

autocirc

# INTERIM REPORT

2022 - Q2

## Events in the second quarter of 2022

- In April, the vehicle dismantling company Skjeberg Bilopphuggeri AS was acquired, complementing the Group's present facility, Østfolds Bildemontering AS.
- In May, the Group published its consolidated financial statements, which included a sustainability report.
- On June 17th, the parent company successfully issued a SEK 1 billion bond. The bond was used to repay the existing bank funding as well as for acquisitions that will allow the Group to accelerate and continue our expansion. The terms and conditions of the bond can be found [here](#) on our website. The Group's borrowing is subject to financial obligations in the form of covenants. These mainly relate to the key ratio of Net Debt/EBITDA. At the end of the quarter all financial commitments in the form of covenants were fulfilled.
- In June, the Group made three acquisitions to boost our presence in Norway; the vehicle dismantling company Trondheim Bil-Demontering AS and the car recovery companies Voss Bilbergning AS and Bergen Bilhjelp AS.
- During the second quarter, the Group also strengthened the organisation with new employees, including Susanne Sening as Digitalisation Lead for the Group, Marcus Wigren as Country Manager of Sweden and Kenneth Långbacka as COO of Autocirc Finland.

## Events after the second quarter of 2022

- In early July, the acquisition of Norwegian vehicle dismantling company Trøndelag Bildeler AS was completed. Together with previous companies and acquisitions, the Group has now a good geographical coverage of Norway.



# COMMENTS FROM OUR CEO

## Still full speed ahead

The year is continuing strongly for Autocirc. In the second quarter, we concentrated on bolstering our presence in Norway, where we are proud to welcome five new companies to the Group. With these acquisitions in the Group, as well as our future plans, we are creating an end-to-end organisation with a great platform to develop our circular business model.

## Performance

Our financial results remained solid in Q2, with strong spare part sales. This was a continuation of the trend from Q1. Our business concept is based on the sale of sustainable and reused products, for which demand is greater than ever.

## Events in Q2

In Q2, we held a CEO conference for all Group companies where we discussed strategies and future projects. This provided us with a clear understanding of our collective view of the future and what our priorities should be. In July, we also published our first Electric Vehicle Management training, Step 1, which teaches us how to safely manage vehicles with high-voltage batteries within the Group. Stage 2 training is under development and is set to be implemented in the autumn. July also saw the premiere of the Swedish Touring Car Championship (STCC), for which Autocirc 2022 is a main partner. Together with our group companies, we invite colleagues and customers to watch these races from front-row seats. We are also very positive about the STCC's initiative to organise a 100% electric touring car championship next year.



## Looking ahead

Although the global operating environment remains turbulent, our organisation has achieved great results, thanks to our amazing colleagues, who now number over 500.

Now is the time to look to the rest of Europe, with the hope of applying our business model to the international market. Our mission is to build the aftermarket company of the future, with full focus on reuse. We are taking a long-term approach and are constantly developing and improving our team and our offering.

Now it's on to the next stage!



[CLICK HERE TO READ OUR ANNUAL REPORT!](#)

**Johan Livered**  
CEO of Autocirc  
Borås, June 2022



(IFRS) Pro forma figures*, mSEK	Q2 2022	Q2 2021	LTM Jun22	FY 2021
Revenue	300	262	1161	1073
Gross Profit	178	162	707	666
Reported EBITDA (IFRS)	33	52	192	204
Adjusted EBITDA** (IFRS)	51	53	217	208
Adjusted EBITDA (%)	17%	20%	19%	19%
Leverage Ratio***			3,7x	

\* The Group is using IFRS reporting standard. The P&L development is monitored on a pro forma basis, meaning that the numbers are based on consolidated result where all entities that are part of the group by the end of the reported period also are included during the full reported period. The acquisition of Trøndelag Bildeler AS in Norway, acquired July 1st is included in the pro forma figures.

\*\* Adjusted EBITDA excludes one time administrative costs in the Group and other non-operating items.

\*\*\* Leverage Ratio calculated according to the terms and condition set forth in the compliance certificate.

# Income statements

## CONSOLIDATED STATEMENTS

kSEK	2022-04-01 2022-06-30	2021-04-01 2021-06-30	2022-01-01 2022-06-30	2021-01-01 2021-06-30	2021-01-01 2021-12-31
<i>Operating income etc.</i>					
Revenue	262 305	98 060	488 361	151 767	432 677
Other operating income/Other income	6 061	14 825	9 670	17 034	19 264
<b>Total operating income etc.</b>	<b>268 366</b>	<b>112 885</b>	<b>498 031</b>	<b>168 801</b>	<b>451 940</b>
<i>Operating expenses</i>					
Raw materials and consumables/Cost of material	-112 707	-47 813	-205 027	-72 424	-204 630
Other external expenses	-64 271	-18 587	-104 317	-41 121	-89 296
Employee benefit expenses	-72 432	-23 342	-128 182	-36 228	-104 426
Depreciation, amortisation and impairment of tangible and intangible fixed assets/non-financial assets	-11 473	-3 496	-18 688	-4 392	-22 452
Other operating expenses/Other expenses	-1 876	-57	-2 111	-163	-4 273
<b>Total operating expenses</b>	<b>-262 759</b>	<b>-93 295</b>	<b>-458 325</b>	<b>-154 328</b>	<b>-425 077</b>
<b>Operating profit</b>	<b>5 607</b>	<b>19 590</b>	<b>39 706</b>	<b>14 473</b>	<b>26 863</b>
<i>Gain (loss) from financial items:</i>					
Finance costs	-16 940	-3 200	-25 085	-7 583	-15 689
Finance income	546	-350	190	138	61
<b>Profit after financial items</b>	<b>-10 787</b>	<b>16 040</b>	<b>14 811</b>	<b>7 028</b>	<b>11 235</b>
Tax expense	-35 259	-1 719	-43 809	-3 392	-12 953
<b>Earnings for the interim period/year</b>	<b>-46 046</b>	<b>14 322</b>	<b>-28 996</b>	<b>3 636</b>	<b>-1 718</b>

# Income statements, continued

## CONSOLIDATED STATEMENTS

kSEK	2022-04-01 2022-06-30	2021-04-01 2021-06-30	2022-01-01 2022-06-30	2021-01-01 2021-06-30	2021-01-01 2021-12-31
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Exchange differences on translating foreign operations	80	4 603	391	-2 322	4 513
<b>Other comprehensive income for the interim period/year, net of tax</b>	<b>80</b>	<b>4 603</b>	<b>391</b>	<b>-2 322</b>	<b>4 513</b>
<b>Total comprehensive income for the interim period/year</b>	<b>-45 966</b>	<b>18 925</b>	<b>-28 605</b>	<b>1 314</b>	<b>2 795</b>
<b>Earning for the interim period/year attributable to:</b>					
Owners of the parent	-46 144	14 358	-28 988	3 598	-1 819
Non-controlling interest	98	-36	-8	38	101
	<b>-46 046</b>	<b>14 322</b>	<b>-28 996</b>	<b>3 636</b>	<b>-1 718</b>
<b>Total comprehensive income for the interim period/year attributable to:</b>					
Owners of the parent	-46 064	18 961	-28 597	1 276	2 694
Non-controlling interest	98	-36	-8	38	101
	<b>-45 966</b>	<b>18 925</b>	<b>-28 605</b>	<b>1 314</b>	<b>2 795</b>

# Balance sheets

## CONSOLIDATED STATEMENTS

kSEK	Note	2022-06-30	2021-06-30	2021-12-31
<b>ASSETS</b>				
<b>Fixed assets</b>				
<b>Intangible fixed assets</b>				
Capitalised expenditure for development and similar work		38 736	2 630	-
Trademarks		-	52	428
Rights to tenancy and similar rights		477	-	-
Goodwill	7	1 012 884	350 778	478 186
<b>Total intangible fixed assets</b>		<b>1 052 097</b>	<b>353 460</b>	<b>478 613</b>
<b>Tangible fixed assets</b>				
Land and buildings		13 999	46 298	3 747
Right of use assets	8	338 294	115 081	196 416
Plant and machinery		31 732	14 814	12 437
Constructions in progress		384		
Equipment, tools, fixtures and fittings		33 718	9 683	17 419
<b>Total tangible fixed assets/PPE</b>		<b>418 127</b>	<b>185 877</b>	<b>230 019</b>
<b>Financial fixed assets</b>				
Other long-term securities		3 452	361	821
Deferred tax assets		220	135	220
Other long-term receivables		1 065	217	512
<b>Total financial fixed assets</b>		<b>4 737</b>	<b>712</b>	<b>1 553</b>
<b>Total fixed assets</b>		<b>1 474 961</b>	<b>540 049</b>	<b>710 186</b>

kSEK	Note	2022-06-30	2021-06-30	2021-12-31
<b>ASSETS, cont.</b>				
<b>Current assets</b>				
<b>Inventories etc.</b>				
Finished products and goods for resale		135 365	76 037	102 841
<b>Total inventories etc</b>		<b>135 365</b>	<b>76 037</b>	<b>102 841</b>
<b>Current receivables</b>				
Trade and other receivables		90 196	36 141	50 821
Contract and other receivables		24 074	4 582	6 119
Prepaid expenses and accrued income		26 746	6 176	9 435
<b>Total current receivables</b>		<b>141 016</b>	<b>46 900</b>	<b>66 375</b>
<b>Short-term investments</b>				
Other short-term investments		18	-	-
<b>Total short-term investments</b>		<b>18</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents</b>		<b>560 751</b>	<b>67 932</b>	<b>89 346</b>
<b>Total current assets</b>		<b>837 150</b>	<b>190 868</b>	<b>258 562</b>
<b>TOTAL ASSETS</b>		<b>2 312 111</b>	<b>730 917</b>	<b>968 748</b>

# Balance sheets, continued

## CONSOLIDATED STATEMENTS

kSEK	Note	2022-06-30	2021-06-30	2021-12-31
<b>EQUITY</b>				
Share capital		516	103	516
Other contributed capital		51 175	53 147	51 175
Reserves		3 616	-3 619	3 225
Earnings brought forward		333 865	92 831	141 020
Earnings for the interim period/year		-28 988	3 598	-1 718
<b>Equity attributable to owners of the parent company</b>		<b>360 184</b>	<b>146 060</b>	<b>194 218</b>
Non-controlling interest		878	830	886
<b>Total equity</b>		<b>361 062</b>	<b>146 890</b>	<b>195 104</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Pensions and other employee obligations		246	-	246
Bond loans		1 000 000	-	-
Liabilities to credit institutions		8 893	201 285	249 584
Lease liabilities	8	326 023	101 800	176 772
Deferred tax liabilities		14 102	2 573	3 505
Other liabilities	11	251 112	166 417	137 230
<b>Total long-term liabilities/Total non-current liabilities</b>		<b>1 600 376</b>	<b>472 075</b>	<b>567 337</b>

kSEK	Note	2022-06-30	2021-06-30	2021-12-31
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft facilities		94 782	31 498	51 696
Liabilities to credit institutions		1 431	1 318	20 637
Lease liabilities	8	23 325	13 692	18 828
Advance payments from customers		4 587	462	2 285
Trade and other payables		60 619	21 909	30 982
Current tax liabilities		44 829	7 796	9 087
Contract and other liabilities		67 159	20 371	34 812
Accrued expenses and deferred income		53 941	14 906	37 980
<b>Total current liabilities</b>		<b>350 673</b>	<b>111 952</b>	<b>206 307</b>
<b>Total liabilities</b>		<b>1 951 049</b>	<b>584 026</b>	<b>773 644</b>
<b>Total equity and liabilities</b>		<b>2 312 111</b>	<b>730 917</b>	<b>968 748</b>

# Consolidated statement of changes in equity

## CONSOLIDATED STATEMENTS

kSEK	Note	Share capital	Other components of equity	Reserves	Retained earnings	Total attributable to owners of parent	Non-controlling interest	Total equity
<b>Opening balance 2021-01-01</b>		<b>103</b>	<b>53 147</b>	<b>-1 289</b>	<b>-2 765</b>	<b>49 196</b>	<b>784</b>	<b>49 980</b>
Dividend					-805	-805		-805
Shareholders' contribution					96 401	96 401		96 401
<b>Transactions with owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>95 596</b>	<b>95 596</b>	<b>-</b>	<b>95 596</b>
Profit/loss for the period					3 598	3 598	38	3 636
Other comprehensive profit/loss for the period				-2 330		-2 330	8	-2 322
<b>Total comprehensive income/(loss) for the period</b>				<b>-2 330</b>	<b>3 598</b>	<b>1 268</b>	<b>46</b>	<b>1 314</b>
<b>Balance at 2021-06-30</b>		<b>103</b>	<b>53 147</b>	<b>-3 619</b>	<b>96 429</b>	<b>146 060</b>	<b>830</b>	<b>146 890</b>
<b>Opening balance at 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					3 598	3 598	38	3 636
Other comprehensive profit/loss for the period				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 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>



# Cash flow statements

## CONSOLIDATED STATEMENTS

kSEK	Note	2022-04-01 2022-06-30	2021-04-01 2021-06-30	2022-01-01 2022-06-30	2021-01-01 2021-06-30	2021-01-01 2021-12-31
<b>Operating activities</b>						
Operating profit		-10 787	16 042	14 811	7 028	11 234
Non-cash adjustment		11 071	-6 169	19 081	-4 909	12 078
Income tax paid		864	-2 295	-8 580	4 710	-1 313
Cash flow from operating activities before changes in working capital		1 148	7 578	25 312	6 829	21 999
<i>Changes in working capital:</i>						
Change in inventories		-3 292	-131	-5 522	-2 722	-15 087
Change in trade and other receivables		-19 558	2 755	-16 238	-1 574	-10 616
Change in trade and other payables		11 567	5 458	9 650	13 963	81 953
<b>Net cash flow from continuing operations</b>		<b>-10 135</b>	<b>15 659</b>	<b>13 202</b>	<b>16 496</b>	<b>78 249</b>
<b>Investing activities</b>						
Acquisition of participations in subsidiaries net of cash acquired		-212 093	-75 171	-621 838	-402 469	-393 082
Disposal of participations in subsidiaries net of cash sold		-	22 393	-	22 293	51 693
Acquisition of intangible fixed assets		-35 240	-1 908	-44 545	-2 644	-7 898
Acquisition of tangible fixed assets		-8 517	-3 682	-121	-9 715	-15 422
Acquisition of financial assets		-329	-	-329	-	-
Disposal of financial assets		-	147	1 089	-	67
<b>Cash flow from investing activities</b>		<b>-256 179</b>	<b>-58 221</b>	<b>-665 744</b>	<b>-392 534</b>	<b>-364 642</b>

# Cash flow statements, continued

## CONSOLIDATED STATEMENTS

kSEK	Note	2022-04-01 2022-06-30	2021-04-01 2021-06-30	2022-01-01 2022-06-30	2021-01-01 2021-06-30	2021-01-01 2021-12-31
<b>Financing activities</b>						
Shareholders' contribution received		66 353	45 001	194 563	96 401	142 329
Dividends paid		-	-805	-	-805	-
New borrowings and lease liabilities		591 175	2 846	884 866	351 953	390 262
Repayment of borrowings and lease liabilities		-	-	-	-	-224 677
Change in bank overdraft facilities		-19 930	20 998	44 518	-20 199	51 308
<b>Cash flow from financing activities</b>		<b>637 598</b>	<b>68 040</b>	<b>1 123 947</b>	<b>427 351</b>	<b>359 221</b>
<b>Cash flow for the period</b>		<b>371 284</b>	<b>25 478</b>	<b>471 405</b>	<b>51 314</b>	<b>72 828</b>
Cash and cash equivalents at the beginning of the period		189 467	42 454	89 346	16 518	16 518
<b>Cash and cash equivalents for continuing operations</b>		<b>560 751</b>	<b>67 932</b>	<b>560 751</b>	<b>67 832</b>	<b>89 346</b>

# Income statements

## AUTOCIRC GROUP AB (publ) UNCONSOLIDATED STATEMENTS

kSEK	Note	2022-04-01 2022-06-30	2021-04-01 2021-06-30	2022-01-01 2022-06-30	2021-01-01 2021-06-30	2021-01-01 2021-12-31
<i>Operating income etc.</i>						
<b>Total operating income etc.</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Operating expenses</i>						
Other external expenses		-28	-	-31	-1	-2
Depreciation, amortisation and impairment of tangible and intangible fixed assets/non-financial assets		-613	-	-613	-	-
Total operating expenses		-641	0	-644	-1	-2
<b>Operating profit</b>		<b>-641</b>	<b>0</b>	<b>-644</b>	<b>-1</b>	<b>-2</b>
<i>Gain (loss) from financial items:</i>						
Other interest income and similar items		1 042	-	1 042	-	-
Interest expense and similar items		-2 250	-	-2 250	-	-
<b>Profit after financial items</b>		<b>-1 849</b>	<b>0</b>	<b>-1 852</b>	<b>-1</b>	<b>-2</b>
<b>Profit/loss and total comprehensive income for the interim period/year</b>		<b>-1 849</b>	<b>0</b>	<b>-1 852</b>	<b>-1</b>	<b>-2</b>

# Balance sheets

## AUTOCIRC GROUP AB (publ) UNCONSOLIDATED STATEMENTS

kSEK	Note	2022-06-30	2021-06-30	2021-12-31
<b>ASSETS</b>				
<b>FIXED ASSETS/NON-CURRENT ASSETS</b>				
<b>Intangible fixed assets/Intangible assets</b>				
Capitalised expenditure for development and similar work		36 137	-	-
<b>Total intangible fixed assets</b>		<b>36 137</b>	<b>0</b>	<b>0</b>
<b>Financial fixed assets/ Financial non-current assets</b>				
Participations in group companies	12	401 392	199 601	245 529
Receivables from group companies		701 576	-	-
<b>Total financial fixed assets/ Financial non-current assets</b>		<b>1 102 968</b>	<b>199 601</b>	<b>245 529</b>
<b>Total fixed assets/ Total non-current assets</b>		<b>1 139 105</b>	<b>199 601</b>	<b>245 529</b>
<b>CURRENT ASSETS</b>				
<b>Current receivables</b>				
Receivables from group companies		25	25	25
Prepaid expenses and accrued income		1 042	-	-
<b>Total current receivables</b>		<b>1 067</b>	<b>25</b>	<b>25</b>
Cash and bank		261 840	-	-
<b>Total current assets</b>		<b>262 907</b>	<b>25</b>	<b>25</b>
<b>TOTAL ASSETS</b>		<b>1 402 012</b>	<b>199 626</b>	<b>245 554</b>

kSEK	Note	2022-06-30	2021-06-30	2021-12-31
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<i>Restricted equity</i>				
Share capital		516	50	516
<b>Total restricted equity</b>		<b>516</b>	<b>50</b>	<b>516</b>
<i>Non-restricted equity</i>				
Share premium		51 175	51 175	51 175
Profit (loss) brought forward	20	349 923	148 401	193 862
Profit (loss) for the year		-1 852	-1	-2
<b>Total non-restricted equity</b>		<b>399 246</b>	<b>199 575</b>	<b>245 035</b>
<b>Total equity</b>		<b>399 762</b>	<b>199 625</b>	<b>245 551</b>
<b>Long-term liabilities/ Non-current liabilities</b>				
Liabilities to credit institutions		1 000 000	-	-
<b>Total long-term liabilities/Total non-current liabilities</b>		<b>1 000 000</b>	<b>0</b>	<b>0</b>
<b>Current liabilities</b>				
Liabilities to group companies		-	1	2
Accrued expenses and deferred income		2 250	-	-
<b>Total current liabilities</b>		<b>2 250</b>	<b>1</b>	<b>2</b>
<b>Total liabilities</b>		<b>1 002 250</b>	<b>1</b>	<b>2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 402 012</b>	<b>199 626</b>	<b>245 554</b>

# Statement of changes in equity

## AUTOCIRC GROUP AB (publ) UNCONSOLIDATED STATEMENTS

kSEK	Share capital	Other components of equity	Accumulated profit or loss	Net profit/loss for the period	Capital employed
<b>Balance at 2021-01-01</b>	<b>50</b>	<b>51 175</b>	<b>52 000</b>		<b>103 225</b>
Shareholders' contribution			96 401		96 401
Profit/loss for the period				-1	-1
<b>Balance at 2021-06-30</b>	<b>50</b>	<b>51 175</b>	<b>148 401</b>	<b>-1</b>	<b>199 625</b>
<b>Opening balance 2022-01-01</b>	<b>516</b>	<b>51 175</b>	<b>193 862</b>	<b>-2</b>	<b>245 551</b>
Diversations			-2	2	-
Shareholders' contribution			156 063		156 063
<b>Balance at 2021-06-30</b>	<b>50</b>	<b>51 175</b>	<b>148 401</b>	<b>-1</b>	<b>199 625</b>
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>156 063</b>	<b>-</b>	<b>156 063</b>
Profit/loss for the period				-1 852	-1 852
<b>Balance at 2022-06-30</b>	<b>516</b>	<b>51 175</b>	<b>349 923</b>	<b>-1 852</b>	<b>399 762</b>

# Cash flow statements

## AUTOCIRC GROUP AB (publ) UNCONSOLIDATED STATEMENTS

kSEK	Note	2022-04-01 2022-06-30	2021-04-01 2021-06-30	2022-01-01 2022-06-30	2021-01-01 2021-06-30	2021-01-01 2021-12-31
<b>Operating activities</b>						
Operating profit		-1 852	-	-1 852	-1	-2
Non-cash adjustment		612	-	612	-	-
Cash flow from operating activities before changes in working capital		-1 240	0	-1 240	-1	-2
<i>Changes in working capital:</i>						
Change in trade and other receivables		-1 042	-	-1 042	-4 900	-
Change in trade and other payables		2 248	-	2 248	1	2
<b>Net cash flow from continuing operations</b>		<b>-34</b>	<b>0</b>	<b>-34</b>	<b>-4 900</b>	<b>0</b>
<b>Investing activities</b>						
Group loan paid		-701 576	-15 001	-701 576	-30 001	-
Acquisition of participations in subsidiaries net of cash acquired		-155 863	-45 001	-155 863	-96 401	-
Acquisition of intangible fixed assets		-36 750	-	-36 750	-	-
Shareholders' contribution paid		-	-	-	-	-142 329
<b>Cash flow from investing activities</b>		<b>-894 189</b>	<b>-60 002</b>	<b>-894 189</b>	<b>-126 402</b>	<b>-142 329</b>
<b>Financing activities</b>						
Shareholders' contribution received		156 063	45 001	156 063	96 401	142 329
New borrowings		1 000 000	15 001	1 000 000	34 901	-
<b>Cash flow from financing activities</b>		<b>1 156 063</b>	<b>60 002</b>	<b>1 156 063</b>	<b>131 302</b>	<b>142 329</b>
<b>Cash flow for the period</b>		<b>261 840</b>	<b>0</b>	<b>261 840</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents at the beginning of the period		-	-	-	-	-
<b>Cash and cash equivalents for continuing operations</b>		<b>261 840</b>	<b>0</b>	<b>261 840</b>	<b>0</b>	<b>0</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 2022 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' with the exception of disclosures in accordance with IFRS 15 where the Group at the moment cannot disaggregate revenue without undue cost and effort. 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 2021.

Autocirc Group AB (publ) is a wholly-owned subsidiary of Autocirc Industuri-utveckling AB, which in turn is owned by Alder II AB. The financial statements for 2021 describes the capital reorganization within the group where Autocirc Group AB (publ) has become the new parent company through a transaction under common control. 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 are unaudited  
The Interim Financial Statements were approved for issue by the Board of Directors on 31 August 2022.

## NOTE 3 New Standards adopted at 1 January 2022

There are no accounting pronouncements which have become effective from 1 January 2022 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 2021, with the addition below.

### *Sale- and leaseback*

Revenue recognition principles are applied to determine whether a sale- and leaseback transaction should be recognized as a sale. When the transactions meet criteria to be seen as a sale, the right of use asset arising from the leaseback transaction is valued at the proportion of the previously recognized value that continues to be retained by the group. Thus, only profit or loss relating to the rights transferred to the buyer/lessor is reported. If the transaction does not meet the criteria to be considered a sale, the seller/lessee continues to recognize the transferred asset without recognizing any gain or loss, and recognizes a liability equal to the transfer proceeds. IFRS 9 is applied when reporting the financial liability. The Group has during the year entered into a number of sale and leaseback transactions regarding acquired real estate. Autocirc has in all cases assessed the transaction as not being a sale.

## 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 2021, except for the assessed incremental borrowing rate with respect to leased assets including leased assets in sale and leaseback-transactions. The Group's incremental borrowing rate for leased assets has increased from average 2,6% to 6,6% as a result of this assessment.

**NOTE 6 Acquisitions**

**Acquisition of 12 companies**

During the period January - June 2022 the group acquired 100% of the equity instruments of 12 companies with businesses in waste management and recycling, thereby obtaining control. The companies are based in Sweden and in Norway. 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.

<b>Purchase price</b>	<b>2022-06-30</b>
Amount settled in cash	527 803
Promissory note loan	41 594
Fair value of contingent consideration	124 541
<b>Total sum</b>	<b>693 938</b>

<b>Recognized amounts of identifiable net assets</b>	<b>2022-06-30</b>
Cash and cash equivalents	83 306
Total non-current assets	59 549
Total current assets	73 425
Deferred tax liabilities	-8 274
Trade and other payables	-68 156
<b>Identifiable Net Assets</b>	<b>139 850</b>

**Goodwill on acquisition** **532 935**

Consideration transferred settled in cash	527 803
Cash and cash equivalents acquired	-83 306
<b>Net cash outflow on acquisition</b>	<b>444 497</b>

Acquisition costs charged to expenses	7 153
<b>Net payment on acquisition</b>	<b>451 650</b>

*Acquisition-related costs*

Acquisition-related costs amounting to SEK 7 153 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 companies incurred a profit (before tax) of SEK 38 012 thousand to the reporting date. Revenue for the months when the companies have been within the group to 31 June 2022 was SEK 137 448 thousand. If the companies had been acquired on 1 Januari 2022, revenue for the Group would have been SEK 531 427 thousand, and profit (before tax) for the year would have increased by SEK 11 913 thousand.

**NOTE 7 Goodwill**

Changes in the carrying amount for goodwill is as follows:

	<b>Group</b>		
	<b>2022-06-30</b>	<b>2021-06-30</b>	<b>2021-12-31</b>
Balance brought forward	478 186	42 345	42 345
Acquisitions through business combinations	532 935	308 433	435 841
Exchange rate differences	1 763	-	-
<b>Balance carried forward</b>	<b>1 012 884</b>	<b>350 778</b>	<b>478 186</b>



**NOTE 8** Right of use assets

The balance sheet of the Group contains the following amounts regarding the group's leasing agreement (kSEK)

	Amount	Remaining term	Group		
			2022-06-30	2021-06-30	2021-12-31
<i>Right use of assets</i>					
Buildings	2	2-20 years	335 338	112 247	194 213
Machinery	2	1-4 years	2 068	1 524	1 368
Vehicles	2	0-3 years	888	1 310	835
<b>Total balance</b>			<b>338 294</b>	<b>115 081</b>	<b>196 416</b>
<i>Lease liabilities</i>					
Long term			326 023	101 800	176 772
Short term			23 325	13 692	18 828
<b>Total balance</b>			<b>349 348</b>	<b>115 492</b>	<b>195 600</b>

Right-of-use assets have added SEK 209 512 thousand through acquisitions during the interim period. The group has made a changed assessment regarding the Group's incremental borrowing rate, see note 5. The adjustment of the incremental borrowing rate has increased cost of interest with appr. SEK 3 million and at the same time decreased the depreciations with appr. SEK 2 million for the interim period 2201-2206. The changed assessment has affected the balance sheet total with SEK -62 million.

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

	2022-04-01 2022-06-30	2021-04-01 2021-06-30	2022-01-01 2022-06-30	2021-01-01 2021-06-30	2021-01-01 2021-12-31
<i>Depreciation of Right of use assets</i>					
Buildings	-5 818	-1 776	-9 891	-2 166	-9 880
Machinery	-163	-98	-280	-199	-310
Vehicles	-203	-156	-397	-272	-592
<i>Other</i>					
Finance charges	-2 427	-2 033	-6 812	-2 637	-2 450
<b>Total amount</b>	<b>-8 611</b>	<b>-4 063</b>	<b>-17 380</b>	<b>-5 274</b>	<b>-13 232</b>

**NOTE 9** Pledged assets and contingent liabilities

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

	Group	
	2022-06-30	2021-12-31
<b>Pledged assets</b>		
Property mortgage	-	2 000
Floating charge	-	35 080
Pledged shares in subsidiaries	336 372	163 770
<b>Amount</b>	<b>336 372</b>	<b>200 850</b>
<b>Contingent liabilities</b>		
Bill of lading guarantee	-	1 500
Bank guarantee	5 450	400
Warranty	-	550
Others	2 956	681
<b>Amount</b>	<b>8 406</b>	<b>3 131</b>

**NOTE 10** 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):

	2022-06-30	2021-06-30	2021-12-31
Sales of goods and services between subsidiaries	12 886	6 045	17 500

**NOTE 11** 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	
	2022-06-30	2021-12-31
<b>Pledged assets</b>		
Earn-outs	266 756	139 040

**NOTE 12** Shares in subsidiary

The parent company holds shares in the following subsidiary:

Name	Corp. Id No	Domicile	Number of shares	Book value	
				2022-06-30	2021-12-31
Autocirc AB	559214-4314	Borås, Sweden	1032	401 392	245 529
				<b>2022-06-30</b>	<b>2021-12-31</b>
Balance brought forward				245 529	103 200
Shareholders' contribution				155 863	142 329
<b>Balance carried forward</b>				<b>401 392</b>	<b>245 529</b>