted EBITA margin, %**

SEKm	Q2		Q1-Q2		Full-year	
	2023	2022	2023	2022	PF LTM <sup>1)</sup>	2022
Operating result (EBIT)	24	6	51	40	139	61
Amortisation	-	-	-	-	-	0
<b>EBITA</b>	<b>24</b>	<b>6</b>	<b>51</b>	<b>40</b>	<b>139</b>	<b>61</b>
Items affecting comparability	21	16	33	20	61	49
<b>Adjusted EBITA</b>	<b>44</b>	<b>21</b>	<b>84</b>	<b>60</b>	<b>200</b>	<b>110</b>
Net sales	456	268	882	498	1992	1084
<b>Adjusted EBITA, %</b>	<b>10%</b>	<b>8%</b>	<b>10%</b>	<b>12%</b>	<b>10%</b>	<b>10%</b>

**2. Adjusted operating cash flow and cash generation, %**

SEKm	Q2		Q1-Q2		Full-year	
	2023	2022	2023	2022	PF LTM <sup>1)</sup>	2022
Adjusted EBITA	44	21	84	60	200	110
Depreciation	32	11	53	19	108	58
<b>Adjusted EBITDA</b>	<b>76</b>	<b>33</b>	<b>137</b>	<b>78</b>	<b>308</b>	<b>168</b>
Change in working capital	-221	-11	-232	-12	-232	-28
<b>Adjusted operating cash flow</b>	<b>-145</b>	<b>22</b>	<b>-95</b>	<b>66</b>	<b>76</b>	<b>140</b>
<b>Cash conversion, %</b>	<b>-191%</b>	<b>66%</b>	<b>-69%</b>	<b>85%</b>	<b>25%</b>	<b>83%</b>

**3. Items affecting comparability**

SEKm	Q2		Q1-Q2		Full-year	
	2023	2022	2023	2022	PF LTM <sup>1)</sup>	2022
Transaction costs	14	7	24	7	36	19
One-time costs	7	9	9	13	25	29
<b>Items affecting comparability</b>	<b>21</b>	<b>16</b>	<b>33</b>	<b>20</b>	<b>61</b>	<b>49</b>

**NOTE 21 Alternative performance measure, continued****4. Net debt / adjusted EBITDA**

SEKm	Q2		Q1-Q2		Full-year	
	2023	2022	2023	2022	PF LTM <sup>1)</sup>	2022
Bond loans	967	-	967	-	967	-
Non-current liabilities to credit institutions	121	-	121	-	121	-
Non-current lease liabilities	508	-	508	-	508	-
Non-current vendor loans in owner's company	47	-	47	-	47	-
Other liabilities	435	-	435	-	435	-
Current liabilities to credit institutions	7	-	7	-	7	-
Current lease liabilities	58	-	58	-	58	-
Current other liabilities	49	-	49	-	49	-
<b>Total interest-bearing liabilities</b>	<b>2 192</b>	<b>-</b>	<b>2 192</b>	<b>-</b>	<b>2 192</b>	<b>-</b>
Cash and cash equivalents	249	-	249	-	249	-
<b>Net Debt</b>	<b>1 943</b>	<b>-</b>	<b>1 943</b>	<b>-</b>	<b>1 943</b>	<b>-</b>
<b>Adjustments to net debt:</b>						
Removal of lease liabilities related to premises	-566	-	-566	-	-566	-
Removal of performance based commitments	-481	-	-481	-	-481	-
<b>Adjusted Net Debt</b>	<b>896</b>	<b>-</b>	<b>896</b>	<b>-</b>	<b>896</b>	<b>-</b>
Adjusted LTM EBITDA proforma	308	-	308	-	308	-
Removal of leasing costs for premises & items affecting comparability	-90	-	-90	-	-90	-
<b>Adjusted LTM EBITDA proforma excl. IFRS 16</b>	<b>218</b>	<b>-</b>	<b>218</b>	<b>-</b>	<b>218</b>	<b>-</b>
Net debt / Adjusted LTM EBITDA proforma	4,1x	-	4,1x	-	4,1x	-



